OFFICE OF HIGHER EDUCATION

Memorandum: Mandatory Estimated State Grant Parameters

To: Minnesota State Grant Campus Administrators

From: Meghan Flores
Director of State Financial Aid Programs

Subject: **REVISED** Mandatory Estimated MN State Grant Parameters for 2026-2027

Date: February 10, 2026

Following the release of Mandatory Estimated State Grant Parameters for 2026-2027 on January 21st, the Financial Aid division at OHE was notified that the poverty guidelines used for the Living and Miscellaneous Expense Allowance (LME) changed. The change is reflected in the table below in Red. Due to the minimal impact on awards, if your campus has already sent out estimated awards the Office of Higher Education (OHE) does not require revision and reissuing awards with these parameters. However, if your campus has not yet issued initial estimated awards, please use these revised estimated parameters.

Minnesota State Grant Award Parameters	Actual 2025-2026	January Mandatory Estimated 2026-2027
Living and Miscellaneous Expense Allowance	$12,444	**$12,690**
Assigned Student Responsibility	50.00%	54.5%
Tuition and Fee Maximums: Students in Two-Year Programs	$6,909	$7,393
Tuition and Fee Maximums: Students in Four-Year Programs	$17,717	$18,071
Federal Pell Grant Maximum	$7,395	$7,395
Treatment of Negative SAI / Parent Contribution (PC)	50% of negative SAI / PC included in SG Formula, capped at -1500	50% of negative SAI / PC included in SG Formula, capped at -1500

Proration of Assigned Family Responsibility (AFR)	Actual 2025-2026	January Mandatory Estimated 2026-2027
Dependent Students (FM PC)	95%	185%
Independent Students with Dependents (FM SAI)	71%	138%
Independent Students without Dependents (FM SAI)	35%	68%

In addition to the above State Grant Parameters, we want to provide guidance on how to handle the blank Parent Contribution (PC) and Student Aid Index (SAI) Formula Type ISIR fields for 2026-2027 State Grant awards. When a student is identified on the FAFSA as being eligible for Maximum Pell Grant Type 1, 2 or 3, a full calculation is not performed, resulting in both the PC and SAI Formula Type ISIR fields being left blank or null. These two ISIR fields are especially important for the State Grant because the PC is used in the State Grant formula for dependent students and the SAI Formula Type identifies whether an independent student has dependents or not, which determines the correct proration of the Assigned Family Responsibility (AFR) in the State Grant formula. The Office of Higher Education (OHE) and the MNAid system will utilize the logic below when calculating and verifying reported 2026-2027 State Grant awards for students with blank or Null values for either PC or SAI Formula Type ISIR fields. Although many users will not work directly with it, it is important to share the logic with your campus Information Technology or anyone working on setting up packaging for 2026-2027 State Grant awards.

If DependencyStatus = D (Dependent Students):

- If Parent Contribution is not Null, use the Parent Contribution value
- If Parent Contribution is Null:
    - If Max Pell Indicator = 1, set the PC = -1500
    - If Max Pell Indicator = 2 or 3, set the PC = SAI (in almost all cases, SAI will be zero)
    - If Max Pell Indicator is NULL = set the PC = 0

If DependencyStatus = I (Independent Students):

We will determine which SC Factor to use in the payment calculation based on the SAI Formula:

- If SAI Formula = B, Independent Students without Dependents Other than a spouse, use SCFactorWithoutDependents
- If SAI Formula = C, Independent Students with Dependents Other than a Spouse, use SCFactorWithDependents
- If SAI Formula is Null:
    - If Max Pell Indicator = 1, use the SAI (it will be -1500). Since SAI is negative, do not multiply by the SC Factor.
    - If Max Pell Indicator = 2 or 3, use the SAI (it will be between -1500 and 0 inclusive). If SAI is negative, do not multiply by SAI factor and if SAI is zero, multiplying by any SC factor will result in zero.
    - If Max Pell Indicator is NULL, set the SAI = 0. If SAI is zero, zero multiplied by either SC Factor is still zero.

The Office of Higher Education provided updated State Grant and North Star Promise spending projections at a public meeting on Tuesday, February 10th. The projections are published on https://ohe.mn.gov/reports/minnesota-state-grant-north-star-promise-spending-projections.

The 2026 legislative session will commence February 17th and is scheduled to adjourn May 18th. Any changes to the State Grant appropriation or statutory language will be considered prior to OHE issuing final State Grant parameters for the 2026-2027 award year.

If you have questions or concerns about the 2026-2027 State Grant award parameters outlined above, please contact Meghan Flores at Meghan.Flores@state.mn.us. If you have questions or concerns about the 2026-2027 State Grant logic for null values, the file layout, or sending test files, please contact Shawn Reynolds at Shawn.Reynolds@state.mn.us.