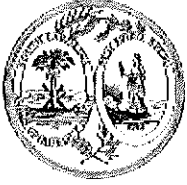


Agency Name:  
Agency Code:

Higher Education Tuition Grants Commission  
H060

Section:

12



Fiscal Year FY 2022-2023

Agency Budget Plan

**FORM A - BUDGET PLAN SUMMARY**

**OPERATING  
REQUESTS**  
*(FORM B1)*

For FY 2022-2023, my agency is (mark "X"):	
<input checked="" type="checkbox"/>	Requesting General Fund Appropriations.
<input type="checkbox"/>	Requesting Federal/Other Authorization.
<input type="checkbox"/>	Not requesting any changes.

**NON-RECURRING  
REQUESTS**  
*(FORM B2)*

For FY 2022-2023, my agency is (mark "X"):	
<input type="checkbox"/>	Requesting Non-Recurring Appropriations.
<input type="checkbox"/>	Requesting Non-Recurring Federal/Other Authorization.
<input checked="" type="checkbox"/>	Not requesting any changes.

**CAPITAL  
REQUESTS**  
*(FORM C)*

For FY 2022-2023, my agency is (mark "X"):	
<input type="checkbox"/>	Requesting funding for Capital Projects.
<input checked="" type="checkbox"/>	Not requesting any changes.

**PROVISOS**  
*(FORM D)*

For FY 2022-2023, my agency is (mark "X"):	
<input type="checkbox"/>	Requesting a new proviso and/or substantive changes to existing provisos.
<input type="checkbox"/>	Only requesting technical proviso changes (such as date references).
<input checked="" type="checkbox"/>	Not requesting any proviso changes.

Please identify your agency's preferred contacts for this year's budget process.

**PRIMARY  
CONTACT:**  
**SECONDARY  
CONTACT:**

	<u>Name</u>	<u>Phone</u>	<u>Email</u>
	Katie Harrison	(803) 896-1121	katie@sctuitiongrants.org
	Zachary Christian	(803) 896-1122	zachary@sctuitiongrants.org

I have reviewed and approved the enclosed FY 2022-2023 Agency Budget Plan, which is complete and accurate to the extent of my knowledge.

**SIGN/DATE:**  
**TYPE/PRINT  
NAME:**

	<u>Agency Director</u>	<u>Board or Commission Chair</u>
	<i>Katherine Harrison 9/17/21</i>	<i>9-15-21 [Signature]</i>
	Katherine Harrison	Darrell Parker

This form must be signed by the agency head – not a delegate.

Agency Name:	Higher Education Tuition Grants Commission
Agency Code:	H060
Section:	12

BUDGET REQUESTS			FUNDING					FTES				
Priority	Request Type	Request Title	State	Federal	Earmarked	Restricted	Total	State	Federal	Earmarked	Restricted	Total
1	B1 - Recurring	Tuition Grants	10,000,000	0	0	0	10,000,000	0.00	0.00	0.00	0.00	0.00
2	B1 - Recurring	Classified Personnel	15,000	0	0	0	15,000	0.00	0.00	0.00	0.00	0.00
TOTALS			10,015,000	0	0	0	10,015,000	0.00	0.00	0.00	0.00	0.00

Agency Name:	Higher Education Tuition Grants Commission		
Agency Code:	H060	Section:	12

## **FORM B1 – RECURRING OPERATING REQUEST**

<b>AGENCY PRIORITY</b>	<b>1</b>
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*Provide the Agency Priority Ranking from the Executive Summary.*

<b>TITLE</b>	<b>Tuition Grants</b>
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*Provide a brief, descriptive title for this request.*

<b>AMOUNT</b>	<b>General: \$10,000,000</b> <b>Federal: \$0</b> <b>Other: \$0</b> <b>Total: \$10,000,000</b>
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*What is the net change in requested appropriations for FY 2022-2023? This amount should correspond to the total for all funding sources on the Executive Summary.*

<b>NEW POSITIONS</b>	<b>0.00</b>
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*Please provide the total number of new positions needed for this request.*

<b>FACTORS ASSOCIATED WITH THE REQUEST</b>	<b>Mark "X" for all that apply:</b>	
	<input type="checkbox"/>	Change in cost of providing current services to existing program audience
	<input type="checkbox"/>	Change in case load/enrollment under existing program guidelines
	<input type="checkbox"/>	Non-mandated change in eligibility/enrollment for existing program
	<input type="checkbox"/>	Non-mandated program change in service levels or areas
	<input type="checkbox"/>	Proposed establishment of a new program or initiative
	<input type="checkbox"/>	Loss of federal or other external financial support for existing program
	<input type="checkbox"/>	Exhaustion of fund balances previously used to support program
	<input type="checkbox"/>	IT Technology/Security related
	<input type="checkbox"/>	Consulted DTO during development
<input type="checkbox"/>	Related to a Non-Recurring request – If so, Priority #	

<b>STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES</b>	<b>Mark "X" for primary applicable Statewide Enterprise Strategic Objective:</b>	
	<b>X</b>	Education, Training, and Human Development
	<input type="checkbox"/>	Healthy and Safe Families
	<input type="checkbox"/>	Maintaining Safety, Integrity, and Security
	<input type="checkbox"/>	Public Infrastructure and Economic Development
<input type="checkbox"/>	Government and Citizens	

<b>ACCOUNTABILITY OF FUNDS</b>	<p>1.1, 1.2, 1.3, 1.4, 2.1, 2.2, 3.1</p> <p>These strategies are advanced as students receive sufficient funding to afford to pay college tuition. Additionally, the request advances these strategies by increasing the maximum and average Tuition Grant funds provided to eligible college students.</p> <p>Evaluation of funds occurs in the form of compliance audits at each institution enrolling eligible students. Agency management will continue to provide sound policies and procedures for managing program funds and will provide training, at least annually, to financial aid personnel who administer the program for their institution.</p>
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*What specific strategy, as outlined in the most recent Strategic Planning and Performance Measurement template of agency's accountability report, does this funding request support? How would this request advance that strategy? How would the use of these funds be evaluated?*

<b>RECIPIENTS OF</b>	Post-secondary students eligible for Program funds per Statute
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*What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?*

**JUSTIFICATION OF REQUEST**

This is not a request to increase funds available for the Program over the total appropriated during the FY22 year. Rather, the agency is requesting that the General Assembly consider moving the recent increase of \$10 million for the Tuition Grants Program from Lottery appropriations to recurring General Fund appropriations in FY23 and beyond. The Tuition Grant is funded by a combination of General Fund and Lottery revenues each year. General Fund allocations provide a more stable source of funding available at the beginning of each academic year, and also provide the agency with the opportunity to better plan for future disbursements and eligibility under the Program.

Building on the incredible momentum of the current year as a result of the State's significant increase in need-based college aid programs will allow the Tuition Grants Commission the option to continue funding eligible students at the Statutory Maximum allowed. For reference, the Statutory Maximum as found in SC Code of Laws, Title 59, Chapter 113, Section 30, Subsection C: "The maximum amount may not exceed the average state appropriation for each fulltime student enrolled in the state-supported institutions of higher learning with four-year undergraduate degree programs in the previous year." For FY23, that amount will be \$5,580, assuming adequate funds are once again available. This would represent an increase of up to \$1,190 per eligible student.

The current level of funding, whether comprised of General Fund or Lottery allocations, is sufficient to fully fund the Maximum Grant for the FY23 academic year, including an estimated 100 students who will be new to the Program as a result of Clinton College in Rock Hill becoming an eligible and participating institution beginning with the Fall 2022 semester. The agency is simply requesting the General Assembly to consider moving \$10 million in available funding from Lottery to General Fund appropriations.

**FUTURE IMPACT:** There are only two sources of funds available for funding the Tuition Grants Program; recurring state appropriations and lottery funds. The impact of adopting this request would be to allow for a more stable source of (recurring) funds that both allow grant funds to be fully disbursed to students during the Fall and Spring semesters and allow the agency to better plan for future disbursement cycles and even potentially increase the number of students qualifying for the Tuition Grant by expanding existing eligibility criteria. The impact of not honoring the request is that Maximum Grants may not be able to match the Statutorily allowed amount, which reduces the value of the grant for eligible students. In some cases, student loan debt levels may increase as students search for ways to make up the difference. Another impact of continuing to provide this funding through Lottery instead of General Fund is that grant disbursements may be delayed as a result of the quarterly disbursement of lottery funds to the agency.

*Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. If new positions have been requested, explain why existing vacancies are not sufficient.*

Agency Name:	Higher Education Tuition Grants Commission		
Agency Code:	H060	Section:	12

## **FORM B1 – RECURRING OPERATING REQUEST**

<b>AGENCY PRIORITY</b>	2
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*Provide the Agency Priority Ranking from the Executive Summary.*

<b>TITLE</b>	Classified Personnel
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*Provide a brief, descriptive title for this request.*

<b>AMOUNT</b>	<p><b>General: \$15,000</b></p> <p><b>Federal: \$0</b></p> <p><b>Other: \$0</b></p> <p><b>Total: \$15,000</b></p>
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*What is the net change in requested appropriations for FY 2022-2023? This amount should correspond to the total for all funding sources on the Executive Summary.*

<b>NEW POSITIONS</b>	0.00
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*Please provide the total number of new positions needed for this request.*

<b>FACTORS ASSOCIATED WITH THE REQUEST</b>	<b>Mark "X" for all that apply:</b>	
	<input checked="" type="checkbox"/>	Change in cost of providing current services to existing program audience
	<input type="checkbox"/>	Change in case load/enrollment under existing program guidelines
	<input type="checkbox"/>	Non-mandated change in eligibility/enrollment for existing program
	<input type="checkbox"/>	Non-mandated program change in service levels or areas
	<input type="checkbox"/>	Proposed establishment of a new program or initiative
	<input type="checkbox"/>	Loss of federal or other external financial support for existing program
	<input type="checkbox"/>	Exhaustion of fund balances previously used to support program
	<input type="checkbox"/>	IT Technology/Security related
	<input type="checkbox"/>	Consulted DTO during development
<input type="checkbox"/>	Related to a Non-Recurring request – If so, Priority #	

<b>STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES</b>	<b>Mark "X" for primary applicable Statewide Enterprise Strategic Objective:</b>	
	<input checked="" type="checkbox"/>	Education, Training, and Human Development
	<input type="checkbox"/>	Healthy and Safe Families
	<input type="checkbox"/>	Maintaining Safety, Integrity, and Security
	<input type="checkbox"/>	Public Infrastructure and Economic Development
<input type="checkbox"/>	Government and Citizens	

<b>ACCOUNTABILITY OF FUNDS</b>	<p>1.1, 1.2, 1.3, 1.4, 2.1, 2.2, 3.1</p> <p>These funds are used to directly support the administration of the Tuition Grants program, including employee compliance with statute, program policies, and data and information security, as outlined in each agency objective.</p>
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*What specific strategy, as outlined in the most recent Strategic Planning and Performance Measurement template of agency's accountability report, does this funding request support? How would this request advance that strategy? How would the use of these funds be evaluated?*

<b>RECIPIENTS OF</b>	Agency personnel
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**FUNDS**

*What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?*

**JUSTIFICATION OF REQUEST**

An increase of \$15,000 in funding for the agency's Classified employee budget is being requested. These funds are being requested to replenish the agency's existing Classified budget so that payroll obligations can continue to be met. This increase also allows the agency, in consultation with the Division of Human Resources, the flexibility to offer performance bonuses, when justified, or adjustments in pay based on changes in duties and expectations.

**METHOD OF CALCULATION:** The amount was calculated by comparing the available fund balance in the agency's Classified budget line to the amount actually needed to fully fund all payroll obligations for the current fiscal year. Additional funds were then added to account for potential in-band salary adjustments or bonuses for agency personnel.

**FUTURE IMPACT:** The impact of adopting this request would be the need to maintain this amount annually to ensure the agency is able to cover the payroll for classified employees. The impact of not honoring the request is that payroll liabilities will need to be transferred from other potentially available sources, such as employee benefits or Tuition Grants. Transferring funds from Tuition Grants would be detrimental to our agency's primary program audience.

*Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. If new positions have been requested, explain why existing vacancies are not sufficient.*

Agency Name:	Higher Education Tuition Grants Commission		
Agency Code:	H060	Section:	12

## **FORM E – AGENCY COST SAVINGS AND GENERAL FUND REDUCTION CONTINGENCY PLAN**

<b>TITLE</b>	Agency Cost Savings and General Fund Reduction Contingency Plan
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<b>AMOUNT</b>	\$845,468
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*What is the General Fund 3% reduction amount? This amount should correspond to the reduction spreadsheet prepared by EBO.*

<b>ASSOCIATED FTE REDUCTIONS</b>	None
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*How many FTEs would be reduced in association with this General Fund reduction?*

<b>PROGRAM / ACTIVITY IMPACT</b>	Tuition Grants Program
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*What programs or activities are supported by the General Funds identified?*

<b>SUMMARY</b>	<p>The 3% reduction would effectively reduce the Tuition Grant amount by \$70 for over 12,200 eligible college students. While some students and families may be able to absorb this reduction in their grant amount, many others could not. The neediest students would be required to replace this amount with some other source of funding, if available. One likely solution to the problem would be that these students would need to increase the amount of their student loans, if they are not already receiving the maximum amount available. This would cause a burden by increasing the students' debt level and required loan payment amounts upon graduation, which would also have an impact on the state's overall average student loan indebtedness numbers.</p> <p>Method of calculation: General Fund 3% Reduction amount divided by the total number of Tuition Grant recipients from the most recent academic year.</p>
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Please provide a detailed summary of service delivery impact caused by a reduction in General Fund Appropriations and provide the method of calculation for anticipated reductions. Agencies should prioritize reduction in expenditures that have the least significant impact on service delivery.

## **AGENCY COST SAVINGS PLANS**

Due to the size of our agency, and our most recent annual operating costs continuing to be less than 1% of our overall budget, there is no one measure the agency could take to reduce expenses by \$50,000 or more. However, the agency does regularly review monthly and annual expenditures to determine if reductions can be made in operating expenses. Some examples include:

- \* Creating online, electronic versions of certain forms used by students and documents used by the agency's other customers, creating more efficiency and eliminating printing costs

- \* Continuing to notify applicants of their application and eligibility status electronically saves the agency \$16,000 annually in postage and printing costs

The agency has invested some of these savings into information technology-related training and certifications for agency personnel and has in turn eliminated the need for an IT contractor. This has resulted in an annual savings of \$11,000-\$15,000.

*What measures does the agency plan to implement to reduce its costs and operating expenses by more than \$50,000? Provide a summary of the measures taken and the estimated amount of savings. How does the agency plan to repurpose the savings?*



Agency Name:	Higher Education Tuition Grants Commission		
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## **FORM F – REDUCING COST AND BURDEN TO BUSINESSES AND CITIZENS**

<b>TITLE</b>	Tuition Grants
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*Provide a brief, descriptive title for this request.*

<b>EXPECTED SAVINGS TO BUSINESSES AND CITIZENS</b>	At this time, the Tuition Grants Commission does not have any recommendations to reduce cost or burden to businesses and citizens.
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*What is the expected savings to South Carolina's businesses and citizens that is generated by this proposal? The savings could be related to time or money.*

<b>FACTORS ASSOCIATED WITH THE REQUEST</b>	<b>Mark "X" for all that apply:</b> <input type="checkbox"/> Repeal or revision of regulations. <input type="checkbox"/> Reduction of agency fees or fines to businesses or citizens. <input type="checkbox"/> Greater efficiency in agency services or reduction in compliance burden. <input type="checkbox"/> Other
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<b>METHOD OF CALCULATION</b>	N/A
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*Describe the method of calculation for determining the expected cost or time savings to businesses or citizens.*


<b>REDUCTION OF FEES OR FINES</b>	Agency does not assess fees or fines to any customers and does not generate fee revenue
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*Which fees or fines does the agency intend to reduce? What was the fine or fee revenue for the previous fiscal year? What was the associated program expenditure for the previous fiscal year? What is the enabling authority for the issuance of the fee or fine?*

<b>REDUCTION OF REGULATION</b>	Agency does not intend to amend or delete any regulations
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*Which regulations does the agency intend to amend or delete? What is the enabling authority for the regulation?*

<b>SUMMARY</b>	<p>A previous recommendation concerning the requirement for students to complete an affidavit of eligibility annually has proven to be unsustainable without a statutory change.</p> <p>The agency does not assess fees or fines which could be reduced, as there is no fee to apply for the Tuition Grants Program. As long as the agency can maintain its relationship with the Federal Department of Education which allows it to access electronic FAFSA (Free Application for Federal Student Aid) applications of South Carolina residents, there will be no fee assessed to apply for the Tuition Grant.</p> <p>The agency currently operates on less than 1% of its overall budget and implements cost controls and efficiency in administration as standard practice.</p>
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*Provide an explanation of the proposal and its positive results on businesses or citizens. How will the request affect agency operations?*