

Report on State Financial Aid Fund Balances for Fiscal Year 2004 Program Spending

Monthly Report
Based on End of November 2003 Data

Prepared by:
Staff of the Minnesota Higher Education Services Office

December 15, 2003

Fiscal Year 2004
Spending as of November 30, 2003

Summary

The 2003 Minnesota Legislature directed the Higher Education Services Office to evaluate and report monthly on state financial aid expenditures by type to date and unexpended balances. (*Laws of Minnesota for 2003*, Chapter 133, Article 1, Section 2, Subdivision 14). This is the fifth monthly report with Fiscal Year 2004 data. It contains information through November 30, 2003.

State Grant Program

The 2003 Minnesota Legislature appropriated \$140.5 million to the Services Office for the State Grant Program for Fiscal Year 2004. In addition, \$1.3 million is available in federal matching funds through the Leveraging Educational Assistance Program (LEAP) and Special Leveraging Educational Assistance Program (SLEAP) grants.

Through November 30, 2003, MHESO disbursed \$56.9 million in funds to institutions. These institutions reported \$56.7 million in disbursements to students, primarily for the leading summer and fall terms.

State Work Study Program

The 2003 Minnesota Legislature appropriated \$12.4 million for State Work Study for Fiscal Year 2004. As of November 30, 2003, \$6.2 million had been allocated to campuses, and \$3.4 million was paid to students.

Post-Secondary Child Care Grant Program

The 2003 Minnesota Legislature appropriated \$4.7 million for the Post-Secondary Child Care Grant Program for Fiscal Year 2004. As of November 30, 2003, \$2.4 million had been allocated to campuses, and \$1.7 million was paid to students.

Public Safety Officers' Survivors Benefit Program

As part of the State Grant appropriation, the 2003 Minnesota Legislature authorized funding to provide educational benefits to survivors of public safety officers. As of November 30, 2003, \$24,776 had been paid to students.

Tuition Reciprocity Program

The Legislature appropriated to the Services Office for Fiscal Year 2004 \$3.6 million for possible reciprocity payments to Wisconsin and North Dakota. As of November 30, 2003 no funds had been expended.

Minnesota College Savings Plan

The 2003 Legislature appropriated \$1,120,000 for matching grants and administrative expenses for the Minnesota College Savings Plan in Fiscal Year 2004. Customers have until May 1, 2004 to apply for matching grants during Fiscal Year 2004. As of November 30, 2004, \$27,123 had been expended for administrative purposes. \$9,956 had been spent for matching grants.

STATE GRANT PROGRAM

The following table shows the spending status of the State Grant Program as of November 30, 2003.

State Grant Program

FY 2004

	November 30, 2003	Appropriation Summary		
1	Appropriation			\$140,500,000
2	+Federal LEAP Funds			\$579,811
3	+Federal SLEAP Funds			\$706,674
4	Current Available Amount for Grants			\$141,786,485
5	Less: Disbursements to Schools			(\$56,857,992)
6	-Balance forward-Out			\$0
7	-Transfers--Out			\$0
8	Balance on hand- HESO			\$84,928,493
9		Disbursements to Schools	\$56,857,992	
10		Reported Payments to Students:	(\$56,709,415)	
11	Balance on hand- Campuses		\$148,577	\$148,577
12	Total Unexpended Funds			\$85,077,070

Spending by Term

Four data series have been created to track Minnesota State Grant spending in Fiscal Year 2004. Two are shown as year to date values in the table on the previous page:

- HESO advances to schools (line 9)
- Institutions reported payments to students (line 10)

In addition, two data series are being used for tracking purposes:

- Initial Allocated Funds Available for Grants
- Payments accepted by MHESO

“Advances to schools” are based on accounting records maintained by MHESO as part of the state’s accounting system. “Reported payments” are provided by campus financial aid offices at the end of each month and reflect the activity on campus to date. “Payments accepted by MHESO” are determined from the data sent by campus financial aid offices to MHESO. These data have passed a number of quality checks; they are the amounts credited against the disbursements made to each school. By the end of the year, advances and accepted payments must be equal. All three are followed in the tracking process to provide multiple measures of spending to date. The four series are shown on the table below.

Initial Funds, Adjusted Funds, Advances, Reported Spending and Accepted Payments, Fiscal Year 2004					
Month	Initial Allocated Funds Available	Adjusted Allocated Funds Available	Advances to Campuses Cumulative	Reported Spending by Campuses Cumulative	Payments Accepted by HESO Cumulative
July	\$141,786,485		\$1,263,807	\$3,113,975	\$591,172
August	\$141,786,485		\$34,683,891	\$24,064,280	\$15,712,926
September	\$141,786,485		\$48,807,163	\$48,939,837	\$39,439,421
October	\$141,786,485		\$54,527,349	\$54,545,215	\$50,597,137
November	\$141,786,485		\$56,857,992	\$56,709,415	\$54,955,493
December	\$141,786,485				
January	\$141,786,485				
February	\$141,786,485				
March	\$141,786,485				
April	\$141,786,485				
May	\$141,786,485				
June	\$141,786,485				

The tracking of total spending does not provide a complete picture of the status of this account. A more revealing picture is provided by looking at each term, as shown on the following pages.

The initial funds available of \$141,786,485 were allocated across the five terms (Summer 1, Fall, Winter, Spring, and Summer 2) used in administering Minnesota State Grants. The allocated funds available were determined by using the observed distribution of applicant choices in Fiscal Year 2003. The initial allocation will be updated to reflect funds added to the State Grant Program during the year. These adjusted available funds will be distributed across the academic terms using the same pattern as used for the initial allocation.

Allocation of funds by term:

- Summer 1: \$4.1 million
- Fall: \$64.4 million
- Winter: \$5.7 million
- Spring: \$60.5 million
- Summer 2: \$7.1 million

Total \$141.8 million

Summer 1 Term

The flow of the four measures described above for the Summer 1 Term is shown on the table below.

Some additional spending is expected to be reported for Summer 1 Term. To be complete, if students withdraw, partial repayments are made to the State Grant Program if the student receives any tuition and fee refund. Overall, these usually account for about \$1 million over the entire year so these partial payments will have a marginal impact on the spending numbers.

Initial Funds, Adjusted Funds, Advances, Reported Spending and Accepted Payments, Summer 1 Term, Fiscal Year 2004					
Month	Initial Allocated Funds Available	Adjusted Allocated Funds Available	Advances to Campuses Cumulative	Reported Spending by Campuses Cumulative	Payments Accepted by HESO Cumulative
July	\$4,128,460		\$1,263,807	\$1,255,337	\$591,172
August	\$4,128,460		\$2,654,166	\$2,556,962	\$2,071,125
September	\$4,128,460		\$3,337,680	\$3,032,941	\$2,870,147
October	\$4,128,460		\$3,624,059	\$3,459,566	\$3,369,954
November	\$4,128,460		\$3,636,796	\$3,542,746	\$3,415,320
December	\$4,128,460				
January	\$4,128,460				
February	\$4,128,460				
March	\$4,128,460				
April	\$4,128,460				
May	\$4,128,460				
June	\$4,128,460				

Fall Term

The flow of the four measures described above for the Fall Term is shown on the table below.

Some additional spending is expected to be reported for Fall Term. To be complete, if students withdraw, partial repayments are made to the State Grant Program if the student receives any tuition and fee refund. Overall, these usually account for about \$1 million over the entire year so these partial payments will have a marginal impact on the spending numbers.

Initial Funds, Adjusted Funds, Advances, Reported Spending, and Accepted Payments, Fall Term, Fiscal Year 2004					
Month	Initial Allocated Funds Available	Adjusted Allocated Funds Available	Advances to Campuses Cumulative	Reported Spending by Campuses Cumulative	Payments Accepted by HESO Cumulative
July	\$64,401,948		\$0	\$1,858,638	\$0
August	\$64,401,948		\$32,029,725	\$21,507,318	\$13,641,801
September	\$64,401,948		\$45,469,483	\$45,906,896	\$36,567,429
October	\$64,401,948		\$50,903,290	\$51,085,649	\$47,227,183
November	\$64,401,948		\$52,771,196	\$52,613,963	\$51,492,771
December	\$64,401,948				
January	\$64,401,948				
February	\$64,401,948				
March	\$64,401,948				
April	\$64,401,948				
May	\$64,401,948				
June	\$64,401,948				

Winter Term

The flow of the four measures described above for the Winter Term is shown in the table below.

A minor amount of funds has been advanced and disbursed to students for Winter Term. A considerable amount of additional spending is expected. To be complete, if students withdraw, partial repayments are made to the State Grant Program if the student receives any tuition and fee refund. Overall, these usually account for about \$1 million over the entire year so these partial payments will have a marginal impact on the spending numbers.

Initial Finds, Adjusted Funds, Advances, Reported Spending, and Accepted Payments, Winter Term, Fiscal Year 2004					
Month	Initial Allocated Funds Available	Adjusted Allocated Funds Available	Advances to Campuses Cumulative	Reported Spending by Campuses Cumulative	Payments Accepted by HESO Cumulative
July	\$5,653,217		\$0	\$0	\$0
August	\$5,653,217		\$0	\$0	\$0
September	\$5,653,217		\$0	\$0	\$0
October	\$5,653,217		\$0	\$0	\$0
November	\$5,653,217		\$450,000	\$551,840	\$47,402
December	\$5,653,217				
January	\$5,653,217				
February	\$5,653,217				
March	\$5,653,217				
April	\$5,653,217				
May	\$5,653,217				
June	\$5,653,217				

Spring Term

The flow of the four measures described above for the Spring Term is shown on the table below.

No funds have been advanced for Spring Term. Only one school has reported disbursing funds to students for spring term. This school disburses funds on a clock hour system, in which term start dates vary by student. A significant amount of additional spending is expected. To be complete, if students withdraw, partial repayments are made to the State Grant Program if the student receives any tuition and fee refund. Overall, these usually account for about \$1 million over the entire year so these partial payments will have a marginal impact on the spending numbers.

Initial Funds, Adjusted Funds, Advances, Reported Spending, and Accepted Payments, Spring Term, Fiscal Year 2004					
Month	Initial Allocated Funds Available	Adjusted Allocated Funds Available	Advances to Campuses Cumulative	Reported Spending by Campuses Cumulative	Payments Accepted by HESO Cumulative
July	\$60,534,734		\$0	\$0	\$0
August	\$60,534,734		\$0	\$0	\$0
September	\$60,534,734		\$0	\$0	\$0
October	\$60,534,734		\$0	\$0	\$0
November	\$60,534,734		\$0	\$866	\$0
December	\$60,534,734				
January	\$60,534,734				
February	\$60,534,734				
March	\$60,534,734				
April	\$60,534,734				
May	\$60,534,734				
June	\$60,534,734				

Summer 2 Term

The flow of the four measures described above for the Summer 2 Term is shown on the table below.

No funds have been advanced for Summer 2 Term. To be complete, if students withdraw, partial repayments are made to the State Grant Program if the student receives any tuition and fee refund. Overall, these usually account for about \$1 million over the entire year so these partial payments will have a marginal impact on the spending numbers.

Initial Funds, Adjusted Funds, Advances, Reported Spending, and Accepted Payments, Summer 2 Term, Fiscal Year 2004					
Month	Initial Allocated Funds Available	Adjusted Allocated Funds Available	Advances to Campuses Cumulative	Reported Spending by Campuses Cumulative	Payments Accepted by HESO Cumulative
July	\$7,068,126		\$0	\$0	\$0
August	\$7,068,126		\$0	\$0	\$0
September	\$7,068,126		\$0	\$0	\$0
October	\$7,068,126		\$0	\$0	\$0
November	\$7,068,126		\$0	\$0	\$0
December	\$7,068,126				
January	\$7,068,126				
February	\$7,068,126				
March	\$7,068,126				
April	\$7,068,126				
May	\$7,068,126				
June	\$7,068,126				

Work Study

FY 2004

November 30, 2003	Appropriation Summary				
Appropriation			\$12,444,000		
+Balance forward In			\$0		
+Transfers In			\$0		
Amount for Grants			\$12,444,000		
Less: Payments to Schools			(\$6,221,999)		
-Balance forward-Out			\$0		
-Transfers--Out			\$0		
Balance on hand-HESO			\$6,222,001		
	Payments to Schools	\$6,221,999			
	Reported Payments to Students:	(\$3,384,198)			
Balance on hand-Campuses		\$2,837,801	\$2,837,801		
Unexpended Funds			\$9,059,802		
	Expenses				
	Cumulative	Cumulative			
	Payments to	Payments to	Balance on	HESO	Total
Month	Schools	Students	hand at Campus	Balance	Unexpended
July 31, 2003	\$1,866,598	\$8,699	\$1,857,899	\$6,222,001	\$8,079,900
August 31, 2003	\$6,221,999	\$79,940	\$6,142,059	\$6,222,001	\$12,364,060
September 30, 2003	\$6,221,999	\$708,769	\$5,513,230	\$6,222,001	\$11,735,231
October 31, 2003	\$6,221,999	\$2,343,800	\$3,789,199	\$6,222,001	\$10,011,200
November 30, 2003	\$6,221,999	\$3,384,198	\$2,837,801	\$6,222,001	\$9,059,802
December 31, 2003					
January 31, 2004					
February 29, 2004					
March 31, 2004					
April 30, 2004					
May 31, 2004					
June 30, 2004					
July 31, 2004					
August 31, 2004					
September 30, 2004					

Child Care

FY 2004

November 30, 2003	Appropriation Summary				
Appropriation			\$4,743,000		
+Balance forward In			\$0		
+Transfers In			\$0		
Available Amount for Grants			\$4,710,000		
Funds available for HESO Admn			\$33,000		
Less: Disbursements to Schools			(\$2,355,005)		
Less: HESO Expenditures			(\$11,370)		
-Balance forward-Out			\$0		
-Transfers--Out			\$0		
Balance on hand-HESO for Grants			\$2,354,995		
Balance on hand-HESO Admn			\$21,630		
	Disbursements to Schools:	\$2,355,005			
	Payments to Students:	(\$1,713,570)			
Balance on hand-Campuses		\$641,435	\$641,435		
Total Unexpended Funds			\$3,018,060		
	Expenses				
Month	Cumulative Payments to Schools	Cumulative Payments to Students	Balance on Campus	HESO Grant Balance	Grant Dollars Unexpended
July 31, 2003	\$0	\$0	\$0	\$4,710,000	\$4,710,000
August 31, 2003	\$2,355,005	\$49,765	\$2,305,240	\$2,354,995	\$4,660,235
September 30, 2003	\$2,355,005	\$1,263,110	\$1,091,895	\$2,354,995	\$3,446,890
October 31, 2003	\$2,355,005	\$1,540,910	\$814,095	\$2,354,995	\$3,169,090
November 30, 2003	\$2,355,005	\$1,713,570	\$641,435	\$2,354,995	\$2,996,430
December 31, 2003					
January 31, 2004					
February 29, 2004					
March 31, 2004					
April 30, 2004					
May 31, 2004					
June 30, 2004					
July 31, 2004					
August 31, 2004					
September 30, 2004					

Safety Officer Survivors

FY2004

November 30, 2003		Appropriation Summary	
Appropriation			\$75,000
Balance Forward In			\$0
Transfers In			\$0
Current Available Amount for Grants			\$75,000
Payments to Students			(\$24,776)
-Balance forward-Out			\$0
-Transfers--Out			\$0
Balance on hand- HESO			\$50,224
		Expenses	
Month	Cumulative Payments to Students	Balance on hand at HESO	
July 31, 2003	\$0	\$75,000	
August 31, 2003	\$10,129	\$64,871	
September 30, 2003	\$19,639	\$55,361	
October 31, 2003	\$24,776	\$50,224	
November 30, 2003	\$24,776	\$50,224	
December 31, 2003			
January 31, 2004			
February 29, 2004			
March 31, 2004			
April 30, 2004			
May 31, 2004			
June 30, 2004			
July 31, 2004			
August 31, 2004			
September 30, 2004			

Reciprocity

FY2004

November 30, 2003		Appropriation Summary		
Appropriation				\$3,600,000
Balance Forward In				\$0
Transfers In				\$0
Current Available Amount for Grants				\$3,600,000
Payments				\$0
-Balance forward-Out				\$0
-Transfers--Out				\$0
Balance on hand- HESO				\$3,600,000
		Expenses		
Month	Cumulative Disbursements to Wisconsin	Cumulative Disbursements to North Dakota	Balance on hand at HESO	
July 31, 2003	\$0	\$0	\$3,600,000	
August 31, 2003	\$0	\$0	\$3,600,000	
September 30, 2003	\$0	\$0	\$3,600,000	
October 31, 2003	\$0	\$0	\$3,600,000	
November 30, 2003	\$0	\$0	\$3,600,000	
December 31, 2003				
January 31, 2004				
February 29, 2004				
March 31, 2004				
April 30, 2004				
May 31, 2004				
June 30, 2004				
July 31, 2004				
August 31, 2004				
September 30, 2004				

College Savings Plan

FY2004

November 30, 2003	Appropriation Summary		
	HESO Admn Funds	Matching Grants	
Appropriation	\$100,000	\$1,020,000	\$1,120,000
+Balance forward In			\$0
+Transfers In			\$0
Total Funds Available	\$100,000	\$1,020,000	\$1,120,000
Less Expenditures	(\$27,123)	(\$9,956)	(\$37,079)
-Balance forward Out			\$0
-Transfers Out			\$0
Balance on hand- HESO	\$72,877	\$1,010,044	\$1,082,921
Less Encumbered Amount	(\$72,877)	(\$1,010,044)	(\$1,082,921)
Total Unobligated Balance	\$0	\$0	\$0
Total Unexpended Funds			\$1,089,632
Expenses			
Month	Cumulative HESO Funds Expended	Cumulative Matching Grant Funds Expended	Cumulative Total
July 31, 2003	\$4,024	\$2,458	\$6,482
August 31, 2003	\$9,355	\$3,746	\$13,101
September 30, 2003	\$14,650	\$5,699	\$20,349
October 31, 2003	\$21,861	\$8,507	\$30,368
November 30, 2003	\$27,123	\$9,956	\$37,079
December 31, 2003			
January 31, 2004			
February 29, 2004			
March 31, 2004			
April 30, 2004			
May 31, 2004			
June 30, 2004			
July 31, 2004			
August 31, 2004			
September 30, 2004			