

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



**Fiscal Year FY 2024-2025
 Agency Budget Plan**

FORM A - BUDGET PLAN SUMMARY

**OPERATING
 REQUESTS
 (FORM B1)**

For FY 2024-2025, 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 2024-2025, 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 2024-2025, 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 2024-2025, 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.

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

I have reviewed and approved the enclosed FY 2024-2025 Agency Budget Plan, which is complete and accurate to the extent of my knowledge.

	<u>Agency Director</u>	<u>Board or Commission Chair</u>
SIGN/DATE:	<i>Katherine Harrison 9/5/23</i>	<i>Boone Hopkins 9/5/23</i>
TYPE/PRINT NAME:	Katherine Harrison	BOONE J. HOPKINS

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	State Employer Contributions	10,000	0	0	0	10,000	0.00	0.00	0.00	0.00	0.00
TOTALS			10,010,000	0	0	0	10,010,000	0.00	0.00	0.00	0.00	0.00

Agency Name:	Higher Education Tuition Grants Commission		
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FORM B1 – RECURRING OPERATING REQUEST

AGENCY PRIORITY	1
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Provide the Agency Priority Ranking from the Executive Summary.

TITLE	Tuition Grants
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Provide a brief, descriptive title for this request.

AMOUNT	General: \$10,000,000 Federal: \$0 Other: \$0 Total: \$10,000,000
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What is the net change in requested appropriations for FY 2024-2025? This amount should correspond to the total for all funding sources on the Executive Summary.

NEW POSITIONS	0.00
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Please provide the total number of new positions needed for this request.

FACTORS ASSOCIATED WITH THE REQUEST	Mark "X" for all that apply:	
	<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 #	

STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES	Mark "X" for primary applicable Statewide Enterprise Strategic Objective:	
	<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

ACCOUNTABILITY OF FUNDS	<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. 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?

RECIPIENTS OF	Postsecondary students eligible for Program funds per Statute
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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

This is not a request to increase funds available for the Program over the total appropriated during the FY24 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 FY25 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 ability to increase funding to financially needy and academically capable students, not to exceed the Statutory maximum, which is the average state appropriation for each full-time student enrolled in the state supported institutions of higher learning with four year undergraduate degree programs in the previous year (for FY25, that amount will be \$5,831).

The current level of funding, whether comprised of General Fund or Lottery allocations, is sufficient to fully fund the Maximum Grant for the FY25 academic year. 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 increased, 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.

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FORM B1 – RECURRING OPERATING REQUEST

AGENCY PRIORITY	2
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Provide the Agency Priority Ranking from the Executive Summary.

TITLE	State Employer Contributions
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Provide a brief, descriptive title for this request.

AMOUNT	<p>General: \$10,000</p> <p>Federal: \$0</p> <p>Other: \$0</p> <p>Total: \$10,000</p>
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What is the net change in requested appropriations for FY 2024-2025? This amount should correspond to the total for all funding sources on the Executive Summary.

NEW POSITIONS	0.00
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Please provide the total number of new positions needed for this request.

FACTORS ASSOCIATED WITH THE REQUEST	Mark "X" for all that apply:	
	<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 #	

STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES	Mark "X" for primary applicable Statewide Enterprise Strategic Objective:	
	<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	

ACCOUNTABILITY OF FUNDS	<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 by providing State employee benefits to eligible employees who qualify for benefits for themselves and their dependents.</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?

RECIPIENTS OF	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 \$10,000 in state employer contributions is being requested for 2024-2025 to cover the increased cost of providing State employee benefits to eligible employees who qualify for benefits for themselves and their dependents. The agency previously employed personnel who opted out of State benefits or who chose individual coverage and now employs personnel who have opted in to State benefits and who qualify for dependent or family coverage.

METHOD OF CALCULATION: The amount was calculated by comparing the Base Employer Contributions allocation to the actual amount needed to cover these costs for all currently eligible employees based on current benefits coverage. In order to prevent a future shortfall, the difference between these amounts is being requested.

FUTURE IMPACT: The impact of adopting this request would be the need to maintain this amount annually to allow the agency to continue paying the employer portion of employee benefits. The impact of not honoring the request is that benefit payment liabilities will need to be transferred from other potentially available sources, such as Operating Expenses or Tuition Grants. The agency is required to pay the employer portion of employee benefits for all eligible employees.

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.

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

TITLE	Agency Cost Savings and General Fund Reduction Contingency Plan
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AMOUNT	\$846,690
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What is the General Fund 3% reduction amount? This amount should correspond to the reduction spreadsheet prepared by EBO.

ASSOCIATED FTE REDUCTIONS	None
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How many FTEs would be reduced in association with this General Fund reduction?

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

SUMMARY	<p>The 3% reduction would effectively reduce the Tuition Grant amount by \$70 for over 12,000 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 document 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 thousands of dollars annually in postage and printing costs
- * Offering training and meetings with college officials and other agency customers virtually when appropriate, saving on related travel costs

For several years, 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?

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FORM F – REDUCING COST AND BURDEN TO BUSINESSES AND CITIZENS

TITLE	Tuition Grants
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Provide a brief, descriptive title for this request.

EXPECTED SAVINGS TO BUSINESSES AND CITIZENS	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.

FACTORS ASSOCIATED WITH THE REQUEST	Mark "X" for all that apply: <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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METHOD OF CALCULATION	N/A
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Describe the method of calculation for determining the expected cost or time savings to businesses or citizens.


REDUCTION OF FEES OR FINES	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?

REDUCTION OF REGULATION	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?

SUMMARY	<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?