

<b>AGENCY NAME:</b>	Higher Education Tuition Grants Commission		
<b>AGENCY CODE:</b>	H06	<b>SECTION:</b>	12



## Fiscal Year 2014-15 Accountability Report

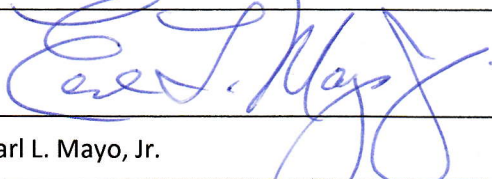
### SUBMISSION FORM

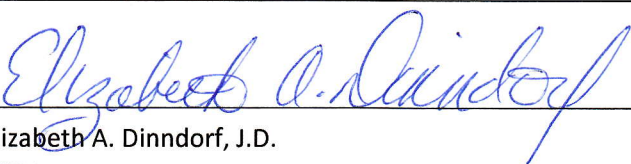
<b>AGENCY MISSION</b>	<b>MISSION STATEMENT</b>
	<p>The mission of the South Carolina Higher Education Tuition Grants Commission is to administer a state-funded, need-based tuition grants program for the State of South Carolina designed to assist eligible South Carolina residents with demonstrated financial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

Please identify your agency's preferred contacts for this year's accountability report.

	<u>Name</u>	<u>Phone</u>	<u>Email</u>
<b>PRIMARY CONTACT:</b>	Earl L. Mayo, Jr.	803.896.1122	<a href="mailto:earl@sctuitiongrants.org">earl@sctuitiongrants.org</a>
<b>SECONDARY CONTACT:</b>	Katherine H. Harrison	803.896.1121	<a href="mailto:katie@sctuitiongrants.org">katie@sctuitiongrants.org</a>

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

<b>AGENCY DIRECTOR (SIGN/DATE):</b>	
<b>(TYPE/PRINT NAME):</b>	Earl L. Mayo, Jr.

<b>BOARD/CMSN CHAIR (SIGN/DATE):</b>	
<b>(TYPE/PRINT NAME):</b>	Elizabeth A. Dinndorf, J.D.

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## **AGENCY'S DISCUSSION AND ANALYSIS**

The South Carolina Tuition Grants Program is a “need-based” grants program that was enacted in 1970 by the South Carolina General Assembly as a tuition grants program designed to offset the differences between public college tuition and independent colleges tuition in order to give South Carolina students the ability to afford to attend the South Carolina college that best meets the student’s academic needs.

The South Carolina Tuition Grants Program is a sound and intelligent investment for the State of South Carolina. The South Carolina independent colleges attended by students receiving Tuition Grants have total operating budgets of over \$750 million and combined capital assets (physical plants and endowments) of over one billion dollars. Thus, the state’s investment for 2014-2015 of \$36,359,160 in the South Carolina Tuition Grants Program supports an industry exceeding \$1.75 billion. Although the South Carolina Tuition Grants Program receives only about 3% of the total state dollars going to higher education, South Carolina independent colleges educate over 17% of our state’s full-time students and graduate annually over 25% of the state’s bachelor degree recipients. In addition to leveraging available private facilities with this modest investment of funds, the Tuition Grants Program 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 subsidy that goes to all students attending South Carolina public colleges regardless of financial need and regardless of academic progress towards graduation. The per-student state subsidy averaged \$3,652 in fiscal year 2014-2015 while the average tuition grant was \$2,672. Because of that differential, the State saved \$13,079,080 last year. In its 45 year history, it is estimated that the South Carolina Tuition Grants Program has saved the State in excess of \$832 million that tax payers would have spent through direct subsidies to educate these same students in the State's public colleges. This amount does not include the additional state dollars that would have been needed during the last 45 years to build classrooms and dormitories and to hire additional faculty members. It also does not include dollars that went to public colleges in the form of revenue bond issues.

With a customer-service oriented philosophy and staff, the South Carolina Tuition Grants Commission takes great pride in its outstanding public reputation for customer service. The "customers" served by the South Carolina Tuition Grants Program are the students of South Carolina and their families, the 21 South Carolina independent colleges participating through statutory eligibility 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 with which the Commission coordinates its operations. The South Carolina 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 South Carolina Tuition Grants Program includes the following:

- 1) Processing over 34,000 applications that are submitted each year for South Carolina 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 tuition grant funds to each student at his/her college once “full-time” enrollment status and academic eligibility are confirmed;
- 7) Securely issuing various reports to the participating independent colleges in regard to grant eligibility of their South Carolina students;

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- 8) Extensively disseminating South Carolina Tuition Grants Program information to the general public, the South Carolina high schools, and the guidance counselors;
- 9) Responding to all communications from the public concerning general Program information and Program eligibility requirements;
- 10) Communication and coordination with the State Treasurer’s Office, the Comptroller General’s Office, the State Auditor’s Office, the State Executive Budget Office, the State Department of Technology Operations, the State Division of Information Security, the State Human Resources Office, the Commission on Higher Education, the Governor’s Office, the South Carolina General Assembly and its various committees, and all other state agencies involved with administering a state program

Some of the past year's efforts and results that the Commission would like to highlight, all of which will not show up with quantitative results, include:

- 1) In 2014-1015, 13,346 financially and academically eligible students received South Carolina Tuition Grants. Since the creation of the South Carolina Tuition Grants Program in 1970, almost 400,000 Tuition Grants have been made assisting South Carolina students to attain their academic and career goals enabling them to contribute economically and educationally to the State of South Carolina.
- 2) For over 15 years the Commission has operated its own Internet web site to send and receive applicant data to and from the participating colleges. Over time, the necessary reports and secure college access to student applicant information via the Internet significantly increased the Commission's efficiency and effectiveness in administering the South Carolina Tuition Grants Program. During the 2014-2015 year, the Commission changed all of its processing of student applications to attain the highest level of security and protection possible of confidential student information. In August 2014, the Commission moved to a new, security-enhanced web site ensuring that it continues to serve students and families effectively, efficiently, and securely. While not showing up in "measured" ways of doing business, the time and effort involved with information security requirements consumes a larger and larger portion of the work time of agency personnel. Additionally, to enable the agency to get to the State-mandated security levels will require increases in expenditures by the agency that it does not have in the current year budget.
- 3) For ten years, in collaboration with the South Carolina Educational Assistance Authority (and by extension the South Carolina Student Loan Corporation), the Commission has sent secure tentative eligibility notices 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. The initial group of 81.35% of students in 2005 received their letters electronically saving the Commission about \$5,000 in postage and printing. In the latest processing year, cost savings for postage alone were over \$13,500 with 97.45% of students receiving their eligibility notices via e-mail. For the past six years, the Commission moved further into the area of electronically contacting students by additionally notifying students who applied, but were not eligible, via e-mail. In 2014-2015 this provided the Commission almost \$2,400 in additional postage savings giving the agency a total savings in excess of \$15,900, not including printing and paper.
- 4) Of the total state dollars appropriated for the South Carolina Tuition Grants Program in 2014-2015, only 1% of the agency budget, including salaries and increased information security expenses, goes into program administration with the remaining 99% of the state funds being awarded directly to South Carolina students in the form of need-based state tuition grants.

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**Program Needs**

An increase of \$2,534,474 in grants funding is being requested for 2016-17 to provide a \$3,200 program-wide maximum grant for an estimated 13,425 eligible students. This request enables the Maximum Grant to be increased by \$100 from the current 2015-2016 Maximum Grant. The level-funding that was provided for the Program during several years of economic turmoil and the increase in funding that was provided the past four years for the Tuition Grants Program is greatly appreciated by students and their families. The number of eligible students has decreased slightly after several years of increases, which necessitated lowering the Maximum Grant to \$2,600 in 2011-2012, and combined with the State Legislature generously providing new funding the Maximum Grant has increased back to \$3,100. However, the need exists to return the Maximum Grant to at least \$3,200 which it was in 2008-2009. An increase of \$2.534 million in 2016-2017 would return the Maximum Grant one final step to the former Maximum Grant.

**Concerns**

1. Maximum Grant levels continue to be below 2008-2009 Maximum Grant.
2. Disparity of State Funding of Need-based aid versus Merit-based aid for ALL students.

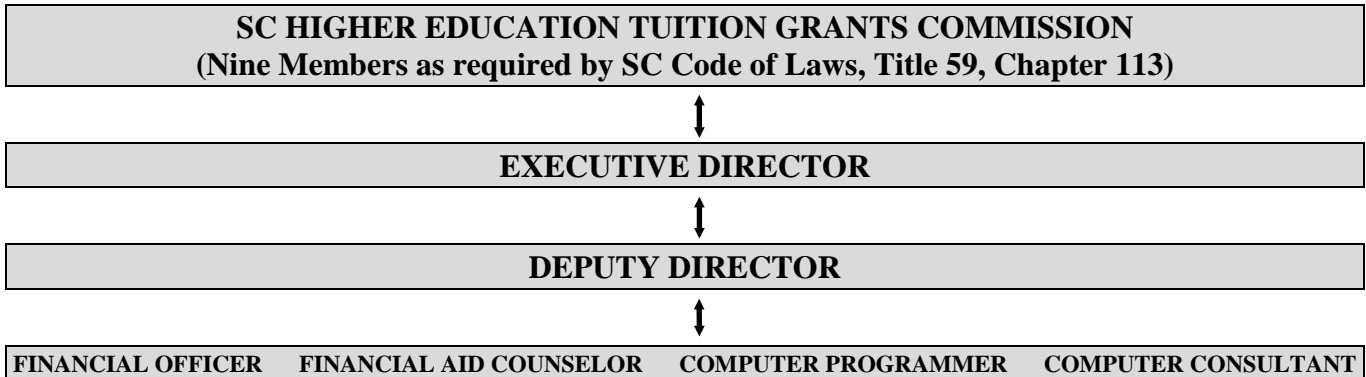
For all 2014-2015 Tuition Grants Recipients:

Palmetto Fellows: 7.70% (about 1 out of 13) receive both SCTG and Palmetto Fellows.  
 LIFE: 38.94% (about 2 out of 5) receive both SCTG and LIFE.  
 HOPE: 6.81% (about 1 out of 15) receive both SCTG and HOPE.  
 TOTAL: 53.90% receive both Merit and Need-based funds.  
46.10% (almost half) receive ONLY Need-based aid and NO Merit-based Aid.

For Tuition Grants Recipients attending the 5 HBCUs where students may receive Tuition Grants:

29.18% (well below the overall 53.90%) receive both Merit and Need-based funds.  
70.82% of HBCU students receive ONLY Need-based aid and NO merit-based aid.

**ORGANIZATION CHART**



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Strategic Planning Template

Type	Goal	Item # Strat	Object	Description
G	1			<b>Provide increased state economic benefits and a more educated citizenry by enabling more South Carolinians to obtain a college education by providing 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.</b>
S		1.1		To provide a maximum tuition grant that will enable needy students to afford to attend college.
O			1.1.1	<i>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.</i>
O			1.1.2	<i>Help offset the higher education costs of attending South Carolina independent colleges for South Carolina students just as the state offsets the higher education costs of state residents attending South Carolina public colleges.</i>
O			1.1.3	<i>Preserve the dual system of public and independent college higher education in South Carolina which provides healthy competition between the two sectors.</i>
O			1.1.4	<i>Attract SC residents into the SC independent college sector to save State tax dollars that would have to be appropriated at a higher dollar value via the automatic subsidy to those students if they migrated into the SC public college system.</i>
O			1.1.5	<i>Give eligible South Carolina residents the opportunity to choose the in-state college that best meets their academic needs.</i>
G	2			<b>Provide protection of agency information and data</b>
S		2.1		Follow State guidelines and directives for information security.
O			2.1.1	<i>Insure that agency complies with State Information Security Requirements.</i>
O			2.1.2	<i>Track training of agency personnel to insure completion of required information security training.</i>
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Performance Measurement Template

Item	Performance Measure	Last Value	Current Value	Target Value	Time Applicable	Data Source and Availability	Reporting Freq.	Calculation Method	Associated Objective(s)
1	Applications Processed	35,019	34,301	35,000	July 1-June 30	Agency Data Base, Updated Daily	Annual	Total applications received from federal processor	1.1.1, 1.1.3, 1.1.5
2	Awards Made	13,498	13,346	13,425	July 1-June 30	Agency Data Base, Updated Daily	Annual	Total eligible applications processed by Commission	1.1.1, 1.1.2, 1.1.3, 1.1.4, 1.1.5
3	Maximum Grant	\$3,000	\$3,100	\$3,200	July 1-June 30	Commission Meeting Decision in March	Annual	Calculated based on prior year awards, projected next year awards, and projected appropriations	1.1.1, 1.1.2, 1.1.3, 1.1.4, 1.1.5
4	Average Grant	\$2,641	\$2,672	\$2,700	July 1-June 30	Agency Data Base, Updated Weekly	Annual	Total dollars disbursed by total recipients	1.1.1, 1.1.2, 1.1.3, 1.1.4, 1.1.5
5	Tax Dollars Saved	\$12,094,208	\$13,079,080	\$13,000,000	July 1-June 30	Combined CHE and Tuition Grants Commission Data, Updated Annually	Annual	Average subsidy per public college minus average TG per recipient times number of TG recipients	1.1.2, 1.1.4
6	Percentage of SC FTEs attending eligible independent colleges	16.25%	17.12%	17.5%	July 1-June 30	CHE, Updated Annually	Annual	CHEMIS reports through CHE	1.1.1, 1.1.3, 1.1.5
7	Notification of Grants Electronically	97.78%	97.45%	98%	July 1-June 30	Agency Data Base, Updated Weekly	Annual	Based on valid email addresses for quicker award notification to students	1.1.3, 1.1.4, 1.1.5
8	Percentage of SC FTEs attending eligible independent colleges receiving a Tuition Grant	69.24%	71.34%	70%	July 1-June 30	Annual Fall Enrollment Reports from colleges, Agency Data Base, Updated Annually	Annual	Total full-time SC residents at eligible independent colleges receiving tuition grants	1.1.1, 1.1.3, 1.1.5
9	Agency Personnel Completion of Information Security Training	N/A	N/A	100%	July 1-June 30	DTO & Agency Training Records	Annual	Check records that agency personnel have completed all required Information Security Training	2.1.2

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Program Template

Program/Title	Purpose	FY 2013-14 Expenditures				FY 2014-15 Expenditures				Associated Objective(s)
		General	Other	Federal	TOTAL	General	Other	Federal	TOTAL	
I. Administration	This function provides executive leadership, support, policy development and review, financial services, facilities management, personnel services, communications, information security, interagency billing, debt service, and other related administrative services.	\$ 207,077	\$ 70,000	\$ -	\$ 277,077	\$ 222,222	\$ 70,233	\$ -	\$ 292,455	
II. Tuition Grants	State need-based grant program for state residents attending in-state independent higher education institutions. Program is designed to assist students to afford to attend the institution that best meets their academic needs by helping offset tuition differences between public and independent institutions and to provide full use of all higher education facilities in the state. (Mandated at SC Code 59-113-10 through 50)	\$ 23,339,412	\$ 12,293,613	\$ -	\$ 35,633,025	\$ 23,338,936	\$ 12,315,805	\$ -	\$ 35,654,741	
III. Employee Benefits	Fringe Benefits for agency employees	\$ 66,265	\$ -	\$ -	\$ 66,265	\$ 70,524	\$ -	\$ -	\$ 70,524	