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ANNUAL ACCOUNTABILITY REPORT Fiscal Year 2008-2009

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Accountability Report Transmittal Form

Agency Name: South Carolina Higher Education Tuition Grants Commission (H06)

Date of Submission: September 3, 2009

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ANNUAL ACCOUNTABILITY REPORT
Fiscal Year 2008-2009

SOUTH CAROLINA HIGHER EDUCATION TUITION GRANTS COMMISSION (H06)

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03SEPT2009

Section I. Executive Summary

The South Carolina Tuition Grants Program is a “need-based” grants program that was enacted in 1970 by the SC General Assembly as a tuition equalization program to give South Carolina students the choice of attending a South Carolina independent college. Not only does the grants program give South Carolina students the choice of attending the college that best meets their academic needs, it also saves the State of South Carolina millions of dollars each year. The savings result from attracting South Carolina students into the South Carolina independent college sector, thereby saving the automatic per student state tax subsidy that goes to all students attending South Carolina public colleges regardless of financial need. The per student state subsidy averaged \$4,486 in the 2008-2009 fiscal year.

The SC Tuition Grants Program is funded solely by state appropriation with the exception of \$691,259 that is received through the federal LEAP/SLEAP matching grant program.

The clients of the SC Tuition Grants Program are the students of South Carolina and their families, the 21 SC independent colleges participating in the grants program, all of the high schools located throughout the state, the members of the South Carolina General Assembly, and the various state agencies overseeing the operation of a state program. The SC Tuition Grants Commission comes into contact with all of these constituents throughout the normal operating cycle of a fiscal year.

The day-to-day operation of the SC Tuition Grants Program includes the following:

- 1) Processing almost 28,500 applications that are received each year for SC Tuition Grant assistance;
- 2) Analyzing all applications for “financial need” using the federal methodology approved by Congress;
- 3) Analyzing all applications to determine if they meet Program eligibility requirements as required by statute and policy;
- 4) Notifying the students and their colleges of their eligibility or ineligibility for grant funds;
- 5) Processing appeals of eligibility from students who are not eligible;

- 6) Disbursing the grant funds to the students at their colleges once “full-time” enrollment status is confirmed;
- 7) Issuing various reports to the participating independent colleges in regard to grant eligibilities of their SC students;
- 8) Disseminating SC Tuition Grants Program information to the general public, the SC high schools, and the guidance counselors;
- 9) Communication and coordination with the State Treasurer’s Office, the Comptroller General’s Office, the State Auditor’s Office, the State Budget Division, the Governor’s Office, the SC General Assembly and its various committees, and all other state agencies involved with administering a state program.

The SC Tuition Grants Program is a sound investment for the State of South Carolina. The SC independent colleges attended by these students have total operating budgets of over \$350 million and combined capital assets (physical plants and endowments) of over one billion dollars. Thus, the state’s base investment for 2008-2009 of \$38,102,488 (includes \$1,948,520 in one-time unclaimed lottery prize dollars that will not be available in 2009-2010) in the SC Tuition Grants Program supports a \$1.35 billion industry. Although the SC Tuition Grants Program receives only about 3% of the total state dollars going to higher education, SC independent colleges over educate 18% of our state’s students, graduate nearly 30% of the degree recipients each year, provide 40% of our state’s teachers, and nearly 50% of our state minority teachers.

The various and detailed accountability and performance measures as related to the SC Tuition Grants Program are featured in the following section of this report.

MISSION STATEMENT

The mission of the South Carolina Higher Education Tuition Grants Commission is to administer a state-funded, need-based tuition grants program for the State of South Carolina designed to assist eligible South Carolina residents with demonstrated financial need to afford to attend certain in-state, accredited independent colleges on a full-time enrollment basis.

By providing need-based tuition grants to these students, the State of South Carolina gains maximum usage from the available independent higher education facilities located throughout South Carolina, assists in the education of our state citizenry by helping offset for our state residents the cost of attending certain in-state, independent colleges just as the State offsets the cost of our state residents attending South Carolina public colleges, helps to preserve the dual system of public and independent college higher education in South Carolina which provides healthy competition between the public and independent colleges, saves the State of South Carolina tens of millions of tax dollars annually by attracting students into the independent college sector thereby saving the automatic per student state subsidy that goes to all South Carolina public college students regardless of their financial need, and gives South Carolina residents the choice of attending a public or an independent college and allows them to make their college-choice decision based on their academic needs rather than solely on the cost of the institution.

PROGRAM NAME:

Higher Education Tuition Grants (05000000)

PROGRAM GOAL:

To provide financial assistance in the form of need-based state tuition grants to qualified South Carolina residents electing to attend on a full-time basis certain eligible accredited South Carolina independent junior and senior colleges.

PROGRAM OBJECTIVES:

- 1) To gain maximum usage of the available independent college facilities located in South Carolina by assisting eligible students afford the cost of the independent colleges and thereby help in the education of our state citizenry; and,
- 2) To help offset the cost the higher education costs of attending certain accredited South Carolina independent colleges for South Carolina students just as the state offsets the higher education costs of our South Carolina residents attending South Carolina public colleges; and,
- 3) To preserve the dual system of public and independent college higher education in South Carolina which provides healthy competition between the two sectors; and,
- 4) To attract South Carolina residents into the South Carolina independent college sector in order to save the State of South Carolina tax dollars that would have to be appropriated via the automatic state per student subsidy that would go, regardless of financial need, to all independent college students if they migrated into the South Carolina public college system; and,
- 5) To give eligible South Carolina residents the opportunity to choose the in-state college that best meets their academic needs.

PERFORMANCE MEASURES:

- 1) The total number of FTE positions at the SC Tuition Grants Commission was reduced through attrition from 7 to 5 full-time positions in 1990. The agency now uses the services of the federal central computer application processing center, which is provided at no cost to state agencies that participate in the Federal LEAP Program. The reduction in the number of full-time employees saved the salaries and the fringe benefits being paid to these former employees. The remaining four full-time employees worked 7,800 hours in 2008-2009 with duties related to the 28,447 SC Tuition Grant applications received. This averages about .274 employee-hours per application.
- 2) Of the total state dollars appropriated for the SC Tuition Grants Program in 2008-2009, only .82% (less than 1%) of the agency budget goes into program administration with the remaining 99.18% of the state funds being awarded directly to SC students in the form of need-based state tuition grants.
- 3) In a survey of SC Tuition Grant recipients, 80% indicated that without the assistance they would have been unable to attend the SC independent college that provided the best academic curriculum for their needs. Most of these students would have enrolled in the SC public college sector at a greater cost to the State of South Carolina and many of them would not have gone to college at all.
- 4) Since the creation of the SC Tuition Grants Program in 1970, 313,891 tuition grants have been made assisting South Carolina students to attend the independent colleges of their choice that best met their academic needs.
- 5) The SC Tuition Grants Program has opened the door of educational opportunity to hundreds of thousands of South Carolina residents through the availability of 21 South Carolina independent colleges approved to participate in the program. All colleges are non-profit and fully accredited by the Southern Association of Colleges and Schools (SACS) with the exception of Bob Jones University (which is TRACS accredited). The number of participating colleges has increased from three (3) initially to twenty (21) in the FY 2008-2009 award year. These institutions are geographically located in every region of South Carolina and are conveniently available to commuter students living in all areas of the state.
- 6) In 2008-2009, the SC Tuition Grants Commission processed a Program record 28,447 applications for SC Tuition Grants assistance. Each application was reviewed for financial need and all eligible students received award notices and, upon full-time enrollment, State of South Carolina checks for the amount of their semester eligibility. In the 2008-2009 award year, the SC Tuition Grants Commission provided tuition grants to a Program record 12,801 eligible SC students. The average grant was \$3,006, and covered an average of 16.48% of the tuition cost of attending a SC independent college, that averaged \$18,244 for the 2008-2009 year.
- 7) The SC Tuition Grant is a need-based grant and, unlike the automatic per student state subsidy going to all students attending SC public colleges regardless of financial need, not all SC independent college students qualify for assistance from the SC Tuition Grants Program. In

2008-2009, the average of state dollars going to the 19,149 SC residents (including those who did not qualify for a Tuition Grant) attending the twenty-one SC independent colleges was \$2,009. When compared to the \$4,486 average per student state subsidy that automatically goes to all students in the SC public college sector, there is a \$2,477 per student savings to the State of South Carolina for every SC resident attracted into the SC independent college sector. When considered on the program level, there is a \$47.4 million annual savings to the State of South Carolina resulting from the SC Tuition Grants Program. This does not include the additional state dollars that would be needed to build classrooms and dormitories and to hire additional faculty members in the event that all SC independent college students were to migrate into the SC public college sector. It also does not include dollars going to public colleges in the form of revenue bond issues.

8) In the 1950s, over 50% of South Carolina's college students were educated at independent colleges in South Carolina. By the late 1960s, this percentage had eroded to fewer than 20%. Since the creation of the SC Tuition Grants Program in 1970, the percentage has stabilized at approximately 19% and has remained close to that level for a number of years. There is no doubt that the SC Tuition Grants Program has been effective in preserving the dual system of public and independent college higher education in South Carolina, a system that through healthy competition works for the betterment of both higher education segments in our state.

9) In the 1994-95 award year, the SC Tuition Grants Commission discontinued the use of a separate SC Tuition Grant application and instead began using the free federal application for Title IV Federal Student assistance as the application for a SC Tuition Grant which was permissible based on the Commission's participation in the Federal SSIG (now LEAP) Program. This allows all SC students to apply for state assistance through the completion of one federal application that is provided free-of-charge. The SC Tuition Grants Commission is able to electronically draw down the needed applicant data from the federal central processor and compute SC Tuition Grant eligibility. This change saves the SC Tuition Grants Commission (and the State) thousands of dollars annually by not having to print a separate application and by not having to hire additional personnel to handle a manual application process. It further served to significantly increase the efficiency and effectiveness of the Commission in determining financial need of the applicants and notifying the students of their SC Tuition Grant eligibility.

10) Of the 19,149 full-time SC resident students attending the 21 participating SC independent colleges, 12,801 of them (66.8%) received SC Tuition Grants in 2008-2009.

11) The \$38,102,488 state appropriation for the SC Tuition Grants Program in 2008-2009 represents about 3% of the state's total support of higher education. With this small 3% investment, South Carolina's independent colleges educate almost 19% of the resident college and university students in our state, graduate nearly 30% of the degree recipients each year, provide 40% of our state's teachers, and nearly 50% of our state's minority teachers.

12) The total operating budgets of the 21 independent colleges participating in the SC Tuition Grants Program exceeds \$350 million annually.

13) The combined capital assets (physical plants and endowments) of the 21 participating SC independent colleges total over ONE BILLION DOLLARS. Thus, the state's \$38.102 million investment supports a \$1.4 BILLION industry.

14) The Commission's research indicates that on average 40% of the SC tuition grant recipients graduate within four years, ranging from a low of 20% at one SC independent college to a high of 75% at another SC independent college. By comparison, the 4-year graduation rate in the SC public college sector averages 30%, from a low of 9 percent at one SC public college to a high of 59% at another SC public college. There is no doubt that the 4-year limitation of receiving SC Tuition Grant assistance is a powerful incentive to our South Carolina resident students to complete their degrees within four years.

15) Beginning in the 1999-2000 award year, the Commission converted to using the Internet to send and receive applicant data to and from the participating colleges by way of e-mail attachments. Necessary reports and college access to student applicant information via the Internet have significantly increased the efficiency and effectiveness in administering the SC Tuition Grants Program. In 2000-2001, the Commission moved to true, interactive Internet access by creating its own Internet website at www.sctuitiongrants.com. The Commission has continued to expand and upgrade the agency website, now used by the colleges to send and receive data reports to and from the Commission.

Customer satisfaction is high with regard to the changes brought about by the Commission's computer system conversion. The changes have not only impacted effectiveness and efficiency for the agency but for the customer as well.

16) Beginning in July, 1996, the Commission changed from sending individual checks for each recipient of a SC Tuition Grant to a single check for all recipients at a specific college. A roster of recipients is sent to the colleges with the single check enabling the college to correctly disburse the grants to the eligible students.

An immediate benefit of the changeover was the reduction in checks being printed by the State Treasurer's Office. During the last fiscal year when individual checks were issued, the state produced 18,639 individual checks for disbursement to 8,950 students. During the 2008-2009 fiscal year, the state produced just 197 checks (all electronic transfers) for 12,801 grant recipients.

Another benefit in the reduction in checks was enabling the cumbersome and lengthy disbursement process to become streamlined. Previously, the Commission was required to verify each of the 18,639 checks upon receiving them from the State Treasurer's Office, forward each batch of checks to the colleges for individual disbursements to students, and then each student was required to come to the college Business Office and endorse his/her check for deposit into their student account. The college was also required to have each student sign a master roster to be returned to the Commission within 30 days. If a student failed to endorse his/her check within the required timeframe the college would have to return the check to the Commission, even if the student was enrolled and entitled to the grant. Quite often when this

happened, the Commission would have the check cancelled and then have to turn around and have the State Treasurer's Office reissue the check.

Beginning in 2002-2003, the Commission was able to make another leap forward in expediting the disbursement of student grants through use of Electronic Funds Transfers (EFT). Colleges are able to receive direct disbursement from the State Treasurer via EFT several days faster than through creation of and mailing of checks. The colleges then match up the EFT disbursement to the roster of recipients provided by the Commission to enable the deposit of grant funds into existing student accounts. The use of EFT is a school-based decision and for 2008-2009, all 21 of the participating colleges are taking advantage of the use of EFT.

The Commission's primary customers are the students who receive Tuition Grants. With single checks and EFT disbursements, which are credited directly to student accounts by the colleges, students are no longer required to make special visits to the Business Office and are able to have their grant funds available much quicker via their individual student accounts. Additionally, students are no longer put in a position to wait for a check to be reissued. Services to students are significantly more efficient and customer satisfaction is far better.

The Commission's secondary customers are the colleges who are required to complete paperwork to ensure accurate delivery of state grant funds to the grant recipients attending their colleges. The new single check disbursement system combined with EFT disbursements have allowed the colleges to be much more efficient and effective in disbursing Tuition Grants checks to students on their campuses.

Customer satisfaction is high with regard to the changes brought about by the Commission's change to a single check disbursement. All parties involved have benefited: the state, the primary customers, and the secondary customers.

Starting in 2005-2006, in collaboration with the South Carolina Educational Assistance Authority (and by extension the South Carolina Student Loan Corporation), the Commission began sending award letters via e-mail to students eligible for a South Carolina Tuition Grant. Students provide their e-mail addresses via the Commission's annual application (the Free Application for Federal Student Aid). Using that information and the web services of SCEAA (provided free of charge to the Commission), as the Commission processes new awards on a weekly basis, students having valid e-mail addresses are notified immediately of their awards. Previously the Commission would print hard-copy letters which could take from 1 to 4 days for student notification. The Commission's initial projection of saving about \$5,000 in the first year was attained with 81.35% of students receiving their letters electronically. Savings in year one were realized in postage expenses, the printing of envelopes and letters, and copier/printer expenses even with an initial start-up cost in computer programming. In year four (2008-2009), cost savings have jumped to over \$9,800 with 91.93% of students receiving their awards via e-mail. Customer response to the Commission's change in awarding electronically has been very positive.

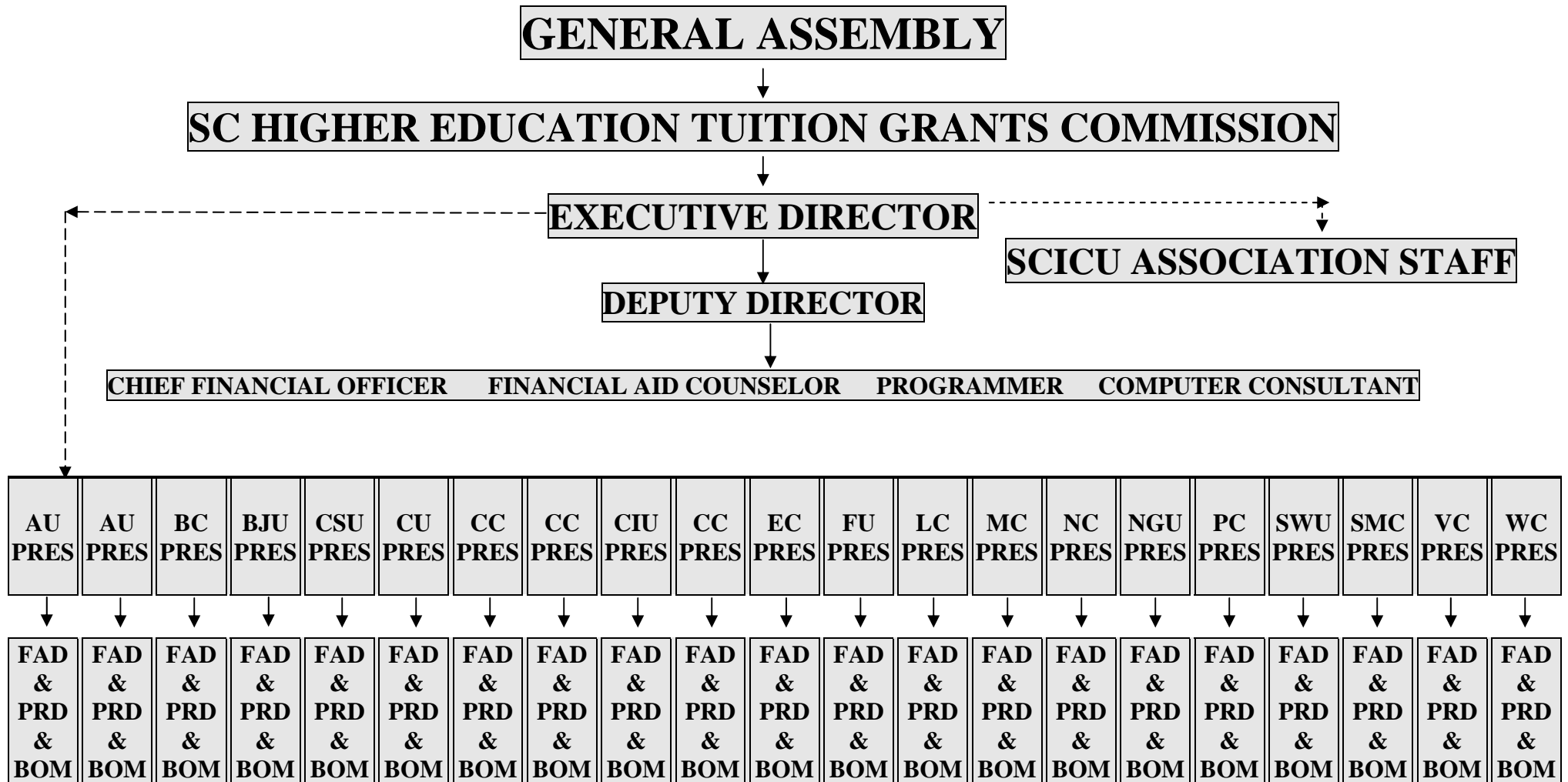
Tuition Grants Program Statistics

1. Students at twenty-one (**21**) independent colleges in South Carolina were eligible to participate in the Tuition Grants Program during 2008-2009. These colleges enrolled a total of **29,664** full-time undergraduate students. Almost 65 percent (**19,149**) were South Carolina residents.
2. Almost 24 percent (**23.65%**) of the 2008-2009 total award dollars went to South Carolina residents attending the five historically black colleges that participate in the program.
3. In 2008-2009 over forty percent (**40.51%**) of South Carolina Tuition Grants recipients were African-Americans. As a percentage of recipients, the South Carolina Tuition Grants Program has historically served more African-American students than any other state-funded program.
4. Over seventy-eight percent (**78.59%**) of SCTG recipients were dependent upon their parents/legal guardians for financial support. Twenty-one percent (**21.41%**) were totally independent and relied only on their own income or that of a spouse.
5. Sixty-six percent (**66.43%**) of the 2008-2009 SCTG recipients had family incomes of **\$59,999 or less**. The average income for all 2008-2009 Tuition Grant recipients was \$48,039.
6. The average age for all 2008-2009 Tuition Grant recipients was **22.81 years**.
7. The 2008-2009 average private college tuition and fee charge was **\$18,244** per year, not including room, board, or books. The average South Carolina Tuition Grant award for 2008-2009 was **\$3,006** and covered **16.48%** of the average tuition and fees charge. The average South Carolina Tuition Grant award for 1974-75 was \$1,233 covering eighty percent (80%) of the average tuition and fees charge.

Section II. Organizational Profile

1. Description of Major Products And Services: Need-based tuition grants to assist with tuition payment by eligible South Carolina Residents attending qualified in-state Independent colleges on a full-time basis.
- 2: Key Customers: SC students attending the SC independent colleges, parents of students, independent colleges, independent college personnel, high school guidance counselors.
3. Key Stakeholders: SC Students attending Independent Colleges and their families, Tuition Grants Commission, 21 eligible SC Independent colleges, the State of SC and its Taxpayers, SC General Assembly, US Education Department.
4. Key Suppliers & Partners: 21 Independent Colleges, Contracted IT consultant, other SC State agencies, SC General Assembly, and United States Education Department.
5. Operation Location: 800 Dutch Square Blvd., Columbia, South Carolina
6. Number of Employees: 5 FTEs (One position vacant the full year)
1 contracted IT consultant
7. Regulatory Environment: SC State statutes for Program and operation of state agencies, Commission Policies, Federal Statutes and Regulations for LEAP & SLEAP Programs and FAFSA application processing.
8. Performance Improvement Systems: Employee evaluations, Commission review, Input from college personnel, LEAP/SLEAP Performance Report
9. Organizational Structure: Chart attached
10. Expenditures/Appropriations: Chart attached.
11. Major Program Areas: Chart attached.

Organizational Chart



FAD=FINANCIAL AID DIRECTOR
 PRD=PUBLIC RELATIONS DIRECTOR
 BOM=BUSINESS OFFICE MANAGER

SC TUITION GRANTS PROGRAM APPROPRIATIONS FUNDING HISTORY

<u>Year</u>	<u>State Appropriation</u>	<u>Total Funds</u>	<u>Number Of Grants</u>
1971-72	\$ 50,000	\$ 50,000	43
1972-73	\$ 150,000	\$ 150,000	134
1973-74	\$ 4,000,000	\$ 4,000,000	3,271
1974-75	\$ 6,180,000	\$ 6,398,882	5,186
1975-76	\$ 7,255,473	\$ 7,460,840	5,784
1976-77	\$ 7,332,686	\$ 7,833,229	7,516
1977-78	\$ 8,354,749	\$ 9,085,707	7,758
1978-79	\$ 9,356,497	\$ 10,133,140	9,335
1979-80	\$ 9,907,590	\$ 10,788,633	7,634
1980-81	\$ 10,834,659	\$ 11,700,785	8,479
1981-82	\$ 12,084,659	\$ 12,646,350	8,368
1982-83	\$ 12,184,659	\$ 12,375,722	7,974
1983-84	\$ 11,929,149	\$ 12,577,824	6,974
1984-85	\$ 12,929,149	\$ 13,749,800	7,412
1985-86	\$ 14,629,149	\$ 15,450,804	7,635
1986-87	\$ 15,592,839	\$ 16,379,163	7,795
1987-88	\$ 15,541,444	\$ 16,372,303	7,608
1988-89	\$ 16,189,154	\$ 17,825,811	7,934
1989-90	\$ 17,414,241	\$ 18,191,460	7,242
1990-91	\$ 17,414,241	\$ 18,054,069	6,816
1991-92	\$ 16,790,153	\$ 16,823,103	6,694
1992-93	\$ 16,004,273	\$ 16,583,714	6,606
1993-94	\$ 15,251,517	\$ 16,892,826	8,371
1994-95	\$ 16,346,136	\$ 17,358,968	8,428
1995-96	\$ 17,564,872	\$ 19,034,623	8,950
1996-97	\$ 20,783,666	\$ 21,727,055	9,321
1997-98	\$ 22,074,929	\$ 22,626,641	9,412
1998-99	\$ 22,307,633	\$ 22,582,693	9,800
1999-2000	\$ 23,115,329	\$ 23,391,633	9,908
2000-2001	\$ 24,479,575	\$ 24,937,077	10,152
2001-2002	\$ 22,376,550	\$ 22,971,182	10,864
2002-2003	\$ 25,650,042	\$ 26,487,728	11,586
2003-2004	\$ 25,202,599	\$ 25,922,255	12,004
2004-2005	\$ 27,391,853	\$ 28,277,793	12,025
2005-2006	\$ 27,572,932	\$ 28,438,045	11,869
2006-2007	\$ 31,457,949	\$ 32,160,551	11,735
2007-2008	\$ 37,748,012	\$ 38,451,537	12,461
2008-2009	\$ 37,783,612	\$ 38,474,871	12,801
TOTALS	\$ 639,231,970	\$ 664,366,817	313,891

Section III: Elements of Malcolm Baldrige Award Criteria

Category 1: Leadership

The leadership of the South Carolina Tuition Grants Program is vested in the South Carolina Higher Education Tuition Grants Commission that is made up of eight college presidents and the Executive Director of the SC Commission on Higher Education. Based on the positions that the Commission members hold with their respective colleges and organizations, they are all proven leaders. All long-term and short-term direction of the Commission is decided by the members of the Commission with advice and recommendations being provided by the Executive Director of the Commission and its staff members.

The SC Tuition Grants Commission, being a relatively small agency of five employees, has only two employees considered to be senior leadership; the Executive Director and the Deputy Director. Organizational values and performance expectations for these two individuals are set by the Commission and are reviewed annually through the performance evaluation system.

The senior leaders of the Commission are very attentive to the feedback they receive from other staff members as well as the college administrators that handle the SC Tuition Grants Program on their respective campuses.

The senior leadership always makes the extra effort to actively support and strengthen the community, which is evident by the fact that the Commission participates in 15-20 community service workshops each year disseminating information on the SC Tuition Grants Program to prospective South Carolina students interested in attending a SC independent college.

Category 2: Strategic Planning

Strategic planning is an important part of any agency, business, or organization. Therefore, the SC Tuition Grants Commission is constantly assessing the needs and expectations of the customers of the program, the SC students attending the SC independent colleges.

Although planning is very important, it is sometimes very difficult for state agencies to adhere to their “plans” to service the needs of all of their customers since the amount of service a state agency can provide is directly related to the amount of appropriations received from the SC General Assembly. The SC Tuition Grants Commission, through the budget request process, informs the legislature each year of the funding needs of the program to meet the strategic planning goals. Since state appropriation dollars are limited, strategic plans must be revised each year depending on program dollars received.

Category 3: Customer Focus

The Commission's primary customers are the students (and their families) who receive SC Tuition Grants. The Commission's secondary customers are the college financial aid offices who conduct verification of eligibility for grant recipients attending their colleges. They are responsible, in conjunction with the campus Business Office, to insure that state grant funds checks are correctly credited to student accounts. To accomplish this, the Commission communicates several different reports on a regular basis to the financial aid offices of the twenty-one eligible participating colleges. Using the mainframe system, these sometimes lengthy reports were printed out and mailed to the colleges. This was an inefficient and costly process in time, paper, and postage. The colleges would then manually data enter information to their computer systems. The introduction of the PC-server initially enabled the Commission to convert reports to computer diskettes for transmission to the colleges. The more technologically-advanced colleges could download the data to their systems saving data entry time and potential errors. Colleges not so advanced could still load the information to a computer spreadsheet and review the information and then print it out if they so desired. Beginning in March 1998, the Commission began providing reports to colleges electronically. Through password-protected electronic access, colleges received reports immediately without waiting for a diskette in the mail. Beginning in the Fall of 1998, colleges were able to return data electronically to the Commission. This expedited the correction of student information, prevented errors associated with manual data entry, and increased processing time for the disbursement of grant funds to student recipients.

Beginning in the 1999-2000 award year, the Commission converted to use of the Internet to send and receive applicant data to and from the participating colleges by way of e-mail attachments. Necessary reports and college access to student applicant information via the Internet have significantly increased the efficiency and effectiveness in administering the SC Tuition Grants Program. In 2000-2001, the Commission moved to true, interactive Internet access by creating its own Internet website at **www.sctuitiongrants.com**.

Customer satisfaction is high with regard to the changes brought about by the Commission's computer system conversion. The changes have not only impacted effectiveness and efficiency for the agency but for the customer as well.

Category 4: Information and Analysis

The SC Tuition Grants Program was created in 1970 by the SC General Assembly to give SC students "in need" a choice of attending the college that best meets their academic needs, and also to save the state of South Carolina the automatic per student tax subsidy (\$4,486 in 2008-2009) that would have been needed to educate these students in the SC public college sector. With this in mind, the following information is collected, reviewed, and analyzed periodically to assess the impact of the program:

- 1) Number of Tuition Grant Applications Received
- 2) Number of Eligible Students
- 3) Average Dollar Grant
- 4) Average Dollar Need
- 5) Number of Tuition Grants Made
- 6) Average Per Student Subsidy at SC Public Colleges
- 7) Average Tuition at SC Independent Colleges
- 8) Percentage of Tuition Covered by SC Tuition Grant
- 9) 4-Year Graduation Rate at SC Independent Colleges
- 10) Total SC Tuition Grant Dollars Appropriated
- 11) Total SC Tuition Grant Dollars Needed to Fully Fund Program

Category 5: Human Resource Focus

The SC Tuition Grants Commission originally employed seven (7) full-time employees, but reduced the staff to five (5) full-time employees by the use of computer technology. Though centrally administered through the Commission office in Columbia, the program works intricately with the Financial Aid Office staff at the twenty-one (21) participating colleges.

All Commission staff members are involved with policy recommendations made to the SC Tuition Grants Commission, the 9-person governing board over the SC Tuition Grants Program.

Assuming funds permit, all Commission staff members are allowed and encouraged to attend one professional development workshop each year for which the agency pays.

Category 6: Process Management

The SC Tuition Grants Commission is constantly reviewing, updating, and changing the process of getting the tuition grant dollars to our customers, the eligible SC students, and the twenty-one independent colleges they attend. This involves constantly reviewing the application process, the awarding process, the notification process, the disbursement process, and the record-keeping process.

Evidence of progress in these areas abounds. What used to be a process that involved a lot of paper and took 5 to 6 weeks to complete is now done via the Internet in 5 to 6 days.

The Commission contracts with an outside computer analyst to review the above-noted processes each year and to make changes to ensure that the latest technological advances are being used.

Category 7: Business Results

Refer to performance measures noted in “Section I: Executive Summary.”

Program Needs

\$1,686,843 increase has been requested for 2010-11 to provide \$3,250 program-wide maximum grant for all 12,800 eligible students.

Program Concerns

1. Tuition Gap between Public and Independent Colleges
2. Gap between Tuition and Amount of Maximum Tuition Grants
3. State Funding of Need-based aid versus Merit-based aid:
Palmetto Fellows: 7.59% (about 1 out of 13) receive both SCTG and Palmetto Fellows.
LIFE: 32.13% (less than 1 out of 3) receive both SCTG and LIFE.
HOPE: 5.13% (about 1 out of 19) receive both SCTG and HOPE.
TOTAL: Only 46.30% receive both Merit and Need-based funds.
53.70% (11 out of 20) receive ONLY Need-based aid and NO Merit-based Aid.

HBCUs: Only 23.50% receive both Merit and Need-based funds.
76.50% of HBCU students receive ONLY Need-based aid and NO merit-based aid.

South Carolina Student Legislature

The 2008-09 state funding for the SC Student Legislature was vetoed by Governor Sanford and the veto was sustained by the SC General Assembly.

Accountability Report Appropriations/Expenditures Chart

Base Budget Expenditures and Appropriations

Major Budget Categories	FY 07-08 Actual Expenditures		FY 08-09 Actual Expenditures		FY 09-10 Appropriations Act	
	Total Funds	General Funds	Total Funds	General Funds	Total Funds	General Funds
Personal Service	\$ 192,479	\$ 192,479	\$ 170,210	\$ 170,210	\$ 170,230	\$ 170,230
Other Operating	\$ 110,347	\$ 110,347	\$ 92,679	\$ 92,679	\$ 79,109	\$ 79,109
Special Items	\$ 25,000	\$ 25,000	\$ -	\$ -	\$ -	\$ -
Permanent Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Case Services	\$ 27,237,841	\$ 21,767,581	\$ 27,661,080	\$ 21,751,603	\$ 27,880,683	\$ 21,770,251
Distributions to Subdivisions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fringe Benefits	\$ 56,774	\$ 56,774	\$ 55,987	\$ 55,987	\$ 56,557	\$ 56,557
Non-recurring	\$ 10,124,186	\$ 10,124,186	\$ 10,813,791	\$ 10,813,791	\$ 7,766,604	\$ 7,766,604
Total	\$ 37,746,627	\$ 32,276,367	\$ 38,793,747	\$ 32,884,270	\$ 35,953,183	\$ 29,842,751

Other Expenditures

Sources of Funds	FY 07-08 Actual Expenditures	FY 08-09 Actual Expenditures
Supplemental Bills	\$ -	\$ -
Capital Reserve Funds	\$ -	\$ -
Bonds	\$ -	\$ -

Major Program Areas

Program Number and Title	Major Program Area Purpose (Brief)	FY 07-08 Budget Expenditures	FY 08-09 Budget Expenditures	Key Cross References for Financial Results*
05000000 SC Tuition Grants	Need-based Grants to Eligible SC Residents Attending 21 SC Independent Colleges	State: 36,658,502.00 Federal: 703,525.00 Other: 0.00 Total: 37,362,027.00 % of Total Budget: 99%	State: 37,783,612.00 Federal: 691,095.00 Other: Total: 38,474,871.00 % of Total Budget: >99%	7.3
01000000 Program Administration	Personal Service, Operating Budget, and Fringe Benefits	State: 359,600.00 Federal: 0.00 Other: 0.00 Total: 359,600.00 % of Total Budget: <1%	State: 318,877.00 Federal: 0.00 Other: 0.00 Total: 318,877.00 % of Total Budget: <1%	7.3
01050000 SC Student Legislature	Student College-level Mock General Assembly Program	State: 25,000.00 Federal: 0.00 Other: 0.00 Total: 25,000.00 % of Total Budget: <1%	State: 0.00 Federal: 0.00 Other: 0.00 Total: 0.00 % of Total Budget: 0%	7.3

Below: List any programs not included above and show the remainder of expenditures by source of funds.

Remainder of Expenditures:	State: 0.00 Federal: 0.00 Other: 0.00 Total: 0.00 % of Total Budget: 0%	State: 0.00 Federal: 0.00 Other: 0.00 Total: 0.00 % of Total Budget: 0%
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* Key Cross-References are a link to the Category 7 - Business Results. These References provide a Chart number that is included in the 7th section of this document.

Strategic Planning

Program Number and Title	Supported Agency Strategic Planning Goal/Objective	<u>Related FY 08-09 and beyond</u> Key Agency Action Plan/Initiative(s) and Timeline for Accomplishing the Plan(s)	Key Cross References for Performance Measures
05000000	To Increase the Maximum Grant from \$3,150 to \$3,250 in 2010-11	The initiative for 2009-2010 is to increase the Maximum Grant from \$3,150 to \$3,250 for 2010-2011. The timeline for accomplishment is the end of the State Budget process.	7.2, 7.3

* Key Cross-References are a link to the Category 7 - Business Results. These References provide a Chart number that is included in the 7th section of this document.