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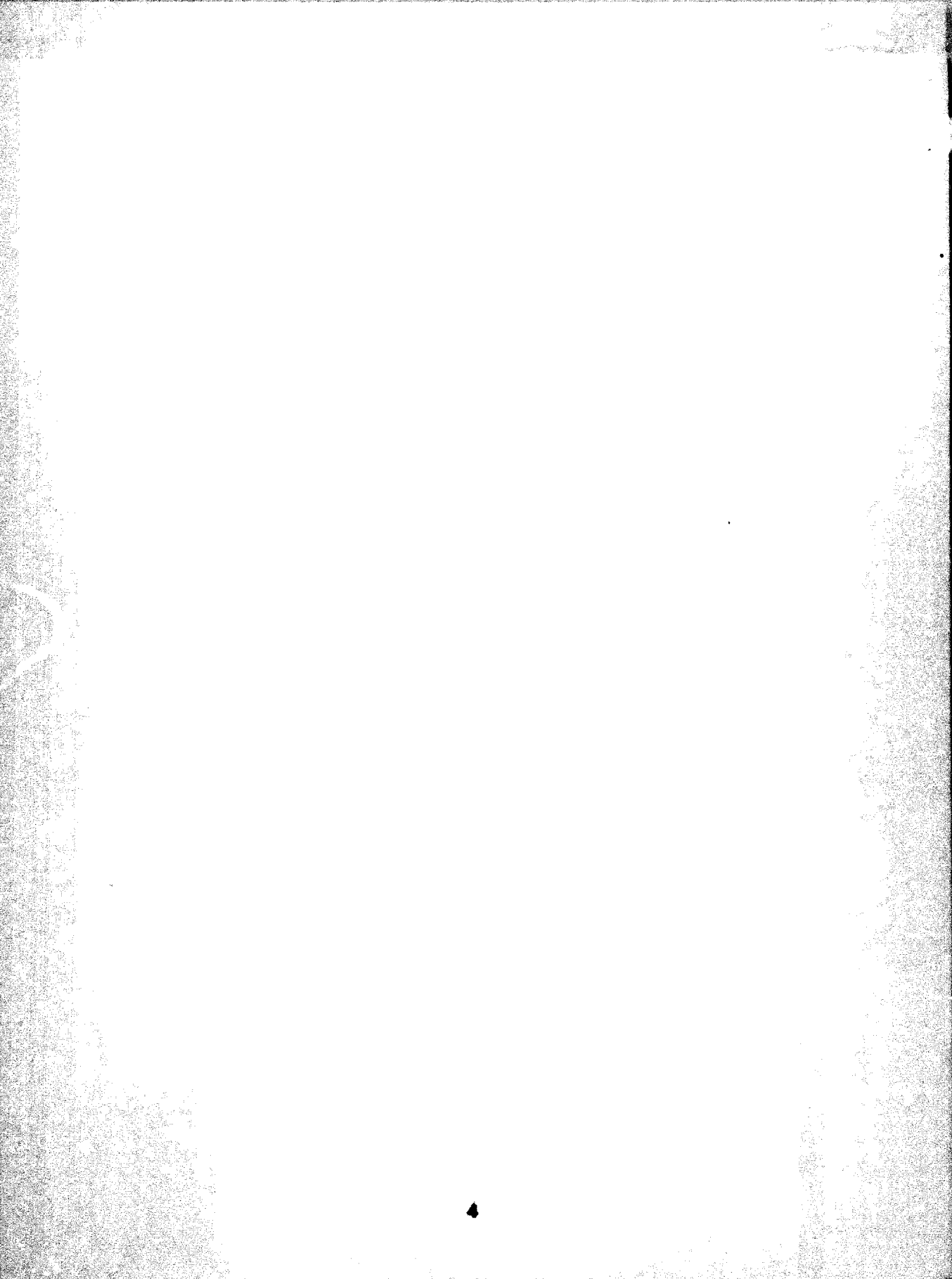
Report on State Financial Aid Fund Balances for Fiscal Year 2003 Program Spending

**Prepared by:
Staff of the Minnesota Higher Education Services Office**



December 2, 2002

**Fiscal Year 2003
Spending as of October 31, 2002**



Summary

State Grant Program

This report shows a snapshot of state financial aid fund balances. Spending for the State Grant Program is based on data through October 31, 2002. Several variables could affect spending and should be watched closely in the future. Monitoring and reporting State Grant financial aid balances will assist in assessing financial aid spending for Fiscal Year 2003 as well as planning for the 2004-2005 biennium.

The data for Fiscal Year 2003 through October 31, 2002 for one summer term and fall term indicate that reported State Grant spending by campuses slightly exceeds allocated funds available. Updates will be provided monthly and in subsequent quarterly reports.

Several variables could continue to affect future spending patterns significantly. These variables include:

- Post-secondary institutions will continue to make disbursements throughout the 2002-2003 aid year.
- The actual tuition and fee increases for Fiscal Year 2003 are higher than those assumed in the appropriation for the year.
- Minnesota post-secondary enrollments are up 5.8 percent in fall 2002;
- the declining economy could affect family incomes for students applying in Fiscal Year 2003; Assigned Family Responsibilities may be lower, thus increasing demand for the State Grant funds.

State Work Study Program

As of October 31, 2002, there are no State Work Study funds because they have been moved to the State Grant Program.

Post-Secondary Child Care Grant Program

The Post-Secondary Child Care Grant Program has been reduced to \$1.1 million as of October 31, 2002. All funds have been allocated to institutions, and more than \$1 million paid to students.

Summer Scholarships for Academic Enrichment Program

The 2002 Legislature reduced the program funds for Fiscal Year 2002 to \$200,000. These funds will not be spent until the summer of 2003.

Public Safety Officers' Survivors Benefit Program

All eligible students have been paid for the current term.

Youthworks Post Service Benefits Program

All students eligible for this program have exceeded the time limit for using these funds; therefore, \$140,223.08 was returned to the General Fund earlier this year. There are no funds in this program.

Tuition Reciprocity Program

For academic year 2001-2002, Wisconsin's net state financial obligation to Minnesota was \$20,895,355, and Minnesota's net state financial obligation to Wisconsin was \$20,592,614. The difference in the two net state financial obligations resulted in Wisconsin owing Minnesota \$302,741, due in Fiscal Year 2003. Financial obligations for academic year 2001-2002 in the Minnesota/North Dakota agreement have not been finalized. Minnesota has paid \$306,375 from Fiscal Year 2002 for academic year 2001-2002, and it is projected that Minnesota will owe North Dakota less than \$100,000 in an additional payment for academic year 2001-2002 in Fiscal Year 2003.

Minnesota College Savings Plan

The Minnesota College Savings Plan began in September 2001. Customers have until the end of the fourth quarter of calendar year 2002 to make contributions and apply for a matching grant. Funds appear to be adequate at this time.

STATE GRANT PROGRAM

The following table shows the current spending status of the State Grant Program as of October 31, 2002.

State Grant Program - Summary Information FY2003 as of October 31, 2002				
1	31-Oct-2002			
2	Appropriation			\$117,265,000
3	+Balance forward-in			\$582,400
4	+Transfer-in from Reciprocity			\$3,000,000
5	+Transfer-in from Child Care			\$3,610,000
6	+Transfer-in from Work Study			\$12,444,000
7	Transfer of Summer Scholarships			\$75,000
8	Transfer of National Service Schol			\$125,000
9	Transfer of AP/IB			\$75,000
10	Laws 2002 Chapter 220			\$2,995,000
11	Funds Transferred to FY2002			\$(9,800,000)
12	Sub-Total Funds Available for Grants			\$130,371,400
13	+Prior Year Refunds			\$162,203
14	+Federal LEAP Funds			\$579,811
15	+Federal SLEAP Funds			\$715,100
16	Current Available Amount for Grants			\$131,828,514
17	Less: Disbursements to Schools			\$(62,622,675)
18	-Balance forward-Out			\$0
19	-Transfers-Out			\$0
20	Balance on hand- HESO			\$69,205,839
21		Disbursements to Schools	\$62,622,474	
22		Reported Payments to Students:	\$(63,000,579)	
23	Balance on hand- Campuses		(\$377,905)	\$377,905
24	Total Unexpended Funds			\$69,583,744

Spending by Term

Four data series have been created to track Minnesota State Grant spending in Fiscal Year 2003. Three are shown as year to date values in the table on the previous page:

- Initial Allocated Funds Available for Grants (line 2)
- HESO advances to schools (line 17)
- Institutions reported payments to students (line 22)

In addition, a fourth data series is being used for tracking purposes:

- 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 2003					
Month	Initial Allocated Funds Available	Adjusted Allocated Funds Available	Advances to Campuses	Reported Spending by Campuses	Payments Accepted by HESO
July	\$131,828,514	\$131,828,514	\$5,226,979	\$3,993,222	\$2,466,815
August	\$131,828,514	\$131,828,514	\$32,972,514	\$33,285,264	\$7,964,629
September	\$131,828,514	\$131,828,514	\$53,591,207	\$57,368,367	\$48,363,775
October	\$131,828,514	\$131,828,514	\$62,822,474	\$63,000,579	\$60,162,481
November	\$131,828,514	\$131,828,514			
December	\$131,828,514	\$131,828,514			
January	\$131,828,514	\$131,828,514			
February	\$131,828,514	\$131,828,514			
March	\$131,828,514	\$131,828,514			
April	\$131,828,514	\$131,828,514			
May	\$131,828,514	\$131,828,514			
June	\$131,828,514	\$131,828,514			

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 \$131.1 million were allocated across the five terms (Summer 1, Fall, Winter, Spring, and Summer 2) used in administering Minnesota State Grants. The allocated funds available was determined by using the observed distribution of applicant choices in Fiscal Year 2002.

- Summer 1: \$4 million
- Fall: \$58.2 million
- Winter: \$5.6 million
- Spring: \$55.7 million
- Summer 2: \$8.3 million

Summer 1 Term

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

Additional spending is expected to be reported for Summer 1 Term. Minnesota enables students to apply after the term has started, and many of these applicants will be picked up in subsequent reports. Also, some applicants do not provide all of the necessary information in the initial application, and they have not been processed yet. These, too, are expected to appear in future reports. 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 2003					
Month	Initial Allocated Funds Available	Adjusted Allocated Funds Available	Advances to Campuses	Reported Spending by Campuses	Payments Accepted by HESO
July	\$3,981,221	\$3,981,221	\$911,246	\$1,147,087	\$723,058
August	\$3,981,221	\$3,981,221	\$3,194,133	\$3,146,516	\$2,441,515
September	\$3,981,221	\$3,981,221	\$3,849,103	\$4,472,819	\$3,209,997
October	\$3,981,221	\$3,981,221	\$4,419,427	\$4,591,618	\$4,064,405
November	\$3,981,221	\$3,981,221			
December	\$3,981,221	\$3,981,221			
January	\$3,981,221	\$3,981,221			
February	\$3,981,221	\$3,981,221			
March	\$3,981,221	\$3,981,221			
April	\$3,981,221	\$3,981,221			
May	\$3,981,221	\$3,981,221			
June	\$3,981,221	\$3,981,221			

Fall Term

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

Additional spending is expected to be reported for Fall Term. Minnesota enables students to apply after the term has started, and many of these applicants will be picked up in subsequent reports. Also, some applicants do not provide all of the necessary information in the initial application, and they have not been processed yet. These, too, are expected to appear in future reports. 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 2003					
Month	Initial Allocated Funds Available	Adjusted Allocated Funds Available	Advances to Campuses	Reported Spending by Campuses	Payments Accepted by HESO
July	\$58,228,655	\$58,228,655	\$4,315,733	\$2,846,135	\$1,733,757
August	\$58,228,655	\$58,228,655	\$29,778,381	\$30,118,748	\$5,523,114
September	\$58,228,655	\$58,228,655	\$49,742,104	\$52,895,548	\$45,153,778
October	\$58,228,655	\$58,228,655	\$58,178,221	\$58,408,961	\$56,095,501
November	\$58,228,655	\$58,228,655			
December	\$58,228,655	\$58,228,655			
January	\$58,228,655	\$58,228,655			
February	\$58,228,655	\$58,228,655			
March	\$58,228,655	\$58,228,655			
April	\$58,228,655	\$58,228,655			
May	\$58,228,655	\$58,228,655			
June	\$58,228,655	\$58,228,655			

Winter Term

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

Additional spending is expected to be reported for Winter Term. Minnesota enables students to apply after the term has started, and many of these applicants will be picked up in subsequent reports. Also, some applicants do not provide all of the necessary information in the initial application, and they have not been processed yet. These, too, are expected to appear in future reports. 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 2003					
Month	Initial Allocated Funds Available	Adjusted Allocated Funds Available	Advances to Campuses	Reported Spending by Campuses	Payments Accepted by HESO
July	\$5,576,346	\$5,576,346			
August	\$5,576,346	\$5,576,346			
September	\$5,576,346	\$5,576,346			
October	\$5,576,346	\$5,576,346			
November	\$5,576,346	\$5,576,346			
December	\$5,576,346	\$5,576,346			
January	\$5,576,346	\$5,576,346			
February	\$5,576,346	\$5,576,346			
March	\$5,576,346	\$5,576,346			
April	\$5,576,346	\$5,576,346			
May	\$5,576,346	\$5,576,346			
June	\$5,576,346	\$5,576,346			

Spring Term

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

Additional spending is expected to be reported for Spring Term. Minnesota enables students to apply after the term has started, and many of these applicants will be picked up in subsequent reports. Also, some applicants do not provide all of the necessary information in the initial application, and they have not been processed yet. These, too, are expected to appear in future reports. 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 2003					
Month	Initial Allocated Funds Available	Adjusted Allocated Funds Available	Advances to Campuses	Reported Spending by Campuses	Payments Accepted by HESO
July	\$55,737,095	\$55,737,095			
August	\$55,737,095	\$55,737,095			
September	\$55,737,095	\$55,737,095			
October	\$55,737,095	\$55,737,095	\$24,826		\$2,575
November	\$55,737,095	\$55,737,095			
December	\$55,737,095	\$55,737,095			
January	\$55,737,095	\$55,737,095			
February	\$55,737,095	\$55,737,095			
March	\$55,737,095	\$55,737,095			
April	\$55,737,095	\$55,737,095			
May	\$55,737,095	\$55,737,095			
June	\$55,737,095	\$55,737,095			

Summer 2 Term

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

Additional spending is expected to be reported for Summer 2 Term. Minnesota enables students to apply after the term has started, and many of these applicants will be picked up in subsequent reports. Also, some applicants do not provide all the necessary information in the initial application, and they have not been processed yet. These, too, are expected to appear in future reports. 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 2003					
Month	Initial Allocated Funds Available	Adjusted Allocated Funds Available	Advances to Campuses	Reported Spending by Campuses	Payments Accepted by HESO
July	\$8,305,197	\$8,305,197			
August	\$8,305,197	\$8,305,197			
September	\$8,305,197	\$8,305,197			
October	\$8,305,197	\$8,305,197			
November	\$8,305,197	\$8,305,197			
December	\$8,305,197	\$8,305,197			
January	\$8,305,197	\$8,305,197			
February	\$8,305,197	\$8,305,197			
March	\$8,305,197	\$8,305,197			
April	\$8,305,197	\$8,305,197			
May	\$8,305,197	\$8,305,197			
June	\$8,305,197	\$8,305,197			

STATE WORK STUDY PROGRAM

State Work Study Program Summary Information FY2003 as of October 31, 2002			
31-Oct-2002			
Appropriation			\$12,444,000
Balance forward-In			\$0
Transfers-In			\$0
Prior Year Refunds			\$7,369
Total Funds Available for Grants			\$12,451,369
Less: Disbursements to Schools			\$0
Balance forward-Out			\$0
Transfer-Out to State Grants			\$(12,444,000)
Balance on hand- HESO			\$7,369
	Disbursements to Schools	\$0	
	Less: payments to Students	\$0	
Balance on hand- Campuses		\$0	\$0
Total Unexpended Funds			\$7,369

State Work Study Expenditures for Fiscal Year 2003

Month	Disbursements to Schools	Payments to students	Balance on hand at campuses	Balance on hand at HESO	Total Unexpended Funds
July 2002	\$0	\$0	\$0	\$0	\$0
August 2002	\$0	\$0	\$0	\$0	\$0
September 2002	\$0	\$0	\$0	\$0	\$0
October 2002	\$0	\$0	\$0	\$0	\$0
November 2002					
December 2002					
January 2003					
February 2003					
March 2003					
April 2003					
May 2003					
June 2003					
July 2003					
August 2003					
September 2003					

POST-SECONDARY CHILD CARE PROGRAM

Post-Secondary Child Care Program FY2003 as of October 31, 2002			
37560			
Appropriation			\$4,743,000
Balance forward-In			\$0
Transfers-In			\$0
Total Funds Available for Grants			\$4,710,000
Funds available for HESO Admn			\$33,000
Less: Disbursements to Schools			\$(1,093,609)
Less: HESO Expenditures			\$(9,065)
Balance forward-Out			\$0
Transfers-Out			\$(3,610,000)
Balance on hand- HESO			\$30,326
	Disbursements to Schools	\$1,093,609	
	Less payments to Students	\$(1,048,214)	
Balance on hand- Campuses		\$45,395	\$45,395
Total Unexpended Funds			\$75,721

Post Secondary Child Care Program Expenditures for Fiscal Year 2003

Month	Disbursements to Schools	Payments to students	Balance on hand at campuses	Balance on hand at HESO	Total Unexpended Funds
July 2002					
August 2002					
September 2002	\$1,100,000	\$352,035	\$747,965	\$28,834	\$776,799
October 2002	\$1,096,693	\$940,796	\$155,897	\$29,381	\$185,278
November 2002	\$1,093,609	\$1,048,214	\$45,395	\$30,326	\$75,721
December 2002					
January 2003					
February 2003					
March 2003					
April 2003					
May 2003					
June 2003					
July 2003					
August 2003					
September 2003					

SUMMER SCHOLARSHIPS

Summer Scholarship Program Summary Information FY2003 as of October 31, 2002			
31-Oct-2002			
Appropriation			\$275,000
Balance forward-In			\$0
Transfers-In			\$0
+Prior Year Refunds			\$11,084
Total Funds Available for Grants			\$286,084
Transferred to State Grants			\$(75,000)
Less: Disbursements to Students			\$0
Balance forward-Out			\$0
Transfers-Out			\$0

Summer Scholarship Program Expenditures for Fiscal Year 2003

Month	Disbursements to Schools	Payments to students
31-Jul-2002	\$0	\$0
31-Aug-2002	\$0	\$0
30-Sep-2002	\$0	\$0
31-Oct-2002	\$0	\$0
30-Nov-2002		
31-Dec-2002		
31-Jan-2003		
28-Feb-2003		
31-Mar-2003		
30-Apr-2003		
31-May-2003		
30-Jun-2003		
31-Jul-2003		
31-Aug-2003		
30-Sep-2003		

PUBLIC SAFETY OFFICERS PROGRAM

Public Safety Officers' Survivors Benefit Program Summary Information FY2003 as of October 31, 2002			
31-Oct-2002			
Appropriation			\$40,000
Balance forward-in			\$0
Transfers-in			\$0
Total Funds Available for Grants			\$40,000
Less: Disbursements to Students			\$(27,672)
Balance forward-Out			\$0
Transfers-Out			\$0
Total Unexpended Funds			\$12,328

Public Safety Officer's Survivors Program Expenditures for Fiscal Year 2003

Month	Disbursements to Schools	Payments to students
31-Jul-2002		
31-Aug-2002	\$4,990	\$4,990
30-Sep-2002	\$16,684	\$16,684
31-Oct-2002	\$27,672	\$27,672
30-Nov-2002		
31-Dec-2002		
31-Jan-2003		
28-Feb-2003		
31-Mar-2003		
30-Apr-2003		
31-May-2003		
30-Jun-2003		
31-Jul-2003		
31-Aug-2003		
30-Sep-2003		

Youth Works Post-Service Benefits

Youthworks Post Service Benefits Program			
Summary Information FY2003 as of October 31, 2002			
31-Oct-2002	Early Intervention	Youth Works Grants	Total
Appropriation			
Balance forward-In	\$845	\$139,304	\$140,239
Transfers-In	\$0	\$0	\$0
Less: Disbursements to Students		\$(16)	\$(16)
Less: Disbursements for Early Intervention	\$0		\$0
Cancellation	\$(845)	\$(139,378)	\$(140,223)
Balance forward-Out			\$0
Transfers-Out			\$0
Total Unexpended Funds	\$0	\$0	\$0
Balance available for Early Intervention			
Balance forward - Out			
Transfers - Out			
Total Unexpended Funds			

Youth Works Post Service Benefits Program Expenditures for Fiscal Year 2003

Month	Disbursements to Schools	Payments to students	Balance on hand at campuses	Balance on hand at HESO	Total Unexpended Funds
July 2002					
August 2002					
September 2002					
October 2002					
November 2002					
December 2002					
January 2003					
February 2003					
March 2003					
April 2003					
May 2003					
June 2003					
July 2003					
August 2003					
September 2003					

TUITION RECIPROCITY PROGRAMS

Reciprocity Payments		
Summary Information FY2003 as of October 31, 2002		
31-Oct-2002		
Appropriation		\$5,250,000
Balance forward-In		\$0
Transfers-In		\$0
Total Funds Available		\$5,250,000
Payments		\$0
Reductions		(\$1,000,000)
Balance forward-Out		\$0
Transfers Out to State Grants		(\$3,000,000)
Cancellation		\$0
Balance		\$1,250,000

Interstate Tuition Reciprocity Program Expenditures for Fiscal Year 2003

Month	Disbursements to Wisconsin	Disbursements to North Dakota	Balance on hand at HESO	Total Unexpended Funds
July 2002				
August 2002				
September 2002				
October 2002				
November 2002				
December 2002				
January 2003				
February 2003				
March 2003				
April 2003				
May 2003				
June 2003				
July 2003				
August 2003				
September 2003				

MINNESOTA COLLEGE SAVINGS PLAN

Minnesota College Savings Plan Payments Summary Information FY2003 as of October 31, 2002			
31-Oct-2002	HESO Admn Funds	Matching Grants	Total
Appropriation	\$100,000	\$1,420,000	\$1,520,000
Balance forward-In		\$0	\$0
Transfers-In		\$0	\$0
Reduction		\$(900,000)	\$(900,000)
Total Funds Available	\$100,000	\$520,000	\$620,000
Less Expenditures	\$(17,793)	\$(645)	\$(18,438)
Balance	\$82,207	\$519,355	\$601,562
Balance forward-Out			\$0
Transfers-Out to State Grants			\$0
Balance on hand- HESO	\$82,207	\$519,355	\$601,562
Less Encumbered Amount	\$(82,207)	\$(519,355)	\$(601,562)
Total Unobligated Balance	\$0	\$0	\$0

College Savings Plan Expenditures for Fiscal Year 2003

Month	HESO administrative funds expended	Funds for matching Grants Expended
31-Jul-2002	\$2,217	\$0
31-Aug-2002	\$10,006	\$0
30-Sep-2002	\$14,076	\$0
31-Oct-2002	\$17,793	\$645
30-Nov-2002		
31-Dec-2002		
31-Jan-2003		
28-Feb-2003		
31-Mar-2003		
30-Apr-2003		
31-May-2003		
30-Jun-2003		
31-Jul-2003		
31-Aug-2003		
30-Sep-2003		
30-Sep-2003		