

# **Report on State Financial Aid Fund Balances for Fiscal Year 2005 Program Spending**

Monthly Report  
Based on End of October 2004 Data

Prepared by:  
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Fiscal Year 2005  
Spending as of October 31, 2004



## Summary

The 2003 Minnesota Legislature directed the Higher Education Services Office to evaluate and report monthly on state financial aid expenditures by type to date and unexpended balances. (*Laws of Minnesota for 2003*, Chapter 133, Article 1, Section 2, Subdivision 14). This is the fourth monthly report with Fiscal Year 2005 data. It contains information through October 31, 2004.

### State Grant Program

The 2003 Minnesota Legislature appropriated \$140.5 million to the Services Office for the State Grant Program for Fiscal Year 2005. In addition, \$625,680 is available in federal matching funds through the Leveraging Educational Assistance Program (LEAP). The Services Office also carried forward approximately \$26.3 million in unexpended Fiscal Year 2004 State Grant funds to Fiscal Year 2005.

Through October 31, 2004, the Services Office disbursed \$58.3 million to institutions. These institutions reported \$59.1 million in disbursements to students for the leading summer and fall terms. Some additional spending is expected for fall term. Spending for winter and spring terms does not normally occur until December.

## **State Work Study Program**

The 2003 Minnesota Legislature appropriated \$12.4 million for State Work Study for Fiscal Year 2005. As of October 31, \$6.2 million had been disbursed to campuses and \$2.8 million had been disbursed to students.

## **Post-Secondary Child Care Grant Program**

The 2003 Minnesota Legislature appropriated \$4.7 million for the Post-Secondary Child Care Grant Program for Fiscal Year 2005. As of October 31, 2004, \$2.4 million had been disbursed to campuses and \$1.9 million had been disbursed to students.

## **Public Safety Officers' Survivors Benefit Program**

As part of the State Grant appropriation, the 2003 Minnesota Legislature authorized funding to provide educational benefits to survivors of public safety officers. As of October 31, 2004, \$37,598 had been paid to students.

## **Tuition Reciprocity Program**

The Legislature appropriated \$3.6 million to the Services Office for Fiscal Year 2005 for possible reciprocity payments to Wisconsin and North Dakota. As of October 31, 2004 no funds had been expended.

## **Minnesota College Savings Plan**

The 2003 Legislature appropriated \$1.1 million for matching grants and administrative expenses for the Minnesota College Savings Plan in Fiscal Year 2005. Customers have until May 1, 2005 to apply for matching grants during Fiscal Year 2005. As of October 31, 2004, \$22,793 had been expended for administrative purposes and \$8,840 had been expended for matching grants.

## STATE GRANT PROGRAM

The following table shows the spending status of the State Grant Program as of October 31, 2004.

### State Grant Program

### FY 2005

	October 31, 2004	Appropriation Summary		
1	Appropriation			\$140,500,000
2	+Balance Forward In			\$26,341,553
3	+Prior Year Refunds			\$169,183
4	+Federal LEAP Funds			\$625,080
5	-Return of FY04 Federal SLEAP funds			(\$706,674)
	Less: Funds Held in Reserve			(\$25,804,062)
6	Current Available Amount for Grants			\$141,125,080
7	Less: Disbursements to Schools			(\$58,275,979)
8	-Balance forward-Out			\$0
9	-Transfers--Out			\$0
10	Balance on hand- HESO			\$82,849,101
11		Disbursements to Schools	\$58,275,979	
12		Reported Payments to Students:	(\$59,064,193)	
13	Balance on hand- Campuses		(\$788,214)	(\$788,214)
14	Total Unexpended Funds			\$82,060,887

## Spending by Term

Four data series have been created to track Minnesota State Grant spending in Fiscal Year 2005. Two are shown as year to date values in the table on the previous page:

- HESO advances to schools (line 9)
- Institutions reported payments to students (line 10)

In addition, two data series are being used for tracking purposes:

- Initial Allocated Funds Available for Grants
- Payments accepted by MHESO

“Advances to schools” are based on accounting records maintained by MHESO as part of the state’s accounting system. “Reported payments” are provided by campus financial aid offices at the end of each month and reflect the activity on campus to date. “Payments accepted by MHESO” are determined from the data sent by campus financial aid offices to MHESO. These data have passed a number of quality checks; they are the amounts credited against the disbursements made to each school. By the end of the year, advances and accepted payments must be equal. All three are followed in the tracking process to provide multiple measures of spending to date. The four series are shown on the table below.

<b>Initial Funds, Adjusted Funds, Advances, Reported Spending and Accepted Payments, Fiscal Year 2005</b>					
Month	Initial Allocated Funds Available	Adjusted Allocated Funds Available	Advances to Campuses Cumulative	Reported Spending by Campuses Cumulative	Payments Accepted by HESO Cumulative
July	\$142,083,740		\$2,905,894	\$1,627,329	\$1,627,329
August	\$142,083,740		\$33,998,363	\$23,912,859	\$7,388,741
September	\$142,083,740		\$52,310,498	\$54,304,444	\$46,953,265
October	\$142,083,740		\$58,275,979	\$59,064,193	\$56,600,883
November	\$142,083,740				
December	\$142,083,740				
January	\$142,083,740				
February	\$142,083,740				
March	\$142,083,740				
April	\$142,083,740				
May	\$142,083,740				
June	\$142,083,740				
July	\$142,083,740				
August	\$142,083,740				
September	\$142,083,740				



The tracking of total spending does not provide a complete picture of the status of this account. A more revealing picture is provided by looking at each term, as shown on the following pages.

The initial funds available of \$142 million were allocated across the five terms (Summer 1, Fall, Winter, Spring, and Summer 2) used in administering Minnesota State Grants. The amount of funds allocated to each term was based on that term's average percentage of total spending for the past four fiscal years.

Allocation of funds by term:

- Summer 1: \$4.5 million
- Fall: \$66.8 million
- Winter: \$5.5 million
- Spring: \$61.7 million
- Summer 2: \$3.5 million

Total \$142 million

## Summer 1 Term

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

A small amount of additional spending is expected to be reported for Summer 1 Term. To be complete, if students withdraw, partial repayments are made to the State Grant Program if the student receives any tuition and fee refund. Overall, these usually account for about \$1 million over the entire year so these partial payments will have a marginal impact on the spending numbers.

<b>Initial Funds, Adjusted Funds, Advances, Reported Spending and Accepted Payments, Summer 1 Term, Fiscal Year 2005</b>					
Month	Initial Allocated Funds Available	Adjusted Allocated Funds Available	Advances to Campuses Cumulative	Reported Spending by Campuses Cumulative	Payments Accepted by HESO Cumulative
July	\$4,546,680		\$1,380,893	\$271,395	\$271,395
August	\$4,546,680		\$2,618,535	\$2,474,175	\$1,968,042
September	\$4,546,680		\$3,075,935	\$3,201,906	\$2,366,253
October	\$4,546,680		\$3,618,039	\$3,476,357	\$3,319,010
November	\$4,546,680				
December	\$4,546,680				
January	\$4,546,680				
February	\$4,546,680				
March	\$4,546,680				
April	\$4,546,680				
May	\$4,546,680				
June	\$4,546,680				
July	\$4,546,680				
August	\$4,546,680				
September	\$4,546,680				

## Fall Term

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

Some additional spending is expected to be reported for Fall Term. To be complete, if students withdraw, partial repayments are made to the State Grant Program if the student receives any tuition and fee refund. Overall, these usually account for about \$1 million over the entire year so these partial payments will have a marginal impact on the spending numbers.

<b>Initial Funds, Adjusted Funds, Advances, Reported Spending, and Accepted Payments, Fall Term, Fiscal Year 2005</b>					
Month	Initial Allocated Funds Available	Adjusted Allocated Funds Available	Advances to Campuses Cumulative	Reported Spending by Campuses Cumulative	Payments Accepted by HESO Cumulative
July	\$66,779,358		\$1,525,000	\$1,355,934	\$169,066
August	\$66,779,358		\$31,379,828	\$21,438,684	\$5,420,699
September	\$66,779,358		\$49,234,563	\$51,102,538	\$44,587,012
October	\$66,779,358		\$54,657,940	\$55,587,836	\$53,281,873
November	\$66,779,358				
December	\$66,779,358				
January	\$66,779,358				
February	\$66,779,358				
March	\$66,779,358				
April	\$66,779,358				
May	\$66,779,358				
June	\$66,779,358				
July	\$66,779,358				
August	\$66,779,358				
September	\$66,779,358				

## Winter Term

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

No funds have been disbursed to schools for Winter Term. To be complete, if students withdraw, partial repayments are made to the State Grant Program if the student receives any tuition and fee refund. Overall, these usually account for about \$1 million over the entire year so these partial payments will have a marginal impact on the spending numbers.

<b>Initial Finds, Adjusted Funds, Advances, Reported Spending, and Accepted Payments, Winter Term, Fiscal Year 2005</b>					
Month	Initial Allocated Funds Available	Adjusted Allocated Funds Available	Advances to Campuses Cumulative	Reported Spending by Campuses Cumulative	Payments Accepted by HESO Cumulative
July	\$5,541,266		\$0	\$0	\$0
August	\$5,541,266		\$0	\$0	\$0
September	\$5,541,266		\$0	\$0	\$0
October	\$5,541,266		\$0	\$0	\$0
November	\$5,541,266				
December	\$5,541,266				
January	\$5,541,266				
February	\$5,541,266				
March	\$5,541,266				
April	\$5,541,266				
May	\$5,541,266				
June	\$5,541,266				
July	\$5,541,266				
August	\$5,541,266				
September	\$5,541,266				

## Spring Term

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

No funds have been disbursed to schools for the Spring Term. To be complete, if students withdraw, partial repayments are made to the State Grant Program if the student receives any tuition and fee refund. Overall, these usually account for about \$1 million over the entire year so these partial payments will have a marginal impact on the spending numbers.

<b>Initial Funds, Adjusted Funds, Advances, Reported Spending, and Accepted Payments, Spring Term, Fiscal Year 2005</b>					
Month	Initial Allocated Funds Available	Adjusted Allocated Funds Available	Advances to Campuses Cumulative	Reported Spending by Campuses Cumulative	Payments Accepted by HESO Cumulative
July	\$61,664,343		\$0	\$0	\$0
August	\$61,664,343		\$0	\$0	\$0
September	\$61,664,343		\$0	\$0	\$0
October	\$61,664,343		\$0	\$0	\$0
November	\$61,664,343				
December	\$61,664,343				
January	\$61,664,343				
February	\$61,664,343				
March	\$61,664,343				
April	\$61,664,343				
May	\$61,664,343				
June	\$61,664,343				
July	\$61,664,343				
August	\$61,664,343				
September	\$61,664,343				

## Summer 2 Term

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

No funds have been disbursed to schools for the Summer 2 Term. To be complete, if students withdraw, partial repayments are made to the State Grant Program if the student receives any tuition and fee refund. Overall, these usually account for about \$1 million over the entire year so these partial payments will have a marginal impact on the spending numbers.

<b>Initial Funds, Adjusted Funds, Advances, Reported Spending, and Accepted Payments, Summer 2 Term, Fiscal Year 2005</b>					
Month	Initial Allocated Funds Available	Adjusted Allocated Funds Available	Advances to Campuses Cumulative	Reported Spending by Campuses Cumulative	Payments Accepted by HESO Cumulative
July	\$3,552,093		\$0	\$0	\$0
August	\$3,552,093		\$0	\$0	\$0
September	\$3,552,093		\$0	\$0	\$0
October	\$3,552,093		\$0	\$0	\$0
November	\$3,552,093				
December	\$3,552,093				
January	\$3,552,093				
February	\$3,552,093				
March	\$3,552,093				
April	\$3,552,093				
May	\$3,552,093				
June	\$3,552,093				
July	\$3,552,093				
August	\$3,552,093				
September	\$3,552,093				

**Work Study****FY 2005**

October 31, 2004	Appropriation Summary		
<b>Appropriation</b>			\$12,444,000
<b>+Balance forward In</b>			\$56,548
<b>+Prior Year Refunds</b>			\$1,767
<b>Amount for Grants</b>			\$12,502,315
<b>Less: Payments to Schools</b>			(\$6,221,999)
<b>-Balance forward-Out</b>			
<b>-Transfers--Out</b>			
<b>Balance on hand- HESO</b>			\$6,365,001
	<b>Payments to Schools</b>	\$6,221,999	
	<b>Reported Payments to Students:</b>	(\$2,838,570)	
<b>Balance on hand- Campuses</b>		\$3,383,429	\$3,383,429
<b>Unexpended Funds</b>			\$9,748,430

Expenses					
	Cumulative Payments to Schools	Cumulative Payments to Students	Balance on at Campus	HESO Balance	Total Unexpended
<b>Month</b>					
<b>July 31, 2004</b>	\$1,866,560	\$0	\$1,866,560	\$10,577,440	\$12,444,000
<b>August 31, 2004</b>	\$1,866,560	\$318,221	\$1,548,339	\$10,635,755	\$12,184,094
<b>September 30, 2004</b>	\$6,213,723	\$1,419,028	\$4,794,695	\$6,362,776	\$11,157,471
<b>October 31, 2004</b>	\$6,221,999	\$2,838,570	\$3,383,429	\$6,365,001	\$9,748,430
<b>November 30, 2004</b>					
<b>December 31, 2004</b>					
<b>January 31, 2005</b>					
<b>February 29, 2005</b>					
<b>March 31, 2005</b>					
<b>April 30, 2005</b>					
<b>May 31, 2005</b>					
<b>June 30, 2005</b>					
<b>July 31, 2005</b>					
<b>August 31, 2005</b>					
<b>September 30, 2005</b>					

**Child Care**

**FY 2005**

October 31, 2004	Appropriation Summary		
Appropriation			\$4,743,000
+Balance forward In			\$120,130
+Prior Year Refunds			\$4,161
Available Amount for Grants			\$4,834,291
Funds available for HESO Admn			\$33,000
Less: Disbursements to Schools			(\$2,423,992)
Less: HESO Expenditures			(\$7,176)
-Balance forward-Out			\$0
-Transfers--Out			\$0
Balance on hand- HESO for Grants			\$2,410,299
Balance on hand- HESO Admn			\$25,824
	Disbursement to Schools:	\$2,423,992	
	Payments to Students:	(\$1,907,654)	
Balance on hand- Campuses		\$516,338	
Total Unexpended Funds			\$2,436,123

Expenses					
Month	Cumulative Payments to Schools	Cumulative Payments to Students	Balance on Campus	HESO Grant Balance	Grant Dollars Unexpended
July 31, 2004	\$0	\$0	\$0	\$4,710,250	\$4,710,250
August 31, 2004	\$2,354,516	\$218,610	\$2,135,906	\$2,505,822	\$4,641,728
September 30, 2004	\$2,425,175	\$1,419,028	\$1,006,147	\$2,420,488	\$3,426,635
October 31, 2004	\$2,423,992	\$1,907,654	\$516,338	\$2,410,299	\$2,926,637
November 30, 2004					
December 31, 2004					
January 31, 2005					
February 29, 2005					
March 31, 2005					
April 30, 2005					
May 31, 2005					
June 30, 2005					
July 31, 2005					
August 31, 2005					
September 30, 2005					

**Safety Officer Survivors**

**FY2005**

<b>October 31, 2004</b>		<b>Appropriation Summary</b>	
	<b>Appropriation</b>		\$75,000
	<b>Balance Forward In</b>		\$17,572
	<b>Transfers In</b>		\$0
	<b>Current Available Amount for Grants</b>		\$92,572
	<b>Payments to Students FY04</b>		(\$118)
	<b>Payments to Students FY05</b>		(\$37,480)
	<b>-Balance forward-Out</b>		\$0
	<b>-Transfers--Out</b>		\$0
	<b>Balance on hand- HESO</b>		\$54,974
<b>Expenses</b>			
<b>Month</b>	<b>Cumulative Payments to Students</b>	<b>Balance on hand at HESO</b>	
<b>July 31, 2004</b>	\$1,039	\$73,961	
<b>August 31, 2004</b>	\$14,243	\$78,329	
<b>September 30, 2004</b>	\$32,357	\$60,215	
<b>October 31, 2004</b>	\$37,598	\$54,974	
<b>November 30, 2004</b>			
<b>December 31, 2004</b>			
<b>January 31, 2005</b>			
<b>February 29, 2005</b>			
<b>March 31, 2005</b>			
<b>April 30, 2005</b>			
<b>May 31, 2005</b>			
<b>June 30, 2005</b>			
<b>July 31, 2005</b>			
<b>August 31, 2005</b>			
<b>September 30, 2005</b>			

**Reciprocity**

**FY2005**

October 31, 2004		Appropriation Summary		
Appropriation				\$3,600,000
Balance Forward In				\$3,600,000
Transfers In				\$0
Current Available Amount for Grants				\$7,200,000
Payments				\$0
-Balance forward-Out				\$0
-Transfers--Out				\$0
Balance on hand- HESO				\$7,200,000
Expenses				
Month	Cumulative Disbursements to Wisconsin	Cumulative Disbursements to North Dakota	Balance on hand at HESO	
July 31, 2004	\$0	\$0	\$3,600,000	
August 31, 2004	\$0	\$0	\$7,200,000	
September 30, 2004	\$0	\$0	\$7,200,000	
October 31, 2004	\$0	\$0	\$7,200,000	
November 30, 2004				
December 31, 2004				
January 31, 2005				
February 29, 2005				
March 31, 2005				
April 30, 2005				
May 31, 2005				
June 30, 2005				
July 31, 2005				
August 31, 2005				
September 30, 2005				

**College Savings Plan**

**FY2005**

<b>October 31, 2004</b>	<b>Appropriation Summary</b>		
	<b>HESO Admn Funds</b>	<b>Matching Grants</b>	
<b>Appropriation</b>	\$100,000	\$1,020,000	\$1,120,000
<b>+Balance forward In</b>		\$738,406	\$738,406
<b>+Transfers In</b>			\$0
<b>Total Funds Available</b>	\$100,000	\$1,758,406	\$1,858,406
<b>Less Expenditures</b>	(\$22,793)	(\$8,840)	(\$31,633)
<b>-Balance forward Out</b>			\$0
<b>-Transfers Out</b>			\$0
<b>Balance on hand- HESO</b>	\$77,207	\$1,749,566	\$1,826,773
<b>Less Encumbered Amount</b>	(\$77,207)	(\$1,011,160)	(\$1,088,367)
<b>Total Unobligated Balance</b>	\$0	\$738,406	\$738,406
<b>Total Unexpended Funds</b>			\$1,826,773
<b>Expenses</b>			
<b>Month</b>	<b>Cumulative HESO Funds Expended</b>	<b>Cumulative Matching Grant Funds Expended</b>	<b>Cumulative Total</b>
<b>July 31, 2004</b>	\$4,322	\$0	\$4,322
<b>August 31, 2004</b>	\$9,515	\$0	\$9,515
<b>September 30, 2004</b>	\$15,390	\$8,184	\$23,574
<b>October 31, 2004</b>	\$22,784	\$8,840	\$31,624
<b>November 30, 2004</b>			
<b>December 31, 2004</b>			
<b>January 31, 2005</b>			
<b>February 29, 2005</b>			
<b>March 31, 2005</b>			
<b>April 30, 2005</b>			
<b>May 31, 2005</b>			
<b>June 30, 2005</b>			
<b>July 31, 2005</b>			
<b>August 31, 2005</b>			
<b>September 30, 2005</b>			