

2017-2018 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 2016 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 2017-2018 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 2017-2018 must be approved by the Commission at the June 14, 2016, meeting.

For 2016-2017, the South Carolina Tuition Grants Commission approved a Budget Request for an additional **\$2,534,474** to increase the tentative maximum grant to \$3,200. To date, the 2016 General Assembly has voted to increase the General Funds of the South Carolina Tuition Grants Program in 2016-17 by \$2,534,474. Additionally, the General Assembly added funds totaling \$4.5 million for State Need-Based Grants which would generate approximately \$700,000 in additional funds for Tuition Grants. At this time, the State Budget has received final approval by the General Assembly and sent to the Governor who has issued numerous vetoes, none of which involve the Tuition Grants Commission. For Tuition Grants purposes, all increases have been approved.

The Staff proposes the following Budget Request options for the South Carolina Tuition Grants Program for 2017-18 for consideration by the Commission:

OPTION 1:

Request that funding be provided to increase the current 2016-2017 Maximum Grant by \$100 from \$3,200 to \$3,300. Justification for this request would be the Commission continuing to increase the Maximum Grant incrementally by \$100 annually. **Assuming that all base State funds and lottery funds are renewed at prior-year levels, assuming a conservative one-half percent (0.5%) increase in eligible students over the next two years, the increase in funding needed for this option to increase the 2017-2018 Maximum Grant from \$3,200 to \$3,300 is \$1,029,433.**

OPTION 2:

Request that funding be provided to increase the current 2016-2017 Maximum Grant to match the "Per Student FTE Allocation" for public four-year colleges. That would raise the Maximum Grant to \$3,650. Justification for this request would be Commission statute permits the Maximum Grant to equal, but not exceed, this amount. **Assuming that all base State funds and lottery funds are renewed at prior-year levels, assuming a conservative one-half percent (0.5%) increase in eligible students over the next two years, the increase in funding needed for this option to increase the 2017-2018 Maximum Grant from \$3,200 to \$3,650 is \$5,282,886.**

Additionally, the agency needs to include in its Budget Request again for 2017-2018, permanent funding of operating funds for increased costs for State-mandated information security upgrades. Another option for the additional funding would be to open the Lottery Funding Proviso and request an increase from \$70,000 to \$86,000 in allowable administrative expenditures from Lottery proceeds. **An additional Budget Request of \$16,000 in Operating Expenses is proposed by the Staff. This was submitted for 2015-2016 and 2016-2017 but not approved by the General Assembly.**

The South Carolina Tuition Grants Commission needs to approve a Budget Request for 2017-2018 for both Tuition Grants Program funding and agency operations funding.

**South Carolina
Higher Education
Tuition Grants Commission**

115 Atrium Way, Suite 102; Columbia, SC 29223 Phone: (803) 896-1120 Fax: (803) 896-1126

**FUNDING
SOURCES**

**PROJECTED
FUNDS
2016-2017**

State Recurring:	\$25,598,624
CEF Need-Based:	\$4,700,000
State Funds Interest:	\$9,000
State Lottery Funds:	\$8,260,008
Carry Forward from 15-16:	\$100,000
<u>Total Funding</u>	<u>\$38,667,632*</u>

Funds Needed to Fund Maximum Grants at **\$3,300** with
13,318 Projected Grants^{**}: **\$39,697,065**

** Assumes renewed funding of All Funds at Prior Year Level.*

*** Assumes no increase in eligible students for 2015-16.
Assumes a 1/2% increase in eligible students for 2016-17.*

**** Represents an increase of **\$1,029,433** if funded from
General Appropriations.*

**South Carolina
Higher Education
Tuition Grants Commission**

115 Atrium Way, Suite 102; Columbia, SC 29223 Phone: (803) 896-1120 Fax: (803) 896-1126

**FUNDING
SOURCES**

**PROJECTED
FUNDS
2016-2017**

State Recurring:	\$25,598,624
CEF Need-Based:	\$4,700,000
State Funds Interest:	\$9,000
State Lottery Funds:	\$8,260,008
Carry Forward from 15-16:	\$100,000
<u>Total Funding</u>	<u>\$38,667,632*</u>

Funds Needed to Fund Maximum Grants at \$3,650 with
13,318 Projected Grants^{**}: **\$43,950,518**

** Assumes renewed funding of All Funds at Prior Year Level.*

*** Assumes no increase in eligible students for 2015-16.
Assumes a 1/2% increase in eligible students for 2016-17.*

**** Represents an increase of \$5,282,886 if funded from
General Appropriations.*