STATE BUDGET REQUEST FOR FUNDING OF THE SOUTH CAROLINA TUITION GRANTS PROGRAM

Each Fall, the South Carolina Higher Education Tuition Grants Commission must submit its Budget Request to the Executive Budget Office to be used by the Governor’s Office, the House, and the Senate for funding in the next fiscal year. Because the Commission will not meet again before this request is submitted, the Budget Request for funding for the South Carolina Tuition Grants Program for 2021-2022 must be approved by the Commission at the June 16, 2020 meeting.

For 2020-2021, the South Carolina Tuition Grants Commission approved a Budget Request in the amount necessary to increase the tentative maximum grant by $100 per eligible student. The final amount requested to meet this goal was $1,128,792. Additionally, the Commission requested one-time, non-recurring funds in the amount of $200,000 and recurring funds in the amount of $270,000 to support the procurement and continuing operations of a new student information system to replace the agency’s outdated Access database. The Commission also requested $9,165 in administrative costs to support agency personnel and employer contribution costs associated with employee benefits. Lastly, the Commission requested an increase of $200,000 in spending authority from the State Interest Earnings account to allow the agency to expend funds, which it has already received, as tuition grants for eligible students.

The 2020 General Assembly has been unable to deliberate or approve the final State Budget for 2020-2021, due to the COVID-19 pandemic. The General Assembly has passed a Continuing Resolution and expects to deliberate the 2020-2021 budget in September 2020.

The agency’s Budget Analyst with the Executive Budget Office was consulted on June 1, 2020, concerning the FY22 Budget Request submission. With the FY21 budget not being passed until September and the agency assuming level funding across the board for FY21, the recommendation by the Budget Analyst is for the agency to assume none of the requests from the FY21 Budget Request will be approved and to submit an identical Budget Request for FY22.
At this time, Commission Staff project that, if approved, an increase of $1,128,792 in the Tuition Grants Program for the 2021-2022 year would allow for a maximum grant increase of $100 per eligible student. However, due to the still-unknown budgetary impacts for 2020-2021 and the fluid nature of enrollment projections as a result of COVID-19, that amount could change. Updated recipient and disbursement figures will be provided at the March 2021 Commission Meeting, where the Commission will vote on the appropriate Maximum Grant award for 2021-2022.

The South Carolina Tuition Grants Commission needs to approve a Budget Request for 2021-2022 for Tuition Grants Program funding. Commission Staff recommends that the Commission pass a State Budget Request that mirrors the agency’s Budget Request for 2020-2021, as suggested by the Executive Budget Office. To summarize, this Budget Request would include the following:

- **$1,128,792** for the Tuition Grants Program (grants to eligible students)
- **$200,000** for the procurement of a new computer system (non-recurring)
- **$270,000** for the annual costs for hosting, licensing, security, and maintenance of a new computer system, if funding is approved (recurring)
- **$9,165** for costs associated with personnel and employee benefits
- **$200,000** in increased spending authority for the State Interest Earnings account