

# Trends

October 2004  
Vol. 5, Issue 6

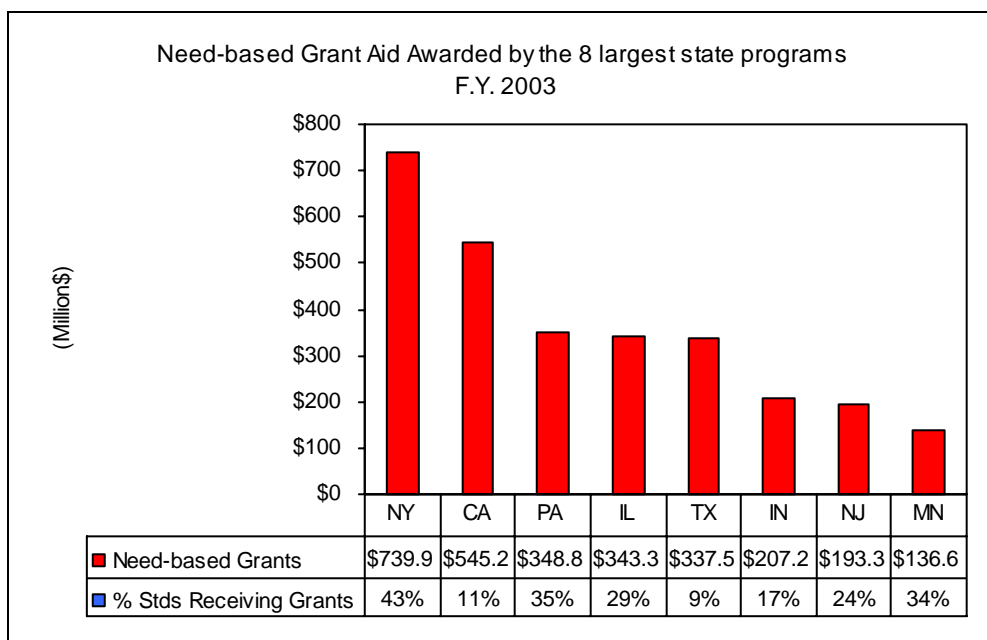
*A Research Newsletter Prepared by the Office of Institutional Planning, Research, and Communication*

## Minnesota State Grant Program Among the Nation's Finest

The Minnesota State Grant Program provides need-based financial aid to more than 70,000 Minnesota college students attending two-year and four-year public and private colleges across state. Though the total annual appropriation for the program makes up less than 11% of the total amount allocated for higher education, the Minnesota grant program is among the largest and best-funded need-based aid programs in the country. As tuition has risen at all institutions, the program has become the primary public policy tool for insuring postsecondary access to lower- and middle-income students.

### National Position

- In Fiscal Year 2003 (the most recent year for which complete data is available), the Minnesota State Grant Program awarded nearly \$134 million in need-based aid to 72,396 students. The Minnesota program is the eighth largest need-based aid program in the country in total dollars awarded, trailing only New York, California, Pennsylvania, Illinois, Texas, Indiana, and New Jersey – all states that have a significantly larger population. Only 11 states awarded more than \$100 million in need-based grant aid in F.Y. 2003.
- One-third of all Minnesota resident undergraduate students received a state grant in 2002-2003 – a program participation rate that is among the highest in the nation. Only five states nationally awarded need-based grant aid to more students than Minnesota, and only two (New York and Pennsylvania) awarded grants to a larger percentage of undergraduate students.



Source: National Association of State Student Grant and Aid Programs, May 2004

- Minnesota is unusual among all states not only in the amount of grant aid it awards and the

Minnesota State Grants are the second largest source of grant aid for CSB/SJU students

Prepared by Jon McGee,  
Vice President for  
Institutional Planning,  
Research, and  
Communication

COLLEGE OF  
Saint Benedict



Saint John's  
UNIVERSITY

number of students who receive awards, but also because it awards aid exclusively on the basis of ability-to-pay (rather than in the form of merit or characteristic-based aid). More than 90% of all state grants in Minnesota are awarded to students with family incomes below \$60,000. Nationally, state spending on non-need based aid has increased by nearly six times since 1994, compared to a gain of 79% in need-based aid spending. Nearly one-quarter of all state grants awarded in F.Y. 2003 were awarded for criteria other than ability-to-pay. Grant aid awarded on the basis of high school performance or other academic characteristics has been particularly popular in southern states and has increased as more and more states seek to provide inducements to keep their highest achieving students at home.

- Between 1993 and 2003, state spending on need-based grant aid increased by 115% nationally, though the majority of the growth was driven by change in just five states (California, Texas, New York, Indiana, and Illinois). In Minnesota, spending for the State Grant Program rose by 64% over the same time period.
- Nationally, private college students received 37% of all need-based state grant aid in F.Y. 2003. Students attending four-year private college in Minnesota received 42% of all dollars awarded through the State Grant Program in 2003, a reflection of the program's broader and deeper reach.

### **The Minnesota State Grant Program and CSB/SJU**

- Minnesota state grants are a large and critical source of assistance for lower- and middle-income students attending private and public colleges in the state. The maximum grant available to Minnesota students totaled \$7,662 last year. Larger need-based grants are available only in California, Indiana, and Vermont (and a significantly smaller percentage of students in those states receive state grants). The maximum grant was equal to approximately 37% of tuition and fees at CSB/SJU in 2003-04. Nearly three-quarters of all state grants awarded to Saint Benedict and Saint John's students went to those with family incomes below \$60,000 (though those students represent only one-fourth of all CSB/SJU undergraduates).
- The State Grant Program is the largest non-institutional source of grant aid for College of Saint Benedict and Saint John's University students. CSB/SJU students received \$3.9 million in state grant aid in the 2003-04 academic year, a total that would require an equivalent endowment of nearly \$79 million. Nearly 1,200 students received a state grant, representing 31% of all undergraduates, and 36% of all Minnesota resident undergraduates. The average grant our students received totaled \$3,297, covering 16% of the cost of tuition and fees.
- Demographic changes already at work suggest that demand for state grant assistance will rise significantly in the future. The fastest population growth in Minnesota and the region is occurring among those who historically have been the least able to afford a college education at any price (see November 2003 *Trends*). Unfortunately, future funding prospects for the Minnesota State Grant Program are unclear. The 2005 legislative session will address a budget shortfall projected to range from \$400 million to as much as \$1 billion, the fourth consecutive session of likely budget reductions. Funding increases, and even maintenance of current funding levels, will depend on the input public policy makers receive in support of the Minnesota State Grant Program.

For additional information, please contact Jon McGee at 5287 ([jmcgee@csbsju.edu](mailto:jmcgee@csbsju.edu)), or John Schell at 5452 ([jschell@csbsju.edu](mailto:jschell@csbsju.edu)). If you would like to read past issues of *Trends*, please visit our website at <http://www.csbsju.edu/institutionalresearch/trends/>