AGENCY NAME:	Higher Education Tuition Grants Commission							
AGENCY CODE:	Н06	SECTION:	12					

Fiscal Year 2015-16 Accountability Report

SUBMISSION FORM

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:

- 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.
- 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.
- Preserve the dual system of public and independent college higher education in South Carolina which provides healthy competition between the two sectors.
- Attract South Carolina residents into the state's 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 State's public college system.
- Give eligible South Carolina residents the opportunity to choose the in-state college that best meets their individual academic needs.

AGENCY VISION

AGENCY MISSION

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.

Please state yes or no if the agency has any major or minor (internal or external) recommendations that would allow the agency to operate more effectively and efficiently.

AGENCY NAME:	Higher E	ducation Tuition Gran	ts Commission
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RESTRUCTURING RECOMMENDATIONS:		No	
lease identify your ag	ency's preferred contacts for t <i>Name</i>	his year's accountability <i>Phone</i>	report. <i>Email</i>
PRIMARY CONTACT:	Earl Mayo	803.896.1122	earl@sctuitiongrants.org
SECONDARY CONTACT:	Katherine Harrison	803.896.1121	katie@sctuitiongrants.org
have reviewed and a	pproved the enclosed FY 2015	5-16 Accountability Repo	ort, which is complete and accura
have reviewed and a to the extent of my kno	pproved the enclosed FY 2015 owledge.	i-16 Accountability Repo	ort, which is complete and accura
AGENCY DIRECTOR (SIGN AND DATE):	owledge.	5-16 Accountability Repo	ort, which is complete and accura
AGENCY DIRECTOR (SIGN AND DATE):	pproved the enclosed FY 2015 owledge. Earl L. Mayo, Jr.	5-16 Accountability Repo	ort, which is complete and accura
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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 \$36,742,415 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 \$3,795 in fiscal year 2015-2016 while the average tuition grant was \$2,775. Because of that differential, the State saved \$13,606,800 last year. In its 46 year history, it is estimated that the South Carolina Tuition Grants Program has saved the State in excess of \$846 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 46 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 33,650 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:

- A) In 2015-2016, 13,340 financially <u>and</u> academically eligible students received South Carolina Tuition Grants. Since the creation of the South Carolina Tuition Grants Program in 1970, over 410,000 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.
- B) 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.
- C) 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 \$13,600 with 98.4% of students receiving their eligibility notices via e-mail. For the past seven 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 2015-2016 this provided the Commission almost \$2,400 in additional postage savings giving the agency a total savings of \$16,000, not including printing and paper. Since the inception of electronic notices to students, the Commission has saved an estimated \$161,000, not including printing and paper.
- D) Of the total state dollars appropriated for the South Carolina Tuition Grants Program in 2014-2015, less than 1% of the agency budget, including salaries and increased information security expenses, goes into program administration with the remaining 99.1% of the state funds being awarded directly to South Carolina students in the form of need-based state tuition grants.

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Risk Assessment and Mitigation Strategies

The potential most negative impact on the public would be to reduce access to higher education for over 13,350 college students and their families. This would hinder the State's goals to increase the educational level of its citizenry and would result in a further negative impact on the economic future of the State. There is no outside help that could resolve this issue because the General Assembly holds fully within its responsibilities the ability to appropriate funds to keep this from happening. There is only one option for what the General Assembly could do to help resolve the issue before it became a crisis and that is to simply appropriate the needed funds to continue enabling the recipient students and their families to afford to attend college to become educated.

Restructuring Recommendations

N/A

Program Needs

An increase of \$5,282,886 in grants funding is being requested for 2017-18 to provide a \$3,650 program-wide maximum grant for an estimated 13,350 eligible students. This request enables the Maximum Grant to be increased by \$450 from the current 2016-2017 Maximum Grant of \$3,200. An increase of \$5.283 million in 2017-2018 would enable the Maximum Grant to match the Statutory maximum as found in SC Code of Laws, Title 59, Chapter 113, Section 30, Subsection C: "The maximum amount may not exceed 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." 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 five years for the Tuition Grants Program is greatly appreciated by students and their families. In 2016-2017, with the requested increase being awarded, the Maximum Grant finally returned to \$3,200 for the first time since 2008-2009.

Concerns

 Disparity of State Funding of Need-based aid versus Merit-based aid for <u>ALL</u> students at both State public and independent colleges.

For all 2015-2016 Tuition Grants Recipients:

Palmetto Fellows: 7.57% (about 1 out of 13) receive both SCTG and Palmetto Fellows.

LIFE: 39.56% (about 2 out of 5) receive both SCTG and LIFE. HOPE: 7.20% (about 1 out of 14) receive both SCTG and HOPE. TOTAL: 55.78% receive both Merit and Need-based funds.

44.22% (just under 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:

31.17% (well below the overall 55.78%) receive both Merit <u>and</u> Need-based funds. 68.83% of HBCU students (more than 2 out of 3) receive ONLY Need-based aid and NO merit-based aid.

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ORGANIZATION CHART

SC HIGHER EDUCATION TUITION GRANTS COMMISSION
(Nine Members as required by SC Code of Laws, Title 59, Chapter 113)
†
EXECUTIVE DIRECTOR
Earl Mayo
†
DEPUTY DIRECTOR
Katherine Harrison

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Strategic Planning Template

					Strategic Planning Template
Туре	Goal	Item # Strat	Object	Associated Enterprise Objective	Description
G	1			Education, Training, and Human Development	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.
S		1.1			To provide a maximum tuition grant that will enable needy students to afford to attend college.
0			1.1.1		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.
0			1.1.2		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.
0			1.1.3		Preserve the dual system of public and independent college higher education in South Carolina which provides healthy competition between the two sectors.
0			1.1.4		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.
0			1.1.5		Give eligible South Carolina residents the opportunity to choose the in-state college that best meets their academic needs.
G	2			Maintaining Safety, Integrity and	Provide protection of agency information and data
S		2.1			Follow State guidelines and directives for information security.
0			2.1.1		- Insure that agency complies with State Information Security Requirements.
0			2.1.2		Track training of agency personnel to insure completion of required information security training.

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Performance Measurement Template

Item	Performance Measure	Target Value	Actual Value	Future Target Value	Time Applicable	Data Source and Availability	Calculation Method	Associated Objective(s)
1	Applications Processed	35,000	33,681	33,500	July 1-June 30	Agency Data Base, Updated Daily	Total applications received from federal processor	1.1.1, 1.1.3, 1.1.5
2	Awards Made	13,425	13,340	13,350	July 1-June 30	Agency Data Base, Updated Daily	Total eligible applications processed by Commission	1.1.1, 1.1.2, 1.1.3, 1.1.4, 1.1.5
3	Maximum Grant	\$3,200	\$3,200	\$3,300	July 1-June 30	Commission Meeting Decision in March	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	\$2,700	\$2,775	\$2,850	July 1-June 30	Agency Data Base, Updated Weekly	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	\$13,000,000	\$13,606,800	\$13,000,000	July 1-June 30	Combined CHE and Tuition Grants Commission Data, Updated Annually	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	17.5%	16.19%	17.0%	July 1-June 30	CHE, Updated Annually	CHEMIS reports through CHE	1.1.1, 1.1.3, 1.1.5
7	Notification of Grants Electronically	98%	98.40%	98.50%	July 1-June 30	Agency Data Base, Updated Weekly	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	70%	68.30%	70%	July 1-June 30	Annual Fall Enrollment Reports from colleges, Agency Data Base, Updated Annually	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	100%	100%	100%	July 1-June 30	DTO & Agency Training Records	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 2015-16 Expenditures (Actual)					FY 2016-17 Expenditures (Projected)				Associated Objective(s)					
Flogram/ flue	rui pose		General		Other	Fe	deral		TOTAL		General		Other	Federal	TOTAL	Associated Objective(s)
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.	\$	225,156	\$	70,022	\$		- \$	295,178	\$	217,412	\$	70,000		\$ 287,412	1.1.1, 1.1.2, 1.1.3, 1.1.4, 1.1.5, 2.1.1, 2.1.2
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)	· ·	23,384,593	\$	13,639,321	\$		- \$	37,023,914	\$	25,900,000	\$	12,438,332 \$	r	\$ 38,338,332	1.1.1, 1.1.2, 1.1.3, 1.1.4, 1.1.5
III. Employee Benefits	Fringe Benefits for agency employees	\$	69,929	\$	-	\$		- \$	69,929	\$	84,512	\$	- \$	-	\$ 84,512	1.1.1, 1.1.2, 1.1.3, 1.1.4, 1.1.5, 2.1.1, 2.1.2

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Higher Education Tuition Grants Commission

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Legal Standards Template

					Legai Stanuarus Tempiate	
Item #	Law Number	Jurisdiction	Type of Law	Statuary Requirement and/or Authority Granted	Associated Program(s)	
1	59-113-10	State	Statute	Establishment of the Higher Education Tuition Grants Commission including the make up of	Tuitian Counts	
				the Commission and authority to administer Chapter 113.	Tuition Grants	
2	59-113-20	State	Statute	Establishes qualifications of applicants for grants.	Tuition Grants	
3	59-113-30	State	Statute	Establishes students covered by the chapter and the amount of grants.	Tuition Grants	
4	59-113-40	State	Statute	Indicates purpose of grants.	Tuition Grants	
5	59-113-45	State	Statute	Disbursement requirements for grants and authority to earn interest for grants from State		
				Appropriations.	Tuition Grants	
6	59-113-47	State	Statute	Mid-year budget reduction exemption.	Tuition Grants	
7	59-113-50	State	Statute	Defines eligible institutions of higher learning for use of the grant.	Tuition Grants	
8	59-112-10 to 59-112-100	State	Statute	State Residency Statute followed to determine residency eligibility as required by 59-113-20(a)	Tuition Grants	
9	59-142-20 and 59-142-70	State	Statute	Directs that a portion of funds be directed to the Tuition Grants Program	Tuition Grants	
10	H. 5001, 2016-2017; Section 3 - H660	State	Proviso	Proviso governing Lottery funds use.	Tuition Grants	
11	H. 5001, 2016-2017 General Appropriations	State	Proviso	Proviso governing information security	T Was County	
	Bill; Proviso 93.25.			Proviso governing information security	Tuition Grants	
12		Federal	Statute			
	Family Educational Rights and Privacy Act			Federal statute governing privacy of records	Tuition Grants	
	(FERPA) (20 U.S.C. § 1232g; 34 CFR Part 99)					

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				Customer Template
Divisions or Major Programs	Description	Service/Product Provided to Customers	Customer Segments	<u>Specify only for the following Segments:</u> (1) <u>Industry:</u> Name; (2 <u>) Professional Organization:</u> Name; (3) <u>Public:</u> Demographics.
Tuition Grants	State need-based grant program for state residents attending in-state independent highe 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-	Tuition Grants	General Public	Public: Avg. Age=22.7; Male=38.1%, Female=61.9%; Dependent=82.6%, Independent=17.4%; Traditional=91%, Non-Traditional=9%; Freshman=29%, Sophomores=29%, Juniors=22%, Seniors=20%; Avg. Income=\$54,337

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Higher Education Tuition Grants Commission

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Partner Template

			Partner Ten		
Name of Partner Entity	Type of Partner Entity	Description of Partnership	Associated Objective(s)		
J. S. Department of Education-Federal	Fodoval Covernment	Provides Applications for Students and Assists with	4444424424444		
Student Aid Office	Federal Government	Determination of Financial Need	1.1.1, 1.1.2, 1.1.2, 1.1.4, 1.1.5		
General Assembly	State Government	Provides 100% of Program Funding	1.1.1, 1.1.2, 1.1.3, 1.1.4, 1.1.		
		Provides Data to Assist with Program Administration; Origina	I		
Commission on Higher Education	State Government	Recipient of Children's Education Endowment Funds that	1.1.1, 1.1.2, 1.1.3, 1.1.4, 1.1.		
		Flow to Program			
SCETV	State Government	Provides annual broadcast about Program to citizens	1.1.1, 1.1.2, 1.1.3, 1.1.4, 1.1.		
		Assists with determination of student eligiblity including			
21 Eligible SC Independent Colleges	Higher Education Institute	enrollment and academic eligibility and disburses Tuition	1.1.1, 1.1.2, 1.1.3, 1.1.4, 1.1.		
		Grant funds to recipients			
All CC High Schools	K-12 Education Institute	Distribute Program Information and Assist students with	11111211211411		
All SC High Schools	K-12 Education institute	applications	1.1.1, 1.1.2, 1.1.3, 1.1.4, 1.1.5		
		Advocates for Independent Higher Education in South			
SCICU	Non-Governmental Organization	Carolina including Federal and State financial aid, assists with	vith 1.1.1, 1.1.2, 1.1.3, 1.1.4, 1.1.5		
		Communications to students			
SCISA	Non-Governmental Organization	Advocates for Independent K-12 Education in South Carolina	1.1.1, 1.1.2, 1.1.3, 1.1.4, 1.1.5		
30.371	Tion Covernmental Organization	assists with Communications to students			
SC Student Loan Corporation	Private Business Organization	Provides Electronic Communications to Applicants on behalf	1.1.1, 1.1.2, 1.1.3, 1.1.4, 1.1.		
		of, and at no cost to, Commission			
		Provides professional training and assistance for employees			
SCASFAA	Professional Association	and provides public information on the Program to High	1.1.1, 1.1.2, 1.1.3, 1.1.4, 1.1.5		
		Schools and Colleges state-wide			
NASSGAP	Professional Association	Provides professional training and advocates for State	1.1.1, 1.1.2, 1.1.3, 1.1.4, 1.1.5		
NASSGAP	Professional Association	financial aid programs in Washington, DC and nationwide			
		Provides opportunities for Program communication to			
CACRAO	Professional Association	colleges admission personnel and high school guidance	1.1.1, 1.1.2, 1.1.3, 1.1.4, 1.1.5		
		counselors			

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Report Template

Agency Name:	Higher Education Tuition Grants Commission					
Agency Code:	H06	Section:	012			

Item	Report Name	Name of Entity Requesting the Report	Type of Entity	Reporting Frequency	Submission Date (MM/DD/YYYY)	Summary of Information Requested in the Report	Method to Access the Report
1	Restructuring Report	House Legislative Oversight Committee	State	Annually	January 12, 2016	Increased Efficiency	http://www.scstatehouse.gov
2	Accountability Report	Executive Budget Office	State	Annually	September 15, 2016	Provide the Governor and General Assembly with information that supports their analysis of the budget.	http://www.scstatehouse.gov
3	Annual Survey Report on State- Sponsored Student Financial Aid	NASSGAP	Outside Organization	Annually	March 30, 2016	State Aid Awarded	www.nassgap.org

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	012	Section:	H06	Agency Code:
Oversight Review Template				_
Method to Access the Oversight Review Report	Oversight Review Timeline (MM/DD/YYYY to MM/DD/YYYY)	Type of Entity	Name of Entity Conducted Oversight Review	Item
www.osa.sc.gov	07/01/2014 to 06/30/2015	State	State Auditor's Office	1