
State Financial Aid Manual

North Star Promise

2025-2026

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About the Minnesota Office of Higher Education

The Minnesota Office of Higher Education is a cabinet-level state agency providing students with financial aid programs and information to help them gain access to postsecondary education. The agency also serves as the state's clearinghouse for data, research and analysis on postsecondary enrollment, financial aid, finance and trends.

The Minnesota State Grant Program is the largest financial aid program administered by the Office of Higher Education, awarding more than \$224 million annually in need-based grants to Minnesota residents attending eligible colleges, universities and career schools in Minnesota. The agency oversees other state scholarship programs, tuition reciprocity programs, a student loan program, Minnesota's 529 College Savings Plan, licensing and early college awareness programs for youth.

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Contents

Change Memo	1
Updates Since December 2024.....	1
Introduction.....	2
Program Objective and Overview.....	2
North Star Promise	2
North Star Promise Plus	2
Definitions	3
Certificate Program	3
Gift Aid	3
Mandatory Fees	3
Other Expenses.....	4
Tuition	4
Eligibility	5
Eligible Postsecondary Educational Institution	5
Student Eligibility Requirements for North Star Promise	5
Application Process.....	10
Verification, Conflicting Information, and C Codes.....	10
Award Calculation.....	10
North Star Promise	11
Award Minimum and Maximum Amounts.....	11
Student Aid Index (SAI), Financial Need, and Cost of Attendance	12
Award Eligibility Communication to Students	12
Components of the North Star Promise Award Calculation.....	12
Gift Aid	13
Enrollment.....	16
Enrolled at More than One Eligible Institution in the Same Term.....	16
Enrolled at One Eligible and One Ineligible Institution in the Same Term	17
Study Abroad, Study Away, and Online Programs.....	17
Order of Aid Calculation for Last-Dollar Programs	17

Federal Last-Dollar Programs	17
State Last-Dollar Programs.....	18
State “Last-Dollar” Programs Through a State Agency Other Than OHE	19
Institutional or Private Last-Dollar Programs	19
Determining NSP Eligibility for Dream Act Applicants	19
Disbursement Process.....	20
Disbursing Funds to Students	20
Award Re-Calculation and Adjustments	21
Guiding Principles for Award Re-Calculations and Adjustments	21
Professional Judgement	25
Credit Limits and Unit Usage	25
MNAid Reporting Process and Requirements	27
NSP Reporting Recommended Timeline	27
Reporting Adjusted Awards and Payments.....	27
Reporting Students Enrolled in More than One Eligible Institution in the Same Term	28
Reporting NSP for Dream Act Applicants	28
MNAid Reports	29
NSP End of Year Closeout Process	29
Appendix A: Archived Change Memo from October 2024 Draft Manual	31
Appendix B: Multiple State Last-Dollar Programs and Order of Aid Calculations	32

Change Memo

This Change Memo outlines changes made from the previous draft of this manual. Appendix A has an archived Change Memo from the previous manual draft.

Updates Since December 2024

Page numbers reflect the page number of the change from the previous manual draft.

North Star Promise Plus (NSP+) percentage is set to 0% for 2025-26 (p. 7, p. 8, p. 14, p. 15).

Added an updated definition of “mandatory fees” aligning with the definition for the Minnesota State Grant (SG) budget (p. 8).

Amended definition of eligible “tuition” for the purpose of the North Star Promise (NSP) award calculation (p. 9).

Added clarification that “enrolled in an eligible institution” includes a situation where a late disbursement is given to a student who was enrolled in an eligible institution during the award year. In the case of a late disbursement, the student does not need to be enrolled in a subsequent term to receive a late disbursement (p. 11).

Added “30th day of the term” as the application deadline for a Free Application for Federal Student Aid (FAFSA) or MN Dream Act application for NSP eligibility (p. 11).

Added clarification that students currently enrolled in Postsecondary Enrollment Options (PSEO) are not eligible for NSP (p. 12).

Removed the reference to the FSA Handbook definition of undergraduate student as it pertains to the degree requirement of not having completed a bachelor’s degree (p. 12).

Clarified that an NSP award cannot increase due to a decrease in other aid caused by a loan default status (p. 13).

Removed NSP Plus Eligibility and Award section (p. 14).

Removed mentions of “Applied After Cut-off” Dream Act ineligible status as it pertains to NSP eligibility (p. 15, 27, 28, 37).

Amended requirement for enrollment in one (1) credit to include that a student must have begun attendance in a class or classes (p. 12).

Clarified that the NSP base and NSP+ awards must be awarded within the Cost of Attendance (COA) *for the term* (p. 17).

Removed language about fees related to study abroad/study away and added language regarding study abroad tuition allowed in the NSP award calculation (p. 22).

Removed NSP+ in award calculation examples (p. 23).

Removed table showing NSP+ awarding with other state aid program eligibility (p. 24).

Removed Aspiring Teacher of Color (ATC) scholarship in the list of current state aid programs that account for other gift aid as ATC is no longer a program in 2025-26.

Removed section "Calculating NSP+ for Dream Act Students" (p. 25-27).

Introduction

This manual is written for schools participating in the North Star Promise (NSP) program and is subject to all subsequent changes in both federal and Minnesota state laws and regulations as well as additional policy guidance issued by the Minnesota Office of Higher Education (OHE) governing the NSP program. OHE will provide each school with an opportunity to respond to changes to the NSP program rules and regulations. Schools may offer feedback to OHE and, if adopted, OHE will develop and distribute updated written information to schools that will be included in future versions of this manual. This chapter of the manual is updated on an annual basis. Schools are required to read all electronic and written correspondence from OHE to keep informed of current changes during the interim. Policy changes announced during the interim have the full force and effect of the OHE Financial Aid Manual.

Program Objective and Overview

North Star Promise

Beginning in fall 2024, the NSP program created a tuition and fee-free pathway to higher education for eligible Minnesota residents at eligible Minnesota institutions as a "last-dollar" program by covering the balance of tuition and fees remaining after other scholarships, grants, stipends and tuition waivers have been applied.

By making college accessible and affordable, NSP is intended to have a positive impact on multiple fronts:

- Create a viable higher education path for Minnesota residents who may have previously thought education was not a possibility for them;
- Help stabilize enrollment at Minnesota public institutions of higher education;
- Serve as an economic driver for Minnesota by educating qualified workers who are much needed to fill vacancies in the state's labor force.

North Star Promise Plus

The North Star Promise Plus (NSP+) award refers to an additional award beyond the NSP base award. NSP+ is authorized in state statute for the 2024-25, 2025-26, and 2026-27 award years. NSP+ is intended to assist with non-tuition and fees related expenses. NSP+ is calculated based on an NSP-eligible student's Pell Grant. OHE

projects an insufficient amount of available funds to award NSP+ for the 2025-26 aid year and has set the percentage to zero.

Most sections pertaining to, and mention of, NSP+ from the 2024-25 manual have been removed in this manual.

Definitions

Certificate Program

For purposes of state financial aid programs, a certificate program is defined as one that is:

- At least 8 semesters/12 quarter credits or 300 clock hours; and
- At least eight weeks long.

Gift Aid

Gift aid comes from a variety of sources and includes:

1. Federal financial aid that is not a loan or pursuant¹ to a work-study program, or not a federal last dollar program;
2. State² financial aid, unless designated for other expenses, that is not a loan or pursuant to a work-study program;
3. Institutional³ financial aid, including a grant, scholarship, tuition waiver, fellowship stipend, or other payment, unless designated for other expenses, that is not a loan or pursuant to a work-study program; and
4. All private financial aid that is not a loan or pursuant to a work-study program.

Mandatory Fees

Mandatory fees, for purposes of the NSP award calculation, generally include those fees that are charged to all students. More specifically, the fees included in the NSP award calculation are those fees that are articulated in the school's State Grant (SG) budget in MNAid.

In rare cases, a school will charge a fee to all students, however the fee amount may differ per student and thus the fee amount reported on the SG budget is an average. For the NSP award calculation, a school should use the charged amount, not the average amount reported on the SG budget in MNAid.

¹ Pursuant to a work-study program may include stipends paid to students in lieu of a wage (e.g. conducting research).

² State financial aid includes financial aid programs/assistance funded by the State of MN (including from State agencies other than OHE such as, but not limited to, MDVA, DHS, MDE, DLI, DEED, MDH, etc.).

³ Institutional financial aid includes gift aid from the institution's foundation.

Refer to State Financial Aid Manual for the Minnesota State Grant Program for a complete definition of “mandatory fee” for the purposes of SG and NSP.

Other Expenses

“Other expenses” as defined in [136A.1465](#) refers to institutional or state sources of aid that is designated specifically for books, required supplies, child care, emergency assistance, food, and/or housing.

For the purposes of calculating NSP awards, gift aid designated for “other expenses” as defined in this section can be excluded from the award calculation if the source is state financial aid and/or Institutional aid from a NSP eligible postsecondary educational institution as defined later in this manual.

The amount excluded as gift aid cannot be more than what is budgeted for that item in the student’s cost of attendance (COA). For example, a student receives a term \$3,000 scholarship from the institution designated for housing. The term COA must contain at least \$3,000 budgeted for housing.

If a student is receiving aid designated specifically for childcare, schools are encouraged to adjust the student’s COA to include the dependent care allowance to offset the financial aid designated specifically for dependent care.

Tuition

Eligible tuition for purposes of NSP award calculation includes resident undergraduate tuition charged to students who began attendance in aid-eligible courses. Beginning in 2025-26, NSP will not cover non-resident or graduate tuition rates, tuition charged for non-aid eligible courses, or tuition for a class or classes where a student never began attendance.

Tuition includes the student’s eligible tuition charges including differential program tuition rates (except study abroad). This is referred to as “differential tuition” and/or “tuition surcharge” at many institutions.

Tuition is not included in the NSP award calculation for the following:

- *Non-resident tuition rates.
- Courses marked as “aid ineligible.”
- **Graduate coursework being taken by an undergraduate student.
- A class or classes that a student never began attending.
- Differential tuition/tuition surcharge for study abroad/study away.

If a student is taking graduate and undergraduate courses, the NSP award calculation can include tuition and fees for the graduate enrollment at the resident, undergraduate rate. If a student is enrolled in study abroad/away program, the NSP award calculation can include tuition up to the resident, undergraduate rate.

Tuition charges for credits taken beyond 15 in a single term can be included in the NSP award calculation.

*The NSP program requires Minnesota State Colleges and Universities, and requests the University of Minnesota, to adopt a policy to ensure that all NSP eligible students are charged resident undergraduate tuition rates. If a student is being charged the non-resident tuition rate, the institution must ensure that the resident

undergraduate rate is used in the NSP award calculation. If the institution is offsetting the non-resident rate charged with a tuition waiver that brings the net tuition charged to the undergraduate resident rate, then this waiver can be excluded as gift aid in the NSP award calculation so long as the resident undergraduate tuition rate is used in the NSP award calculation.

**If an undergraduate student is being charged graduate rates, the institution must ensure that only the undergraduate rate is used in the NSP award calculation. The NSP award calculation can include tuition and fees for the graduate enrollment at the resident, undergraduate rate.

Eligibility

This section outlines the eligibility requirements for the NSP program for postsecondary institutions and students.

Eligible Postsecondary Educational Institution

To be eligible to participate in NSP, a postsecondary institution must be one of the following:

- Public postsecondary institution eligible to participate under [Minnesota Statutes 136A.101, Subd. 4](https://www.revisor.mn.gov/statutes/cite/136A.101) (<https://www.revisor.mn.gov/statutes/cite/136A.101>) and [Agency Rules 4830.0300](https://www.revisor.mn.gov/rules/4830.0300/) (<https://www.revisor.mn.gov/rules/4830.0300/>)
- All Minnesota State colleges and universities. (<https://www.minnstate.edu/campusesprograms/index.html>)
- All University of Minnesota campuses. (<https://system.umn.edu/campuses>)
- Tribally controlled college eligible to participate under Minnesota Statutes 136A.101, Subd. 4 and Agency Rules 4830.0300.

Student Eligibility Requirements for North Star Promise

This section explains the eligibility requirements of NSP and includes pertinent details regarding the specific eligibility requirements. To be eligible for the NSP program, a student must meet the following requirements:

Minnesota Resident Student as Defined in 136A.101 Subd.8

Students must be Minnesota residents to be eligible for NSP. Colleges and universities are responsible for determining Minnesota resident status for the purposes of state financial aid programs.

The state of Minnesota has an inclusive residency definition in that there are a number of ways for a student to be considered a Minnesota resident for postsecondary education purposes. They may meet one of the criteria listed on the [Minnesota Resident Status webpage](#)⁴. If students are meeting the residency requirement through one of these criteria, they must be lawfully present or legally residing in the state. For example, students

⁴ <https://ohe.mn.gov/paying-college/how-apply-financial-aid/are-you-eligible>

granted Deferred Action for Childhood Arrivals (DACA), Temporary Protective Status (TPS), certain types of visas, or who have Asylum Pending status may be considered lawfully present or legally residing and thus meet the Minnesota residency requirement for NSP, as long as they also meet one of the criteria listed on the [Minnesota Resident Status webpage](#). The [Common Definitions “Resident Student”⁵](#) section of the state aid manual may be helpful in determining Minnesota residency for state financial aid purposes.

Effective July 1, 2013, undocumented students who meet the conditions in the [MN Dream Act⁶](#) are eligible for state financial aid. For undocumented students, the only way to establish Minnesota residency is by meeting the following conditions:

- attend high school in Minnesota for three years, and
- graduate from a Minnesota high school or earn a GED in Minnesota, and
- apply for lawful immigration status if a federal process becomes available (federal process does not currently exist), and
- males ages 18-25 must register with Selective Service.

“Non-immigrant aliens,” who are in the United States for purposes of studying (student visa), temporary work (work visa) or pleasure travel (visitor visa) do not meet the definition of Minnesota resident.

Incarcerated students who meet the Minnesota resident definition, and meet all other NSP eligibility criteria, are eligible for the NSP program. Note: time incarcerated in Minnesota cannot be used to establish Minnesota residency. A student would need to meet Minnesota resident status requirements before being incarcerated.

Attend an Eligible Postsecondary Educational Institution

Students must be enrolled or have been enrolled for the term the NSP is being paid (in the case of a late disbursement), at a Minnesota public postsecondary institution or a Minnesota Tribal College. The following institutions are eligible for NSP:

- All Minnesota State colleges and universities.
(<https://www.minnstate.edu/campusesprograms/index.html>)
- All University of Minnesota campuses. (<https://system.umn.edu/campuses>)
- Minnesota Tribal Colleges.

Complete a Free Application for Federal Student Aid (FAFSA) or MN Dream Act Application

To be eligible, the student must have submitted a FAFSA or MN Dream Act application by the 30th day of the term for which the NSP is to be applied. The Federal Processor Service (FPS) issues a receipt date for each FAFSA and this is the date used to determine if a student has applied by the 30th date of the term. The MN Dream Act application uses an application date as the date of receipt.

⁵ <https://www.ohe.state.mn.us/pdf/FAManual/CommonDefinitions.pdf>

⁶ <https://ohe.mn.gov/mn-dream-act>

A student must complete either the FAFSA or the MN Dream Act application – there are very few situations or circumstances where a student would need to complete both applications in the same award year. One example would be if a student has a change in immigration status and becomes Title IV aid eligible mid-award year after completing the MN Dream Act application.

Family Adjusted Gross Income (AGI) below \$80,000

The Adjusted Gross Income (AGI) used to calculate NSP eligibility must be below \$80,000.

- For dependent students: the AGI of their parent(s), and stepparent if applicable, is used. The AGI of the dependent student will not be considered.
- For independent students: the AGI of the student, and their spouse if applicable, is used. If the student is married, the student and spouse's combined AGI must be below \$80,000.

The AGI used for NSP eligibility comes from the information submitted to the college or university through the FAFSA process. The FAFSA application uses prior, prior year tax information so the AGI used to determine NSP eligibility will be two years old. Generally, when the FAFSA is being completed, the AGI information for the student and/or their contributor(s) is transferred into the FAFSA from the corresponding IRS records of their federal 1040 income tax returns. The AGI can be found on line 11 of the federal 1040 income tax return.

If a parent or student is not required to file taxes, the AGI for the purposes of NSP is \$0.

AGI changes from year to year and a student could meet the AGI eligibility requirement one year, and not the next or vice versa.

AGI is a figure determined through the process of filing income taxes. If students and/or families have questions about AGI calculation or other aspects of filing income taxes, they should consult a certified tax professional.

It is possible, though not common, that a student has a family AGI below \$80,000 but a Student Aid Index (SAI) above the student's COA. In this situation, a student is eligible for the NSP, according to the conditions for eligibility outlined in NSP [Statute 136A.1465](#).

Enrolled in at Least One Credit for the Term the NSP is Awarded

A student must be enrolled, and have begun attendance, in at least one semester credit or equivalent. At least one credit of enrollment must be reported to MNAid for all NSP student award records.

Undergraduate Student Who Has Not Completed the Degree Requirements for the First Baccalaureate Degree

NSP program funding is only available to undergraduate students who have not yet completed the degree requirements for their first baccalaureate degree. A student who has completed the degree requirements for their first baccalaureate degree is no longer eligible for NSP even if the student has not graduated with that

baccalaureate degree. Completing the requirements for a baccalaureate degree from an institution in any country makes the student ineligible.

For NSP, the student is an undergraduate student if it is determined that the student has met the [federal definition of “undergraduate student.”](#) An undergraduate student who has completed all of the requirements for their first baccalaureate degree loses aid eligibility as of the end of the term in which the final requirement was completed.

Students who have previously earned certificates, diplomas (two-year), or associate degrees remain eligible to receive the NSP so long as they are otherwise eligible.

High School Graduate or Recipient of a GED or Equivalent

A student must have graduated from a secondary school or its equivalent or is 17 years of age or over and has met all the requirements for admission to an eligible college or university. High school students currently enrolled in postsecondary courses prior to receiving their high school diploma or GED are not eligible for NSP even if they are 17 years of age or older. A student who is admitted through Ability to Benefit (ATB) is meeting this requirement if they are at least 17 years of age.

Meet Satisfactory Academic Progress (SAP) Standards

Students must be meeting Satisfactory Academic Progress (SAP) standards as defined in section [136A.101, subdivision 10](#), at the time of initial NSP award disbursement. Students who have been granted an appeal and placed on probation per the institution’s SAP policy are considered meeting SAP standards for purposes of the NSP program. Students not meeting SAP due to Maximum Timeframe is not eligible for NSP unless the institution has granted an SAP appeal through their established policy and process.

Enrolled in a Program or Course of Study that Leads to a Degree, Diploma, or Certificate

A student must be regularly admitted and enrolled in a course of study that leads to a degree, diploma, or certificate. A student may be enrolled in a course of study leading to a degree, diploma, or certificate, but have an undeclared major, and still meet this eligibility requirement for NSP.

Regularly admitted means that the student must have been admitted to the institution through the typical credential-seeking admissions process. Students who are pursuing continuing education, or customized training, etc. must be admitted as a degree-seeking student through the institution’s regular admissions process to be considered for NSP.

Certificate programs are eligible for NSP so long as they meet the state aid definition of certificate program as defined in this manual and Minnesota Rules Part [4830.0100 Definitions for Higher Education Programs](#).

Not in Default on Any Federal or State Student Educational Loan

A student must not be in default status on any federal or state student educational loan. A student in default status on any state or federal educational loan is not eligible for NSP as of the date the default became active. If

the date of default is after the NSP award disbursement date, the award does not need to be canceled but the student would lose eligibility for subsequent disbursements. A previously disbursed NSP award cannot increase in amount after a loan default is active. If the loan is rehabilitated out of default status, a student will be considered eligible for NSP retroactive to the beginning of the current aid year. For example, a student is not eligible for a fall NSP award due to default but rehabilitates the loan in spring semester. The institution can retroactively award NSP for fall term if the non-default status is documented by the college or university before disbursing NSP awards.

Not in Arrears on Court-Ordered Child Support

A student must not be more than 30 days in arrears on court-ordered child support that is collected or enforced by the public authority responsible for child support enforcement or, if the applicant is more than 30 days in arrears in court-ordered child support that is collected or enforced by the public authority responsible for child support enforcement, they must be complying with a written payment agreement under Minnesota statute 518A.69 or order for arrearages.

A student with an active child support hold is not eligible for NSP as of the date the hold becomes active. If the date of the hold is after the NSP award disbursement date, the award does not need to be canceled but the student would lose eligibility for subsequent disbursements. A previously disbursed NSP award cannot increase in amount after a child support hold is active. If the hold is lifted, a student will be considered eligible for NSP retroactive to the beginning of the current aid year.

No Conviction of or Plea of Either Nolo Contendere or Guilty for a Crime Involving Title IV Funds

A student cannot have been convicted of or pled nolo contendere or guilty to a crime involving fraud in obtaining federal Title IV funds within the meaning of Code of Federal Regulations subtitle B, chapter VI, part 668, subpart C.

Has Not Exceeded NSP Program Usage Limit

Students are eligible to receive NSP funds for up to 48 units (four full-time semesters or the equivalent) for students pursuing a two-year degree, and up to 96 units (eight full-time semesters or the equivalent) for students pursuing a four-year degree.

For a student pursuing a two-year degree, the NSP award cannot be disbursed if the student has used 48 or more units of eligibility. For a student pursuing a four-year degree, the NSP award cannot be disbursed if the student has used 96 or more units of eligibility.

Usage is tracked in MNAid.

Students may transfer from a two-year to a four-year program and their NSP program usage will follow the student to their new institution or program.

Application Process

A complete FAFSA or MN Dream Act application and any other documentation related to state financial aid eligibility must be on file for a student to be eligible. This includes but is not limited to all of the following:

- Documentation of Minnesota Resident Student status.
- Any required documentation related to the federal verification process.
- Any required information to resolve conflicting information related to the FAFSA or MN Dream Act Application.

Verification, Conflicting Information, and C Codes

Before awarding and disbursing NSP, the institution is responsible for resolving any conflicting information and C codes on the student's Institutional Student Information Record (ISIR) or FAFSA Submission Summary (FSS), including unusual enrollment history flags. The institution must also verify the data on the student's application if it is selected for verification using the verification criteria established by the Department of Education for federal student aid programs.

Institutions should refer to the Federal Application and Verification Guide for the aid year in question for detailed instructions. The verification guide and information about resolving conflicting information, C codes and unusual enrollment history flags are available at <https://fsapartners.ed.gov/knowledge-center/fsa-handbook>

In instances where verification selection, conflicting information, C codes, and unusual enrollment history flags take place after NSP was disbursed, all future disbursements must be held until the institution resolves the issues. If corrections are required, the institution must recalculate the NSP award and make any necessary adjustments to the award amount.

For students completing the MN Dream Act Application, OHE is responsible for the verification process and NSP awards should not be disbursed until OHE has confirmed the verification process is complete and the student has either has an eligible status and has been awarded SG via Dream Act in MNAid or has been deemed ineligible for MN Dream Act for the purposes of "No Financial Need."

Students are still eligible for NSP with a NSLDS overpayment comment.

Award Calculation

Institutions are responsible for calculating NSP awards each term. NSP can be awarded in fall, spring, and/or summer terms. Reminder: For 2025-2026, there are no NSP+ awards because the calculation percentage is set to 0%.

A student may qualify for an award one term, and not the next, depending upon the award calculation components and the "last-dollar" nature of the program. A student may meet all the eligibility requirements for NSP, but the award calculation returns a \$0 award.

The following formulas are used to calculate the NSP awards:

North Star Promise

Tuition and mandatory fees charged to the student for semester **minus** all gift aid received by the student **equals** NSP Award (subject to the \$50 minimum term award).

For example:

\$4,622.83 (total tuition and fees charged to student)
-\$3,600.00 (sum of all gift aid)
= \$1,022.83 NSP award.

Award Minimum and Maximum Amounts

There is no maximum term, yearly, or aggregate award amount for NSP awards.

The minimum award amount for an NSP award is \$50/term. This means that any term award calculated to be less than \$50 will be treated as \$0.

If the NSP award calculation yields a negative or \$0 amount, the institution is not required to notify the student of a \$0 award. However, the institution is required to report to OHE \$0 awards for students otherwise eligible for NSP but not receiving any funds.

NSP awards may include cents. Awards should be calculated to the nearest hundredth cent and then rounded to the nearest cent using standard rounding rules. For example, \$742.295 is rounded up to \$742.30; \$128.994 is rounded down to \$128.99.

Student-Initiated NSP Award Decline

Generally, if it is determined that a student is eligible for an award \$50 or greater, the award must be disbursed. However, there may be certain infrequent circumstances when a student would choose to decline their NSP award. If a student chooses to decline their award, documentation must be collected by the institution and kept in the student's institutional file.

Example situations where a student might choose to decline their NSP award for a term:

- A student's two-year program is designed to take longer than four full-time semesters and the student would prefer to utilize NSP eligibility at the end of their program, rather than at the beginning.

When counseling students about their option to decline their NSP award keep in mind:

- The declination of award should be student initiated.
- The student is declining the term award, not waiving their eligibility for the NSP program.
- The rationale for declining the award should be documented.

- A student declining an award in favor of saving eligibility for a future term does risk not meeting the AGI eligibility requirements in future years.

If a student chooses to decline their award, they must still be reported in MNAid as eligible for NSP, but since there is no place on the NSP file record layout to indicate the student is declining their award, the record will be rejected when reported because it will look like an incorrect award amount has been calculated and the student should have received an award. There will be no way to resolve this rejected record within the award year, it will need to be done in the final file at closeout. A rejected award or payment in one term will not impact an award or payment in a subsequent term.

Student Aid Index (SAI), Financial Need, and Cost of Attendance

The only means-testing used for NSP is AGI. SAI is not factored into NSP eligibility. It is possible, though not common, that a student has a family AGI below \$80,000 but an SAI above the student's COA. In this situation, a student is eligible for the NSP, according to the conditions for eligibility outlined in NSP [Statute 136A.1465](#).

Financial need is not a component of the NSP award calculation. Thus, a student is not required to “demonstrate need” in the same way they do for federal and other state financial aid purposes (i.e. COA-SAI-other financial aid (OFA) = Remaining Need). When awarding Title IV aid, institutions must follow Title IV awarding regulations. Thus, receipt of NSP awards may cause federal need-based financial aid awards (e.g. work study, and/or Direct Subsidized Loans) to be reduced depending on the amount of remaining need available after NSP is awarded.

NSP must be awarded within the student's COA for the term.

Award Eligibility Communication to Students

NSP award amounts and eligibility should be communicated to students through the institution's typical awarding process.

Components of the North Star Promise Award Calculation

There are two main components of the NSP award calculation: tuition and mandatory fees, and gift aid.

Tuition and Mandatory Fees

Tuition and mandatory fees are defined in the “Definitions” section earlier in this manual.

The NSP award can only pay up to 100% of the charged amount of eligible tuition and fees. The program does not pay for non-tuition and fees expenses such as housing, food, books and supplies, transportation, etc. Although the NSP award calculation does not include non-tuition and mandatory fees charges, institutions are not required to exclude payment of those charges in their systems. For example, before their NSP award is disbursed, a student makes a payment on their account which pays for the tuition and fees amount, but a balance remains for other charges. The NSP award can still be disbursed to the student's account and the school is not required to exclude it from paying the other charges.

Use the eligible, not estimated or averaged, tuition and fees charged to the student. If students are enrolled in more than 15 credits, tuition and fees amounts for the NSP award calculation are not limited to 15 credits per term.

Developmental education tuition and fees should be included in the tuition and fees calculation for NSP. Developmental education includes any courses that are classified as below college level.

The institution's policy regarding how SG is paid for repeated courses should be followed for NSP. If the institution's policy allows for SG to be paid for the repeated course(s) then it can be included in the award calculation for NSP.

Mandatory Fees

Mandatory fees, for purposes of the NSP award calculation, generally include those fees that are charged to all students. More specifically, the fees included in the NSP award calculation are those fees that are articulated in the school's SG budget in MNAid. Refer to the State Financial Aid Manual for the SG Program for a complete definition of fees for the purposes of SG.

Consult with the NSP Program Administrator if you have questions about fees being included or excluded in the NSP award calculation.

Use the table below when determining what counts as a mandatory fee for NSP award calculation purposes.

Determining if a Fee Is Included or Excluded in the North Star Promise Award Calculation	
Does the fee appear on the student's institutional account?	If no, the fee cannot be included in the NSP calculation. If yes, more information is needed.
Is the fee listed in the institution's budget for State Grant in MNAid?	If yes, the fee can be included for NSP. If no, it cannot be used in the NSP award calculation.

Gift Aid

To determine how gift aid is treated in the NSP calculation, use the definition of gift aid in the "Definitions" section of this manual. The information below provides more details about the process of determining how gift aid should be treated in the NSP award calculation.

Determining how gift aid should be treated in the NSP award calculation requires knowledge of the source of the aid, the type of aid, what the aid is used for, and whether the aid is deemed "last dollar" in federal or state statute.

Source of Gift Aid

There are four main sources of gift aid outlined in NSP [Statute 136A.1465](#): federal, state, institutional, and private. It is important to know the aid sources because sometimes they are treated differently in the NSP award calculation.

Types of Gift Aid

Grants, scholarships, and most stipends (to name a few) are all different types of gift aid. Work study and loans are types of aid but not *gift* aid because a student must work for it or pay it back. Sometimes gift aid will be called something but operates like a different type of aid. A couple examples would be a research stipend, is called a stipend, but often is payment in lieu of a wage and “pursuant” to work-study. Similarly, AmeriCorps awards, which is a benefit of public volunteer service, is in lieu of a wage.

What Does the Aid Pay For?

Determining designated uses for the aid type is also helpful in figuring out how it fits into the NSP award calculation. Many aid sources and types do not specifically restrict the expenses they will pay. For example, it is common to see scholarships or grants that will broadly pay for “educational expenses” or “cost of attendance” items. Other aid types will only pay for certain designated expenses, such as tuition and fees. Current [NSP statute](#) indicates that if a gift aid source is either state or Institutional, and the aid is designated for books, required supplies, child care, emergency assistance, food, and/or housing, it is exempt from the NSP award calculation.

Hypothetical examples of gift aid types specifically designated for books, required supplies, childcare, emergency assistance, food, and/or housing and excluded from the NSP calculation:

- College A awards a \$500 “Books and Supplies” scholarship to a student.
- A student receives a Minnesota Postsecondary Child Care Grant (CCG) to pay for childcare expenses.
- College B’s institutional foundation funds a \$2,000 award that is designated for “required supplies” for students enrolled in a welding program.
- College C funds a \$2,000 award for first-year students to live on campus.

Is the Aid Type a “Last-Dollar” Award?

Increasingly, “last-dollar” awards have become more commonly designated in state or federal law. Typically, the funding source wants to maximize their spending by utilizing all other sources of funding before their award. The NSP award calculation can be impacted if a student is eligible for another program which is stipulated as “last-dollar” in either federal or state statute.

If a gift aid source is stipulated in federal statute as “last-dollar” then the federal statute will supersede the state “last-dollar” designation of NSP. Which means, NSP will pay before federal “last-dollar” gift aid programs. Examples of such programs include but are not limited to: Federal Veterans Educational Benefits, National Science Foundation S-Stem Grants, Vocational Rehab Services funding, Dislocated Worker funding.

OHE last-dollar financial aid programs will, for purposes of all state financial aid programs, pay in the order of enactment (unless stipulated otherwise by the Commissioner of Higher Education). See subsequent “Order of Aid Calculation for Last-Dollar Programs” section of this manual and Appendix B.

Below is a list of aid types that are included (counted as gift aid) in the NSP award calculation. It is not an exhaustive list. There may be additional inclusions based on the explanations given in the above section on “Gift Aid”.

Aid Types Included (Counted as Gift Aid) in the North Star Promise Award Calculation
Athletic Grants
American Indian Scholars Program (AIS)
Deaf and/or Blind waivers
Dual Training Grant
Federal Tuition Assistance (FTA)
Grants for Students with Intellectual & Developmental Disabilities
Federal Supplemental Educational Opportunity Grant (FSEOG)
Fostering Independence Grant (FIG)
Institutional or state funded gift aid not specifically designated for “other expenses” which includes books, required supplies, childcare, emergency assistance, food, and/or housing
Minnesota Indian Scholarship Program (MISP)
Minnesota State Grant
Pell Grant
Private Scholarships and Grants
Public Safety Officer Survivor Grant
Stipends
Student Teacher Grants (Underrepresented and Teacher Shortage)
TEACH Grant
Third Party (Counted as OFA)
Tribal Grants
Waivers*

*If the institution is offsetting the non-resident rate charged with a tuition waiver that brings the net tuition charged to the undergraduate resident rate, then this waiver can be excluded as gift aid in the NSP award calculation so long as the resident undergraduate tuition rate is used in the NSP award calculation.

Below is a list of aid types that are excluded from the NSP award calculation. It is not an exhaustive list. There may be additional exclusions based on the explanations given in the above section on “Gift Aid”. In general, assistance that is given directly to the student, and therefore not counted as OFA by the institution, is not counted as gift aid for purposes of NSP.

Aid Types Excluded (Not Counted as Gift Aid) from North Star Promise Award Calculation
AmeriCorps Funding
CCAMPIS
Dislocated Worker Funding (Federal and State)
Educational and Training Vouchers (ETV)

Aid Types Excluded (Not Counted as Gift Aid) from North Star Promise Award Calculation
Federal Veterans Educational Benefits (Ch. 33, Ch. 30, Ch.31, Ch. 35, Ch. 1606)
Institutional or state funded gift aid designated specifically for “other expenses” which includes: books, required supplies, child care, emergency assistance, food, and/or housing
Loans of any type
Minnesota G.I. Bill
Minnesota Postsecondary Child Care Grant
National Science Foundation S-Stem Grants
Student Payments on Their Account (Including from 529 or educational savings account)
Third Party (Not Counted as OFA)
Vocational Rehab Services Funding
WIOA Adult and Dislocated Worker Benefits
Work-Study of any type (including stipends in lieu of a wage)

Contact the North Star Promise Program Administrator if you cannot determine if an award should or should not be included in the NSP award calculation.

Enrollment

Enrolled at More than One Eligible Institution in the Same Term

Students enrolled in more than one NSP-eligible postsecondary institution during the same term may be eligible to have all eligible institutions’ tuition and fees counted in the NSP award calculation. However, only one institution may award NSP. In general, the institution responsible for awarding other federal Title IV aid should also award NSP funds. Avoid a situation where a student is receiving federal Title IV aid at one institution, but NSP at another.

NSP is meant to provide a tuition and fees-free pathway for eligible students, including those enrolled at more than one eligible institution in the same term. To calculate the NSP award, the institution *may choose to* combine the tuition and mandatory fees amounts from both/all eligible institutions where the student is enrolled, subtract the gift aid, and arrive at the award amount. Students must be enrolled in degree, diploma, or certificate programs at all schools where the tuition and fees are included in the NSP award calculation, or the enrollment at the visiting school(s) must be applicable to the degree, diploma, or certificate at the NSP awarding school.

Although institutions cannot include charges in the NSP award calculation that do not meet the “tuition and mandatory fees” definition, institutions are not required to exclude the payment of these charges, for example, in cases where a combined tuition and fees amount is used in the NSP award calculation.

See the “MNAid Reporting Process and Requirements” section below for more information on how to report award information for students attending more than one eligible institution within a term.

Enrolled at One Eligible and One Ineligible Institution in the Same Term

A student cannot receive NSP at an ineligible institution. An ineligible institution's tuition and fees cannot be included in the NSP award calculation. If a student is simultaneously enrolled in an eligible and ineligible institution and meets NSP eligibility criteria at the NSP eligible institution, then they may be awarded NSP using only the eligible institution's components of the NSP award calculation.

Study Abroad, Study Away, and Online Programs

Students enrolled in study or education abroad, national student exchange, student teaching and/or online programs are eligible for NSP. Minnesota resident eligibility requirements still apply.

Tuition for study abroad/away programs can still be included in the NSP award calculation; however, it will be capped at the institution's resident undergraduate tuition rate, or the rate the student would have been charged if they had remained on campus (and not on an abroad/away program). Mandatory fees remain included in the NSP award calculation for study abroad/away.

Consult with the North Star Promise Program Administrator if you have questions about the NSP award calculation for students enrolled in a study abroad/away program.

Order of Aid Calculation for Last-Dollar Programs

This section provides guidance on how to award NSP in conjunction with other last-dollar programs. NSP is the last-dollar program for all state financial aid programs where the other program is not designated as "last-dollar."

It is possible, though not exceedingly common, that a student will qualify for more than one last-dollar financial aid program. These programs could be other financial aid programs offered through OHE, other state agencies, the federal government, or institutional or private entities.

See Appendix B for complete guidance on Order of Aid Calculations for 2025 - 2026.

Federal Last-Dollar Programs

In general, last-dollar tuition and fees programs where the source of the funding is the federal government, will supersede state last-dollar programs. Meaning, the federal program will be the last payer. OHE cannot provide an exhaustive list; however, some examples of federal last-dollar financial aid programs are Veterans Education benefits, Vocational Rehabilitation, Adult and Dislocated Worker benefits (WIOA), and National Science Foundation Grants like S-Stem. Federal programs that are not stipulated as last-dollar are likely included (counted as gift aid) in the NSP calculation (e.g. Federal Tuition Assistance, FSEOG, Pell Grant, etc.).

When a student qualifies for both a federal last-dollar program and NSP, the federal program will pay last. This means that the NSP award should be calculated and awarded before the federal last-dollar program benefit is

calculated. In the instance where the federal benefit is calculated before NSP award, the federal benefit should be excluded in the NSP calculation.

Below are some hypothetical awarding scenarios where students are eligible for NSP and a federal last-dollar program:

Scenario	NSP Award Calculation	Ch. 33 Award Calculation
A student is awarded NSP up to 100% of tuition and fees, and then Ch. 33 benefits are certified.	\$5,000 Tuition and Fees (\$1,000 Pell Grant) <u>(\$1,000 MN State Grant)</u> = \$3,000 NSP	\$5,000 Tuition and Fees (at 100% benefit) <u>(\$3,000 NSP)</u> = \$2,000 Ch. 33 Award

In the example scenario above, the NSP calculation does not include the Ch. 33/Post 911 G.I. Bill benefit. The student is still eligible for NSP and a Ch. 33 award. Both NSP and Ch. 33 are last-dollar awards, but they have different awarding rules. The Ch. 33 \$2,000 award is not counted in the NSP award calculation because the federal last-dollar program is excluded from the NSP award calculation.

Scenario	NSP Award Calculation	Ch. 33 Award Calculation	MN G.I. Bill Award Calculation
A student is eligible for NSP, Ch. 33, and MN G.I. Bill.	\$5,000 Tuition and Fees (\$1,000 Pell Grant) <u>(\$1,000 MN State Grant)</u> = \$3,000 NSP	\$5,000 Tuition and Fees <u>(\$3,000) NSP</u> =\$2,000 Ch. 33	\$5,000 Tuition and Fees (\$1,000 Pell Grant) (\$1,000 MN State Grant) <u>(\$2,000 Ch. 33)</u> =\$1,000 MN G.I. Bill

In the example scenario above, the student is eligible for NSP, Ch. 33, and the MN. G.I. Bill⁷. While this scenario may be unlikely, it is possible. The MN G.I. Bill is excluded in the NSP award calculation because of the circular awarding logic required when these three programs all contain dependencies on each other.

If a student is eligible for NSP, Ch. 33, and MN G.I. Bill, the order of aid calculation should be NSP, Ch. 33, MN G.I. Bill.

Federal and state Veterans educational benefits and certification can be complicated. If a student qualifies for VA educational benefits, and NSP, and/or other aid programs, work closely with your institution's Veteran's Administration School Certifying Official (SCO) to ensure that award amounts are calculated according to federal and state program requirements.

State Last-Dollar Programs

In general, OHE administered financial aid last-dollar programs are awarded by the date of enactment of the program. In the situation where the date of enactment is not in the best interest of students (e.g. program funding limitations) the Commissioner of Higher Education has the statutory authority to, on an annual basis, declare an order of operations for state last-dollar OHE financial aid programs.

⁷ <https://www.revisor.mn.gov/statutes/cite/197.791>

If a student is eligible for more than one last-dollar OHE financial aid program, calculate NSP award eligibility using the order of enactment below:

OHE State Financial Aid Programs that Account for Other State Aid	Year of Enactment
Minnesota Indian Scholarship Program (MISP)	1959
Student Teacher Grants in Shortage Areas (STSA)	2016
Underrepresented Student Teacher Grants (USTG)	2021
Fostering Independence Higher Education Grants (FIG)	2021
North Star Promise & North Star Promise Plus (NSP & NSP+)	2023

Below are examples of award calculations when a student qualifies for multiple OHE last-dollar programs:

Scenario	NSP Award Calculation
A student meets the eligibility requirements for FIG, MISP, and NSP. State Order of enactment rule stipulates that state aid is awarded in this order: MISP, FIG, and then NSP.	Term COA: \$13,000 & Tuition and Fees: \$6,000 (\$1,000 Pell Grant) (\$1,000 MN State Grant) (\$2,000 MISP) (\$9,000 FIG) = \$0 NSP *

**Student has 100% of tuition and fees paid for through combination of other aid sources and therefore although they meet the NSP eligibility requirements, their NSP award is calculated at \$0.*

State “Last-Dollar” Programs Through a State Agency Other Than OHE

If the source of the gift aid is a state agency other than OHE, and the program is “last-dollar” in statute, then follow the “order of enactment” approach. If the program was enacted into state law before May 2023, it pays before NSP; if it was enacted after May 2023, then it will pay after NSP (or be excluded).

Institutional or Private Last-Dollar Programs

NSP will always pay after institutional or private last-dollar programs, unless state law indicates otherwise.

Determining NSP Eligibility for Dream Act Applicants

Dream Act applicants may also be eligible for NSP.

Students will apply for MN Dream Act through the MNAid portal. During the initial account creation process they will indicate if they have a Social Security Number (SSN) or not. If they do not input an SSN, MNAid will generate a “proxy” SSN typically in the convention: DXX-XX-XXXX. OHE will process the Dream Act application and determine eligibility for that program. When OHE determines the Dream Act application is complete, an NSP record will be created for that award year in MNAid.

Each institution is responsible for determining if the Dream Act applicant qualifies for a NSP award. If the school determines the MN Dream Act student is also eligible for NSP, they will award and notify the student through their established awarding procedures. **With few exceptions, Dream Act applicants must have a Dream Act award certified before awarding NSP for the term.** It is possible that a student is eligible for Dream Act, but not eligible for a Dream Act award due to “No Financial Need,” but still be eligible for NSP. Therefore, generally, ensure the Dream Act student has been awarded and the award is certified before awarding NSP, but a student does not need to have a Dream Act award to be eligible for NSP.

To identify potential NSP-eligible Dream Act students, campus financial aid administrators may want to log into MNAid and pull the “Dream Act Students – NSP Eligible” report that identifies Dream Act-eligible students who listed their institution on the application. Students can select more than one institution on their Dream Act application, and for this reason, the institutional “Dream Act Students – NSP Eligible” report may contain records of students who are not currently attending their institution.

The “Dream Act Students – NSP Eligible” report contains student records that appear to meet initial NSP criteria. Schools will need to run this report at least once per term, but preferably at the beginning and end of the term, to identify students and assess NSP award eligibility.

The report includes Dream Act-eligible students who have a family AGI under \$80,000, and estimated Dream Act award based on 15 credits or paid Dream Act award (if applicable).

The Dream Act Students report will also contain students who have applied for the Dream Act but are in an ineligible status. This is important because it is possible that a student is ineligible for a Dream Act award due to “No Financial Need” but may still be eligible for NSP if they meet all eligibility criteria. When reviewing the Dream Act Students report for Dream Act students who may be eligible for NSP, look at both eligible students, and ineligible students with the ineligibility reason “No Financial Need.”

Disbursement Process

Institutions will report NSP awards through MNAid. Once awards are reported, the institution will be able to request funds in MNAid. After the institution requests funds, and the request is approved by OHE, payment will be sent to the institution, and the institution will disburse awards to students and report another NSP file with payment information.

Disbursing Funds to Students

Awards must be disbursed during the award year in which the charges are incurred. An award can be retroactively disbursed within the award year, but retroactive disbursements cannot span award years.

The NSP award amounts must be correct at the time of initial disbursement. Documentation must exist regarding the NSP disbursement date. Institutions must ensure students meet all the eligibility requirements before initially disbursing NSP funds.

The NSP award calculation does not include non-tuition and mandatory fees charges, however, institutions are not required to exclude payment of those charges in their systems. For example, before their NSP award is disbursed, a student makes a payment on their account which pays for the tuition amount, but a balance remains for other charges. The NSP award can still be disbursed to the student's account and the school is not required to exclude it from paying the other charges.

Institutions should follow their standard accounting procedures for disbursing the award to the student.

An institution is not required to adjust the award based on a subsequent ISIR transaction received after the student stopped enrollment at the institution provided the award had already been disbursed and there was no conflicting information at the time of disbursement.

Award Re-Calculation and Adjustments

Because NSP is a "last-dollar" program, awards must be re-calculated when any component of the current award calculation changes within the award year that the award was made. Generally, re-calculation means that if any tuition and fees and/or gift aid/scholarships components change, the award must be re-calculated using the new/adjusted components. However, if gift aid amounts change because of a decrease in enrollment after the census date, the NSP award amount cannot increase to replace the reduced gift aid.

In general, a re-calculation could result in the same award amount, an increased award amount (not as common), or a decreased award amount, depending upon the circumstances.

This re-calculation requirement is regardless of the award adjustment end-date set for SG, and other census dates such as for Pell Grant. Other than the end of the institution's award year, there is no "census" date for which any term NSP award is exempt from re-calculation.

Given the likelihood the components of the financial aid award and tuition and fees may change within the semester, institutions should have systems and/or procedures in place to identify when components of the NSP award calculation are modified so that a re-calculation can be completed.

Guiding Principles for Award Re-Calculations and Adjustments

These guiding principles apply to all award re-calculation change situations:

- If any component of the award calculation changes, the NSP award must be re-calculated and adjusted. Components of the NSP award calculation include tuition and mandatory fees and gift aid.
- Do not use the OHE Refund Calculation spreadsheet to re-calculate NSP awards.
- At the time of initial disbursement, the student must meet all NSP eligibility requirements.
- If at the time of re-calculation, the student no longer meets the NSP eligibility requirements then the student is not eligible for future disbursements or an increased award amount until they are back in compliance with NSP eligibility requirements.
- NSP awards cannot exceed the term COA.

- A school must be reporting to MNAid at least one credit of enrollment for a student to be eligible for NSP.
- Award recalculations may cause the award to increase, decrease, or remain the same.
- Because NSP is a last-dollar program, NSP is not included in the proportional share calculation section (Part III) of the OHE Refund Calculation spreadsheet. However, NSP is included in Part I.
- If a student becomes ineligible for an NSP award after the award year is closed out, use the OHE Refund Return form process to return funds to OHE.

In addition to the guiding principles above, use the table below for more information related to specific enrollment change situations.

Change in Enrollment	NSP Already Initially Disbursed	NSP Not Yet Disbursed
<p>Student drops some or all classes <u>during the free add/drop period</u>.</p> <p>Dropping classes during this time assumes that the dropped courses no longer appear on the student's academic record. In most cases, the tuition and fees are refunded to the student.</p>	<p>The NSP award is re-calculated using updated tuition and fees and gift aid amounts. NSP does not include tuition and fees in the calculation for courses where the student did not begin attendance or courses that have been dropped from the academic record.</p> <p>Example: A student drops some, but not all, courses <u>and</u> is still charged 25% of tuition and fees for the dropped courses. The NSP award calculation does not include the tuition and fees for the dropped courses (unless the tuition and fees are a part of the tuition band).</p>	<p>NSP is calculated using the current tuition and fees and gift aid which does not include any tuition and fees that may still be charged for the dropped courses (unless tuition is banded).</p> <p>A student cannot <i>become</i> eligible to receive an NSP award <i>because</i> their gift aid was reduced due to dropping courses. If the tuition and fees amount was covered by other gift aid before the enrollment change, then no new NSP award is generated.</p>
<p>Student adds a class or classes, <u>during the free add/drop period</u>, or through institutional appeal (after add/drop).</p>	<p>If tuition and fees or gift aid changed since initial NSP award calculation, NSP is recalculated.</p> <p>The NSP award may increase if an aid eligible course is added, even after the free add/drop period.</p>	<p>NSP is calculated using the current tuition and fees and gift aid which includes the added class(es).</p>
<p>A student receives a withdraw grade or grades in <u>some</u> classes.</p>	<p>If the NSP has disbursed before the student receives withdraw grades in some classes, and no component of the award calculation changes, then no re-calculation of the NSP award is required. If any component of the award calculation changes due to the</p>	<p>If the NSP has <u>not</u> disbursed before the withdraw grade(s): the award must be calculated* using updated gift aid, tuition and fees, and COA amounts that reflect the enrollment change.</p>

Change in Enrollment	NSP Already Initially Disbursed	NSP Not Yet Disbursed
	<p>withdraw grade(s), the NSP award must be re-calculated using updated award components and COA. NSP awards cannot exceed COA.</p> <p>The NSP award <u>cannot increase</u> to backfill for other gift aid that is reduced due to this enrollment change.</p> <p>Example: A student is enrolled in 16 credits, NSP has disbursed, they withdraw from 8 credits and no component of the NSP award calculation changes. The NSP award and enrollment reported to MNAid remain the same.</p>	<p>*A student cannot <i>become</i> eligible to receive an NSP award <i>because</i> their gift aid was reduced due to receipt of withdraw grades. If the tuition and fees amount was covered by other gift aid before the enrollment change, then no new NSP award is generated.</p> <p>If the student was eligible for an NSP award amount but it had not disbursed before the enrollment change, then the NSP award can be re-calculated using updated gift aid, tuition and fees, and cost of attendance that reflect the enrollment change. The award calculation components must be documented but the award cannot backfill for other aid reduced due to the enrollment change.</p> <p>Example: A student is enrolled in 12 credits for fall, the student is otherwise eligible for NSP, but it has not been disbursed because they have an active child support hold. The student withdraws from 6 credits before NSP is disbursed. The child support hold is end-dated in spring term, the fall NSP award may be calculated using the updated COA, gift aid, and tuition and fees (if applicable). The NSP award cannot exceed the fall term COA. Enrollment reported includes W grades.</p>
A student receives withdraw grades in <u>all</u> classes	<p>If the NSP has disbursed before the student receives withdraw grades in all classes and no component of the award calculation changes, then no re-calculation of the NSP award is required.</p> <p>If some component(s) of the award calculation change due to the student receiving all withdraw grades, then the NSP award must be re-calculated using</p>	<p>If the NSP has <u>not</u> disbursed before the student receives withdraw grades in <u>all</u> classes, then the student is not eligible for an NSP award that term.</p>

Change in Enrollment	NSP Already Initially Disbursed	NSP Not Yet Disbursed
	<p>updated award components and updated COA.</p> <p>The NSP award cannot increase to backfill for other gift aid that is reduced when a student receives withdraw grades in all classes.</p>	
<p>A student receives non-attendance grade(s) in <u>some or all</u> classes or an institution retroactively drops a class or classes.</p> <p>Beginning in 2025-2026, the NSP award calculation includes tuition and fees for only aid-eligible courses <u>where a student began attendance</u>.</p> <p>In situations where a student never begins attending any of their classes, OHE strongly encourages institutions to consider dropping (retroactively) the courses from the students' record and refunding the associated tuition and fees.</p> <p>Retroactively dropping classes assumes that the class(es) is/are removed from the student's academic record and the tuition and fees for that class or classes are refunded to the student.</p>	<p>When NSP has already disbursed, the NSP must be re-calculated excluding the tuition and fees from non-attendance or retro-drop courses. The award cannot increase due to NA grades or retro-drops. The award calculation components must be documented.</p> <p>The enrollment reported to MNAid does not include NA grades or retro-drops.</p> <p>For re-calculation in cases where the tuition and fees are a banded amount, the same banded amount may be used for different enrollment levels within the band.</p> <p>Example: a student has an NSP award disbursed, is enrolled in 16 credits and subsequently non-attendance is documented for 4 credits. The NSP award would be re-calculated to exclude the 4 credits of non-attendance (unless the enrollment remains in the tuition band then the same amount is used unless the amount changed), use updated gift aid amounts and re-calculate award ensuring that the recalculated amount is less than or equal to the original award amount. In this example, 12 credits of enrollment would be reported to MNAid, unless the tuition and fees used in the calculation was</p>	<p>When NSP has not disbursed (or been calculated), the NSP award calculation does not include the tuition and fees from the courses where the student never began attendance or retro dropped. A student cannot become eligible for NSP <i>because</i> other gift aid is reduced due to non-attendance or retro-drop.</p> <p>If tuition and fees was covered by other gift aid before the enrollment change, then no new NSP award is generated. If tuition and fees was only partially covered by other gift aid before the enrollment change, then the remainder <i>could</i> be used to generate an initial NSP award. The award calculation components must be documented.</p> <p>Example: Fall NSP award had not disbursed because a student had an active child support hold. The student was enrolled for 12 credits but received NA grades for 6. The hold was lifted within the award year and the NSP award is now calculated using tuition and fees for the 6 graded courses and updated gift aid amounts, award cannot exceed updated term COA. In this example, 6 credits of enrollment would be reported to MNAid.</p>

Change in Enrollment	NSP Already Initially Disbursed	NSP Not Yet Disbursed
	banded, then the enrollment reported would include the NA grade(s).	

Professional Judgement

Institutions cannot use professional judgement to waive NSP eligibility requirements.

To be eligible for NSP the family AGI must be below \$80,000. The AGI reported on the student's FAFSA is the AGI used to determine if a student meets this requirement. When an aid administrator uses professional judgement resulting in a modification of the AGI data element into the range of eligibility for NSP, the institution should use the modified AGI when assessing the student for NSP award eligibility.

With NSP using AGI as the means-test, campuses may see an uptick in special circumstances requests where the student is seeking an AGI modification for purposes of NSP eligibility. Campuses should use their established policies and procedures when considering these requests.

Credit Limits and Unit Usage

Students are eligible to receive NSP funds for up to four full-time semesters or the equivalent for students pursuing an associate's degree, and up to eight full-time semesters or the equivalent for students pursuing a bachelor's degree. Students must begin the term below 48.0 (2-year) and below 96.0 (4-year), respectively, to be eligible for an award for that term.

- Associate's and certificate degree maximum units: 48.
- Bachelor's degree maximum units: 96.

Students taking more than 15 credits per term will only utilize the 15-credit equivalent unit count. To calculate units for NSP, use the following chart:

Credits	Units for Quarter	Units for Semester
15+	8.0	12.0
14	7.5	11.2
13	6.9	10.4
12	6.4	9.6
11	5.9	8.8
10	5.3	8.0
9	4.8	7.2
8	4.3	6.4

Credits	Units for Quarter	Units for Semester
7	3.7	5.6
6	3.2	4.8
5	2.7	4.0
4	2.1	3.2
3	1.6	2.4
2	1.1	1.6
1	0.5	0.8

OHE's MNAid system is the record keeper of usage for NSP.

A student is entitled to an additional semester or the equivalent of NSP eligibility if the student withdraws from enrollment for the following reasons:

1. Active military service because the student was ordered to active military service as defined in Minnesota Statutes 190.05, subdivision 5b or 5c;
2. A serious health condition, while under the care of a medical professional, that substantially limits the student's ability to complete the term; or
3. While providing care that substantially limits the student's ability to complete the term to the student's spouse, child, or parent who has a serious health condition.

Courses taken that qualify as developmental education or below college level shall be excluded from the limit. If your institution reports courses/credits as developmental education for SG, then they should also be reported as such for NSP.

Unit count will be recorded in MNAid based off enrollment reported when students receive the NSP award. When a student receives a NSP award their enrollment during that term will count toward their credit limit usage for the program.

If an institution is including tuition and fees charges from another eligible institution to calculate the NSP award, they must also report to MNAid the student's enrollment from that institution so that the correct total enrollment is reported to MNAid.

Financial aid administrators with appropriate access to NSP data in MNAid can log into MNAid, look up an individual student, and view their unit count for NSP. In the future, students will be able to log into their MNAid portal account to view their program usage for OHE programs.

NSP unit count information is shared with the University of Minnesota and Minnesota State systems on a regular basis by populating a system-wide unit count file to be retrieved by system-level IT for storage in respective financial aid management systems. Additionally, individual campus administrators with appropriate MNAid access will be able to retrieve unit counts for all the students at their institution on-demand in MNAid.

MNAid Reporting Process and Requirements

All reporting for NSP is done via the MNAid portal and related SFTP reporting processes. A reporting file record layout is available upon request.

Institutions are required to report awards, disbursements, and adjustments, using the established NSP file record layout. Reporting is required every 30 days; however, institutions may choose to report more frequently. OHE encourages institutions to report weekly, at least for the first few weeks of each term.

The NSP reporting process is very similar to SG. Most institutions will choose to report awards (estimated aid) first, to allow for a payment to be sent in advance of disbursing aid to students. It is recommended that awards are reported as early as possible before the start of the term so there is adequate time for review of files and correction of errors. Once awards are reported, and approved by OHE in MNAid, the institution will be able to request an NSP payment from OHE. Payments should be requested no earlier than 14 days before the start of the term. Most institutions will wait to receive their NSP payment from OHE before disbursing aid to students.

Report \$0 NSP awards for students otherwise eligible but not receiving any funds.

Awards should be calculated, awarded, and reported to the hundredth cent.

A student may request to decline their NSP award; however, the institution must still report their \$0 award eligibility to MNAid. There is no place on the file record layout to indicate the student is declining their award, and the record will be flagged as rejected in MNAid. Because the award amount is \$0, this rejected record will not impact the student or NSP eligibility for future terms, however, the reject will not be resolved in MNAid and will remain in a rejected status. There will be no way to resolve this rejected record within the award year, it will need to be done in the final file at closeout. A rejected award or payment in one term will not impact an award or payment in a subsequent term.

NSP Reporting Recommended Timeline

Below is a recommended timeline and procedure for NSP reporting to OHE:

- Four weeks before the start of the term: begin reporting NSP awards in MNAid and continue to do so weekly.
 - After each week's report, run the NSP File Output Report and resolve the records showing on the "Rejected Awards_Payments" tab.
 - If there are records on the "Award Warnings" tab, resolve those (when possible) as well.
 - Two weeks before the start of your institution's term use the "Request Funds" feature in MNAid to request first disbursement of NSP funds.

Reporting Adjusted Awards and Payments

Adjusted awards and disbursements are reported using the same process as initial awards and disbursements. The new disbursement date is reported when a disbursement is recalculated and the NSP amount is adjusted.

The adjusted amount and date will replace any previous amount and date for the term. Information in MNAid is only as up to date as the institution's reporting. If the institution has adjusted a disbursement in their system, but has not yet reported that adjustment to MNAid, MNAid will have the incorrect information.

A school must be reporting at least one credit of enrollment for a student to be eligible for NSP.

Reporting Students Enrolled in More than One Eligible Institution in the Same Term

MNAid only allows one institution to award NSP per student per term. A student cannot receive more than one NSP award in one term. If a school reports an NSP award for a student, and then another school reports an NSP award in the same term for the same student, the second award will be rejected in MNAid.

NSP-eligible students attending more than one eligible institution in the same term are allowed to have the tuition and fees combined for the purposes of the award calculation. A previous section of this manual offers guidance and details on how institutions calculate awards for students in this situation.

If NSP awards are calculated using tuition and fees amounts from more than one eligible institution in the same term, certain details will need to be included in the standard reporting to OHE.

- Combined tuition and fees: The NSP awarding institution is responsible for reporting the combined tuition and fees amounts used to calculate the NSP award.
- Combined enrollment: The NSP awarding institution is responsible for reporting the combined enrollment at both the home and visiting school(s). This information will be used for credit usage/unit count purposes.

If the school chooses to combine enrollment and tuition and fees to calculate the NSP award for a student enrolled in more than one eligible institution, then the NSP awarding school is also responsible for updating enrollment and the NSP award if these items change at the visiting school. If a student changes their enrollment at the visiting school, the NSP awarding school will need to adjust their enrollment reported for NSP. If the change in enrollment results in a change in the tuition and fees at the visiting school, the NSP award will need to be adjusted accordingly.

Gift aid at the visiting institution(s) should be minimal given the NSP awarding institution is the same one responsible for awarding State and federal aid, therefore the NSP awarding institution is not responsible for including the gift aid from visiting institution(s). However, if the NSP awarding institution is aware of gift aid at the visiting institution, they are encouraged to include it in the calculation and report the combined gift aid total in the typical reporting process.

Reporting NSP for Dream Act Applicants

MN Dream Act students who are receiving NSP are reported using the same process, same file, as FAFSA filing students. Institutions should make sure that the Dream Act student SSN identifier being reported matches the SSN or proxy SSN for that student in MNAid.

Students awarded SG via the Dream Act should have their SG/Dream Act amount reported in the “other state/federal gift aid” field.

MNAid Reports

This section will explain some of the reports available to campus administrators with appropriate NSP access.

Dream Act Students – NSP Eligible

This report is to be used by institutional users who are assessing Dream Act eligible students for potential NSP eligibility. This report contains all students who have listed your institution on their Dream Act application, who also have an AGI under \$80,000. It also includes any Dream Act award or payment. This report contains students who are both eligible and ineligible statuses for Dream Act application. Students with an “ineligible” status may be ineligible for Dream Act due to “no financial need” however, they have an AGI below \$80,000 and thus are potentially eligible for NSP.

Hold Report

The Hold Report is used to see SELF Loan default and child support hold information for students.

NSP File Output Report

The File Output Report should be used to address rejected awards/payments and award warnings after an institution has reported a file. This report also shows accepted payments. This report does not show accepted awards, only accepted payments.

Student Unit Count Report

This report is used to see the total units used by all students at your institution for the following programs: SG/Dream Act, MISP, FIG, CCG, and NSP.

Units Greater Than Threshold Report

This report is used to see the students at your institution who are over a certain threshold of unit usage within a certain program.

NSP End of Year Closeout Process

Schools are required to closeout NSP no later than the business day on or preceding August 30th. Failure to meet this deadline will result in OHE delaying funds advances for the next academic year.

The NSP institution must reconcile its record of NSP disbursements with:

- OHE’s records of NSP disbursements, and

- The institution's records of NSP disbursements.

The institution must verify that financial aid records reflect the same disbursement amount for each student as their student accounts and OHE. This process includes, but is not always limited to, the following steps:

Step 1: The institution reconciles their NSP payment records of their student accounts office with NSP awards in the financial aid office.

Step 2: The institution uploads their final NSP data file into MNAid and emails the NSP Program Administrator indicating it is the institution's final NSP file for the year.

Step 3: Institutional payment records agree with MNAid payment records.

- Ensure all NSP payments have been submitted to OHE,
- Ensure there are no outstanding rejected payments, and
- Verify the total amounts disbursed by the institution and the total amounts accepted by OHE in MNAid agree.

All rejected payments from your institution's NSP File Output report must be cleared and reconciled prior to closing out.

When the institution's final NSP file is error/reject free, the NSP Program Administrator will notify your institution by email that the school has successfully closed out for the year. If there is a surplus of funds, the closeout email will show the total amount that needs to be returned to OHE. The lump-sum amount should be sent to OHE via check along with the [OHE Refund Return Form](#). If the school closes out with a negative fund balance, OHE will advance the additional funds to bring the school's balance to zero for the year.

Appendix A: Archived Change Memo from October 2024 Draft Manual

Added clarification that Credit for Prior Learning (CPL) fees are not considered mandatory fees for the purpose of the NSP award calculation (p. 8).

Clarification to the definition of “Tuition” (p. 9).

Created additional guidance in the “NSP Student Initiated Award Decline” section (p. 16-17).

Added Dual Training Grant to the chart of aid types included in the NSP award calculation (p. 21).

Added “Even if NSP has not yet disbursed” to the section discussing awarding NSP when a student receives W, FW, or F grades in some or all_classes. (p. 31).

Added the statement, “Do not use the OHE refund calculation spreadsheet” pertaining to NSP base and NSP+ award recalculations (p. 31).

Revised a similar sentence to read: If a student becomes ineligible for an NSP award after the award year is closed out, use the OHE Refund Return form process to return funds to OHE (p.31).

Added Student Unit Count Report to the list of MNAid reports that may be useful to run as a financial aid administrator (p. 37).

Appendix B: Multiple State Last-Dollar Programs and Order of Aid Calculations

Over the past several sessions, the legislature has created multiple “last-dollar” financial aid programs. A last-dollar financial aid program is one that includes in its own award calculation process the amounts of other financial aid awarded for the same term of attendance.

To address the challenge of the existence of multiple state financial aid programs with a last-dollar component, the Minnesota Revisor’s Office suggested Order of Aid Calculation language. The suggested language was included in the Higher Education Omnibus Bill, [HF4024, Ch.124](#) that passed in the 2024 legislative session.

What does the Order of Aid Calculation Language Mean?

The language that passed instructs state financial aid programs to be calculated in the order of their original enactment from oldest to most recent.

Order of Enactment for OHE State Financial Aid Programs

Program	Year Enacted	Does this Program Account for Other State Aid?
Minnesota Indian Scholarship Program	1959	Yes (remaining need from Cost of Attendance)
Minnesota State Grant	1971	No
Public Safety Officer’s Survivor Grant	1973	No
Postsecondary Child Care Grant	1989	No
Student Teacher Grants in Shortage Areas	2016	Yes (remaining need from Cost of Attendance)
Grants for Students w/ Intellectual & Developmental Disabilities	2017	No
Underrepresented Student Teacher Grants	2021	Yes (remaining need from Cost of Attendance)
Fostering Independence Higher Education Grants	2021	Yes (remaining need from Cost of Attendance)
Get Ready Student Success Scholarship	2023	No
North Star Promise Scholarship	2023	Yes (last dollar from tuition and fees)

The language further instructs that when a student is:

- eligible for multiple state financial aid programs; and
- two or more of those programs calculate the award amount after accounting for other state aid,

- then the Commissioner of the OHE can determine the order of calculating the state aid.

Unless OHE issues guidance that directs a particular order, the default will be the order of enactment from oldest to most recent.

**OHE State Financial Aid Programs that Account for Other State Aid
(Last-Dollar or Remaining Need)**

Program	Year Enacted
Minnesota Indian Scholarship Program	1959
Student Teacher Grants in Shortage Areas	2016
Underrepresented Student Teacher Grants	2021
Fostering Independence Higher Education Grants	2021
North Star Promise Scholarship	2023

Example 1: Student is eligible for SG and MISIP)

In this example, the student is eligible for aid under only one last-dollar program, so there is nothing to be resolved. SG is not a last-dollar aid program, so both programs are awarded as they have been in previous award cycles.

Example 2: Student is eligible for SG, MISIP and FIG

In this example, the student is eligible for two last-dollar programs, MISIP and FIG. The order of enactment from oldest to most recent must be applied when determining state financial aid eligibility. The MISIP award will be calculated and awarded first, since MISIP was enacted before FIG. The MISIP award will be calculated accounting for the SG award, but without accounting for the amount of the FIG award. Then, the FIG award will be calculated. The FIG award calculation will account for the amount of both the SG and MISIP awards.

Example 3: Student is eligible for SG, FIG, and NSP

In this example, the student is eligible for two last-dollar programs, FIG and NSP. The order of enactment from oldest to most recent must be applied when determining state financial aid eligibility. The FIG award will be calculated and awarded first, since FIG was enacted before NSP. The FIG award will be calculated accounting for the Minnesota SG, but without accounting for the NSP award. When it comes to calculating the NSP award, the student will not be eligible because the FIG program will award up to the COA.

Example 4: Student is awarded NSP. Student later applies for MISIP

In this example, the student is eligible for two last-dollar programs, NSP and MISIP. The order of enactment from oldest to most recent must be applied when determining state financial aid eligibility. Although the NSP award was originally calculated first by the school, the MISIP award now must be calculated and awarded prior to NSP. This is due to the order of enactment language; MISIP was enacted before NSP. The MISIP award must be

calculated without accounting for NSP. Then, once the MISP award is determined, the school would recalculate the NSP award, accounting for the MISP award.

Example 5: Student with a high SAI is eligible for FIG and NSP

In this example, the student has an SAI close to the student's COA or is higher than the student's COA and has an AGI under \$80,000. FIG is a need-based program that includes SAI in the calculation of awards. If the FIG award is not enough to cover tuition and fees, NSP will pay any remaining balance.

Things to Consider

- When awarding CCG, the COA may be increased to account for the childcare expense.
- When awarding Grants for Students with Intellectual and Developmental Disabilities, the COA may be increased to account for expenses related to the student's disability.