



**Author**

**Cheryl Maplethorpe**  
Director of Financial Aid  
Tel: 651-259-3910  
cheryl.maplethorpe@state.mn.us

# Comparing the Minnesota State Grant Program

**Minnesota State Grant Review**

**October 2008**

**Minnesota Office of Higher Education**

1450 Energy Park Drive, Suite 350  
St. Paul, MN 55108-5227  
Tel: 651.642.0567 or 800.657.3866  
TTY Relay: 800.627.3529  
Fax: 651.642.0675  
E-mail: [info@ohe.state.mn.us](mailto:info@ohe.state.mn.us)  
[www.getreadyforcollege.org](http://www.getreadyforcollege.org)  
[www.ohe.state.mn.us](http://www.ohe.state.mn.us)

MINNESOTA  
OFFICE OF  
HIGHER  
EDUCATION

*reach higher*

# Table of Contents

<b>Introduction</b> .....	<b>J-3</b>
<b>National Overview</b> .....	<b>J-4</b>
<b>Minnesota State Grant Program</b> .....	<b>J-4</b>
<b>Grant Award Formulas</b> .....	<b>J-9</b>
Minnesota State Grant Formula .....	J-9
Oregon State Grant Formula.....	J-12
Illinois State Grant Formula.....	J-15
New York State Grant Formula.....	J-18
Vermont State Grant Formula.....	J-21
Wisconsin State Grant Formula .....	J-24
<b>Spending Constraint Mechanisms</b> .....	<b>J-27</b>
<b>Findings</b> .....	<b>J-28</b>

# Introduction

This report compares the Minnesota State Grant program to grant programs in other states. Across the country, state governments use many different tools to enhance college access for students: appropriation of public dollars to institutions, information campaigns, tuition policies, tuition reciprocity, state financial aid programs and other tools. Each state utilizes its own combination of approaches. This report focuses on only one of those tools – state grant programs.

## Specifics of a state grant program

The components of state grant programs may include:

- Its purpose
- Its source of revenue/appropriation
- The state grant award formula
- Spending constraint mechanisms/eligibility criteria
- The delivery system

Comparisons should be made cautiously, acknowledging the different characteristics of each state and the policy goals of state grant programs.

The stated purposes of state-sponsored financial aid programs vary widely. Some are need-based while others are merit-based. Some are designed to keep students in the state, while others are designed to encourage students to major in a specific field. Some are designed to encourage full-time enrollment, while others provide assistance to students who are primarily working. Each state has a different historical mix of policy goals, oftentimes evolving and changing over time.

The source of funds for state grants may also vary widely, ranging from general fund appropriations to dedicated revenue from lottery, gambling or sales taxes to charitable gifts.

Many different approaches are used in awarding state grants, depending upon the funds available the program purpose.

All programs have eligibility criteria and budget variables that serve as spending constrain mechanisms. These constraints may include residency requirements, academic requirements, institution eligibility requirements, maximum awards, maximum appropriations and process constraints such as application deadlines.

## National Overview

The annual survey conducted by the National Association of State Student Grant and Aid Programs released May 2008, indicates states awarded nearly \$9.3 billion in student financial aid (grants, scholarships, loans and work study) in academic year 2006-2007, an increase of 10 percent from the \$8.5 billion awarded in 2005-2006, an increase of about six percent in constant dollar terms. The majority of state aid is in the form of grants. In 2006-2007, states provided \$7.6 billion in grant aid annually including both need- and merit-based aid, an increase of 8.5 percent from the \$7 billion in grant awarded in 2005-2006. Of the grant funds awarded, 72 percent were need-based and 28 percent were non-need based, almost the same percentage as in 2005-2006.

Forty-eight states identified state-funded undergraduate programs with awards based solely on need, and 27 identified programs with awards based only on merit. Exclusively need-based aid constituted 49 percent of all aid to undergraduates. Exclusively merit-based aid accounted for 20 percent of all aid to undergraduates. The remaining 32 percent of all aid was a combination of programs with both need and merit components.

The amount of undergraduate aid awarded in 2006-2007 through programs with a merit component increased to about \$2.76 billion. This compared to \$4.07 billion awarded to undergraduates through programs based only on need. South Carolina, Washington D.C., Indiana, Georgia and New York provided the greatest amount of grant aid on a per capita basis and, along with Kentucky and West Virginia, were the largest providers of aid per capita for the population between ages 18 and 24. South Carolina, Georgia, Kentucky, New York and Tennessee provided the most undergraduate grant dollars compared to undergraduate full-time equivalent enrollment. South Carolina, Indiana, Georgia, Pennsylvania and Vermont had the highest proportion of total expenditures for state-funded grants compared to appropriations for higher education operating expenditures.

## Minnesota State Grant Program

The Minnesota State Grant program is a need-based financial aid program for Minnesota residents attending public and private postsecondary institutions in Minnesota. The program, first established in 1973, awarded \$156 million in gift aid to 80,182 students in fiscal year 2006-2007. The Minnesota State Grant program is based solely on need; however, students must continue to make satisfactory progress toward their degrees or certificates in order to continue to receive the award. Minnesota is one of 33 states allowing students who attend proprietary institutions to receive state grants.

For the 2006-2007 academic year, Minnesota's State Grant program was the 18th largest in the nation when both need-based and non-need based grant aid were considered. The program ranks seventh in the nation in estimated need-based grant dollars per full-time student. Minnesota's State Grant program ranked 13th in the nation in overall grant aid per capita. The state's rank was also 13th in grant dollars awarded per population age 18 through 24.

### Total State Awarded Grant Dollars Per Capita 2006-2007

State	Estimated population	Total Grant Dollars/Population
1 South Carolina	4,321,249	\$63.24
2 Washington DC	581,530	57.89
3 Indiana	6,313,520	52.55
4 Georgia	9,363,941	51.98
5 New York	19,306,183	44.80
6 Kentucky	4,206,074	43.84
7 West Virginia	1,818,470	42.91
8 Tennessee	6,038,803	38.90
9 Pennsylvania	12,440,621	37.67
10 New Mexico	1,954,599	36.48
11 Illinois	12,831,970	34.82
12 New Jersey	8,724,560	32.16
13 Minnesota	5,167,101	31.56

Source: 2006-2007 National Association of State Student Grant and Aid Programs, includes need- and merit-based state gift aid.

Among need-based state Grant programs, Minnesota's is the 11th largest in the country.

### Total Need-Based State Grant 2006-2007

State	Need-Based State Grant in Millions
1 New York	\$843.694
2 California	763.399
3 Pennsylvania	468.319
4 Illinois	418.820
5 Texas	410.916
6 Indiana	322.940
7 New Jersey	249.889
8 Washington	181.824
9 Ohio	177.559
10 North Carolina	170.127
11 Minnesota	162.987

Source: National Association of State Student Grant and Aid Programs

Among need-based state programs, Minnesota ranked seventh in need-based grant dollars per undergraduate full-time student.

### State Need-Based Aid Awarded Per Undergraduate Full-time Equivalent 2006-2007

State	Undergraduate FTE	Total Need-Based Grant Dollars/FTE
1 New York	800,960	\$1,049.27
2 New Jersey	266,377	932.86
3 Pennsylvania	512,715	893.25
4 Illinois	520,619	804.37
5 Washington	240,454	756.11
6 Indiana	260,404	734.91
7 Minnesota	227,926	714.44

Source: National Association of State Student Grant and Aid Programs, Integrated Postsecondary Data System fall enrollment FTE for 2005

When need-based and non need-based grants are considered, Minnesota's State Grant program ranked 10th largest in the percentage of awards per full-time undergraduate student.

**Percentage of Full-Time Equivalent Students  
Receiving State Grants**

State	Number of Awards/FTE
1 Georgia	72.50%
2 Alaska	71.40%
3 Kentucky	63.60%
4 South Carolina	62.90%
5 Nevada	60.70%
6 New Mexico	57.60%
7 Oklahoma	57.60%
8 Florida	46.20%
9 Puerto Rico	44.00%
10 Minnesota	43.70%

Source: National Association of State Student Grant and Aid Programs, 2005-2006

When merit-based state grant programs are eliminated from the list above, Minnesota had the highest need-based average award per student at \$1,947 compared to Alaska at \$1,010, Oklahoma at \$762, and Puerto Rico at \$302.

**Need-Based Expenditure Divided by the Number of Recipients 2006-2007**

State	Number of Awards/FTE	Maximum Award	Number of Award	Expenditure / number of recipients
1 Alaska	71.40%	\$3,000	581	\$1,010
2 Oklahoma	57.60%	\$1,300	26,065	\$762
3 Puerto Rico	44.00%		65,903	\$302
4 Minnesota	43.70%	\$8,372	80,182	\$1,947

Source: National Association of State Student Grant and Aid Programs

Another way to compare state grants is to determine how much the state is spending on the state grant program compared to the operating expenses of the public higher education systems. Minnesota's State Grant is 11.6 percent when compared to the funds the state contributes to the operating expenses of public institutions. That makes Minnesota the 13th highest ratio of state grant expenditure to the total operating expenditure allocated to public higher education institutions.

**State Financial Aid as a Percentage of Higher Education  
Operating Expenses 2006-2007**

<b>State</b>	<b>State Grant as a Percent of Operating Expenses</b>
1 South Carolina	31.80%
2 Indiana	22.80%
3 Georgia	22.10%
4 Pennsylvania	21.80%
5 Vermont	21.50%
6 West Virginia	20.00%
7 Tennessee	18.70%
8 New York	18.00%
9 Illinois	16.00%
10 Kentucky	14.70%
11 New Jersey	14.10%
12 Florida	13.50%
13 Minnesota	11.60%

Source: National Association of State Student Grant and Aid Programs



## Grant Award Formulas

This next section shows comparisons of the state grant for Minnesota, Oregon, Illinois, New York and Vermont. The charts show three family incomes at four-year and two-year public colleges.

### Minnesota State Grant Formula

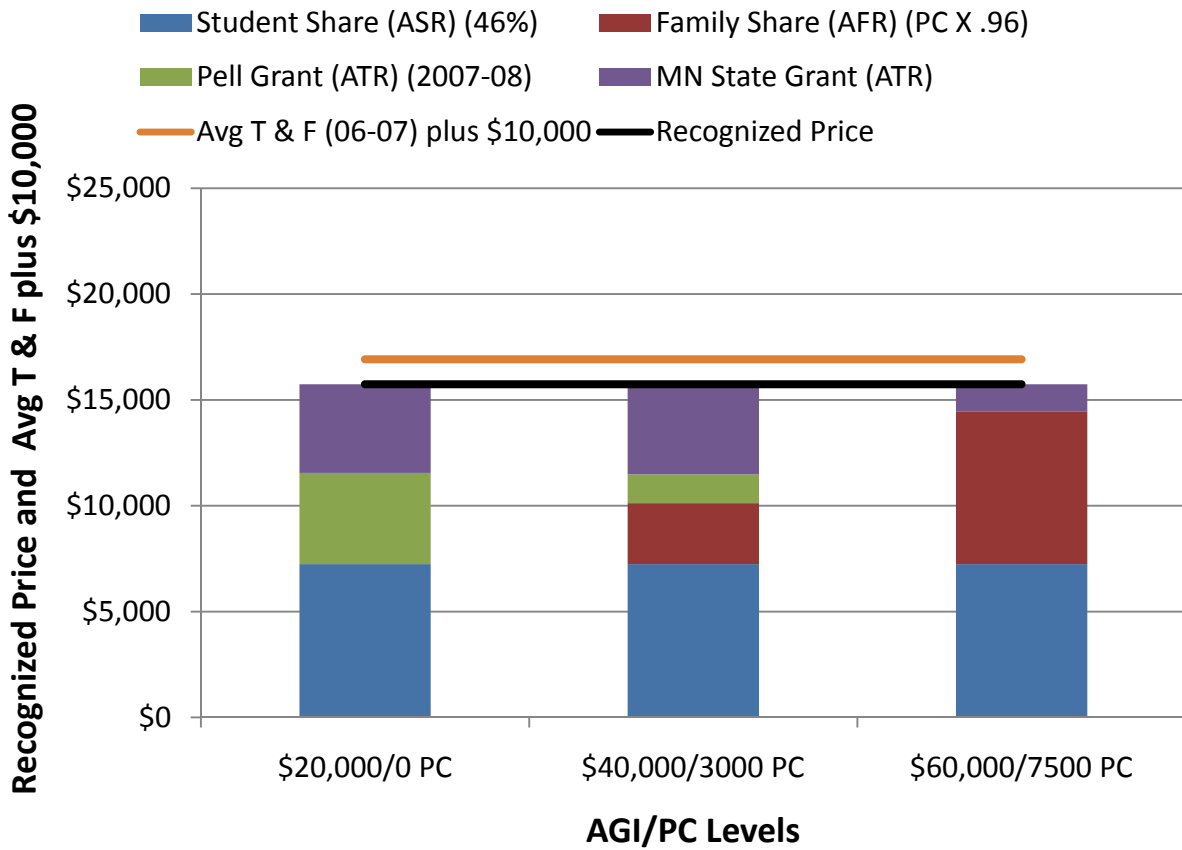
The Minnesota State Grant formula, referred to as the Design for Shared Responsibility, starts by establishing the recognized Cost of Attendance which is the sum of the tuition and fee maximums plus a Living and Miscellaneous Expense amount. The maximum tuitions and the LME are established by the legislature. The next step is to determine how much the students will contribute (the Assigned Student Responsibility). That amount is a percent, also set by the legislature, currently at 46 percent of the cost of attendance.

The second contributor to the student's cost of attendance is the family. The family's assigned responsibility is established by the federal need analysis as modified by the Minnesota Legislature. For instance, for 2007-2008 the "Assigned family responsibility" means the amount of a family's contribution to a student's cost of attendance, as determined by a federal need analysis. For dependent students, the assigned family responsibility is 96 percent of the parental contribution. For independent students with dependents other than a spouse, the assigned family responsibility is 86 percent of the student contribution. For independent students without dependents other than a spouse, the assigned family responsibility is 68 percent of the student contribution. The percentage of reduction is established by the legislature.

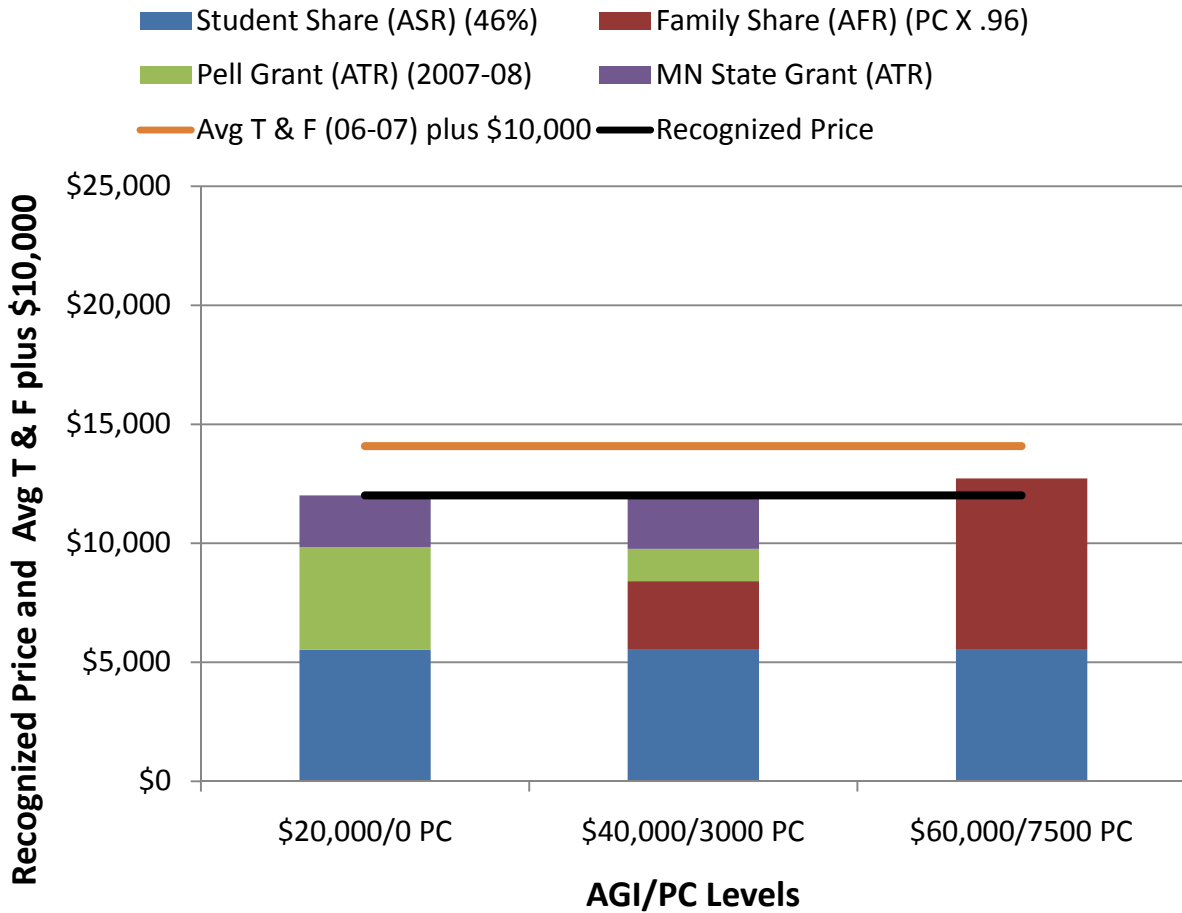
The remaining Cost of Attendance is assigned to the taxpayers. The taxpayer responsibility is handled by the Federal Pell Grant and the State Grant. The cost of attendance not covered by the Assigned Student Responsibility, the Assigned Family Responsibility, and the Federal Pell Grant becomes the responsibility of the Minnesota State Grant Program.

The chart on the following page represents Minnesota's State Grant calculation.

**Minnesota State Grant  
Design for Shared Responsibility  
2007-2008 Dependent Student Attending a Four-Year  
Institution at Varied Levels of AGI/PC**



**Minnesota State Grant  
Design for Shared Responsibility  
2007-2008 Dependent Student Attending a Two-Year  
Institution at Varied Levels of AGI/PC**



**Note:** The budget for the two-year college is smaller than the budget for the four year college and thus the height of the axis on the left is shorter. The black horizontal line represents the recognized Cost of Attendance while the brown line above it represents the tuition and fees plus \$10,000.

## Oregon State Grant Formula

In Fiscal Year 2007-2008, Oregon changed how it calculated its state grant. The Oregon Opportunity Grant was redesigned and patterned after Minnesota's Design for Shared Responsibility. When Oregon made this change, it also increased the state grant funds from \$33 million to \$72 million. It is estimated that the demand may be \$77.1 million this first year.

The calculation starts by establishing the cost of attendance with the average tuition and fees for four-year institutions at \$5,856 and two-year institutions at \$3,176. The non-tuition costs in the cost of attendance are \$10,627 for both two- and four-year colleges.

Once the Cost of Attendance is established, the assigned responsibilities are subtracted for the three parties: the student, the family and the taxpayers. The Assigned Student Responsibility for a community college student is based on 90 percent of a student's earnings at 15 hour/week for 48 weeks at Oregon minimum wage (\$7.95 in 2008, \$8.65 in 2009). The student share for public and private four-year institutions includes an additional \$3,000 because Oregon expects four-year students to take out a \$3,000 loan. For 2008-2009, the student share is \$5,200 for community college students and \$8,200 for students at four-year colleges.

The Assigned Family Responsibility is the family contribution (including the students calculated contribution) multiplied by 1.9. If the Assigned Student Responsibility and the Assigned Family's Responsibility do not cover the Cost of Attendance, the taxpayers are assigned the remaining portion of the cost.

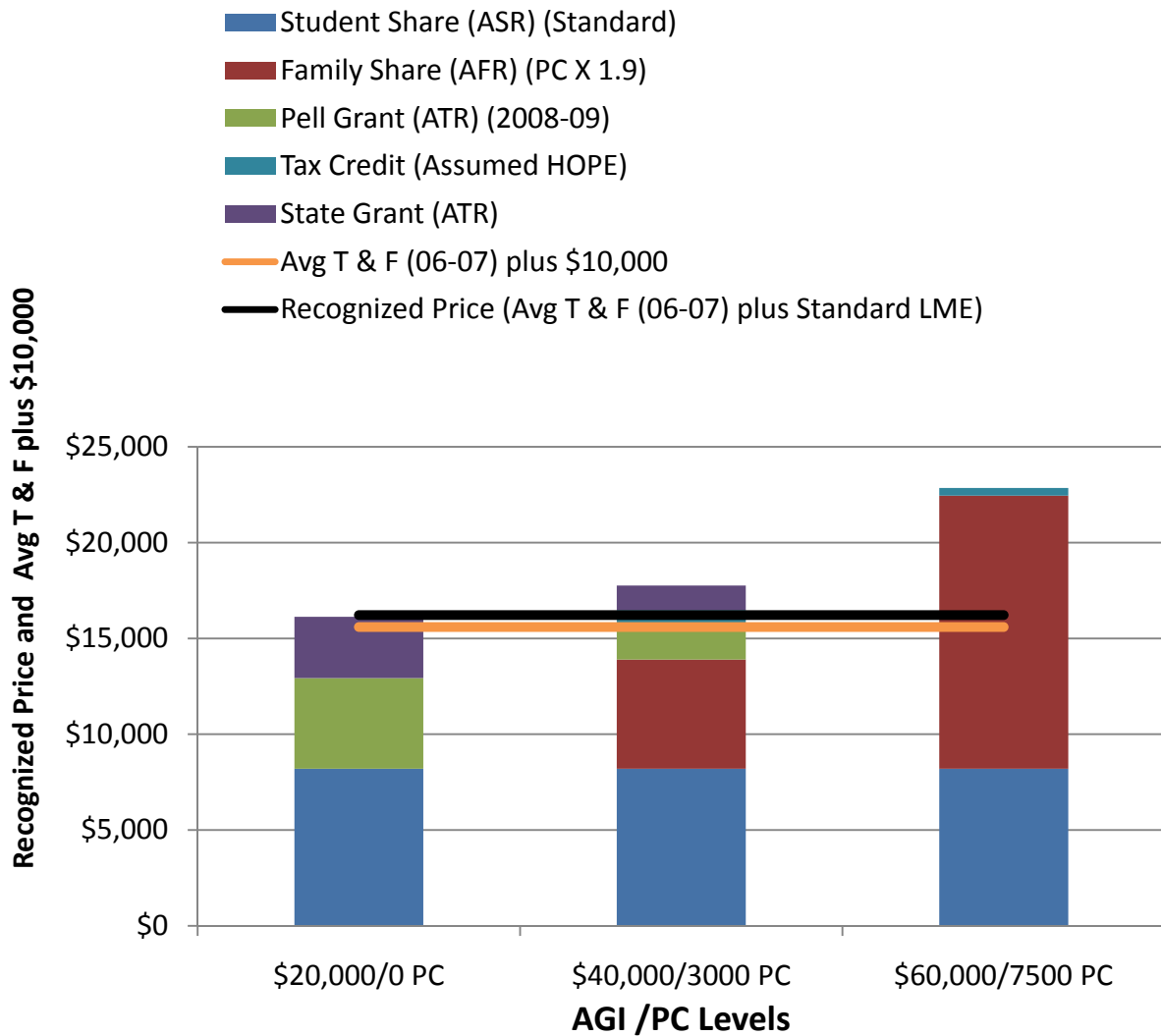
The Assigned Taxpayers Responsibility is shared by three programs: the federal Pell grant, the federal Hope Tax Credit and the Oregon State Grant. Although Oregon can subtract the actual Pell Grant the student will receive, the Hope Tax Credit must be assumed. Oregon calculated the Hope Tax Credit for all students within the family income range eligible for the credit. The Lifetime Learning Tax Credit is not used. The maximum Hope Tax Credit is currently \$1,650.

If there is a remaining Cost of Attendance after the Assigned Student Responsibility, the Assigned Family Responsibility, the Pell Grant and the Hope Tax Credit have been subtracted, then Oregon awards a state grant up to a maximum of \$3,200 for a student at a four-year institution and a maximum of \$2,600 for a student at a two-year institution. These maximum awards are double the award amount before the new Shared Responsibility calculation.

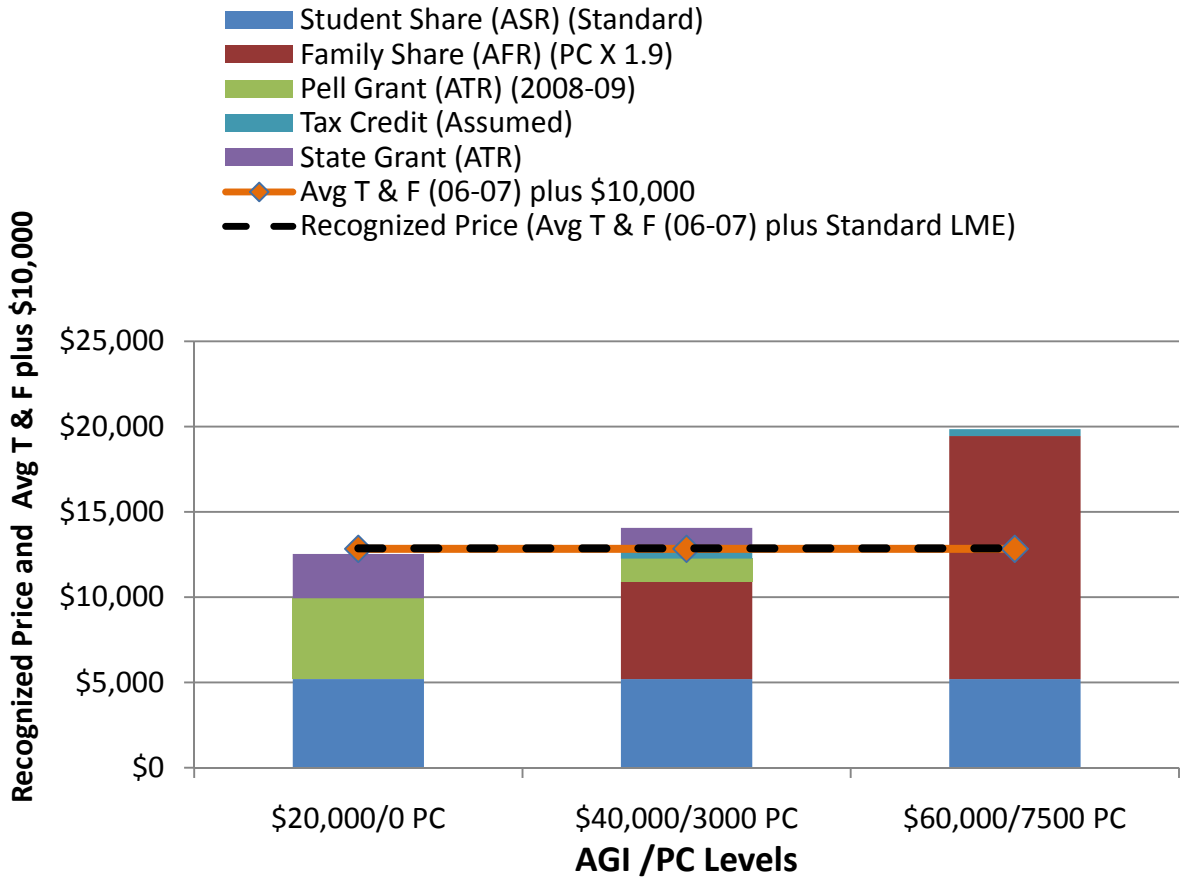
Since the tuition and fees used is based on the average public four-year college tuition and fees, private college students who, under the past Oregon state grant calculation, would have received a higher award are grandfathered in. Oregon does not award students at proprietary institutions.

Grandfathered awards could technically apply to any student whose new Shared Responsibility Model award is lower than the award received last year under the old methodology.

**Oregon State Grant  
Oregon Opportunity Grant  
2008-2009 Dependent Student Attending a Four-Year  
Institution at Varied Levels of AGI/PC**



**Oregon State Grant  
Oregon Opportunity Grant  
2008-2009 Dependent Student Attending a Two-Year  
Institution at Varied Levels of AGI/PC**



## Illinois State Grant Formula

The Illinois State Grant, Monetary Award Program is calculated based on a student budget, which is 2003-2004 tuition and fees (no cap) plus a uniform living allowance of \$4,875 (for academic year 2007-2008), minus an Illinois inflated EFC including a minimum student self-help expectation of \$1,800, minus 80 percent of Pell eligibility. When calculating eligibility, Illinois uses 80 percent of the 03-04 Pell because it corresponds to the 2003-2004 tuition and fees that are also used, even though the student actually receives Pell funds based on 2008-2009 Pell eligibility.

Illinois used to recognize current tuition and fees but in 2004-2005 the state chose not to invest the amount of funds necessary to cover the actual tuition and fees for that year and they have remained at the 2003-2004 tuition and fees ever since. They estimate that recognizing current tuition and fees would cost more than \$50 million at this point.

For academic year 2007-2008, Illinois initial awards are limited to the lesser of the program maximum award of \$4,968, 100 percent of academic year 2003-2004 tuition and fees, or maximum eligibility. A student must have a minimum initial eligibility of \$300 to be considered for an award. No awards are provided to applicants with a federal EFC of \$9,000 or greater. Awards were suspended in August 2008 due to lack of funds.

For example, if the student attended an institution with \$4,000 tuition and had a \$0 federal Expected Family Contribution, Illinois would use a budget of \$8,875, subtract \$1,800 in self-help, subtract about \$3,600 or so for the Pell Grant, and give an award of about \$3,475 depending on rounding.

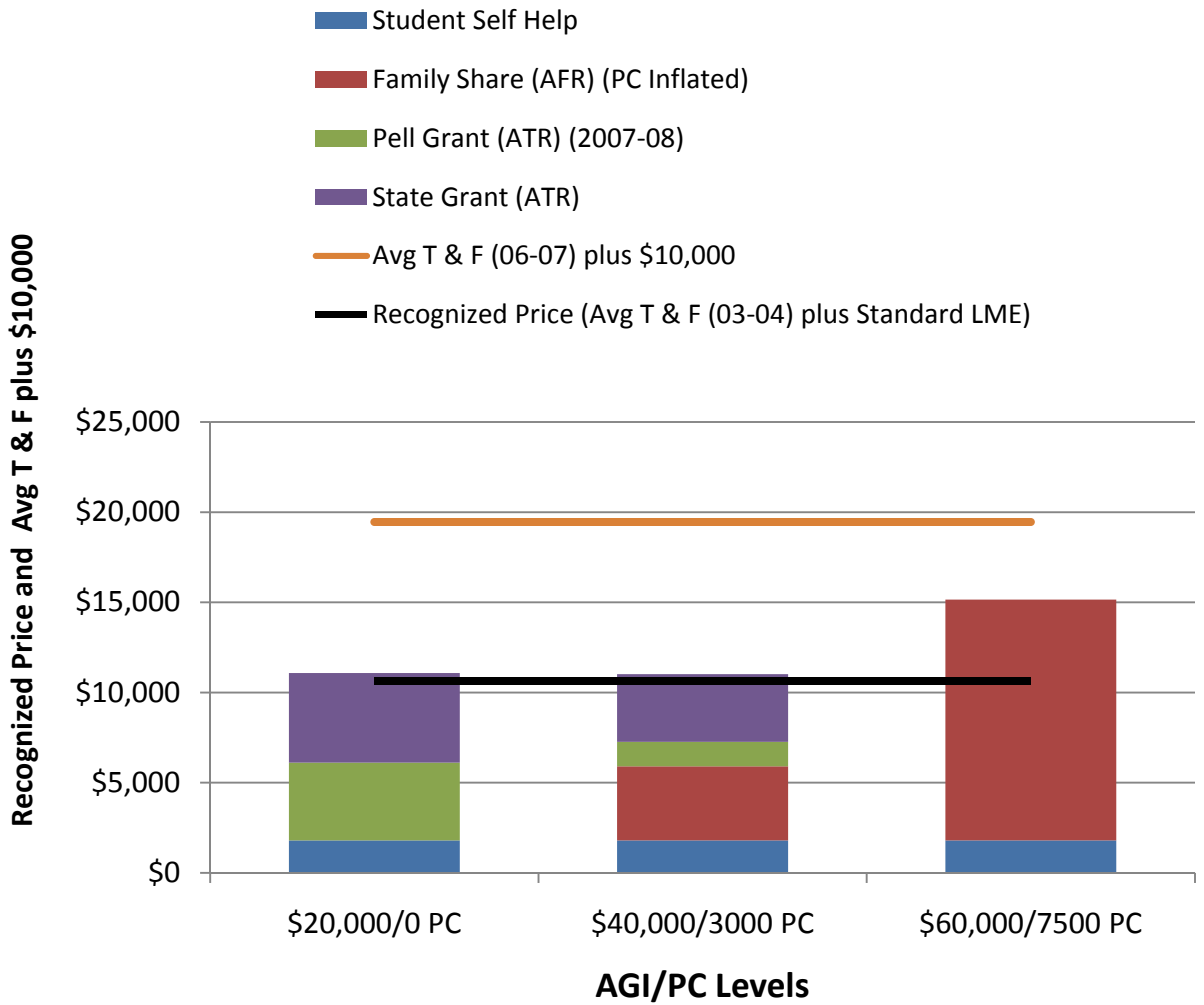
Illinois inflates the Expected Family Contribution by an inflation factor. The following chart is an example of the inflation amounts.

### Illinois Expected Family Contribution Adjustment Factor

<b>EFC</b>	<b>x1.1</b>	<b>Progressive Factor</b>	<b>ISAC Adjustment Factor</b>	<b>Adjusted EFC</b>
\$500	550	0.05	1.15	\$573
1,000	1,100	0.09	1.19	\$1,191
2,000	2,200	0.18	1.28	\$2,564
3,000	3,300	0.27	1.37	\$4,118
4,000	4,400	0.36	1.46	\$5,855
5,000	5,500	0.45	1.55	\$7,773
6,000	6,600	0.55	1.65	\$9,873
7,000	7,700	0.64	1.74	\$12,155
8,000	8,800	0.73	1.83	\$14,618

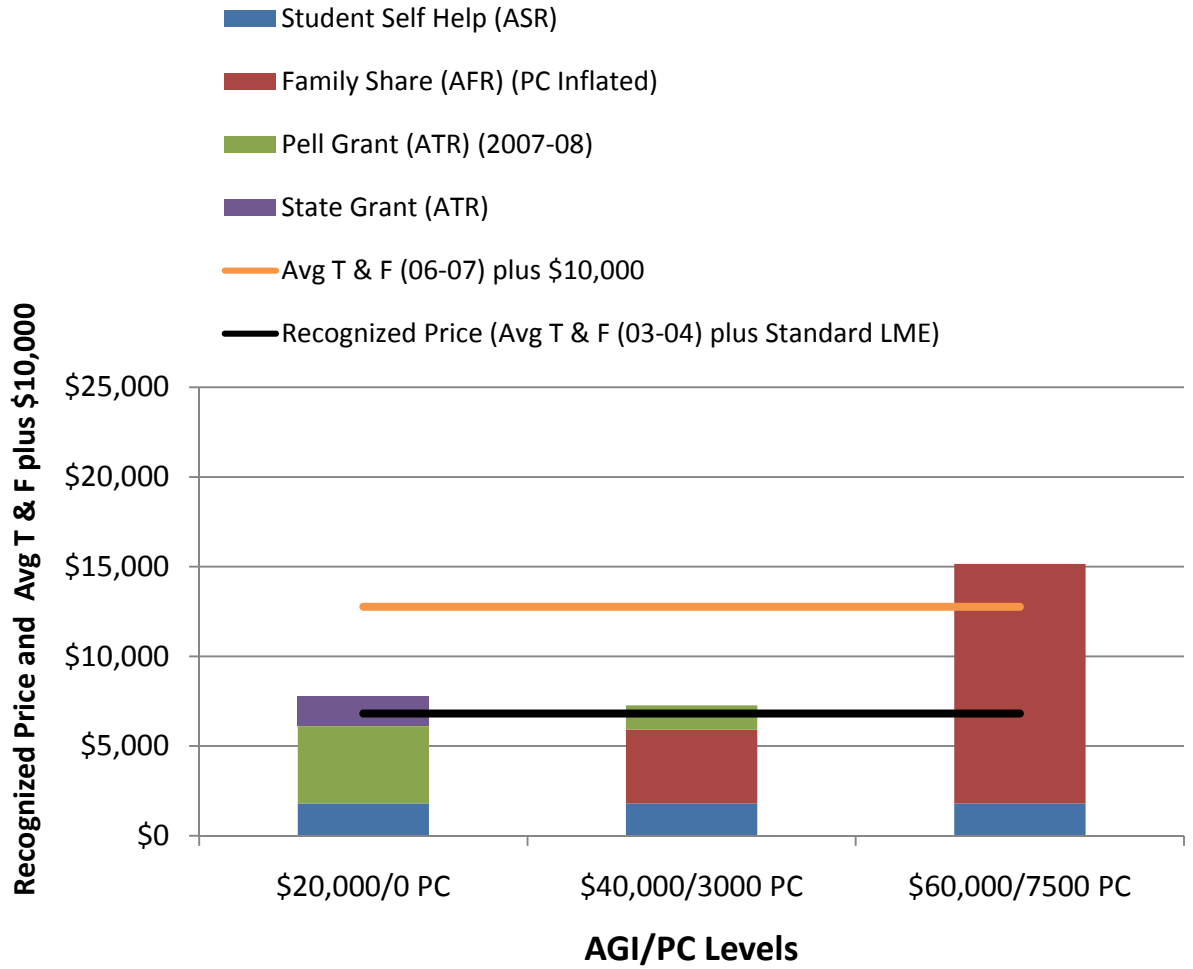
Of the 236,000 eligible students, Illinois is able to award 146,000 students.

### Illinois State Grant Monetary Award Program Grant 2007-2008 Dependent Student Attending a Four-Year Institution at Varied Levels of AGI/PC





## Illinois State Grant Monetary Award Program Grant 2007-2008 Dependent Student Attending a Two-Year Institution at Varied Levels of AGI/PC



## New York State Grant Formula

The New York State Grant, Tuition Assistance Program (TAP), is the tuition minus an amount from a look up chart up to the maximum allowed award. The adjusted gross used is the New York adjusted gross income of the family. According to the state grant officials, the New York adjusted gross income is about \$17,000 less than the federal adjusted gross income. The program is funded as an entitlement so they do not run out of money. In some cases when the program is low on funds, a supplemental appropriation is made. At other times, awards are late as funding is secured during the next legislative session. The program has not been short of funds for the last 15 years.

The following are the tuitions used for this year:

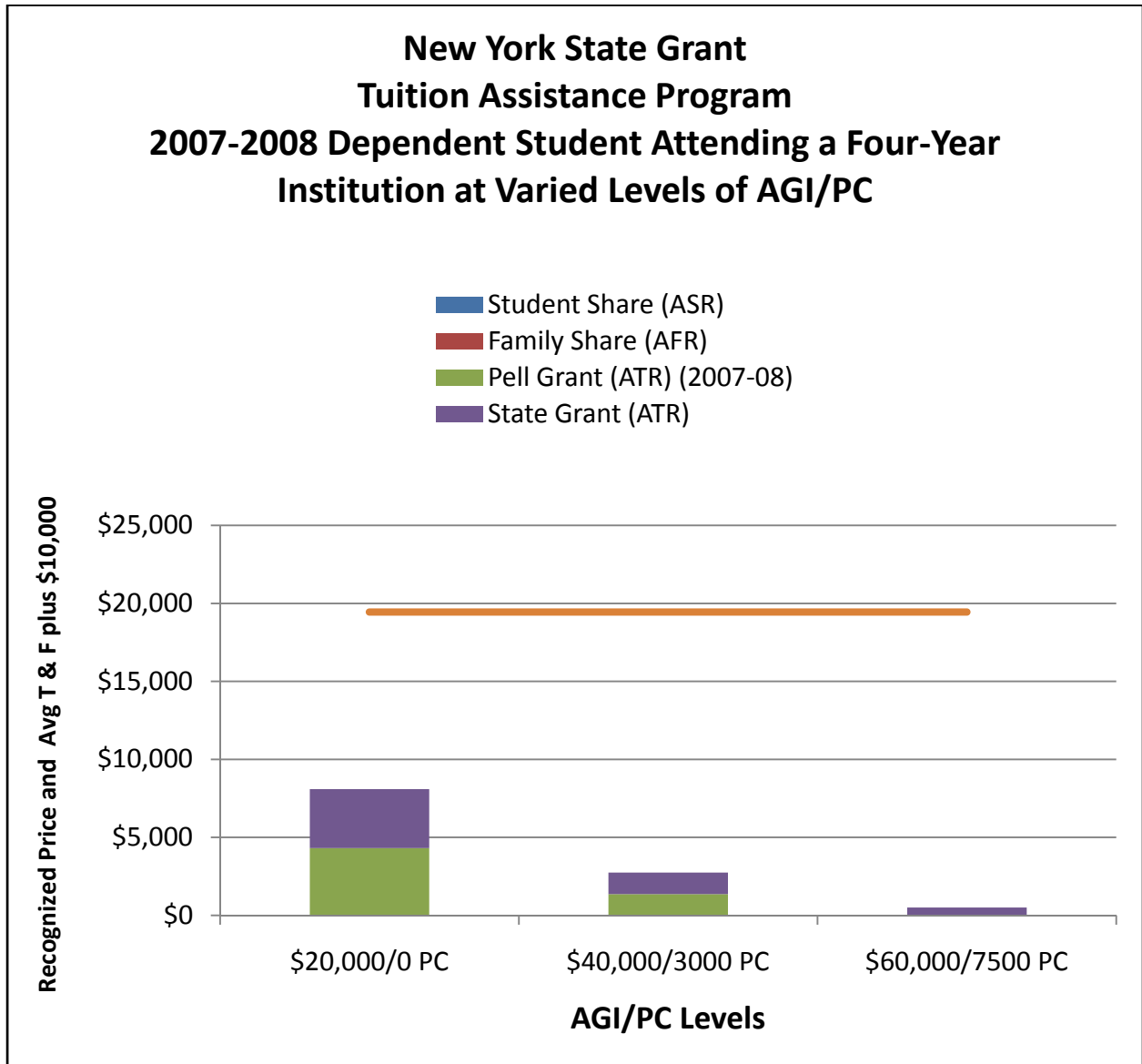
- State University of New York's tuition is \$4,375
- City University of New York's four-year tuition is \$4,000
- City University of New York's community colleges tuition is \$2,800
- State University of New York's community college tuition is variable - about \$3,000

The following is the reduction chart for dependent students:

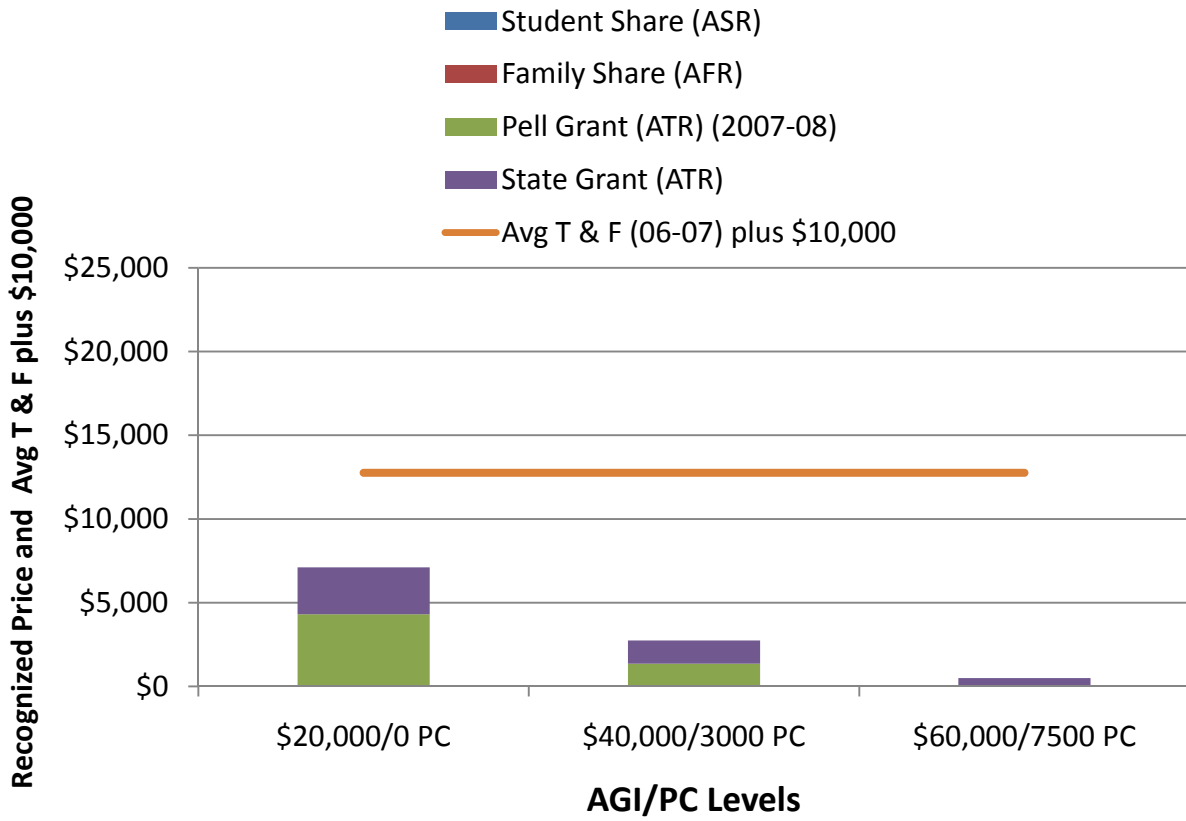
<b>NYS NTI</b>	<b>Tuition Amount</b>	<b>Current Dependent Schedule E Award Amount</b>
\$0	\$5,000	\$5,000
\$7,000	\$5,000	\$5,000
\$10,000	\$5,000	\$4,790
\$15,000	\$5,000	\$4,320
\$20,000	\$5,000	\$3,780
\$25,000	\$5,000	\$3,180
\$30,000	\$5,000	\$2,580
\$35,000	\$5,000	\$1,980
\$40,000	\$5,000	\$1,380
\$45,000	\$5,000	\$780
\$47,337	\$5,000	\$500
\$50,000	\$5,000	\$500
\$55,000	\$5,000	\$500
\$60,000	\$5,000	\$500
\$61,800	\$5,000	\$500
\$65,000	\$5,000	\$500
\$70,000	\$5,000	\$500
\$71,488	\$5,000	\$500
\$80,000	\$5,000	\$500

Every family up to a New York adjusted gross income of \$80,000 is awarded a grant.

The following charts show the New York state grant awards. Since New York does not start with a Cost of Attendance, the black Cost of Attendance line is missing from these charts.



**New York State Grant  
Tuition Assistance Program  
2007-2008 Dependent Student Attending a Two-Year  
Institution at Varied Levels of AGI/PC**



## Vermont State Grant Formula

The Vermont Incentive Grant sets "levels" for each college that students in the applicant pool are attending. Vermont grants are portable. Levels are determined by looking at the cost of the institution, the geographic location (out-of-state levels are capped at Vermont State College level), and a potential dollar increase or decrease in levels from year to year.

There is a rolling cutoff date based on a first-come, first-served model. For the 2007-2008 academic year, the Vermont Incentive Grant program which is for full-time students only, cuts off applications on October 31, 2007. Once the cut off is announced to schools and agencies, applications dwindle so the state agency does not really know what percent of eligible students are funded. They had almost 16,000 applicants in the full-time programs and only 156 of them were tagged as "late".

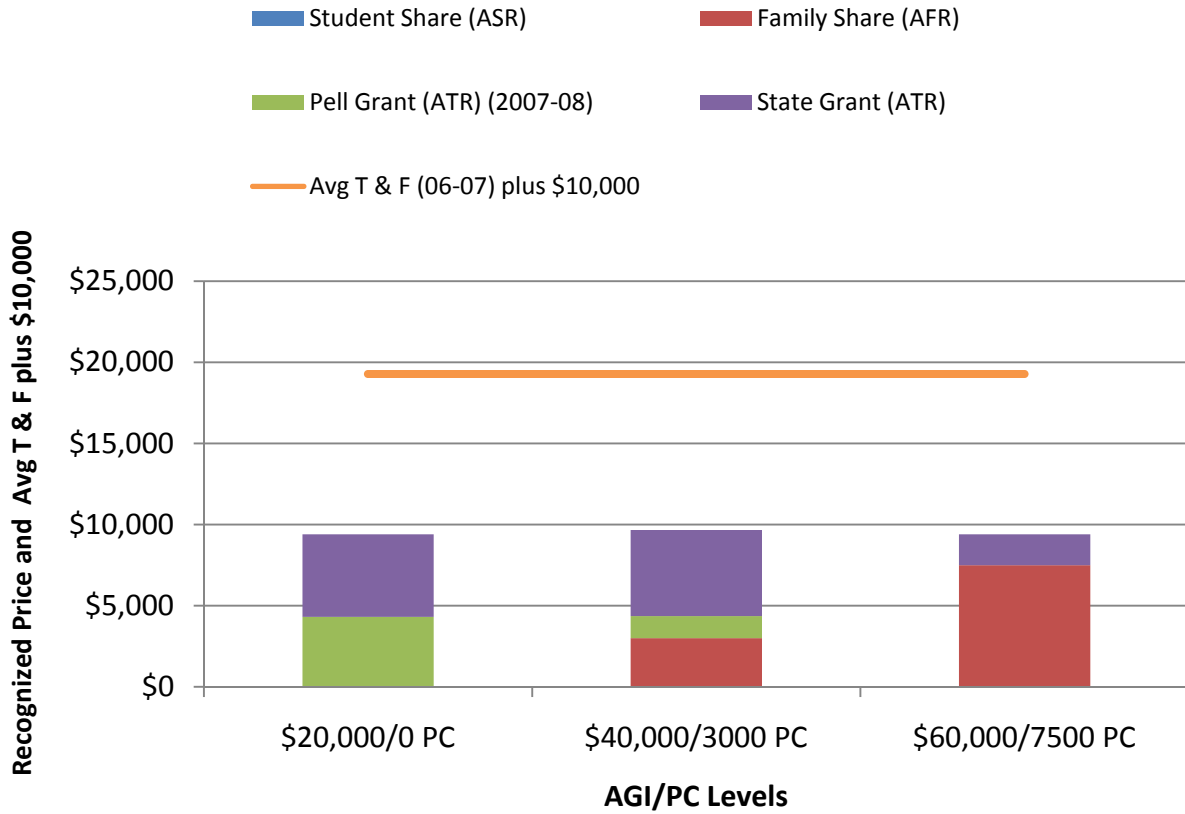
Levels for 2007-2008 were:

- \$5,300 at community colleges
- \$7,250 at state colleges
- \$9,400 at the university
- \$10,600 at the state's most expensive in-state private colleges
- \$7,250 for out-of-state colleges that are at least as expensive as state college system.

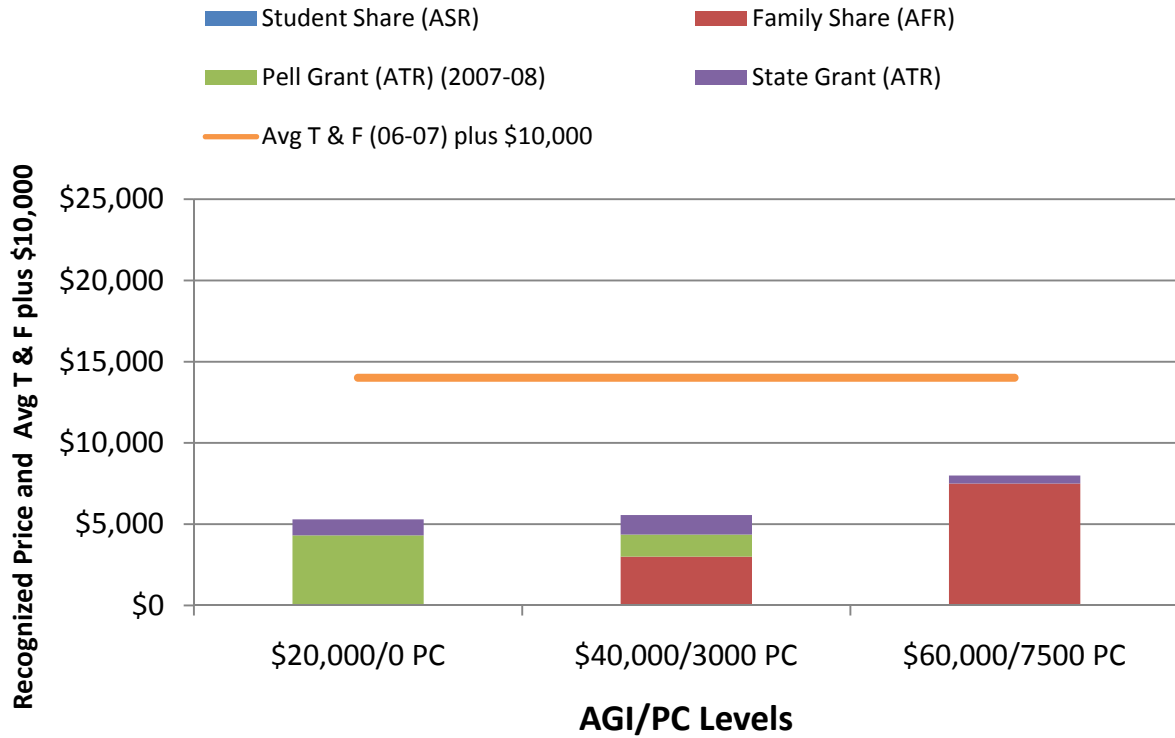
Once levels and family contributions have been determined, there are two calculations that an applicant may be run through. Vermont starts with the level and subtracts the Family Contribution, Pell award and a few other resources such as tuition waivers. The Vermont Incentive Grants range from \$500 to \$10,800 at a high cost Vermont private college.

If students do not qualify for an Incentive Grant, they are considered for a Basic Incentive Grant. These are \$500 awards. If parental contribution or student contribution exceeds \$21,750, the student is not eligible for Vermont State Grant, regardless of need.

**Vermont State Grant  
Vermont Incentive Grant Program  
2007-2008 Dependent Student Attending a Four-Year  
Institution at Varied Levels of AGI/PC**



**Vermont State Grant  
Vermont Incentive Grant Program  
2007-2008 Dependent Student Attending a Four-Year  
Institution at Varied Levels of AGI/PC**



## Wisconsin State Grant Formula

The Wisconsin State Grant program is actually several state grant programs. It was not possible to show the typical award using the graph pattern that was used. Wisconsin has seven different state grants for several different populations of students.

The Wisconsin Higher Education Grant Program provides grant assistance to undergraduate, Wisconsin residents enrolled at least half time in degree or certificate programs at University of Wisconsin, Wisconsin Technical College and Tribal institutions. Awards are based on financial need. Eligibility cannot exceed 10 semesters. The minimum and maximum awards are set annually by the Higher Education Aids Board and may not exceed \$3,000.

**Wisconsin Tuition Grant program** provided \$25 million to 10,073 students attending independent colleges and universities in Fiscal Year 2008. The program provides grant assistance to undergraduate, Wisconsin residents enrolled at least half time in degree or certificate programs at non-profit, independent colleges or universities based in Wisconsin. Awards are based on financial need and partially based on that portion of tuition in excess of University of Wisconsin-Madison tuition. The maximum award amount is established annually by HEAB. The minimum may not be less than \$250. Eligibility cannot exceed 10 semesters.

**Talent Incentive Program Grant** provided \$5.6 million to 4,521 students attending the University of Wisconsin system, Wisconsin Technical Colleges, independent colleges and universities and tribal college in Fiscal Year 2008. The program provides grant assistance to the most financially needy and educationally disadvantaged Wisconsin resident students attending colleges and universities in the state of Wisconsin. First-time freshmen students are nominated for the Grant by the school financial aid offices or by counselors of the Wisconsin Educational Opportunity Programs. An eligible initial recipient must meet at least one of the financial need criteria and at least one of the non-traditional, educationally-disadvantaged criteria.

Criteria include:

1. A dependent student whose expected parent contribution is \$200 or less.
2. An independent student whose academic year contribution is \$200 or less.
3. TANF or W2 Benefits
  - a. A dependent student whose family is receiving TANF or W2 benefits.
  - b. An independent student who is receiving TANF or W2 benefits.
4. Unemployment
5. A dependent student whose parent(s) are ineligible for unemployment compensation and has/have no current income from employment.
  - a. An independent student (and spouse, if married) who is/are ineligible for unemployment compensation and has/have no current income from employment.



6. The student is:
  - a. African-American;
  - b. Hispanic, defined as a person of any race whose ancestors originated in Mexico, Puerto Rico, Cuba, Central America or South America or whose culture or origin is Spanish;
  - c. Southeast Asian, defined as a person who is admitted to the United States after December 31, 1975, and who either is a former citizen of Laos, Vietnam or Cambodia or whose ancestor was or is a citizen of Laos, Vietnam or Cambodia (this definition includes Hmong); or
  - d. Native American.
7. The student is or will be enrolled in a special academic support program due to insufficient academic preparation.
8. The student is a first-generation postsecondary student (neither parent graduated from a four-year college or university).
9. The student is handicapped.
10. The student is currently or was formerly incarcerated in a correctional institution.
11. The student's environmental or academic background is such that it deters the pursuit of educational plans.

To continue to receive the TIP Grant, students must be enrolled consecutive terms and continue to show financial need. Eligibility cannot exceed 10 semesters. Funding for the TIP Grant is provided by both the state of Wisconsin and the federal government.

**Indian Student Assistance Grant** awarded \$764,000 to 847 recipients in Fiscal Year 2008. Awards under this program are made to Wisconsin residents who are at least 25 percent Native American and are undergraduate or graduate students enrolled in degree or certificate programs at University of Wisconsin, Wisconsin Technical College, independent colleges and universities, tribal colleges or proprietary institutions based in Wisconsin. Awards are based on financial need with a limit of 10 semesters of eligibility. HEAB has an informal matching arrangement with grant funds awarded by the Federal Bureau of Indian Affairs and Wisconsin Tribal governments.

**Minority Undergraduate Retention Grant** awarded \$752,000 to 792 students attending Wisconsin technical colleges, independent colleges and universities and tribal colleges in Fiscal Year 2008. Awards under this program are made to Wisconsin resident minority undergraduates, excluding first-year students, enrolled at least half time. According to the statutes, a minority student is defined as a student who is either an African American; American Indian; Hispanic; or Southeast Asian from Laos, Cambodia, or Vietnam admitted to the U.S. after December 31, 1975. Awards are based on financial need with a maximum grant of \$2,500 per year for up to eight semesters or 12 quarters.

**Academic Excellence Scholarships** awarded \$3.2 million to 2,923 students attending the University of Wisconsin, technical colleges and independent colleges and universities in Fiscal Year 2008 awarded to Wisconsin high school seniors who have the highest grade point average in each public and private high school throughout the state of Wisconsin. The number of scholarships each high school is eligible for is based on total student enrollment. In order to receive a scholarship, a student must be enrolled on a full-time basis by September 30 of the year following the academic year in which he or she was designated as a scholar. The value of the scholarship is \$2,250 per year, to be applied towards tuition. Half of the scholarship is funded by the state, while the other half is matched by the institution.

<b>High School Enrollment</b>	<b>No. of Scholarships</b>
1-79	Compete statewide for 10 scholarships
80-499	1
500-999	2
1,000-1,499	3
1,500-1,999	4
2,000-2,499	5
Over 2,500	6

# Spending Constraint Mechanisms

State grant programs across the country use varying methods to control and constrain spending. In addition to the spending constraint levers inherent in the state grant formulas, eligibility criteria, budgeting limitations and deadlines can also be used to constrain spending. Some common eligibility criteria include:

- State residency
- Full-time only (Most states define a full-time student for purposes of their state grant as a student who registers for 12 credits per semester. Minnesota defines full-time as 15 credits. Forty-five states have at least one state financial aid program that allows part-time student to receive an award. Some of these programs are separate grant programs).
- Only recent high school graduates
- Only students at certain institutions
- Maximum on the cost of the budget considered

## Deadlines

Deadlines vary widely for applying for State Grants. Minnesota's State Grant deadline is 30 days after the beginning of each term; typically the end of September for a fall semester start. Minnesota has one of the more generous deadlines. Following is a list of the financial aid application deadlines used in 2007-08, shown in relationship to the first day families can complete the FAFSA. The FAFSA was available for submission beginning January 1, 2007 for the 2007-08 academic year.

**February 15** (45 days from Jan. 1) CT

**March 1** (60 days from Jan. 1) ID, IN, MD, MI, MT, RI, TN, WV, CA

**March 15** (75 days from Jan. 1) DE, KY, NC, ND

**March 30** (90 days from Jan. 1) OK, AK, KS, MO

**May 1** (120 days from Jan. 1) MA, ME, NH, PA, FL

**June 1** (150 days from Jan. 1) NJ, DC, SC, IA, AR, LA

**August/September** (200+ Days from Jan. 1) IL, MS, MN (MN deadline is 30 days from start of term)

**October 1 or later** OH, AZ

**In the following states the deadline is set by the college**

AL, AS, CO, FM, GA, GU, HI, MH, MP, NE, NM, NV, OR, PW, SD, TX, UT, VA, VT, WA, WI, WY

## Findings

- Unlike most states, Minnesota tries to assign all the costs of college up to the full recognized price of attendance. Getting the price right is important.
- Not funding the full cost of education leaves the remaining cost implicitly up to the student and the family to fund
- Not considering the living cost implicitly leaves that expense up to the student and family.
- Many states don't fully fund their state grant program. They are content to simply run out of funds which make the program unpredictable and thus unreliable for students and families.
- Minnesota had a generous application deadline compared to other states.