

**SOUTH CAROLINA COMMISSION ON HIGHER EDUCATION**

1333 MAIN STREET

SUITE 200

COLUMBIA, S.C. 29201

RAYBURN BARTON
Executive DirectorTELEPHONE
803/737-2260

September 28, 1999

FAX NUMBER
803/737-2297

TO: Members, Commission on Higher Education

FROM: Rosemary Byerly, Chair, Finance and Facilities Committee

SUBJECT: FY 2000-2001 Budget Request for the Colleges and Universities

Attached is the FY 2000-2001 budget request for higher education. There are ten (10) items ranked in priority order, 1 - 10 for your consideration.

Also, as part of the higher education budget request, attached on the following pages are the below-the-line items (Priority #6) requested by the institutions. Below-the-line items are special requests, which are not part of the Mission Resources Requirement (MRR). As you know, the MRR includes operating education and general costs for the institutions.

The Below-the-Line items (24) are summarized on the attached page in three (3) categories. They are Project Approved Initially by Legislation, Competitive Matching Awards, and Other. Brief explanations and background information of each of the 24 items are presented on the attachments labeled "Evaluation Form".

The budget requests are for "**Requested Increases**" only. Only items in column 3, of the attachment labeled "Priority # 6" require action by the Commission. Non-Recurring items are required to be requested and considered by the Commission annually. Recurring items do not require Commission action, except for increases above prior year.

Please note that the Committee has not yet acted on these items. The Committee will consider these requests at its meeting scheduled for 9:00 a.m. prior to the Commission meeting. For your convenience, staff recommendations are included.

**S.C. COMMISSION ON HIGHER EDUCATION
BUDGET REQUESTS SUMMARY FOR FY 2000-2001**

	Program Priority and Title	Description	FY 2000-2001 Requested Increase		
			General Funds	Non Recurring	Total Funds
1	<i>South Carolina Research Initiative</i>	The South Carolina Research Initiative (SCRI) is designed to enhance the ability of the State's research universities-Clemson University, the Medical University of South Carolina, and the University of South Carolina-to engage in research aimed at promoting economic development in the Palmetto State.	\$12,500,000		\$12,500,000
2	<i>Statewide Electronic Library</i>	There is a compelling interest for South Carolina to promote a multi-year effort to increase the effectiveness of its public academic libraries by investing in their capacities to assure their users fast and far-reaching access to electronic databases, full-text retrieval, and union cataloging. If this effort is not undertaken, South Carolina will fall further behind its neighbors in the Southeast, a fact that will imperil the State's ability to realize the vision found in Act 359 of having a globally	3,092,000		3,092,000
3	<i>Access & Equity</i>	Responsible states in the Southeast and throughout the country have recognized that the task of providing full access & equity has yet to be completed. The SC Commission on Higher Education is requesting an increase of \$1.6 million for Access & Equity for FY 2000-01.	1,600,000		1,600,000

**S.C. COMMISSION ON HIGHER EDUCATION
BUDGET REQUESTS SUMMARY FOR FY 2000-2001**

Program Priority and Title	Description	FY 2000-2001 Requested Increase		
		General Funds	Non Recurring Funds	Total Funds
4 Gear-Up	The SC Commission on Higher Education is requesting \$1,000,000 in recurring funds for the GEAR UP Program for FY 2000-01. Funds appropriated for the State GEAR UP shall be used for state grants programs to reach disadvantaged middle school students to improve their preparation for college. The funds will be used to match Federal GEAR Up funds (\$1,865,219) awarded to the State for FY 2000-2001.	1,000,000		1,000,000
5 Existing Academic Program Review	Existing academic review is a long-standing Commission activity that serves as an ongoing check on the quality and efficiency of the state's instructional programming. By gauging the health of all disciplines taught at the public institutions in the state on an eight-year cycle, program review is also an effective tool in helping the Commission and the institutions to plan better the state's academic program array.	55,000		55,000

**S.C. COMMISSION ON HIGHER EDUCATION
BUDGET REQUESTS SUMMARY FOR FY 2000-20001**

Program Priority and Title	Description	FY 2000-2001 Requested Increase		
		General <u>Funds</u>	Non Recurring <u>Funds</u>	Total <u>Funds</u>
6 <i>Need-Based Grants</i>	The Commission on Higher Education Access and Equity Ad Hoc Committee examined the impact of State financial aid policies and funding levels, including the increase in college tuition and fees, the decline in available federal grant funds, and the substantial increase in student loans. Although enrollment in postsecondary education has been rising for all income groups, a student's chances of entering and completing college remain closely related to economic background and circumstance.	500,000		500,000
Total Requests:		\$18,747,000		\$18,747,000

FY 2000-2001 BUDGET REQUEST

A. South Carolina Commission on Higher Education/H03

B. Priority No. 1 of 6

C. Program Name: South Carolina Research Initiative (SCRI)

D. Summary Description of Request: The South Carolina Research Initiative (SCRI) is designed to enhance the ability of the State's research universities—Clemson University, the Medical University of South Carolina, and the University of South Carolina—to engage in research aimed at promoting economic development in the Palmetto State. In particular, investment in the research function of the State's research universities can have a positive and immediate impact on attracting cutting-edge business and industry to South Carolina. Such industries look for a significant and coherent university-based research infrastructure when deciding where to relocate or expand their operations. The South Carolina Research Initiative will help build such an infrastructure.

E. Detailed Justification for Funding Increase:

(1) Justification for Funding Increase: While South Carolina has been very successful in recent years in attracting large new manufacturing industries, it has been less successful in luring technology-based and research-dependent companies. In part, such companies are reluctant to relocate to or develop in South Carolina because of a lack of investment in university-based research. Because these "high-tech" industries will in all likelihood drive the world's economy in the next century, South Carolina must act now to invest in the infrastructure that will entice these industries to do business within our borders. Our research universities comprise a critical selling point for the development of new industries in the State. Without adequate research funding for these universities, South Carolina risks falling even farther behind our neighboring states in meeting the demands of a technology-based economy.

The South Carolina Research Initiative (SCRI) has the goal—in keeping with Act 359 of 1996 and the recommendations of the Commission's Business Advisory Council—of propelling South Carolina's research universities to a position of greater competitiveness. SCRI represents the higher education community's recognition that a significant research effort is essential in promoting economic development in the State. SCRI is comprised of two main components: 1) an annual appropriation (90% of which is earmarked for the three research universities) for the support of innovative research projects undertaken by existing faculty; and, 2) the Research Incentive Fund, which allocates money for research infrastructure development to sustain research activities and for attracting world-class researchers to the State. Taken as a whole, these activities will enable the State to build on its existing research base while also attracting and supporting new research activity.

(2) Cost Estimates

	State Non-Recurring	State Recurring	Federal	Other	Total
Personnel:					
(a) Number of FTEs*					0
(b) Salary	\$	\$	\$	\$	0
(c) Fringe Benefits	\$	\$	\$	\$	0
Program/Case Services	\$	\$	\$	\$	0
Pass-Through Funds	\$	\$ 12,500,000	\$	\$	\$ 12,500,000
Other Operating Expenses	\$	\$	\$	\$	0
Total	\$ 0	\$ 12,500,000	\$ 0	\$ 0	\$ 12,500,000

**If new FTE positions are requested, please complete Section F (Detailed Justification for FTEs) below.*

Base Appropriation	<u>\$0.00</u>
% Increase	<u>317%</u>

FY 2000-2001 BUDGET REQUEST

A. Commission on Higher Education/H03

B. Priority No. 2 of 6

C. Program Name: Year 1 (of three-year plan) to create a statewide electronic library

D. Summary Description of Request: There is a compelling interest for South Carolina to promote a multi-year effort to increase the effectiveness of its public academic libraries by investing in their capacities to assure their users fast and far-reaching access to electronic databases, full-text retrieval, and union cataloguing. If this effort is not undertaken, South Carolina will fall further behind its neighbors in the Southeast, a fact that will imperil the State's ability to realize the vision found in Act 359 of having a globally competitive higher education system. In 1999, the Commission's Business Advisory Council (BAC) has called for the development of a statewide electronic library with a heightened level of connectivity for all thirty-three public institutions' libraries. Surrounding states—including Georgia, North Carolina, Florida, and Alabama—already have substantially progressed in this field. Ironically, it was the set of recommendations that emanated from the statewide review of academic libraries in South Carolina conducted in 1993 that provided the model which several of these states have followed. Because of the work of the State Library in obtaining first federal and then state funding, our public and private higher education libraries, along with the county public libraries in South Carolina, now enjoy four on-line databases, called "the DISCUS Project." While DISCUS has been universally well received, it is not enough and it does not begin to cover in-depth the needs for higher education libraries *per se*. We need an ongoing state commitment to provide electronic databases that are specifically focused on the needs of higher education and research that takes place in higher education if our state is to attract and retain cutting-edge, high tech business and industry. These databases need to be able to be conveniently downloaded in full-text by our students, faculty, and staff for basic understanding, advanced study, and basic and applied research. In keeping with the BAC's recommendation, the Executive Committee of the Library Directors' Forum (LDF) has endorsed a three-year special state appropriation for developing the capacities of all our public institutions.

E. Detailed Justification for Funding Increase:

1) Justification for Funding Increase:

In Year 1 (total costs = \$3,092,000) the funding will permit the z39.50 technology to be installed at any public academic library still without this technology so that seamless access to institutional catalogues will be made possible. Also, statewide licensing agreements will be concluded to assure the availability of on-line electronic databases and journals of unique worth to higher education. This entire effort will be managed by a professional whose salary will be paid by the Commission and who will have office space at Thomas Cooper Library at USC, the premier research library in the State. At the conclusion of Year 1, the Library Directors' Forum will provide an evaluation of the use of these databases/journals and make decisions concerning whether to continue to order the same group for Year 2. In Year 2 (total

costs=\$5,496,314), after planning during Year 1, significant upgrading of infrastructure in areas such as T-1 lines, routers, switches, and hubs will take place in a manner that is appropriate for each public institution and in consultation with the State Office of Information Resources. The databases added in the first year will be maintained and additional ones will be added to that list. Finally, in Year 3 (total costs=\$6,320,474) renewal of existing electronic databases which have been evaluated positively and the establishment of licensure agreements for other new ones will take place. In this same time period, a statewide purchase or leasing agreement will be concluded, possibly in cooperation with the Cooperative Procurement Task Force of the SREB, for a variety of hardware that our public academic libraries have been shown to need. During the third year, a second three-year plan will be developed and presented to the General Assembly as part of the long-term, ongoing commitment of the State to keep our library and information services competitive with other states in the Southeast.

The State of South Carolina needs to provide ongoing access to higher education-and research-oriented electronic databases through its academic libraries if we are to be competitive with our neighboring states in attracting, retaining, and growing from within the most modern, high-tech businesses and industries in the world. Without this commitment the faculty, students, and staff in our public institutions of higher education will find themselves increasingly disadvantaged in getting the current knowledge in fields to make breakthroughs into the future both for the sake of pure knowledge and for the purposes of growing professional employment opportunities and profits for business. One sign of the need for increased electronic databases and hardware is that for the coming academic year, two institutional proposals --independently of this proposal-- have been put forward as below-the-line requests for both electronic research databases and hardware for work stations to access them. Increasingly, in the past several years, the Commission on Higher Education has emphasized importance of quality in distance education and electronic learning. This year, the Business Advisory Council (BAC) has issued a set of recommendations which collectively represent a "wake-up call" for providing increased library and information resources connectivity in South Carolina. The BAC's recommendations are consistent with the Commission's vision in this proposal. The information resources in our libraries must be, in short, an effective first-line offense to attract new brain power to South Carolina and a first-line defense to hold the talent the State already commands. From a strategic fiscal perspective, this proposal will also end --if funded in this first three-year cycle and if accompanied by Commission policy to promote aggressive use by all public academic libraries of the new long-term storage facility for little-used hard copy volumes which was recently completed by USC--the justification for building expensive new campus library facilities which are too small often before they are completed. The staff of the State Library has indicated support of this project. The staff at USC-Columbia's Thomas Cooper Library, the premier research library in South Carolina, are so impressed with the implications of this project that they have committed to working closely with the statewide funded manager of this project by providing office space and additional library staff support to assure that librarians throughout the state in our public academic libraries receive the training they need to work with the new hardware, software,

and student/faculty needs to learn the nuances of the new databases. Likewise, the leasing agreement which is envisioned in the third year of funding will contain provisions to provide training directly from the successful bidding corporation to train staffs. The addition of 239.50 compliant software in all our public institutions will provide the appropriate tool and allow for the initiation of realistic planning for the implementation of an electronic union catalogue (similar to those found in Georgia, Alabama, and other states) which will occur in a second three-year plan for library enhancement.

(2) Costs Estimates

Personnel:	State Non-Recurring	State Recurring	Federal	Other	Total
(a) Number of FTEs*		1			1
(b) Salary		\$ 64,000			\$ 64,000
(c) Fringe Benefits		\$ 16,000			\$ 16,000
Program/Case Services					\$ 0
Pass-Through Funds					\$ 0
Other Operation Expenses		\$ 3,012,000			\$ 3,012,000
Total	\$ 0	\$ 3,092,000	\$ 0	\$ 0	\$ 3,092,000

**If new FTE positions are requested, please complete Section F (Detailed Justification for FTEs below.*

Base Appropriation \$ 0.00

% Increase 100%

F. Detailed Justification for FTEs

(1) Justification for NEW FTE Positions:

This entire effort will be managed by a professional whose salary will be paid by the Commission and who will have office space at Thomas Cooper Library at USC, the premier research library in the State.

(2) Position Details:

Personnel:	State	Federal	Earmarked	Restricted	Total
(a) Number of FTEs	1				1
(b) Salary	\$ 64,000				\$ 64,000
(c) Fringe Benefits	\$ 16,000				\$ 16,000

(3) FTEs per FY 1999-2000 Appropriation Act

% Increase 2.6%

Vacant FTEs as of September 1, 1999

% Vacant 0.00%

FY 2000-2001 BUDGET REQUEST

A. South Carolina Commission on Higher Education/H03

B. Priority No. 3 of 6

C. Program Name: Access & Equity

D. Summary Description of Request: Responsible states in the Southeast and throughout the country have recognized that the task of providing full access & equity has yet to be completed. The SC Commission on Higher Education is requesting an increase of \$1.6 million for Access & Equity for FY 2000-01. This money is proposed to be divided in the following ways: \$500,000 is requested as recurring funds from the past fiscal year. \$1.1 million is requested for a new initiative addressing College Preparedness across the State.

E. Detailed Justification for Funding Increase:

(1) Justification for Funding Increase: Given that South Carolina has not achieved parity in the percentage of minority students who attend and graduate from public colleges and universities in comparison with the composition of the state population, the Higher Education Program for Access & Equity is essential.

South Carolina and the nation must renew and strengthen their commitment to the full participation of their citizens in higher education on an equitable basis. While tremendous progress has been made, the status of minorities in higher education still reflects a condition where Blacks are underrepresented in undergraduate and graduate enrollments and in professional positions of employment. A College Preparedness Model is a proactive approach to prepare our students in the state of South Carolina for entry into college, retention while enrolled, graduation, and empowering future employment.

South Carolina recognizes that the contributions of its minority citizens are essential in order to avoid future compromises in the quality of life and lower standards of living for South Carolinians and other Americans. Effective higher education efforts to enable minorities to achieve full participation into the life and prosperity of our society are critical to support economic progress, technology advancements, and other improvements in society necessary for future growth and success of the State and nation.

The recurring request of \$500,000 would be distributed through an equitable formula utilizing full time degree seeking, undergraduates with a geographical origin from South Carolina as reported through CHEMIS. The \$1.1 million would be allocated among the following five areas: 1. Test Preparation (SAT/ACT) (using the PSAT as a diagnostic test strategy for course selection utilizing a pre/post methodology); 2. Summer Bridge Programs (similar to Upward Bound in structure); 3. AP Course exposure/Course selection (utilizing modern technology, SCETV, and video class experiences); 4. Retention (beyond the sophomore return rate through graduation); 5. Research. Partnerships with the College Board which will empower the utilization of successful models to address the above areas.

2) Cost Estimates

	State Non-Recurring	State Recurring	Federal	Other	Total
Personnel:					
(a) Number of FTEs*					0
(b) Salary	\$	\$	\$	\$	0
(c) Fringe Benefits	\$	\$	\$	\$	0
Program/Case Services	\$	\$	\$	\$	0
Pass-Through Funds	\$	1,600,000	\$	\$	1,600,000
Other Operating Expenses	\$	\$	\$	\$	0
Total	\$ 0	\$ 1,600,000	\$ 0	\$ 0	\$ 1,600,000

**If new FTE positions are requested, please complete Section F (Detailed Justification for FTEs) below.*

Base Appropriation	\$ 395,043.00
% Increase	<u>178 %</u>

FY 2000-2001 BUDGET REQUEST

A. South Carolina Commission on Higher Education/H03

B. Priority No. 3 of 6

C. Program Name: Access & Equity

D. Summary Description of Request: Responsible states in the Southeast and throughout the country have recognized that the task of providing full access & equity has yet to be completed. The SC Commission on Higher Education is requesting an increase of \$1.6 million for Access & Equity for FY 2000-01. This money is proposed to be divided in the following ways: \$500,000 is requested as recurring funds from the past fiscal year. \$1.1 million is requested for a new initiative addressing College Preparedness across the State.

E. Detailed Justification for Funding Increase:

(1) Justification for Funding Increase: Given that South Carolina has not achieved parity in the percentage of minority students who attend and graduate from public colleges and universities in comparison with the composition of the state population, the Higher Education Program for Access & Equity is essential.

South Carolina and the nation must renew and strengthen their commitment to the full participation of their citizens in higher education on an equitable basis. While tremendous progress has been made, the status of minorities in higher education still reflects a condition where Blacks are underrepresented in undergraduate and graduate enrollments and in professional positions of employment. A College Preparedness Model is a proactive approach to prepare our students in the state of South Carolina for entry into college, retention while enrolled, graduation, and empowering future employment.

South Carolina recognizes that the contributions of its minority citizens are essential in order to avoid future compromises in the quality of life and lower standards of living for South Carolinians and other Americans. Effective higher education efforts to enable minorities to achieve full participation into the life and prosperity of our society are critical to support economic progress, technology advancements, and other improvements in society necessary for future growth and success of the State and nation.

The recurring request of \$500,000 would be distributed through an equitable formula utilizing full time degree seeking, undergraduates with a geographical origin from South Carolina as reported through CHEMIS. The \$1.1 million would be allocated among the following five areas: 1. Test Preparation (SAT/ACT) (using the PSAT as a diagnostic test strategy for course selection utilizing a pre/post methodology); 2. Summer Bridge Programs (similar to Upward Bound in structure); 3. AP Course exposure/Course selection (utilizing modern technology, SCETV, and video class experiences); 4. Retention (beyond the sophomore return rate through graduation); 5. Research. Partnerships with the College Board which will empower the utilization of successful models to address the above areas.

2) Cost Estimates

	State Non-Recurring	State Recurring	Federal	Other	Total
Personnel:					
(a) Number of FTEs*					0
(b) Salary	\$	\$	\$	\$	0
(c) Fringe Benefits	\$	\$	\$	\$	0
Program/Case Services	\$	\$	\$	\$	0
Pass-Through Funds	\$	1,600,000	\$	\$	1,600,000
Other Operating Expenses	\$	\$	\$	\$	0
Total	\$ 0	\$ 1,600,000	\$ 0	\$ 0	\$ 1,600,000

**If new FTE positions are requested, please complete Section F (Detailed Justification for FTEs) below.*

Base Appropriation \$ 395,043.00
 % Increase 178 %

FY 2000-2001 BUDGET REQUEST

A. South Carolina Commission on Higher Education/H03

B. Priority No. 4 of 6

C. Program Name: CHE GEAR UP

D. Summary Description of Request: The SC Commission on Higher Education is requesting \$1,000,000 in recurring funds for the GEAR UP Program for FY 2000-01. Funds appropriated for the State GEAR UP shall be used for state grants programs to reach disadvantaged middle school students to improve their preparation for college. The funds will be used to match Federal GEAR Up funds (\$1,865,219) awarded to the State for FY 2000-2001. The South Carolina GEAR UP Program will involve three State Agencies – the SC Department of Education, the State Chamber of Commerce and the Commission on Higher Education. The Commission on Higher Education shall administer the South Carolina GEAR UP Program.

E. Detailed Justification for Funding Increase:

(1) Justification for Funding Increase: The SC GEAR UP Program will help disadvantaged children, beginning in the middle grades, to prepare for and get on the pathway to achieve success in college. This Program is designed to develop partnerships with businesses, middle schools, high schools and higher education institutions to assist middle school students to prepare for college. Studies conducted by the US Education Department show that students who take academically demanding high school course work are more likely to go on to college, succeed and earn more in the work force, regardless of their financial status, race or gender. However, disadvantaged students often are not aware of the need to take rigorous academic courses to prepare for college, like algebra in middle school or chemistry and trigonometry in high school, or of the availability of financial aid to pay for college.

Building on research and proven practices, the GEAR UP Program in South Carolina will help sixth and seventh graders and their families plan and prepare for college by offering comprehensive strategies including counseling, tutoring and mentoring to help students achieve in higher mathematics and other gateway college preparation courses and by offering scholarships as well as information about college and financial aid options.

The State GEAR UP Grant involves the creation of partners throughout the State to build lasting reforms to strengthen school curriculum and support services that will make higher education a real possibility for underprivileged youth. The Grant will assist in the creation of local matches of resources to fund long-term commitments involving partnerships with parents, school districts, businesses and higher education institutions to assist sixth and seventh graders, particularly in high need areas.

2) Cost Estimates

	State Non-Recurring	State Recurring	Federal	Other	Total
Personnel:					
(a) Number of FTEs*					0
(b) Salary	\$	\$	\$	\$	\$
(c) Fringe Benefits	\$	\$	\$	\$	\$
Program/Case Services	\$	\$	\$	\$	\$
Pass-Through Funds	\$	\$ 1,000,000	\$	\$	\$ 1,000,000
Other Operating Expenses	\$	\$	\$	\$	\$
Total	\$ 0	\$ 1,000,000	\$ 0	\$ 0	\$ 1,000,000

**If new FTE positions are requested, please complete Section F (Detailed Justification for FTEs) below.*

Base Appropriation	\$ 0.00
% Increase	100 %

FY 2000-2001 BUDGET REQUEST

A. South Carolina Commission on Higher Education/H03

B. Priority No. 5 of 6

C. Program Name: Existing Academic Program Review

D. Summary Description of Request: Existing academic review is a long-standing Commission activity that serves as an ongoing check on the quality and efficiency of the State's instructional programming. By gauging the health of all disciplines taught at the public institutions in the State on an eight-year cycle, program review is also an effective tool in helping the Commission and the institutions to plan better the state's academic program array. In all, program review enables the Commission to take a statewide perspective on instructional programming, as mandated by the General Assembly.

E. Detailed Justification for Funding Increase:

(1) Justification for Funding Increase: A number of entities including the Commission itself have recently called for strengthening the existing program review process. First, the Commission's Business Advisory Council strongly recommended that the agency enhance its review of existing academic programs as a means of promoting quality and ensuring against duplication. Also, the last year's KPMG audit found that "the CHE program review function, which is a critical aspect of program array decisions, has not been emphasized recently." KPMG notes that this lack of emphasis may result from "budget reductions at CHE" and recommends that "CHE should place greater emphasis on program evaluation for the senior institutions." Also, Act 359 reaffirmed the importance of existing program review in charging the Commission with "examining the state's institutions of higher learning relative to both short and long-range programs." And, finally, a large number of institutional representatives have formally requested that the Commission strengthen and commit additional resources to existing program review as a means of ensuring the quality of programs on their campuses.

The review of existing academic programs is a critical component of the Commission's statewide mission of ensuring quality and integrity of degree programs; identifying exemplary programs as well as programs in need of strengthening; ensuring appropriate program productivity and availability; and serving as a strategic planning device for determining present and future needs of specific discipline areas (i.e.; new program development), including resources such as facilities and equipment, providing a comparative analysis of the level of development and overall quality of programs as measured against programs external to the State. The evaluation process is both formative and summative. It involves the preparation of institutional self-studies; site visits conducted by external peer reviewers; and a final report for each discipline area, visited once every eight years assuming this budget request is honored, in which reviewers make recommendations to commend

programs for excellence; grant full approval; grant approval with specific recommendations for change; place programs on probation with stipulations for improvement; or terminate programs.

2) Cost Estimates

	State Non-Recurring	State Recurring	Federal	Other	Total
Personnel:					
(a) Number of FTEs*					0
(b) Salary	\$	\$	\$	\$	\$ 0
(c) Fringe Benefits	\$	\$	\$	\$	\$ 0
Program/Case Services	\$	\$	\$	\$	\$ 0
Pass-Through Funds	\$	\$	\$	\$	\$ 0
Other Operating Expenses	\$	\$ 55,000	\$	\$	\$ 55,000
Total	\$ 0	\$ 55,000	\$ 0	\$ 0	\$ 55,000

**If new FTE positions are requested, please complete Section F (Detailed Justification for FTEs) below.*

Base Appropriation \$ 0.00
 % Increase 100%

FY 2000-2001 BUDGET REQUEST

A. South Carolina Commission on Higher Education/H03

B. Priority No. 6 of 6

C. Program Name: CHE Need-Based Grants

D. Summary Description of Request: The Commission on Higher Education Access and Equity Ad Hoc Committee examined the impact of State financial aid policies and funding levels, including the increase in college tuition and fees, the decline in available federal grant funds, and the substantial increase in student loans. Although enrollment in postsecondary education has been rising for all income groups, a student's chances of entering and completing college remain closely related to economic background and circumstance. Based on information from the SC Student Loan Corporation, for the 1998-99 academic year (by the end of October 1998), \$105,370,528 in subsidized federal loans have been awarded to residents of South Carolina who are enrolled in college. Federal student loans are awarded based on need according to Title IV regulations.

E. Detailed Justification for Funding Increase:

- (1) Justification for Funding Increase:** The South Carolina Need-Based Grants Program was established in 1996 under Act 458, South Carolina Children First: Resources for Scholarships and Tuition Act of 1996. The Program's mission is to provide additional financial assistance to South Carolina's neediest students and reduce student loan debt. The program assists students who wish to attend public or independent colleges and universities in the State. The State Need-based Grants program for public institutions is campus-administered. A full-time student may receive up to \$2,500 per year and a part-time student may receive up to \$1,250 per year. However, the exact grant is determined by the institution at which the student is enrolled, less any other gift aid received. The average grant award at a four-year institution is \$1,200 and \$900 at a two-year institution. Recipients are eligible for a maximum of eight full-time equivalent semesters toward a one-year program, an associate degree, a two-year program leading to a baccalaureate degree, or a baccalaureate degree.

The 1999 General Assembly appropriated \$11,996,429 for the State Need-Based Grants Program for FY 1999-2000. In addition, the General Assembly approved \$500,000 for additional Need-Based grants to be awarded to the State's neediest students. In FY 1998-99, 13,495 needy students in South Carolina were awarded Need-Based Grants (7,626 students attending the senior public institutions in the State and 5,869 students attending two-year regional and technical colleges in the state received a Need-Based Grant. The average award per student was \$1,139. However several hundred students in South Carolina remain in need. The recurring request of \$500,000 would be used to award Need-Based Grants to the South Carolina's neediest students, based on Title IV regulations.

2) Cost Estimates

	State Non-Recurring	State Recurring	Federal	Other	Total
Personnel:					
(a) Number of FTEs*					0
(b) Salary	\$	\$	\$	\$	\$
(c) Fringe Benefits	\$	\$	\$	\$	\$
Program/Case Services	\$	\$	\$	\$	\$
Pass-Through Funds	\$	\$ 500,000	\$	\$	\$ 500,000
Other Operating Expenses	\$	\$	\$	\$	\$
Total	\$ 0	\$ 500,000	\$ 0	\$ 0	\$ 500,000

**If new FTE positions are requested, please complete Section F (Detailed Justification for FTEs) below.*

Base Appropriation \$ 0.00
 % Increase 100 %