OFFICE OF HIGHER EDUCATION

State Financial Aid Manual
North Star Promise

2026 - 2027

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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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Change Memo

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

Updates Since July 2025

Tuition differentials and/or tuition surcharges are no longer included in the tuition and fees for NSP award calculations (p. 4).

The AGI of a dependent student is added to the AGI eligibility criteria (p. 6).

June 1, 2026 FAFSA and/or MN Dream Act application deadline for 26-27 (p. 6).

Added that a baccalaureate degree from a fraudulent or unaccredited institution and/or one that is less than 120 credits counts as a degree for purposes of NSP (p. 7).

Clarified that if a loan default status (federal or state) or child support hold is active on the same date that the North Star funds are disbursed, the student can keep the funds but is not eligible for additional disbursements until the hold or default status is resolved. (p. 8).

A student who has invertedly overborrowed federal loans requiring a reaffirmation process is still eligible for state aid programs, including North Star Promise (p. 8).

An application suspected or confirmed of fraud should not be used to award NSP (p. 10).

Added Educator Tuition Assistance Program (ETAP) Grant, Peace Officer Skills Funding Initiative, and Special Education Teacher Pathway Program in the chart of aid that is counted as gift aid (p. 14).

Updated guidance related to determining which institution is responsible for awarding NSP when a student is enrolled in two or more NSP eligible institutions in the same term (p. 17-18).

Clarified language in the Awards and Adjustments section to include that award re-calculations may be required even after an institution's award year has ended (p. 20).

NSP should be re-calculated (if required) before being included in Part I (Box A) of the OHE Refund Recalculation Spreadsheet (p. 21).

Added information about what an Initial Award Calculation of $0 means as it pertains to award Re-calculations (p. 22).

Added information about if gift aid is reduced because it was originally awarded in error, it is possible for the NSP award to increase (p. 22).

Rows added to NSP Re-Calculation Due to Enrollment Changes chart clarifying how to treat NSP when a student drops, adds, or swaps, a class or classes after the term enrollment census date (p. 23-24).

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 2026-27 aid year and has set the percentage to zero.

Most sections pertaining to, and mention of, NSP+ from previous manual versions 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.

Eligible Tuition

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

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

- Tuition differentials and/or tuition surcharges (including those for study abroad/study away).
- *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.

If a student is taking graduate and undergraduate courses, the NSP award calculation can include tuition and fees for 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. A student being charged differential/surcharge tuition may have the NSP award calculation include tuition charges 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 resident, undergraduate rate is used in the NSP award calculation. The NSP award calculation can include tuition and fees for graduate enrollment only at the resident, undergraduate rate.

Gift Aid

Gift aid comes from a variety of sources and includes:

1. Federal financial aid that is not a loan or pursuant[1] to a work-study program, or not a federal last dollar program.
2. State[2] financial aid, unless designated for other expenses, that is not a loan or pursuant to a work-study program.
3. Institutional[3] 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.
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.

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 specifically designated for one or more of the "other expenses" categories as defined in this section can be excluded from the award calculation if the source of the aid 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.

[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.

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.

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) and Agency 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 several 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 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

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

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 Act[6] 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 June 1, 2026. 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 June 1, 2026. The MN Dream Act application uses an application date as the date of receipt.

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

[5] https://www.ohe.state.mn.us/pdf/FAManual/CommonDefinitions.pdf
[6] https://ohe.mn.gov/mn-dream-act

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 the student, their parent(s), and stepparent if applicable, is used.
- 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.

An AGI with a negative value should be treated as a negative number for the purposes of combining dependent student and parent AGIs and independent student and their spouse's AGIs.

AGI changes from year to year and a student could meet the AGI eligibility requirement for 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.

The student is no longer considered an "undergraduate student" for the purposes of NSP even if they completed their baccalaureate degree requirements in a foreign country, from a fraudulent or unaccredited institution, or through a baccalaureate degree program requiring fewer than 120 credits.

For NSP, the student is an undergraduate student if it is determined that the student has met the federal definition of "undergraduate student," typically found in Volume 7, Chapter 1 of the Federal Student Aid Handbook. An undergraduate student who has completed all 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 who do not meet SAP due to Maximum Timeframe are 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 NSP award is disbursed on the same day as the default becomes active, the student may keep the disbursement but is not eligible for subsequent disbursements until the default is resolved. 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, and the student is otherwise eligible, before disbursing NSP awards.

A student who has invertedly overborrowed federal loans requiring a reaffirmation process is still eligible for state aid programs, including North Star Promise.

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 NSP award is disbursed on the same day as the hold becomes active, the student may keep the disbursement but is not eligible for subsequent disbursements until the hold is resolved. 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 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.

Fraudulent Application

An application confirmed of or suspected of fraud should not be used to award North Star Promise.

Award Calculation

Institutions are responsible for calculating NSP awards each term. NSP can be awarded in fall, spring, and/or summer terms. Reminder: For 2026-2027, 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 of eligible tuition and mandatory fees charged)
-$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.

Student-Initiated NSP Award Decline

Generally, if it is determined that a student is eligible for an award of $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 decline of award should be initiated by the student.
- 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 program eligibility requirements in future years.

When 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: eligible tuition and mandatory fees, and gift aid.

Eligible Tuition and Mandatory Fees

Eligible 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 mandatory 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 awards. If the institution's policy allows SG to be paid for the repeated course(s) then it can be included in the award calculation for NSP. NSP will not cover a repeated course within the same term (i.e. a student is paid NSP on a W for a first half of the term course but re-enrolls for the same course in the second half of the term, NSP will not cover the second half of the term course).

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 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 (unless funded by federal last dollar program such as Voc Rehab/WIOA)
Dual Training Grant
Early Childcare Family Education (ECFE) Teacher Shortage Grant
Educator Tuition Assistance Program (ETAP) 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 (including Workforce Pell)
Private Scholarships and Grants
Public Safety Officer Survivor Grant
Special Education Teacher Pathway Program
Stipends
Student Teacher Grants (Underrepresented and Teacher Shortage)
TEACH Grant

Aid Types Included (Counted as Gift Aid) in the North Star Promise Award Calculation
Third Party (Counted as OFA)
Trade Adjustment Assistance (TAA)
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)
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, childcare, 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
Peace Officer Skills Funding Initiative
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 at Two or More Institutions in the Same Term

Enrolled at More than One Eligible Institution in the Same Term

If a student is enrolled in multiple institutions during the same term, the institution responsible for disbursing NSP is the institution that has disbursed Title IV aid. If no Title IV aid is disbursed, it is the institution that has disbursed any other state financial aid program. If a student has received Title IV aid at an institution, they should not have NSP disbursed at a different institution in the same term.

If at the time NSP is disbursed no Title IV aid or state financial aid is disbursed at another school, the NSP can be disbursed at the NSP eligible institution. If Title IV aid or other state financial aid is disbursed at a different institution during the same term, the NSP payment should be canceled and re-calculated at the institution awarding Title IV aid.

Only one institution may pay NSP per student per term.

The institution responsible for disbursing NSP may choose to include in the NSP award calculation the eligible tuition and fees and gift aid from another NSP eligible institution where a student is simultaneously enrolled provided the following conditions are met:

- The student is enrolled in a degree, diploma, or certificate seeking program at the non-NSP awarding institution or a consortium agreement is in place whereby the enrollment at the non-NSP awarding institution is applicable to the student's program at the NSP-awarding institution (do not include tuition and fees for enrollment not applicable to the student's program at the NSP awarding institution), and
- If a student is receiving gift aid at the non-NSP awarding institution, the NSP-awarding institution must factor it into the NSP award calculation, and
- The NSP-awarding institution must only use the base tuition rate of the non-NSP awarding institution (differential or surcharge rates cannot be included), and
- The enrollment at the non-NSP awarding institution must be included in the enrollment reported in the NSP record for the student receiving the award.

For example: A student is enrolled at Public 2-year College and Public 4-year University, the Public 2-year College has awarded Pell Grant, then the Public 2-year College is also responsible for calculating NSP award eligibility. The Public 2-Year College may factor the eligible tuition and fees and gift aid from the public 4-year into their NSP award calculation, and report combined enrollment to MNAid.

Although institutions cannot include charges in the NSP award calculation that do not meet the eligible "tuition and mandatory fees" definitions, institutions are not required to exclude the payment of these charges, for example, in cases where a combined eligible 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.

Reach out to NSP program administrator if questions arise about which institution is responsible for awarding NSP.

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 eligible and ineligible institutions and meets NSP eligibility criteria at the NSP eligible institution, then they may be awarded NSP using only the eligible institution's tuition and fees in the NSP award calculation so long as the NSP-eligible institution is also awarding Title IV and/or other state financial aid. If the NSP ineligible institution is paying Title IV and/or state financial aid, the student is not eligible for NSP during that term.

For example, an NSP eligible student is enrolled at a MN Private School where they are receiving Pell Grant and State Grant. The student is also enrolled in Public 2-year Community College. The Public 2-year Community College must not award NSP because the student is receiving Title IV aid at another school in the same term.

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/online programs can still be included in the NSP award calculation; however, it will be capped at the institution's base resident undergraduate tuition rate. Eligible mandatory fees may 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 or online 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 2026 - 2027.

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) ($1,000 MN State Grant) = $3,000 NSP	$5,000 Tuition and Fees (at 100% benefit) ($3,000 NSP) = $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) ($1,000 MN State Grant) = $3,000 NSP	$5,000 Tuition and Fees ($3,000) NSP =$2,000 Ch. 33	$5,000 Tuition and Fees ($1,000 Pell Grant) ($1,000 MN State Grant) ($2,000 Ch. 33) =$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.

[7] https://www.revisor.mn.gov/statutes/cite/197.791

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 a 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.

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 (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 *

**The 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 (i.e. excluded from NSP award calculation).

The Peace Officer Skills Funding Initiative (enacted in 2025) is a temporary program for the 2026-2027 award year that is a last-dollar tuition and fees program providing financial support to students enrolled in law enforcement skills training programs at Minnesota State institutions. Because it was enacted after NSP, and is a state last-dollar tuition and fees program, it pays after NSP.

Institutional or Private Last-Dollar Programs

NSP will always pay after institutional or private last-dollar programs, unless these programs are excluded as gift aid for the purposes of the NSP award calculation or 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 an 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.

Dream Act Students – NSP Eligible Report in MNAid

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 applicants who may also be eligible for NSP. This report pulls Dream Act applicants who have applied by June 1, 2026, have a family AGI less than $80,000, and either have a Dream Act eligible status or are ineligible for Dream Act for the sole reason of "No Financial Need." 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."

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.

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.

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. If NSP is to be disbursed in a term retroactively within the award year, ensure that the award is calculated adhering to the Change in Enrollment rules below.

The NSP award amounts must be correct at the time of disbursement. Documentation must exist regarding the NSP disbursement date. Institutions must ensure students meet all the eligibility requirements before 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. 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. If changes to tuition and fees charged or gift aid amount occur after the award year ends and/or after NSP is closed out for the award year, then NSP must be re-calculated to determine if the result is a decreased award amount, and a return of funds is required. Recalculations that result in an increased award amount cannot be increased after NSP is closed out for the award year. Recalculations after the end of an award year are not common but do happen.

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, unless specifically indicated, regardless of the award adjustment end-date set for SG, and other census dates such as for Pell Grant. 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, 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 re-calculation change situations:

- If any component of the award calculation changes, the NSP award must be re-calculated and adjusted when required. Components of the NSP award calculation include tuition and mandatory fees and gift aid.
- If gift aid amounts change because of a decrease in enrollment after the term enrollment census date, the NSP award amount cannot increase to replace the reduced gift aid (no back-filling due to enrollment decreasing).
- If gift aid is reduced because it was awarded originally in error, for reasons other than enrollment changes after an NSP award has been initially calculated, it is possible for the NSP award to increase. For example, NSP is initially $0 but Pell grant is reduced due to NSLDS post-screening due to LEU, the NSP award may increase.
- At the time of 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.
- Depending upon the point in the term, award re-calculations may cause the award to increase, decrease, or remain the same. However, after the term enrollment census date it is much less likely an NSP term award will increase in amount.
- If upon initial award calculation the award amount is $0, follow the "award already disbursed" directions in the chart below. Initial award calculation of $0 generally means that if at any point before original NSP disbursement the gift aid disbursed exceeds the tuition and fees charged, the initial NSP award calculation is $0.
- 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 (Box A). If required, NSP should be recalculated before being included in Part I of the OHE Refund Calculation Spreadsheet.

- If a student becomes ineligible for an NSP award (or an award reduction is required) after the award year is closed out, use the OHE Refund Return form process to return funds to OHE.
- Term enrollment census refers to the date at which full term course registration is locked, and a student is prohibited from changing registration, adding, or dropping term courses.

Change in Enrollment	NSP Award Already Disbursed or Initially Calculated at $0	NSP Award Not Yet Disbursed
Student drops* all classes **before** the term enrollment census.	A student is not eligible to receive an NSP award with no enrollment. NSP award is canceled, even if the student is charged a portion of tuition/fees. *Dropping classes during this time assumes that the dropped classes no longer appear on the student's academic record. Often the tuition and fees are refunded to the student.	A student is not eligible to receive an NSP award with no enrollment.
Student drops some classes **before** the term enrollment census.	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. Example: A student drops some, but not all, courses and 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).	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.
A student adds a class or classes **before** the term enrollment census.	If tuition and fees or gift aid changed since initial NSP award calculation, NSP is recalculated. The NSP award may increase if an aid eligible course is added before the term enrollment census.	NSP is calculated using the tuition and fees and gift aid amounts which includes the added class(es).

Change in Enrollment	NSP Award Already Disbursed or Initially Calculated at $0	NSP Award Not Yet Disbursed
Student adds a class or classes **after** the term enrollment census.	If the school's State Grant award adjustment end date has not yet passed, the NSP award can be re-calculated to include the additional tuition and fees associated with the added class(es) and using updated gift aid amounts related to adding enrollment (if applicable). The NSP award can increase in this situation. If the school's State Grant award adjustment end date has passed, the tuition and fees associated with the added class(es) cannot be added into the award re-calculation.	
Student drops a class or classes **after** the term enrollment census.	NSP must be re-calculated excluding the tuition and fees for the dropped course(s). The NSP award cannot increase to backfill for other gift aid that is reduced due to this enrollment change. A student cannot *become* eligible to receive an NSP award *because* their gift aid was reduced due to dropping a second half of term course. If the tuition and fees were covered by other gift aid before the enrollment change, then no new or increased NSP award is generated. Example: A student drops a second half of the term course after the term course enrollment census but before the second half of term course add/drop date; the NSP is recalculated using the updated tuition and fees (does not include the dropped course) and gift aid amounts. If the re-calculation results in an increased amount, the NSP award remains at the original amount.	
Dropping and Adding (swapping) enrollment **after** the term course census date.	Institutions handle swapping differently and guidance cannot be provided in this manual for every situation, however, in general, the NSP award cannot increase to backfill for other gift aid that is reduced due to a student dropping a class and then adding another one in the term. A student cannot *become* eligible to receive an NSP award *because* their gift aid was reduced due to dropping a second half of term course – even if they add back another second half of the term course. If the tuition and fees amount was covered by other gift aid before the enrollment changes (swap), then no new or increased NSP award is generated. To prevent loss of other gift aid due to swapping a second half of the term course, a student in this situation could add their course before dropping the other one. Example: NSP is initially calculated based on 12 credits of enrollment, of which 3 credits is a late start/second half of term course. After the term enrollment census, a student drops the late start course which causes Pell to reduce. They then add another late start course, but Pell does not increase back to the original amount	

Change in Enrollment	NSP Award Already Disbursed or Initially Calculated at $0	NSP Award Not Yet Disbursed
	because of the Pell census. NSP will not increase to cover the loss of the Pell. NSP can increase by adding tuition and fees from the added class(es), but it cannot cover the reduction in Pell due to previous enrollment decrease.	
A student stopped attending* **a class or classes** before the end of the term. They receive a grade with a last date of attendance that is before the end of the term. *Stopping attendance means a student began attending, and subsequently received a grade indicated with a Last Date of Attendance (LDA) before the end of the term.	If the NSP has disbursed before the student stops attending some (but not all) 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 student stopping attendance, the NSP award must be re-calculated using updated gift aid and COA. NSP awards cannot exceed COA. The NSP award cannot increase to backfill for other gift aid that is reduced due to this enrollment change. The NSP award could, technically, decrease, depending upon the calculation. Example: A student is enrolled in 16 credits, NSP has disbursed, they stopped attending 8 credits before the end of the term and no component of the NSP award calculation changes. The NSP award and enrollment reported to MNAid remain the same. If the LDA grade(s) are on the same day as the NSP disbursement date, the NSP award is considered disbursed, follow the rules in this column. The NSP award should be recalculated and not include tuition and fees for LDA grade(s) that are before the NSP disbursement date.	If the NSP has not disbursed before the LDA of the grade(s): the award must be calculated to exclude the tuition and fees for the LDA grade(s) and using the updated gift aid amounts and COA that reflect the enrollment change. *A student cannot *become* eligible to receive an NSP award *because* their gift aid was reduced due to a student stopping attendance. If the tuition and fees were originally covered by other gift aid before the enrollment change, then no new NSP award is generated. The LDA grades are also excluded in the enrollment reported. The NSP award cannot exceed the term COA.
A student stopped attending **all classes** before the end of the term and received grades with a last date of attendance (LDA)	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. If some component(s) of the award calculation changes due to the student stopping attending	**If the NSP has not disbursed before the student stops attending all classes before the end of the term, then the student is not eligible for an NSP award that term.**

Change in Enrollment	NSP Award Already Disbursed or Initially Calculated at $0	NSP Award Not Yet Disbursed
before the end of the term in all classes.	all courses, then the NSP award must be re-calculated using updated award components and updated COA. The NSP award cannot increase to backfill for other gift aid that is reduced when a student stops attending all classes before the end of the term. The NSP award can decrease or become $0 because of the recalculation.	
A student receives non-attendance grade(s) in some, or all classes or an institution retroactively drops a class or classes. The NSP award calculation includes tuition and fees for only aid-eligible courses where a student began attendance. 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. Retroactively dropping classes assumes that the class(es) is/are removed from the student's academic record and the tuition and fees for	When NSP has already been 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. Generally, the enrollment reported to MNAid does not include NA grades or retro-drops. 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. 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 banded, then the enrollment reported would be 16, to include the NA grade(s).	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 *because* other gift aid is reduced due to non-attendance or retro-drop. If tuition and fees were covered by other gift aid before the enrollment change, then no new NSP award is generated. If tuition and fees were only partially covered by other gift aid before the enrollment change, then the remainder *could* be used to generate an initial NSP award. The award calculation components must be documented. Example: Fall NSP award had not disbursed because a student had an active child support hold. The student enrolled for 12 credits and the tuition and fees were not fully covered by gift aid. The student then received NA grades for 6 credits. The hold was lifted within the award year and the NSP award is now calculated

Change in Enrollment	NSP Award Already Disbursed or Initially Calculated at $0	NSP Award Not Yet Disbursed
that class or classes are refunded to the student.		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.

NSP recalculations and adjustments can become even more complicated when the enrollment changes fall into multiple categories spanning multiple instances over the course of the term. Consult with the NSP Program Administrator if you have questions on specific student enrollment change situations related to re-calculating/adjusting NSP.

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.

If an AGI adjustment happens after a student has received withdrawal grades for the term, NSP cannot backfill to cover aid that has been reduced due to the enrollment changes, but NSP can be awarded if the award eligibility is due to the AGI adjustment.

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 a 2-year degree, and up to eight full-time semesters or the equivalent for students pursuing a 4-year degree. Students must begin the term below 48.0 (2-year) and below 96.0 (4-year) units, respectively, to be eligible for an award for that term. Like State Grant, a student may exceed the unit usage maximum in their final term awarded if they begin the term below 48.0 (2-year) and below 96.0 (4-year) units, respectively.

- Associate, diploma, 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
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. Students are 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.

A student otherwise eligible for NSP can receive an award even if they have reached maximum units for Pell (LEU) and/or if they have exceeded units for any other State financial aid program.

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.

Within the award year, 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 an NSP payment to be sent to the institution 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. Institutions may 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

Within the award year, 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, and if the NSP awarding institution is aware of gift aid at the visiting institution, they are required 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 a family 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, if they have a family AGI below $80,000 they 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 close out NSP no later than the business day on or preceding August 31st**.** 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 the 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, and the NSP Program Administrator receives an email from the institution indicating their final file has been sent, the NSP Program Administrator will notify the institution of the final reconciliation report numbers by email. If there is a positive balance of funds at OHE, the institution will need to request the balance amount in MNAid and a final payment will be generated to the institution. If there is a surplus of funds, the closeout email will show the total amount that needs to be returned to OHE by check via the OHE Refund Return Form.

Closing out North Star Promise for the award year means that the institution has reconciled advances with accepted payments within MNAid and has shown that MNAid and institutional records match for the year. Closing out for the award year allows an institution to request a payment for the next award year. After closing out, it is highly likely an institution may still need to return NSP program funds on an individual student level for

the year that has already closed out. Examples of these situations include, but are not limited to, uncashed checks, late receipt of additional gift aid, and late drop or enrollment changes that cause an NSP award re-calculation, etc.

Appendix A: Archived Change Memo from July 2025

Page numbers reflect the page number of the change from the previous manual draft (December 2024).

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).

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 MISP

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, MISP and FIG

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

In this example, the student is eligible for two last-dollar programs, NSP and MISP. 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 MISP award now must be calculated and awarded prior to NSP. This is due to the order of enactment language; MISP was enacted before NSP. The MISP 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.