

# **2018-2019 STATE BUDGET REQUEST FOR FUNDING OF THE SOUTH CAROLINA TUITION GRANTS PROGRAM AND AGENCY**

The South Carolina Higher Education Tuition Grants Commission must submit in September 2017 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 2018-2019 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 and increased agency funding for 2018-2019 must be approved by the Commission at the June 6, 2017, meeting.

For 2017-2018, the South Carolina Tuition Grants Commission approved a Budget Request for an additional **\$5,282,886** to increase the tentative maximum grant from \$3,200 to \$3,650. To date, the 2017 General Assembly has not approved the final State Budget for 2017-2018. The State Budget is being considered by a Conference Committee which must resolve the differences between the House version, which includes no increase for the South Carolina Tuition Grants Program in 2017-18, and the Senate version, which includes a \$1.3 million increase for Tuition Grants. Once the Conference Committee comes to an agreement, and after the State Budget has received final approval by the General Assembly, and after it is sent to the Governor for his signature, the Tuition Grants Commission will know its funding levels for 2017-2018. This may not potentially occur until after the new fiscal year begins on July 1.

Due to the unknowns of the final State Budget, the Staff proposes the following Budget Request options for the South Carolina Tuition Grants Program for 2018-19 for consideration by the Commission:

## OPTION 1:

Request that funding be provided to increase the final 2017-2018 Maximum Grant by \$100. Because the Commission does not yet know what the amount will be, it is recommended that the Commission approve a Budget Request for "a \$100 increase over the final 2017-2018 Maximum Grant." Justification for this request would be the Commission continuing to increase the Maximum Grant incrementally by \$100 annually. The amount of funding needed to attain this Maximum Grant is projected to be between \$41,306,617 and \$42,557,011.

**Expecting that all base State funds and lottery funds are renewed at prior-**

**year levels, projecting a four and a half percent (4.5%) increase in eligible students in 2017-2018 due to the earlier FAFSA application date, the increase in funding needed for this option to increase the 2018-2019 Maximum Grant by \$100 could be between \$2,197,985 and \$3,448,379.**

OPTION 2:

Request that funding be provided to increase the current 2017-2018 Maximum Grant to match the “Per Student FTE Allocation” for public four-year colleges (from 2015-2016). That would raise the Maximum Grant to \$3,795. Justification for this request would be that Commission statute permits the Maximum Grant to equal, but not exceed, this amount. The amount of funding needed to attain this Maximum Grant is projected at \$47,501,922. **Expecting that all base State funds and lottery funds are renewed at prior-year levels, projecting a four and a half percent (4.5%) increase in eligible students in 2017-2018 due to the earlier FAFSA application date, the increase in funding needed for this option to increase the Maximum Grant to \$3,795 could be as much as \$8,393,290.**

The South Carolina Tuition Grants Commission needs to approve a Budget Request for 2018-2019 for Tuition Grants Program funding. It is recommended that the Commission pass a State Budget Request according to one of the two options (“a \$100 increase” or “an increase to the Per Student FTE Allocation”) with approval for the Commission Staff to determine the exact dollar amount to be requested after final 2017-2018 Budget approval and upon recalculation of the amount needed.