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Agency budget plan Higher Education Tuition Grants Commission Fiscal Year 2014-15

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South Carolina
Higher Education
Tuition Grants Commission

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Columbia, SC 29210-7317
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Earl L. Mayo, Jr.
Director

September 19, 2013

Ms. Karen Rhinehart
State Budget Division
1205 Pendleton Street, Suite 529
Columbia, SC 29201

Dear Karen:

Enclosed are six (6) printed copies of the Fiscal Year 2014-2015 Budget Plan for the South Carolina Higher Education Tuition Grants Commission (H06) as approved by the Commission. The required electronic files plus a copy of this transmittal letter were e-mailed to you on this date.

Please contact me at 896-1122 should you have any questions or need further information.

Sincerely,

A handwritten signature in black ink, appearing to read "Earl L. Mayo, Jr.", written in a cursive style.

Earl L. Mayo, Jr.
Director

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|---------------------|--|-----------------|----|
| AGENCY NAME: | Higher Education Tuition Grants Commission | | |
| AGENCY CODE: | H06 | SECTION: | 12 |



Fiscal Year 2014-15 Agency Budget Plan

FORM A – SUMMARY

| | | |
|---|--|---|
| RECURRING FUNDS (FORM B DECISION PACKAGES) | My agency is submitting the following recurring decision packages (Form B): 694, 700 | |
| | For FY 2014-15, my agency is (mark "X"): | |
| | <input checked="" type="checkbox"/> | Requesting a net increase in recurring General Fund appropriations. |
| | <input type="checkbox"/> | Not requesting a net increase in recurring General Fund Appropriations. |

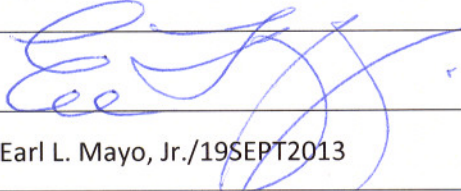
| | | |
|---|---|--|
| CAPITAL & NON-RECURRING FUNDS (FORM C DECISION PACKAGES) | My agency is submitting the following one-time decision packages (Form C): None | |
| | For FY 2014-15, my agency is (mark "X"): | |
| | <input type="checkbox"/> | Requesting capital and/or non-recurring funds. |
| | <input checked="" type="checkbox"/> | Not requesting capital and/or non-recurring funds. |

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| PROVISOS | For FY 2014-15, 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: | Earl Mayo | 896-1122 | earl@sctuitiongrants.org |
| SECONDARY CONTACT: | Katie Harrison | 896-1121 | Katie@sctuitiongrants.org |

I have reviewed and approved the enclosed FY 2014-15 Agency Budget Plan, which is complete and accurate to the extent of my knowledge.

| | |
|---|---|
| AGENCY DIRECTOR (SIGN/DATE): |  |
| AGENCY DIRECTOR (TYPE/PRINT NAME): | Earl L. Mayo, Jr./19SEPT2013 |

This form must be signed by the department head – not a delegate.

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| AGENCY NAME: | Higher Education Tuition Grants Commission | | |
| AGENCY CODE: | H06 | SECTION: | 12 |

FORM B – PROGRAM REVISION REQUEST

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|-------------------------|------------|
| DECISION PACKAGE | 694 |
|-------------------------|------------|

Provide the decision package number issued by the PBF system ("Governor's Request").

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|--------------|-----------------------|
| TITLE | Tuition Grants |
|--------------|-----------------------|

Provide a brief, descriptive title for this request.

| | |
|---------------|--------------------|
| AMOUNT | \$1,275,866 |
|---------------|--------------------|

What is the net change in requested appropriations for FY 2014-15? This amount should correspond to the decision package's total in PBF across all funding sources.

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|---------------------------|---|
| ENABLING AUTHORITY | SC Code of Laws, Title 59, Chapter 113. No revision in authority. |
|---------------------------|---|

What state or federal statutory, regulatory, and/or administrative authority established this program? Is this decision package prompted by the establishment of or a revision to that authority?

| | |
|---|--|
| 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"/> Non-mandated change in eligibility / enrollment for existing program. |
| | <input type="checkbox"/> Change in case load / enrollment under existing program guidelines. |
| | <input type="checkbox"/> Non-mandated program change in service levels or areas. |
| | <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"/> Proposed establishment of a new program or initiative. | |

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| RECIPIENTS OF FUNDS | Students eligible for the Program per statute. |
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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?

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| AGENCY NAME: | Higher Education Tuition Grants Commission | | |
| AGENCY CODE: | H06 | SECTION: | 12 |

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| RELATED REQUEST(S) | No |
|---------------------------|----|

Is this decision package associated with other decision packages requested by your agency or other agencies this year? Is it associated with a specific capital or non-recurring request?

| | |
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| MATCHING FUNDS | No |
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Would these funds be matched by federal, institutional, philanthropic, or other resources? If so, identify the source and amount.

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| FUNDING ALTERNATIVES | None |
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What other possible funding sources were considered? Could this request be met in whole or in part with the use of other resources, including fund balances? If so, please comment on the sustainability of such an approach.

| | |
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| SUMMARY | <p>An increase of \$1,275,866 in grants funding is being requested for 2014-15 to provide a \$3,000 program-wide maximum grant for an estimated 14,026 eligible students. This request enables the Maximum Grant to be increased by \$100 from the current 2013-2014 Maximum Grant of \$2,900. The Maximum Grant was \$3,200 in 2008-2009 before dropping as low as \$2,600 in 2011-2012. The State Budget has generously provided one-time money in 2012-2013 and a permanent increase in 2013-2014 enabling the Maximum Grant to get back to \$2,900. However, the need exists to return the Maximum Grant to at least \$3,200. An increase of \$1.276 million in 2014-2015 would get the Maximum Grant one step closer to the former Maximum Grants. The need exists for small incremental increases over the next several years that will enable the Maximum Grant to be returned by 2016-2017 to its <u>2008-2009</u> level of \$3,200.</p> |
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Provide a summary of the rationale for the decision package. Why has it been requested? How specifically would the requested funds be used?

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| AGENCY NAME: | Higher Education Tuition Grants Commission | | |
| AGENCY CODE: | H06 | SECTION: | 12 |

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| METHOD OF CALCULATION | <p>The amount was calculated using current funding levels with the current number of eligible students and accounting for the potential for a small increase in eligible students. A difference in actual eligible students versus those projected to be eligible would be the only deviation.</p> |
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How was the amount of the request calculated? What factors could cause deviations between the request and the amount that could ultimately be required in order to perform the underlying work?

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| FUTURE IMPACT | <p>The impact of adopting this decision package would be the need to maintain this amount annually to maintain the Maximum Grant established using these funds. The impact of not honoring the request is that Maximum Grants remain at current year levels which are \$300 per year below the 2008-2009 grant levels. There are only two sources of funds available for this request; recurring state appropriations and lottery funds.</p> |
|----------------------|--|

Will the state incur any maintenance-of-effort or other obligations by adopting this decision package? What impact will there be on future capital and/or operating budgets if this request is or is not honored? Has a source of any such funds been identified and/or obtained by your agency?

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| PRIORITIZATION | <p>If no funds are available to meet this need, the Tuition Grants Program will continue at the current level.</p> |
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If no or insufficient new funds are available in order to meet this need, how would the agency prefer to proceed? By using fund balances, generating new revenue, cutting other programs, or deferring action on this request in FY 2014-15?

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| AGENCY NAME: | Higher Education Tuition Grants Commission | | |
| AGENCY CODE: | H06 | SECTION: | 12 |

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| INTENDED IMPACT | <p>The intended impact is to assist students in paying their tuition and to help them avoid more loan debt.</p> |
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What impact is this decision package intended to have on service delivery and program outcomes, and over what period of time?

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| PROGRAM EVALUATION | <p>The outcome would be to continue providing funds to as many students as possible to insure that South Carolinians are better educated.</p> |
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How would the use of these funds be evaluated? What specific outcome or performance measures would be used to assess the effectiveness of this program?

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| AGENCY NAME: | Higher Education Tuition Grants Commission | | |
| AGENCY CODE: | H06 | SECTION: | 12 |

FORM B – PROGRAM REVISION REQUEST

| | |
|-------------------------|------------|
| DECISION PACKAGE | 700 |
|-------------------------|------------|

Provide the decision package number issued by the PBF system ("Governor's Request").

| | |
|--------------|-------------------------|
| TITLE | Interest Account |
|--------------|-------------------------|

Provide a brief, descriptive title for this request.

| | |
|---------------|-----------------|
| AMOUNT | \$15,000 |
|---------------|-----------------|

What is the net change in requested appropriations for FY 2014-15? This amount should correspond to the decision package's total in PBF across all funding sources.

| | |
|---------------------------|---|
| ENABLING AUTHORITY | SC Code of Laws, Title 59, Chapter 113, Section 45. No revision in authority. |
|---------------------------|---|

What state or federal statutory, regulatory, and/or administrative authority established this program? Is this decision package prompted by the establishment of or a revision to that authority?

| | |
|---|--|
| 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"/> Non-mandated change in eligibility / enrollment for existing program. |
| | <input type="checkbox"/> Change in case load / enrollment under existing program guidelines. |
| | <input type="checkbox"/> Non-mandated program change in service levels or areas. |
| | <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"/> Proposed establishment of a new program or initiative. | |

| | |
|----------------------------|---|
| RECIPIENTS OF FUNDS | Funds already exist for payments of Grants to students. |
|----------------------------|---|

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?

| | | | |
|---------------------|---|-----------------|-----------|
| AGENCY NAME: | Higher Education Tuition Grants Commission | | |
| AGENCY CODE: | H06 | SECTION: | 12 |

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|---------------------------|----|
| RELATED REQUEST(S) | No |
|---------------------------|----|

Is this decision package associated with other decision packages requested by your agency or other agencies this year? Is it associated with a specific capital or non-recurring request?

| | |
|-----------------------|----|
| MATCHING FUNDS | No |
|-----------------------|----|

Would these funds be matched by federal, institutional, philanthropic, or other resources? If so, identify the source and amount.

| | |
|-----------------------------|-----|
| FUNDING ALTERNATIVES | N/A |
|-----------------------------|-----|

What other possible funding sources were considered? Could this request be met in whole or in part with the use of other resources, including fund balances? If so, please comment on the sustainability of such an approach.

| | |
|----------------|--|
| SUMMARY | <p>This request is to increase authority to the Other Funds account for expenditures of monies accruing annually from interest for use as student grants. The current authority of \$10,000 is requested to be increased to \$25,000. Should interest rates increase in the future, additional increases in authority will be requested.</p> |
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Provide a summary of the rationale for the decision package. Why has it been requested? How specifically would the requested funds be used?

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|---------------------|---|-----------------|-----------|
| AGENCY NAME: | Higher Education Tuition Grants Commission | | |
| AGENCY CODE: | H06 | SECTION: | 12 |

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|------------------------------|------------------------------------|
| METHOD OF CALCULATION | Based on annual interest earnings. |
|------------------------------|------------------------------------|

How was the amount of the request calculated? What factors could cause deviations between the request and the amount that could ultimately be required in order to perform the underlying work?

| | |
|----------------------|--|
| FUTURE IMPACT | This obligates no funds, just an increase in spending authority as interest funds increase from previous levels. |
|----------------------|--|

Will the state incur any maintenance-of-effort or other obligations by adopting this decision package? What impact will there be on future capital and/or operating budgets if this request is or is not honored? Has a source of any such funds been identified and/or obtained by your agency?

| | |
|-----------------------|-----------------------------|
| PRIORITIZATION | Does not involve new funds. |
|-----------------------|-----------------------------|

If no or insufficient new funds are available in order to meet this need, how would the agency prefer to proceed? By using fund balances, generating new revenue, cutting other programs, or deferring action on this request in FY 2014-15?

| | | | |
|---------------------|---|-----------------|-----------|
| AGENCY NAME: | Higher Education Tuition Grants Commission | | |
| AGENCY CODE: | H06 | SECTION: | 12 |

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|------------------------|---|
| INTENDED IMPACT | <p>Would enable the interest earned in excess of \$10,000 to be used instead of not having authority to spend them.</p> |
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What impact is this decision package intended to have on service delivery and program outcomes, and over what period of time?

| | |
|---------------------------|------------|
| PROGRAM EVALUATION | <p>N/A</p> |
|---------------------------|------------|

How would the use of these funds be evaluated? What specific outcome or performance measures would be used to assess the effectiveness of this program?