Ms. Krista Newkirk, Commission Chair, called the meeting to order at 10:35 AM. Ms. Newkirk welcomed all in attendance and requested a roll call of the Commission Members participating on-site and via conference call.

Ms. Newkirk called for a motion to approve the Minutes of the March 12, 2019 Commission Meeting. Dr. Evans Whitaker moved to approve the Minutes. Mr. Stephen Pettit seconded the motion. The motion was unanimously approved by the Commission.

Ms. Newkirk called on Mr. Earl Mayo, Commission Deputy Director, to report on the Review of the 2018-2019 Award Year ending June 30 and Update on the 2019-2020 Award Year. Mr. Mayo reported there was over $41,000,000 in total funding available to the Commission for the 2018-2019 Award Year; the approved Maximum Grant was $3,300. Mr. Mayo stated there was a slight decrease in the total number of Applications Received, Commitments Made, and Grants Realized compared to the 2017-2018 Award Year. For the 2018-2019 Award Year, the Commission received 36,316 Applications (-0.80%), made 30,780 Commitments (-0.27%), and Realized 13,539 Grants (-0.36%). Mr. Mayo also stated there was a show-up rate of 44.03% and the Average Grant was $2,994. Mr. Mayo called attention to the Projected Funds for the 2019-2020, listing the approved $1,600,000 in State Recurring funds bringing that total to $27,558,624; the estimated $5,225,000 in Children’s Education Endowment funds; and the increase in State Funds Interest, totaling...
$220,000; and the $10,000,000 in State Lottery Funds. Projected Funds for the 2019-2020 Award Year is just over $43,000,000 with the current approved Maximum Grant set at $3,450. The Commission is estimated to receive over 36,000 Applications with over 30,000 Commitments Made, and an estimated 13,600 Grants Realized for 2019-2020. With these figures, the Average Grant for the 2019-2020 Award Years is estimated to be $3,180. Mr. Mayo reminded everyone that these figures are only estimated and actual figures will be unknown until later this year. Mr. Mayo also called attention to the State Funds Interest. While the projection is to have $220,000 in funding, the annual Interest account spending authority is only $25,000 and the State Legislature has not approved any increase in spending authority. The Commission was unaware of any projected increase in State Interest Funds, so a request to increase the spending authority for the 2019-2020 Award Year was not included in the Budget Request. Ms. Newkirk asked for any questions. There being none, the meeting continued.

Ms. Newkirk called on Ms. Katie Harrison, Commission Executive Director, to report on the Status of the 2019 Legislative Session. Ms. Harrison reported the General Assembly approved the requested $1,600,000 increase, allowing the Commission to increase the Maximum Grant for the 2019-2020 Award Year. The increase was approved by the House, which has not happened in many years. Ms. Harrison stated that typically the House does not approve the Commission’s requested budget increase and any increases the Commission has received in recent years has come from the Senate. The Commission is very fortunate to receive the full $1,600,000 requested. Ms. Harrison is also happy to report that the increase was approved through General Appropriations as recurring funds, which means the base funding for future years has increased. This means the $1,600,000 increase is now part of the recurring budget from here on out. Ms. Harrison called on Dr. Jeff Perez, President and CEO of South Carolina Independent Colleges & Universities (SCICU), to further discuss the Status of the 2019 Legislative Session. Dr. Perez explained that the session is not quite over, as the legislators will be reconvening June 25; however, none of the vetoes that will be addressed affect the South Carolina Tuition Grants Program. Dr. Perez echoed that there was a spirit of collaboration, especially in regard to Higher Education. Dr. Perez reported that the State’s Merit-Based Scholarships were fully funded for the 10-point grading scale, which led to an $85,000,000 increase. Dr. Perez asked Mr. Mike LeFever, Interim Executive Director of the South Carolina Commission on Higher Education (CHE), to provide insight. Mr. LeFever explained that the change from the 7-point grading scale to a 10-point grading scale put the sustainability of the State’s Merit-Based Scholarships in jeopardy. A result of the expanded grading scale added the need for an $83,000,000 increase to the $330,000,000 budget already needed to fully fund the Scholarships. The General Assembly has not yet addressed the issues with the Uniform Grading Scale; however, Mr. LeFever explained that there was an effort to modify the qualifying test scores and GPA scores in order to neutralize the change to the grading scale. Mr. LeFever reported this is not currently another option being discussed and if the qualifying scores are not addressed, there is no plan for what will come when the State runs out of Lottery funds. Dr. Perez also provided an update regarding the South Carolina Need-Based Grant (SCNBG). Increased funding went to the Technical Colleges in the form of Work Force Scholarships instead of the SCNBG Program. Dr. Perez also explained the updated changes to Senate Bill 298, which would focus on increasing funding to the SCNBG while also allowing the Tuition Grants Program to still receiving funding increases, focusing on how both programs benefit all South Carolina students. However, Senate Bill 298 did not pass this year. Ms. Newkirk asked for any questions. There being none, the meeting continued.

Ms. Newkirk called on Ms. Harrison to discuss the Recommended Increase to the 2019-2020 Maximum Grant. Ms. Harrison explained that with the Commission’s budget request being approved, the Commission was able to increase the 2019-2020 Maximum Grant from $3,300 to $3,450. After 2018-2019 Tuition Grants were disbursed, there was 300 fewer Grants Realized than originally anticipated. Ms. Harrison reported that with the funding available to spend, the Commission Staff recommends an immediate increase to the 2019-2020 Maximum Grant from the initially approved, and currently awarded, $3,450 to $3,500. Ms. Harrison reminded everyone that in order to increase the Maximum Grant, the Commission will need to vote to change the previous vote from the March 12, 2019 Commission Meeting. Ms. Newkirk asked for discussion. There being none, Ms. Newkirk asked for a motion to approve the increase of the 2019-2020 Maximum Grant to $3,500. Dr. Whitaker moved to approve the increase. Mr. LeFever seconded the motion. The motion was unanimously
Ms. Newkirk called on Ms. Harrison to report on the 2020-2021 Budget Request to the State Budget Division for the South Carolina Tuition Grants Programs. Ms. Harrison reminded everyone that the Budget process is lengthy and must be submitted in September 2019 for the 2020-2021 Award Year. Ms. Harrison reported that based on $3,500 being the 2019-2020 Maximum Grant, she and Mr. Mayo determined there are two viable options: The first option would be the Commission to vote to request a “$50 per-student increase over the final 2019-2020 Maximum Grant”; the second option would be to approve requesting a “$100 per-student increase over the final 2019-2020 Maximum Grant”. Ms. Harrison reported to increase the maximum grant by $50 per-student over the final 2019-2020 Maximum Grant amount, the Commission would need to request $509,266 in new funding. If the Commission voted to request an increase of $100 per-student, the Commission would need to request $1,128,792 in new funding. Ms. Harrison also stated in addition to a decision on the amount to request to increase the Maximum Tuition Grant, the Commission Staff also requests Commission approval to again request an increase of $200,000 in spending authority for the Interest Earnings Account, which would allow the Commission to spend funds currently available, and an increase of $3,000 in employee benefits through the 2020-2021 Budget Request, which were not approved in the 2019-2020 Budget. Ms. Newkirk asked for any discussion. Dr. Perez asked for clarification, as the increased $3,500 Maximum Grant amount is being supported by a carry-forward, that carry-forward would not be available in 2020-2021. Mr. Mayo explained that the Commission is still projecting additional carry-forward funds from 2019-2020 to 2020-2021. Ms. Newkirk suggests the Commission request the higher amount and negotiate down if needed. Dr. Perez also recommended to vote to request the $100 per-student increase over the final 2019-2020 Maximum Grant, which if approved, would increase the Maximum Tuition Grant from $3,200 to $3,600 in just a few years, greatly impacting students. Dr. Carol Moore, President of Columbia College, expressed her agreement of requesting Option 2. Ms. Newkirk called for a motion to request funding needed to increase the Maximum Grant by $100 per-student, increase $3,000 in employee benefits, and an increase of $200,000 in spending authority for the Interest Earnings Account as the 2020-2021 Budget Request. Dr. Roslyn Artis moved to approve the Budget Request. Dr. Whitaker seconded the motion. The motion was unanimously approved by the Commission.

Ms. Newkirk called on Mr. Zachary Christian, Commission Financial Aid Counselor and IT Director, to discuss the Budget Request for IT System Needs. Mr. Christian explained that the Commission has utilized a home-grown Microsoft Access Database since the 2010-2011 Award Year, replacing the previously used COBOL Database. Mr. Christian stated that while the Commission’s current student database system has served the Commission well over the years, because of the growing needs of the Tuition Grants Program and the limitations of Microsoft Access, the current system would no longer be of use within the next five Award Years, needed to administer the Tuition Grants Program. Mr. Christian reported on the three main limitations the Commission will face by continuing to use the current database system: file size limitations, Data security issues, and functionality limitations. The two largest concerns being limitations in file size and data security. Microsoft Access files are limited to a maximum of two gigabits of data per file. The Commission’s current database system utilizes seven different Access Database files, linked together, per Award Year to administer the Program as it is today. Within the next two to three Award Years, this would increase to at least nine separate database files. Mr. Christian explained that an increase in the number of linked Access files will significantly increase the length of time it takes Commission Staff to complete many tasks within the database system. This would create delays in processing and decrease efficiency. Mr. Christian also pointed out that Microsoft Access does not offer the robust data security features a database containing restricted and confidential personally identifiable information should have to better prevent data security attacks. Mr. Christian explained that Commission Staff are looking at two potential options that could be used to replace the current database when it will no longer meet the needs of the Commission. Option One would be to create another home-grown system, with the underlying back-end database being a Microsoft SQL Server database hosted by the South Carolina Division of Technology Operations (DTO). Option Two would be to
acquire an application by a third-party vendor designed specifically for state grant agencies. Mr. Christian reported that the Commission Staff are still waiting to receive the full cost estimates of what the Commission would need to pay DTO annually for hosting, a virtual server operating system, licensing fees, and increased internet bandwidth, if the Commission decides to approve the first option. In addition to having to pay increased fees to DTO, the Commission would be required to hire two new Full Time Employees; one to specialize in database administration and one to specialize in server administration, in order to maintain a new system under the first option. Each position would be a fully burdened cost to the Commission at over $60,000 annually, totaling over $120,000 annually. The Commission currently has a fifth, unfunded, FTE position, but not the required two. Ms. Harrison explained that the Commission would need to request a sixth FTE position and funding for it and the current fifth FTE position. Mr. Christian reported that this would all be needed to create a new system with the same current functionality. If additional features were needed, the Commission would also need to hire an outside contractor to develop and build a front-end application. Mr. Christian explained this would be strictly optional, as he would be able to re-build the current database to properly link and work with a Microsoft SQL Server database back-end; however, no additional functionality would be available. The Commission would essentially be paying to maintain a student database system that would not offer the Commission anything beyond additional security and longevity. Mr. Christian reported that Commission Staff have completed an informal survey of potential vendors, and for planning purposes, have requested an informal price estimate if the Commission approves the second option. The cost of an already developed application geared toward state agencies specifically would include a one-time set-up fee of $200,000 and an annually recurring cost of $270,000. The recurring costs include all of the listed fees the Commission would need to pay DTO, as well as: help-desk support, custom reports at request, an online portal for college aid administrators, an online portal for students, data security that meets all state and federal data privacy requirements, and support for changes to the Tuition Grants Programs. Ms. Newkirk asked for discussion. Dr. Moore stated she felt it would be in the Commission’s best interest to go with a third-party vendor with a product specialized to the Tuition Grants Program. Ms. Newkirk called for a motion to approve Option Two. Dr. Whitaker moved to approve Option Two, allowing the Commission to request one-time funds in the amount of $200,000 and annually recurring funds in the amount of $270,000 as part of the 2020-2021 Budget Request. Mr. LeFever seconded the motion. The Commission unanimously approved the motion.

Ms. Newkirk called on Mr. Mayo to report on the Capitol Impact Contract through Crescerance. Mr. Mayo explained that since January 2007, the Commission has contracted with Capitol Impact annually to provide geocoded listings of all South Carolina Tuition Grants recipients. This information is used two ways. The first allows the Commission to provide each college a list of South Carolina Tuition Grants recipients attending their college with the corresponding South Carolina House member and South Carolina Senate member, enabling each college to participate in SCICU’s annual Letter Writing Campaign. Secondly, it allows the Commission to provide each State Legislator information and an encrypted spreadsheet, via a secure internet download, indicating the names of recipients from their legislative district with an estimated amount of total funds that those recipients receive in South Carolina Tuition Grants. Mr. Mayo explained the used of Capitol Impact to provide the geocoded listings has significantly helped the Commission to accurately communicate the impact of the South Carolina Tuition Grants Program to the State Legislature. Mr. Mayo reported that the parent company of Capitol Impact, Crescerance, has been able to maintain the same pricing structure that has been in place for the last twelve years. The pricing upon contract renewal in November 2019 is $2,500 for the annual license and the geocoding is $650 for up to 43,000 records. The total cost to the Commission will be $3,150. Mr. Mayo explained this is a sole source contract, meaning no other company offers this same service and a bidding process is not available nor required by State Procurement. The Commission Staff is requesting approval to renew the contract at $3,150. Ms. Newkirk called for a motion to approve the Capitol Impact Contract. Mr. LeFever moved to approve the Capitol Impact Contract. Mr. Pettit seconded the motion. The Commission unanimously approved the motion. Dr. Perez provided an update on the Letter Writing campaign, stating that over 9,000 letters were written by Tuition Grants recipients this year. Dr. Perez explained that the previous record was just over 8,500 letters written.
Ms. Newkirk began discussion on the 2018-2019 Agency Director Performance Evaluation. Ms. Newkirk explained that she met with Ms. Harrison recently to discuss the outcome of her performance evaluation and that she received very high scores. Ms. Newkirk expressed her gratitude toward the great work Ms. Harrison is doing as Executive Director. Ms. Newkirk asked for any discussion from the Commission members. Dr. Moore and Mr. LeFever also thanked Ms. Harrison for the good work she is doing. Ms. Harrison thanked the Commission members and all of the college presidents for their support.

Ms. Newkirk called on Ms. Harrison to discuss the 2018-2019 Tuition Grants Program Reviews. Ms. Harrison reminded the Commission that Program Reviews for the 2018-2019 Award Year are due from the Colleges by December 31, 2019. She also stated the Auditor’s copy of the Applicants Report will be available on July 2, 2019 via the Commission’s website.

Ms. Newkirk called on Ms. Harrison to report on the Rotation of the SC Tuition Grants Commission and Election of Officers. Ms. Harrison reported that Dr. Ernest McNealey, Allen University, Dr. Robert Wyatt, Coker College, and Dr. Elizabeth Davis, Furman University will be rotating off the Commission, while Dr. Robert Gustafson, Erskine College, Dr. Darrell Parker, Limestone College, and Dr. Franklin Evans, Voorhees College, will be rotating on the Commission. Ms. Harrison thanked the Commission members who were rotating off for their service. With this year’s rotation, the position of Vice-Chair will need to be filled. The nomination for Vice-Chair is Dr. Evans Whitaker, Anderson University, which leaves the office of Secretary open. The nomination for Secretary is Dr. Roslyn Clark Artis, Benedict College. Ms. Newkirk called for any discussion on the nominations. There being none, Ms. Newkirk called for a motion to approve the nominations. Mr. LeFever moved to approve the nominations. Mr. Pettit seconded the motion. The motion was approved unanimously by the Commission.

Ms Newkirk called on Ms. Harrison to provide an updated on the Agency’s Office Move. Ms. Harrison stated that while it took longer than previously hoped, the Commission will be in its new location, with a ten-year lease, effective July 1, 2019. The new address of the Commission will be 111 Executive Center Drive, Suite 242, Columbia, SC 29210. The Commission’s Website, Email, and Phone Number will remain the same. Ms. Harrison thanked Mr. Mayo and Mr. Christian for their assistance in preparation for the move.

Ms. Newkirk called for Ms. Harrison to discuss other agency business. Ms. Harrison thanked Dr. Henry Tisdale for his service to the Commission over the years and congratulated him on his retirement.

Ms. Newkirk informed all participants of the 2020 South Carolina Higher Education Tuition Grants Commission meeting dates, which are tentatively scheduled for March 10, 2020 and June 16, 2020.

Ms. Newkirk called for any other new business. There being none, Ms. Newkirk adjourned the meeting at 11:25 AM.

Respectfully submitted,

Mr. Zachary R. Christian
Acting Secretary for
Dr. Evans Whitaker, Secretary
South Carolina Higher Education Tuition Grants Commission
AGENDA

Wednesday, June 19, 2019
10:30 A.M.
1706 Senate Street
Columbia, SC 29201

Call-in Information: 1-877-567-1262; Pass Code 819333

I. Welcome and Commission Roll Call for Teleconference

II. * Approval of Minutes of March 12, 2019 Commission Meeting

III. Review of 2018-2019 Award Year Ending June 30 and Update on the 2019-2020 Award Year

IV. Report on the Status of the 2019 Legislative Session

V. * Discussion/Approval of Increase to 2019-2020 Maximum Tuition Grant Award

VI. * Approval of the 2020-2021 Budget Request to the State Budget Division for the South Carolina Tuition Grants Program

VII. * Discussion/Approval of Budget Request for IT System Needs

VIII. * Approval of Capitol Impact/Crescerance Contract for 2020

IX. SC Tuition Grants Program Reviews Due from the Colleges by December 31

X. 2018-2019 Agency Director Performance Evaluation

XI. * Rotation of the SC Tuition Grants Commission and Election of Officers

XII. Update on Agency’s Office Move

XIII. Other Agency Business

XIV. Scheduled Meetings of Commission: March 10, 2020
      June 16, 2020

* Commission Vote or Action Needed

In compliance with the Freedom of Information Act, the Higher Education Tuition Grants Commission notified media outlets of the time and location of this meeting on June 11, 2019.
South Carolina Higher Education Tuition Grants Commission Meeting
Tuesday, March 12, 2019
1706 Senate Street
Columbia, South Carolina

Commission Members Present On-Site:
Ms. Krista Newkirk, Converse College, Chair

Commission Members Participating via Conference Call:
Dr. Elizabeth Davis, Furman University, Vice Chair
Dr. Ernest McNealey, Allen University
Dr. Roslyn Clark Artis, Benedict College
Mr. Stephen Pettit, Bob Jones University
Dr. Henry Tisdale, Claflin University
Dr. Robert Wyatt, Coker College

Commission Members Absent:
Dr. Evans Whitaker, Anderson University, Secretary
Mr. Mike LeFever, SC Commission on Higher Education, Ex-officio

Non-Commission Member College Presidents Participating:
Dr. Carol Moore, Columbia College
Mr. Robert Staton, Presbyterian College
Mr. Scott Cochran, Spartanburg Methodist College
Dr. Darrell Parker, Limestone College

Ms. Krista Newkirk, Commission Chair, called the meeting to order at 10:31 AM. Ms. Newkirk welcomed all in attendance and requested a roll call of the Commission Members participating on-site and via conference call.

Ms. Newkirk called for a motion to approve the Minutes of the June 5, 2018 Commission Meeting. Dr. Roslyn Clark Artis moved to approve the Minutes. Dr. Elizabeth Davis seconded the motion. The motion was unanimously approved by the Commission.

Ms. Newkirk discussed the Commission Email Votes on July 14, 2018, December 13, 2018, and March 1, 2019. Ms. Newkirk called for a motion to approve the results of the three Email Votes (see Appendix A). Dr. Davis moved to approve the results of the Email Votes. Dr. Robert Wyatt seconded the motion. The motion was unanimously approved by the Commission.
Ms. Newkirk called on Ms. Katie Harrison, Commission Executive Director, to provide an update on the Agency Branding Efforts. Ms. Harrison explained that, in late 2018, Commission Staff sought to update and modernize the agency logo and program slogan. The slogan is “Providing Opportunity. Promoting Choice.” Ms. Harrison explained that the logo was designed by a colleague at one of the state’s public institutions, at no cost to the Commission. Ms. Harrison also stated the graduation cap represents the ultimate goal of student persistence and graduation, whereas, the inclusion of the Palmetto tree ties the program to our wonderful state.

Ms. Newkirk called on Mr. Earl Mayo, Commission Deputy Director, to report on the 2017-2018 Program Reviews. Mr. Mayo reported that all reviews had been closed prior to the December 31 deadline. Out of the twenty-one colleges, eighteen had no findings; three colleges had a single finding. Of those findings, one college did not meet the 30-day refund policy deadline; one college awarded a Tuition Grant to a student without a Drug, Alcohol, and Felony Affidavit on file; and one college awarded a Tuition Grant to a student who declined on the Drug, Alcohol, and Felony Affidavit. Mr. Mayo reported that this was the lowest number of findings in the last four years. Ms. Newkirk called for questions, there being none, the meeting continued.

Ms. Newkirk called on Mr. Mayo to present an update of the 2018-2019 Award Year. Mr. Mayo said that, for 2018-2019, the Commission has $41,271,206 available to award. Mr. Mayo reported that the State Funds Interest had a large increase, which has produced more funding than the Commission has seen in over fifteen years. Mr. Mayo stated that all funds from the State Funds Interest go directly toward grants, per statute. As a result of the increase in State Lottery Funds and an increase in the amount of funding the Commission received from the Commission on Higher Education (CHE) through the Children’s Educational Endowment Fund from last year’s budget, the maximum Tuition Grant was increased from $3,200 to $3,300. Mr. Mayo noted there was a slight downturn in the number of received applications, commitments made, and grants realized. The Show-up Rate has remained the same between the 2017-2018 and 2018-2019 Award Years, at 44.03%. Mr. Mayo also pointed out the Average Grant amount went up for 2018-2019, as the Maximum Grant award was increased to $3,300 for this award year. Ms. Newkirk called for questions, there being none, the meeting continued.

Ms. Newkirk called on Ms. Harrison and Mr. Eddie Shannon, Executive Vice President of South Carolina Independent Colleges & Universities (SCICU), to discuss Capitol Impact and the Letter Writing Campaign. Ms. Harrison reported that since 2007, the Commission has contracted with a company that provides exact geocoding of the districts for state legislators. This information is used in two ways; the first allows each college to access the geocoded information for each Tuition Grant recipient so they can write to their State Representative and State Senator. The second allows the Commission to send each State Legislator a listing of Tuition Grant recipients from his/her district to emphasize how much money and how many students from their area benefited from the Tuition Grant funding. Ms. Harrison reminded everyone that the Commission moved away from mailing each legislator a CD containing his/her list, to providing the list via a secure portal on the Commission’s website. Ms. Harrison reported that the files were made available several weeks ago and as of March 11, 2019, at least 55 legislators, between the House and the Senate, have accessed their listings. Ms. Harrison stated Commission Staff believes this number may be higher, as many legislators share the same aide, and that ways in which the Commission can better track individual file downloads are being reviewed for implementation in the future. Ms. Harrison asked Mr. Shannon to report on the Letter Writing Campaign. Mr. Shannon reported that back in December 2018, the campus Legislative Coordinators met with SCICU to discuss the Legislative Strategy for 2019 and Ms. Harrison also updated everyone on the Capitol Impact system and how it works with the Letter Writing Campaign. This was done to encourage each college to participate in the Letter Writing Campaign. Mr. Shannon reported that a few reminders have been sent out to each college since January to encourage their participation and provide specific target dates for letters to be sent to better align with the timeframe of Higher Education issues being discussed. Mr. Shannon stated that April 6, 2019, is the last day to get all of the requested information in to SCICU in time for the Independent Colleges Day at the State House on April 10, 2019, where SCICU will announce the total number of letters written. Last year, 7,307 letters were written by Tuition Grants recipients and sent to State Legislators. Mr. Shannon thanked all of the colleges who participated, and the hope is to get all participating colleges to have
letter writing campaigns on their campuses this year. Ms. Newkirk called for questions, there being none, the meeting continued.

Ms. Newkirk called on Ms. Harrison to provide an update on the 2019-2020 Budget Request and the 2019 Legislative Outlook. Ms. Harrison reminded everyone that the Commission voted last June to request funding to increase the maximum grant by $150 over the current maximum grant for the 2018-2019 award year, which would increase the maximum grant to $3,450 for the 2019-2020 award year. After fall enrollment, the original Budget Request was reduced from $1,903,014 to $1,569,831. Ms. Harrison updated everyone on the dates of each budget hearing and presentation. On Friday, October 26, 2018, the Commission appeared before staff from the Governor’s Office. In January, Governor McMaster released his 2019-2020 Executive Budget. The Executive Budget addressed a minor administrative request of the agency and approved an increase in Authority to Spend existing funds but recommended no new funding increases for the Tuition Grants Program. On Tuesday, January 8, 2019, the Commission appeared before the Higher Education Subcommittee of the House Ways and Means Committee. The full House Ways and Means Committee met in late February to approve budget recommendations to pass to the full House. The full House Ways and Means Committee recommended an increase of $1,600,000 in general appropriations to the Tuition Grants Program. Ms. Harrison reported that this is the first time in many years a recommended increase is coming from the House, and that the increase recommended would be from General Funds, rather than an increase in Lottery funding. On Thursday, February 28, 2019, the Commission appeared before the Senate Finance Higher Education Subcommittee. Ms. Harrison asked Dr. Jeff Perez, President and CEO of SCICU, to further discuss the legislative update. Dr. Perez is pleased with the recommended increase from the House Ways and Means Committee and that he believes the fact that the Commission’s administrative costs are less than 1% of the total funding provided positive help with the request. Dr. Perez stated he is confident the Tuition Grants Program will receive the increase. Dr. Perez also provided an update on Senate Bill 298 (S.298). In the first version of S.298, the language used suggested that funding for the Tuition Grants Program would not increase until funding for the SC Need-Based Grant Program caught up. The newest version of the bill indicates that parity will be reached by the third year and the Commission would no longer receive funds indirectly through the Children’s Educational Endowment Fund from CHE; both programs would then increase based on the Higher Education Price Index (HEPI). Dr. Perez explained that discussions are happening in support of revising the verbiage to increase the programs annually by “at least” HEPI. This would allow for larger increases in funding for both programs, when possible. Dr. Perez echoed the importance of the legislators receiving paper letters in a world that has become so digital and reminded everyone that Independent Colleges Day at the State House is April 10, 2019. Ms. Newkirk thanked Ms. Harrison for her hard work with the Budget Request process and thanked Dr. Perez for his work since joining SCICU. Ms. Newkirk asked for any questions, there being none, the meeting continued.

Ms. Newkirk called on Ms. Harrison to discuss the Staff Recommendation Regarding Initial 2019-2020 Maximum Grant. Ms. Harrison reported that, based on the recommended increase in General Appropriations to the Tuition Grants Program through the State Budget, as approved by the House Ways and Means Committee, and with the expectation that the Senate will concur, the Commission staff recommends that the initial Maximum Grant be increased to $3,450. Ms. Newkirk asked what would happen if there were any surprises in the Budget. Ms. Harrison explained that the Maximum Grant would need to remain at $3,300 for 2019-2020 or Commission Staff could re-evaluate available funding and potentially increase the Maximum Grant by a smaller amount, making the Maximum Grant $3,350 or $3,400. However, in the past, the Senate has never recommended less funding than the House, so the Staff is confident the Senate will also recommend the increase. Ms. Newkirk called for a motion to approve the Initial 2019-2020 Maximum Grant. Dr. Davis moved to set the Maximum Grant at $3,450 for 2019-2020. Dr. Wyatt seconded the motion. The motion was unanimously approved by the Commission. Ms. Harrison announced reports to the Colleges will begin today, but student notifications will be held off until April 9th to allow the Financial Aid Offices time to package students.
Ms. Newkirk announced that in December 2018, the Agency Head Salary Commission increased the minimum salary for Ms. Harrison’s position, resulting in an increase to her salary. Ms. Newkirk explained that no vote is needed; she only wanted to make the Commission aware.

Ms. Newkirk reminded all Commission Members of the upcoming March 30 deadline to complete the State Ethics Commission’s Statement of Economic Interests Form and to contact Ms. Harrison with any questions.

Ms. Newkirk asked Mr. Mayo to provide an update on the Commission’s Annual Financial Aid Administrators Training Meetings. Mr. Mayo explained that, traditionally, a Training Meeting has been held in the Fall in or near Columbia. This year, in order to best serve the Aid Administrators at the Tuition Grants eligible colleges, the Annual Training Meeting will be held in the spring to coincide with the beginning of processing 2019-2020 awards. Mr. Mayo also explained that the decision was made to split the training into two Meetings with one in the Upstate, where over half of Tuition Grants eligible colleges are located, and the other in the Midlands, hoping to have representatives from every college attend one location or the other. The first training meeting will be held March 19, 2019, at Anderson University. The second will be held March 25, 2019, at Claflin University. Training Meetings run from 10:00 AM – 12:00 PM with lunch provided upon conclusion of the meetings. The only cost to the colleges is for transportation to the meetings. Unfortunately, one college will not be able to attend either meeting and one has yet to respond either way. Mr. Mayo, on behalf of the Commission staff, thanked Anderson University and Claflin University and their staff members for hosting the 2019 Training Meetings. This will be the first time for many college financial aid administrators from other institutions, and for two Commission staff members, to visit these two fine South Carolina independent colleges.

Ms. Newkirk asked Ms. Harrison to provide an update on the Relocation of Agency Office; Katie reminded everyone that the Commission does not have a permanent home. Going through the State RFP process, the Commission is able to obtain a 10-year contract on a larger suite at another location for a lesser amount per square footage. The Staff is currently working with the new building manager to finalize the moving process. As of today, there is not a firm date of being in the new location.

Ms. Newkirk reminded everyone that the next scheduled South Carolina Higher Education Tuition Grants Commission Meeting is June 19, 2019 at 10:30 AM.

Ms. Newkirk called for any other new business. There being none, Ms. Newkirk adjourned the meeting at 11:09 AM.

Respectfully submitted,

Mr. Zachary R. Christian
Acting Secretary for
Dr. Evans Whitaker, Secretary
South Carolina Higher Education Tuition Grants Commission
Appendix A
Good afternoon,

All eight college presidents currently serving on the Tuition Grants Commission have voted “YES” to increase the 2018-2019 Maximum Tuition Grant Award to $3,300. Thank you all for your prompt review and response!

On Monday, I will communicate the decision to all 21 college presidents and all 21 financial aid offices. Our staff will then begin the process of recalculating and making the appropriate increases to all eligible students’ awards.

I hope you all enjoy the rest of your weekend!
Katie

CONFIDENTIALITY NOTICE/PII REMINDER: The contents of this email message and any attachments are intended solely for the addressee(s) and may contain confidential and/or privileged information and may be legally protected from disclosure. If you are not the intended recipient of this message or their agent, or if this message has been addressed to you in error, please immediately alert the sender by reply email and then delete this message and any attachments. If you are not the intended recipient, you are hereby notified that any use, dissemination, copying, or storage of this message or its attachments is strictly prohibited. The South Carolina Higher Education Tuition Grants Commission requires sensitive Personally Identifiable Information (PII) be redacted from all documentation before sending to the Commission. Transmitting unredacted PII via email is considered to be a direct violation of the Commission’s Information Security policy.

From: Harrison, Katie
Sent: Friday, July 13, 2018 4:11 PM
To: President - Converse College <klnewkirk@converse.edu>; President - Furman University <elizabeth.davis@furman.edu>; President - Anderson University <cowitaker@andersonuniversity.edu>; President - Allen University <emcnealey@allenuniversity.edu>; President - Claflin University <tisdale@claflin.edu>; President - Coker College <rwyatt@coker.edu>; President - Bob Jones University <president@bju.edu>; President - Columbia International University <mark.smith@ciu.edu>
Cc: Mayo, Earl <earl@sctuitiongrants.org>; Mike LeFever (mike@scicu.org) <mike@scicu.org>; Eddie Shannon <eddie@scicu.org>; Schilz, Jeff <jschilz@che.sc.gov>
Subject: URGENT COMMISSION VOTE NEEDED
Importance: High

Good afternoon!

* Vote taken prior to Dr. Artis taking the place of Dr. Smith on the Commission
By now, you have received updates from SCICU concerning the Legislative funding increases for 2018-2019 for the Tuition Grants program and for the Commission on Higher Education's Need-Based Grants Program, of which the Tuition Grants Commission receives a statutory enrollment-based percentage.

Tuition Grants Commission Staff members have reanalyzed our projected 2018-2019 recipient numbers against our total available funds based on the recently approved 2018-2019 State budget. I am happy to report that the funding increase approved by the Legislature will allow us to increase the 2018-2019 Maximum Tuition Grant amount from $3,200 to $3,300 for eligible students. This represents an increase of $100 and is also the largest Maximum Grant amount available to Tuition Grant recipients since the grant became level-funded (as opposed to tuition-sensitive) in the year 2000.

In March 2018, the Commission voted to approve a 2018-2019 Maximum Grant of $3,200 based on the information available at that time. Any change to that amount requires another vote of the Commission.

As directed and approved by Commission Chair Krista Newkirk, this email is to request a vote of Commission Members to change the 2018-2019 Maximum Tuition Grant award amount from $3,200 to $3,300. **If you approve the increase to a $3,300 Maximum Tuition Grant for the 2018-2019 award year, please respond “YES” to this email. If you do not approve, please respond “NO” to this email.**

Your vote is requested no later than Monday, July 16, 2018, at 5:00 PM.

As soon as a decision is reached, it will be communicated to all 21 participating colleges, and the agency will begin updating award amounts for all eligible students if the increase is approved.

Thanks to each of you for support of and commitment to the Tuition Grants Commission. If you have any questions, please let me know.

Sincerely,

Katie

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**2018-2019 Tuition Grants Commission Members**

**Ms. Krista Newkirk, Converse College, Chair**  
**Dr. Elizabeth Davis, Furman University, Vice Chair**  
**Dr. Evans Whitaker, Anderson University, Secretary**  
**Dr. Ernest McNealy, Allen University**  
**Mr. Steve Pettit, Bob Jones University**  
**Dr. Henry Tisdale, Claflin University**  
**Dr. Robert Wyatt, Coker College**  
**Dr. Mark Smith, Columbia International University**  
**Mr. Jeff Schilz, CHE Interim Executive Director, Ex-officio**

---

Katie Harrison, MEd, CIPP/US  
Executive Director  
115 Atrium Way, Suite 102 | Columbia, SC 29223  
803.896.1120 | katie@sctuitiongrants.org

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All,

Thank you for your response and for your support of this effort to help the students of Virginia College. Katie and her team will start moving this forward.

Have a happy holidays!

Krista

---

Converse College, 580 E. Main Street,
Spartanburg, SC 29302
www.converse.edu

---

On Wed, Dec 12, 2018 at 6:33 PM Elizabeth Davis <elizabeth.davis@furman.edu> wrote:
Yes

On Dec 12, 2018, at 5:27 PM, Newkirk, Krista <klnewkirk@converse.edu> wrote:

All,

Please remember to submit your response by end of business tomorrow.

Thank you,

Krista
Dear 2018-19 Tuition Grants Commission Members:

Attached is a memo from Katie Harrison setting forth an opportunity for the SC Tuition Grants program to help the former students of Virginia College. As you may have seen, Virginia College, a for-profit institution, announced last Wednesday that it is closing all of its campuses across the country, including campuses in Greenville, Spartanburg, Columbia, Florence, and Charleston. A number of SCICU institutions are trying to help those students continue their education.

Given the extraordinary circumstances, Katie is proposing that the Commission consider granting a one-time waiver of two Commission policy provisions. The first requires that all Tuition Grants be made only for students who enroll full-time in the fall semester. The second policy states that no new awards, increases in awards, or appeals of eligibility are allowed after November 15. Katie has also outlined in the attached memo in red font the criteria we would adopt in order for the Commission to make a tuition grant award to any of these students.

Katie and I discussed the impact this would potentially have on the budget for the SC Tuition Grants program, and whether it would cause any reduction in spring awards. There are approximately 400 Virginia College students affected by this closure, and the SC Tuition Grants awarded 240 fewer tuition grants this fall than they had budgeted. These awards to former Virginia College students would be for only half of the year and not all of these students will apply. I don’t see how this change could put us over budget for this year.

In order to expedite this motion, it would be best if each of you could respond to the group with your vote by 5 p.m. on Thursday, December 13. If you have questions or would like to discuss this as a Commission, please let me know, and we will schedule a meeting.
Please respond to all on this email with a vote of YES to approve the Commission's recommendation that we: (1) temporarily waive these two policy provisions as set forth in the memo; (2) adopt the criteria for the awards to the former Virginia College students; and (3) move forward with making these awards.

If you disagree with ALL or ANY ONE of these recommendations, please respond to the full group with a message of NO.

If you have questions, please feel free to contact Katie directly.

Thank you,
Krista

Krista L. Newkirk, J.D.
President
Phone: 864.596.9050
klnewkirk@converse.edu
My Profile

Converse College, 580 E. Main Street,
Spartanburg, SC 29302
www.converse.edu

<Discussion-VirginiaCollegeTransferStudents (1).pdf>
On December 5, 2018, Virginia College, operated by Education Corporation of America, abruptly closed campuses throughout South Carolina and the nation when the Accrediting Council for Continuing Education and Training (ACCEET) withdrew, by suspension, the current accreditation standing of the college. While many of South Carolina’s independent colleges and universities are in a position to assist and enroll students who have been displaced by this closure, there are two current Commission-approved policies which would prevent otherwise eligible students from receiving funding from the South Carolina Tuition Grants Program for the Spring 2019 term of enrollment.

The first policy is that “Tuition Grant Awards may be made only for the regular academic terms and only to undergraduate students who enroll full-time during the Fall Semester....students who fail to enroll full-time during the Fall Semester forfeit their eligibility for the entire academic year” (SC Tuition Grants Policies & Procedures Manual, Section I, Student Eligibility).

The second policy states that “No increases in existing awards, no additions of new awards, no appeals of eligibility, and no corrections of errors to eligibility increasing an award are allowed after November 15.....no appeal, regardless of the reason, may be considered after November 15” (SC Tuition Grants Policies & Procedures Manual, Section III, Awarding/Disbursing/Reporting). A corresponding policy states “In the case of an extenuating circumstance which prevents a student from enrolling full-time during the Fall semester, the student may choose to appeal directly to the Commission, no later than November 15, for consideration of a spring-only grant....a student must have been eligible for and met all general eligibility requirements for a Fall Semester Tuition Grant to appeal for a spring-only grant” (SC Tuition Grants Policies & Procedures Manual, Section IV, Professional Judgement/Appeals).

Should the Tuition Grants Commission choose to assist students displaced by the closure of Virginia College beginning with the Spring 2019 term of enrollment, the Commission must vote on a one-time exception to these policies, which would allow
students to appeal for a South Carolina Tuition Grant after the November 15 deadline for the 2018-2019 academic year and would provide an exception to a requirement that the student must have been eligible for a Tuition Grant during the Fall 2018 semester.

The Commission staff is in favor of allowing otherwise eligible students transferring from Virginia College to a participating institution to receive funding for the Spring 2019 semester under a specific set of guidelines. The following recommendation is provided by Commission staff for discussion.

**Effective with the Spring 2019 semester:**

Students transferring from Virginia College to one of the 21 colleges participating in the South Carolina Tuition Grants Program have the option to appeal for a spring-only tuition grant under the following guidelines:

- Student must have been enrolled at Virginia College on a full-time basis during the Fall 2018 term of enrollment (verified by transcript or NSLDS enrollment verification)
- Student must be a legal South Carolina resident
- Student must be making Satisfactory Academic Progress in accordance with the Commission’s SAP policy for transfer students
- Student must have a valid 2018-2019 FAFSA with an application receipt date between October 1, 2017 and June 30, 2018
- The student must submit, or the college may submit on behalf of the student, an appeal for a spring-only tuition grant no later than February 15, 2019
- Student must complete an Affidavit of Eligibility no later than February 15, 2019
- Federal or institutional verification must be completed by the Financial Aid Office no later than February 15, 2019
- Student must meet all other eligibility requirements of the Tuition Grants Program, as outlined in the Commission’s Policies & Procedures Manual

A vote by the South Carolina Tuition Grants Commission is required to implement a one-time exception to the policies concerning the forfeiture of eligibility by not enrolling in a Tuition Grant-eligible institution during the Fall semester and the November 15 eligibility and appeals deadline.
Katie,

You have a majority who have voted in favor. I sent you the emails from commissioners who didn't copy you on their responses so you have an electronic record. This acquisition is approved.

Krista

Votes:

- Artis - yes
- Davis - yes
- McNealey - yes
- Tisdale - yes
- Whitaker - yes
- Wyatt - yes
- LeFever - yes
- Newkirk - yes

--- Forwarded message ---

From: Newkirk, Krista <knewkirk@converse.edu>
Date: Fri, Mar 1, 2019 at 3:49 PM
Subject: SC Tuition Grants - Board Approval Needed
To: Harrison, Katie <knewkirk@converse.edu>, Dr. Robert Wyatt <rwyatt@coker.edu>, Dr. Henry Tisdale <tisdale@clifflin.edu>, President - Bob Jones University <president@bju.edu>, Dr. Roslyn Artis <roslyn.artis@benedict.edu>, Dr. Ernest McNealey <emcnealey@allenuniversity.edu>, Evans P. Whitaker <ewhitaker@andersonuniversity.edu>, Dr. Elizabeth Davis <elizabeth.davis@furman.edu>, LeFever, Michael <MLEFever@che.sc.gov>

Dear Tuition Grants Commission Members,
The SC Procurement Code, Section 11-35-450, requires governing boards/commissions to approve the purchase of office furniture exceeding $1,000 if it is to be used in the agency's executive director's or assistant director's office.

With the upcoming move of the SC Tuition Grants Office, they need to purchase new furniture for Katie Harrison (and another staff member). Katie's office furniture was purchased in the 1980s and has more than served its purpose. The old furniture will either be repurposed or will go to the state's surplus supply, and if subsequently sold, the Tuition Grants office will recoup a percent of the sale.

Katie needs a decision from us now so she can place the order with enough lead time that it will be delivered when they move. The quote for the furniture is attached. It is very reasonable, in my experience.

**Please respond by EOB on Monday with your vote on the approval of the furniture. A vote of Yes means you approve this acquisition and a vote of No means you do not approve.**

In case you are interested, I've included the SC Code language below.

Thank you and have a great weekend,

Krista

**************************************************

SECTION 11-35-450. Reporting purchases.

(A) The purchase of furniture, floor coverings, wall coverings, or other decorative or ornamental items by a governmental body must be reported to the governing board, commission, or council of the respective governmental body before the purchase, when the cost of the furniture, covering, or item exceeds one thousand dollars and it is to be used in:

(1) an office or adjoining reception area utilized by an agency director or assistant agency director; or
(2) a board room or a conference room used as a board room.

(B) The reports required in subsection (A) must include the item to be purchased and its price. Upon receiving the reports, the governing board, commission, or council of the respective governmental body formally shall approve or disapprove the purchase.

HISTORY: 1989 Act No. 130, Section 1; 1997 Act No. 153, Section 1; 2006 Act No. 376, Section 10.
## REVIEW OF 2018-2019 AND 2019-2020 AWARD YEARS

<table>
<thead>
<tr>
<th><strong>MAXIMUM GRANT</strong></th>
<th><strong>AVAILABLE FUNDS</strong></th>
<th><strong>PROJECTED FUNDS</strong></th>
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<td><strong>FUNDING SOURCES:</strong></td>
<td><strong>2018-2019</strong></td>
<td><strong>2019-2020</strong></td>
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<tr>
<td>State Recurring:</td>
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<td>Children’s Ed. Endowment:</td>
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<td>$5,225,000 **</td>
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<td>State Funds Interest:</td>
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<td>State Lottery Funds:</td>
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<td>$10,000,000</td>
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<tr>
<td><strong>Total Funding</strong></td>
<td><strong>$41,271,206</strong></td>
<td><strong>$43,003,624</strong></td>
</tr>
</tbody>
</table>

Approved Maximum Grant: $3,300 $3,450

Funding Cutoff Date: June 30, 2018 June 30, 2019

Applications Received: 36,316 (-0.80%) 36,500 (+0.50%)

Commitments Made: 30,780 (-0.27%) 30,800 (+0.07%)

Grants Realized: 13,539 (-0.36%) 13,600 (+0.45%)

Show-up Rate: 44.03% 44.15% (Estimate)

Average Grant: $2,994 $3,180 (Estimate)

* Independent College Full-time Enrollment for South Carolina Residents for Fall 2017 generated CEE funds of 16.45% of the state-wide total. For 2018-19, annual CEE spending authority was $5,500,000.

** Independent College Full-time Enrollment for South Carolina Residents for Fall 2018 estimated at 16.45% of the state-wide total. For 2019-20, annual CEE spending authority is $5,500,000.

*** For 2018-19, annual Interest account spending authority is $50,000. Budget Request submitted to increase spending authority for 2019-2020 to $250,000 to provide sufficient authority to spend these funds on student grants.

5/22/19
OUTCOME OF THE 2019 SC GENERAL ASSEMBLY AS RELATED TO THE SC TUITION GRANTS PROGRAM

The South Carolina Higher Education Tuition Grants Commission submitted its 2019-2020 State Budget Request last September requesting an increase of $1,903,014 necessary to increase the Tuition Grant by $150 per student for the new award year. After all Fall 2018 funds were disbursed and carry-forward estimates were revised, the budget request was reduced to $1,569,831.

The Governor’s Office held a Budget Hearing with the South Carolina Higher Education Tuition Grants Commission on October 26, 2018. In January 2019, Governor McMaster released his 2019-2020 Executive Budget in which he recommended no new funds for the South Carolina Tuition Grants Program.

On January 8, 2019, the Commission appeared before the House Ways and Means Higher Education Subcommittee to present its Budget Request. The Commission thanked the legislature for the funding provided in previous years. The Commission asked that the Ways and Means Committee increase Program funding by the adjusted amount of $1,569,831 to enable the Maximum Grant to be increased by $150. The House Ways and Means Committee and the full House approved, for the first time in many years, the Commission’s request to increase funding for the Tuition Grants Program. Although supported by the Tuition Grants Commission, the House did not ultimately approve the Commission on Higher Education’s request for an increase in funding for the State Need-Based Grants Program. These funds will instead be used for Workforce Development Grants in the Technical College System.

On February 28, 2019, the Commission appeared before the Senate Finance Higher Education Subcommittee to present its Budget Request asking that the requested increase of 1.6 million be approved. In its budgetary deliberations, the Senate Finance Committee and full Senate agreed with the House recommendations and approved an increase for the full amount of $1.6 million for the Tuition Grants Program. This increase was approved to be funding through General Appropriations as recurring funds, which means the base funding for future years has increased.

The General Assembly must still meet to address budgetary vetoes by Governor McMaster; however, none of the vetoes impact the Tuition Grants Program.
RECOMMENDED INCREASE TO 2019-2020  
SOUTH CAROLINA TUITION GRANTS

The South Carolina Tuition Grants Commission Staff provides the following projected data to the Commission for its information:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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<tbody>
<tr>
<td>2019-2020 Dollars Available for Grants:</td>
<td>$43,833,624</td>
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<tr>
<td>Projected Amount to Spend ($3,450 Maximum Grant):</td>
<td>$42,630,128</td>
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<tr>
<td>Projected Amount to Spend ($3,500 Maximum Grant):</td>
<td>$43,247,191</td>
</tr>
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</table>

Based the analysis of available funds and the projected costs for $3,450 and $3,500 Maximum Grants, the Commission Staff recommends an immediate increase to the 2019-2020 Maximum Tuition Grants from the initially approved, and currently awarded, $3,450 to $3,500.
2020-2021 STATE BUDGET REQUEST FOR FUNDING OF THE SOUTH CAROLINA TUITION GRANTS PROGRAM

The South Carolina Higher Education Tuition Grants Commission must submit in September 2019 its Budget Request to the State Budget Division to be used by the Governor’s Office, the House, and the Senate for funding in the 2020-2021 fiscal year. Because the Commission will not meet again before it is submitted in September, the Budget Request for program funding for the South Carolina Tuition Grants Program for 2020-2021 must be approved by the Commission at the June 19, 2019, meeting.

For 2019-2020, the South Carolina Tuition Grants Commission approved a Budget Request in the amount necessary to increase the tentative maximum grant from $3,300 to $3,450. The final amount requested to meet this goal was $1,569,831. The 2019 General Assembly has approved the final State Budget for 2019-2020. The State Budget as approved by the South Carolina General Assembly and signed by Governor Henry McMaster provides the South Carolina Tuition Grants Program an increase of $1,600,000 in 2019-20. Additionally, the Commission requested an increase of $500,000 in spending authority from the Children’s Educational Endowment Fund which flows to the Tuition Grants Program as a percentage of those funds allocated through the Commission on Higher Education. This was approved. Unfortunately, the Children’s Educational Endowment Fund received no increase in funding for 2019-2020. The Commission also requested an increase of $200,000 in spending authority for the Interest Earnings account. Unfortunately, this was not approved restricting the agency from spending Grant funds sitting in this account. Also, unfortunately, the Commission did not receive the $3,000 requested increase to the State Benefits account to pay employee benefits which are expected to exceed the actual allocation to the agency.

Based on a show up of 368 student recipients fewer than the Commission Staff projected, there will be a carry forward of Lottery Funds exceeding $1,000,000 from 2018-2019 to 2019-2020. This amount has enabled the Commission to increase the initially approved Maximum Grant by $50 from $3,450 to $3,500. With $3,500 as the 2019-2020 Maximum Grant, the Staff proposes the following Budget Request options for the South Carolina Tuition Grants Program for 2020-2021 for consideration by the Commission:
OPTION 1:

Request that funding be provided to increase the final 2019-2020 Maximum Grant by $50. Justification for this request would be the Commission continuing to increase the Maximum Grant incrementally annually. The amount of funding needed to attain this Maximum Grant is projected to be $44,092,890. Expecting that all base State funds and lottery funds are renewed at prior-year levels, projecting a 0.5% increase in eligible students in 2019-2020 and 2020-2021, the increase in funding needed for this option to increase the 2020-2021 Maximum Grant by $50 to $3,550 would be $509,266.

OPTION 2:

Request that funding be provided to increase the final 2019-2020 Maximum Grant by $100. Justification for this request would be the Commission continuing to increase the Maximum Grant incrementally annually. The amount of funding needed to attain this Maximum Grant is projected to be $44,712,416. Expecting that all base State funds and lottery funds are renewed at prior-year levels, projecting a 0.5% increase in eligible students in 2019-2020 and 2020-2021, the increase in funding needed for this option to increase the 2020-2021 Maximum Grant by $100 to $3,600 would be $1,128,792.

The South Carolina Tuition Grants Commission needs to approve a Budget Request for 2020-2021 for Tuition Grants Program funding. It is recommended that the Commission pass a State Budget Request according to one of the two options ("a $50 increase" or "a $100 increase").

In addition to a decision on the amount to request to increase the Maximum Tuition Grant, the Commission Staff also requests Commission approval to again request an increase of $200,000 in spending authority for the Interest Earnings Account and an increase of $3,000 in employee benefits through the 2020-2021 Budget Request.
DISCUSSION ON BUDGET REQUEST FOR IT SYSTEM NEEDS

Since the 2010-2011 Award Year, the Commission has fully utilized a home-grown Microsoft Access Database, which replaced the previously used COBOL database. Through the use of an outside contractor, the current database system was built and updated annually to continue to serve the needs of the Commission with the administration of the SC Tuition Grants Program. In 2017, Zachary Christian, Commission Financial Aid Counselor and IT Director, completed a certificate program at Midlands Technical College to obtain the skillset needed to bring database changes/enhancements back in-house and eliminated the need for outside contracted help in maintaining the Commission’s database. While the current database has served the Commission well over the years, because of the growing needs of the SC Tuition Grants Program and the limitations of Microsoft Access databases, the current system is not sustainable and would no longer be of use within the next five Award Years, as needed to administer the Program.

The following limitations are being taken into consideration when looking at longevity of a database system:

- File size limitations; a single Access database file can only hold a maximum of 2 gigabytes of data. Currently, the Commission’s database utilizes 7 different Access database files at one time for only one Award Year. Within the next 2-3 years, that will need to increase to at least 9 separate database files to hold the required data tables to administer the Program. An increase to linked database files will lead to longer delays in processing and decreased efficiency of the overall database.
- Data security; all database files used when accessing the Commission’s database are housed on off-site servers, located at the State’s Data Center in Columbia. While the Commission’s networked drives have security monitoring through the state’s Division of Technology Offices (DTO), there is no additional data security available with the database, as Microsoft Access does not record Transactional SQL strings, nor does it allow user-specific limitations/security like other database software (i.e. Microsoft SQL Server, Oracle, etc.). If someone were to gain access to the Commission’s data, there is no way to determine what data from the database was accessed, causing the Commission to need to notify hundreds of thousands of SC Residents in the event of a data breech.
- Functionality Limitations; the Commission’s current student database system does not allow for any outside access or user functionality for the colleges’ financial aid offices. Any inquiries regarding student eligibility must be filtered through Commission staff.

Commission staff are currently looking at two potential options that could be used to replace the current database when it will no longer meet the needs of the Commission. One option would be to create another home-grown system with the underlying back-end database being a Microsoft SQL Server database hosted by DTO. The other option would be to acquire an “off the shelf” application designed specifically for state grant agencies.
Commission staff are currently still waiting to receive the full cost estimates of what the Commission would need to pay to DTO annually for hosting, a virtual server OS, licensing fees, and increased internet bandwidth, if the Commission decides to utilize the first option. In addition to having to pay DTO annually for the listed fees, the Commission would also be required to hire two new FTE positions. The Commission currently has one authorized, but unfunded, vacant FTE that could be filled with appropriate funding from the Legislature. Another FTE position would need to be authorized and funded as well. Two FTE positions would be required as the Commission would need a full-time staff member to specialize in database management and another to specialize in server application/management. Each position would be a fully burdened cost to the Commission at over $60,000 annually (over $120,000 total, annually). Lastly, the Commission would need to hire an outside contractor to develop and build a front-end application if increased functionality was desired. This would be strictly optional, as the Commission’s IT Director could re-build the current Microsoft Access database to properly link and work with a Microsoft SQL Server database back-end; however, no additional functionality would available (i.e., college user access to review student eligibility, self-generate reports when needed, etc.). The Commission would essentially be paying to maintain a student database system that would not offer the Commission anything beyond additional security and longevity.

Commission staff have completed an informal survey of potential vendors, and for planning purposes, have requested an informal price estimate. The cost of an “off the shelf” application would include a one-time set-up fee of $200,000.00, and an annually recurring cost of $270,000.00. The recurring costs include all of the listed fees the Commission would have to pay to DTO, as well as: help-desk support, custom query/reports at request, an online portal for college aid administrators, an online portal for students, data security that meets all state and federal data privacy requirements, and support for changes to the SC Tuition Grants program (i.e., new eligible non-traditional programs of which our current system is limited to two).

The South Carolina Tuition Grants Commission needs to discuss this matter and vote on whether to allow Commission Staff to include in the State Budget Request one-time funds in the amount of $200,000 and annual recurring funds in the amount of $270,000 for a fully supported third-party vendor solution. If this request is not approved, the alternate option is to allow Commission Staff to go through the process of requesting one additional FTE, along with the budget to fully fund it and an existing FTE at a cost of $120,000, in addition to all required DTO and other third-party costs associated with hosting and licensing, which are currently unknown but are estimated to be over $70,000.
REPORT ON CAPITOL IMPACT CONTRACT

Since January 2007, the Tuition Grants Commission has contracted with Capitol Impact annually to provide geocoded listings of all South Carolina Tuition Grants recipients. This information is used in two ways. First, it is used to provide to each participating college a list of South Carolina Tuition Grants recipients attending their college with the corresponding South Carolina House member and South Carolina Senate member for each recipient that enables their participation in the SCICU Letter Writing Campaign (now exceeding 35 years). Second, it gives the Commission the ability to provide each state legislator information and a spreadsheet (via secure internet download) indicating the names of recipients from their legislative district with an estimated amount of total funds that those recipients receive in South Carolina Tuition Grants. The use of Capitol Impact to provide the geocoded listings has significantly helped the Commission to accurately communicate the impact of the South Carolina Tuition Grants Program to the State Legislature.

Capitol Impact is now a division of Crescerance meaning nothing has changed for the Commission from a procedural point of view. Crescerance has been able to maintain the same pricing structure that has been in place for the last 12 years. The pricing upon contract renewal in November 2019 is $2500 for the annual license and the geocoding is $650 for up to 43,000 records. The total cost will be $3150.

This is a sole source contract meaning no other company offers this same service and a bidding process is not available and not required by State Procurement. The staff is requesting Commission approval to renew the contract at $\textbf{3150}$. 
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<tr>
<td>2019-2020</td>
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<td>Furman, Allen, Coker</td>
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<td>2040-2040</td>
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<td>Morris, SMC, CSU</td>
</tr>
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ROTATION OF THE SOUTH CAROLINA HIGHER EDUCATION TUITION GRANTS COMMISSION

The rotation of the South Carolina Higher Education Tuition Grants Commission occurs each year after the summer meeting and is effective July 1.

2018-2019 COMMISSION MEMBERS

Ms. Krista Newkirk, Converse College, Chair
Dr. Elizabeth Davis, Furman University, Vice Chair
Dr. Evans Whitaker, Anderson University, Secretary
Dr. Ernest McNealey, Allen University
Dr. Robert Wyatt, Coker College
Dr. Roslyn Artis, Benedict College
Dr. Henry Tisdale, Claflin University
Mr. Steve Pettit, Bob Jones University
Mr. Mike LeFever, CHE, Ex-officio

ROTATING “OFF”  ROTATING “ON”

Dr. Ernest McNealey, Allen University  Dr. Robert Gustafson, Erskine College
Dr. Robert Wyatt, Coker College  Dr. Darrell Parker, Limestone College
Dr. Elizabeth Davis, Furman University  Dr. Franklin Evans, Voorhees College

2019-2020 COMMISSION MEMBERS

Dr. Evans Whitaker, Anderson University
Ms. Krista Newkirk, Converse College
Dr. Roslyn Artis, Benedict College
Mr. Steve Pettit, Bob Jones University
Dr. Henry Tisdale, Claflin University (until July 31, 2019)
Dr. Dwaun Warmack, Claflin University (effective August 1, 2019)
Dr. Robert Gustafson, Erskine College
Dr. Darrell Parker, Limestone College
Dr. Franklin Evans, Voorhees College
Mr. Mike LeFever, Interim Executive Director, CHE, Ex-officio (until July 14, 2019)
Dr. Rusty Monhollon, Executive Director, CHE, Ex-officio (effective July 15, 2019)

REQUESTED ACTION: With Vice Chair Dr. Elizabeth Davis rotating off the Commission, a new Vice Chair of the 2019-2020 South Carolina Higher Education Tuition Grants Commission needs to be elected. Should this election result in additional vacancies, other officer positions may subsequently need to be elected.