

Senate Higher Education Committee

Impact of SF2483-4A State Grant Parameter Changes

(all dollars in thousands)

	State Grant Program			Base North Star Promise		
	FY 2026	FY 2027	FY 2026-27	FY 2026	FY 2027	FY 2026-27
Revenues	277,326	305,597	554,652	56,304	63,002	105,804
Base appropriation	225,066	225,066	450,132	49,500	49,500	99,000
Appropriation increase proposed in SF2483-4A	52,260	52,260	104,520	-	-	-
Carryforward balance in	-	28,271	-	6,804	13,502	6,804
Expenses	249,055	280,680	529,735	42,802	45,149	87,951
<i>Projected spending based on parameters currently in statute ¹</i>	<i>305,694</i>	<i>339,504</i>	<i>645,198</i>	<i>35,331</i>	<i>37,351</i>	<i>72,682</i>
<i>Estimated impact of parameter changes proposed in SF2483-4A</i>	<i>(56,639)</i>	<i>(58,824)</i>	<i>(115,463)</i>	<i>7,471</i>	<i>7,798</i>	<i>15,269</i>
Decrease LME allowance to 110% of federal poverty guidelines	(17,188)	(18,019)	(35,207)	2,803	2,900	5,703
Change application deadline to 30th day of the academic term	(1,946)	(2,195)	(4,141)	609	685	1,294
Increase AFR for dependent students to 90% of parent contribution	(14,332)	(15,385)	(29,717)	2,713	2,803	5,516
Set parent contributions below -\$1,500 to -\$1,500 ²	(4,373)	(4,425)	(8,798)	346	410	756
Decrease maximum credits of state grant receipt to 120 ³	(18,800)	(18,800)	(37,600)	1,000	1,000	2,000
Net Balance	28,271	24,917	24,917	13,502	17,853	17,853

¹ The FY2026 state grant program projected spending amount removes the rationing measures included in the Minnesota State Grant Projections Report.

² The minimum federal Student Aid Index and student contribution values are -\$1,500, while the federal parent contribution value does not have a minimum.

³ These estimates were developed outside of the standard state grant projections model using partial-year FY2025 enrollment and financial aid data.

