

Tennessee Student Assistance Corporation

Friday, August 17th 2018

DECISION ITEM C

Proposed 2019-2020 Budget Request

Staff Recommendation

(1) That the TSAC Board of Directors approve the recommended 2019-2020 funding levels as presented in the document entitled *Tennessee Student Assistance Corporation Estimated 2018-19 and Base 2019-20 Budgets*.

(2) That the TSAC Board of Directors recommend a \$12.3 million increase in fiscal year 2019-20 for the Tennessee Student Assistance Award program.

(3) That the TSAC Board of Directors authorize its Executive Director to make any necessary technical corrections or required changes prior to submission to the Department of Finance and Administration.

Background

The Tennessee Student Assistance Corporation is required to submit its budget request each fall to the Department of Finance and Administration for consideration by the governor.

In addition to this year's base request, TSAC is recommending an increase to the Tennessee Student Assistance Award (TSAA). Appropriations for the TSAA program have increased \$36.4 million in the past five years. Previous requests for increases have focused on the number of eligible students who are not awarded each year due to limited program funding. Details on this year's request are on the following page.

Supporting Documents

Tennessee Student Assistance Corporation, Estimated 2018-19 and Base 2019-20 Budgets and TSAC Recommended Budget Improvement

Tennessee Student Assistance Corporation
Recommended Budget Increase
2019-2020

Funding For Eligible TSAA Applicants

The Tennessee Student Assistance Award (TSAA) is Tennessee's primary need-based financial aid program, serving Tennessee residents attending in-state institutions. In Fiscal Year 2018-19, state funding for the TSAA program is \$100,962,500, an increase of \$3.2 million over the prior fiscal year, which serves a total of approximately 56,000 students.

Tremendous strides have been made in recent years to increase the number of students served by TSAA. However, approximately 27,500 students who are currently eligible for the TSAA do not receive the award due to funding limits.

TSAC's goal is to fund all eligible student applicants. To accomplish this, staff is recommending an increase of 25 percent of the total needed for remaining unfunded applicants in each of the next four years. This would increase TSAA by \$12.3 million for fiscal year 2019-20, serving an additional 6,875 students at an average award amount of \$1,796.

This request maintains TSAC's goal to support the Drive to 55 by increasing timely degree production among students with financial need. Increased funding for TSAA will enable TSAC to serve the neediest students who are at risk of failing to complete their postsecondary education because of financial limitations.

Tennessee Student Assistance Corporation
Estimated 2018-19 and Base 2019-20 Budgets

		Estimated 2018-2019	Base 2019-2020
TN Student Assistance Awards 332.03	Salaries & Benefits	\$ -	\$ -
	Operational Expenditures	100,962,500	100,962,500
	Total	100,962,500	100,962,500
	State	100,962,500	100,962,500
	Lottery	-	-
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Administration 332.05	Salaries & Benefits	\$ 4,827,700	\$ 4,827,700
	Operational Expenditures	1,812,100	1,812,100
	Total	6,639,800	6,639,800
	State	1,900,800	1,900,800
	Current Services	2,061,100	2,061,100
	Lottery	2,677,900	2,677,900
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Academic Scholars 332.06	Salaries & Benefits	\$ -	\$ -
	Operational Expenditures	1,590,500	1,590,500
	Total	1,590,500	1,590,500
	State	1,211,800	1,211,800
	Current Services	378,700	378,700
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Loan/Scholarships 332.07	Salaries & Benefits	\$ -	\$ -
	Operational Expenditures	2,069,200	2,069,200
	Total	2,069,200	2,069,200
	State	778,200	778,200
	Non-Governmental	700,000	700,000
	Current Services	141,000	141,000
	Interdepartmental	450,000	450,000
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Lottery for Education Account 332.19	Salaries & Benefits	\$ -	\$ -
	Operational Expenditures	339,000,000	339,000,000
	Total	339,000,000	339,000,000
	Lottery	339,000,000	339,000,000
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TOTAL TSAC	Salaries & Benefits	\$ 4,827,700	\$ 4,827,700
	Operational Expenditures	445,434,300	445,434,300
	Total	450,262,000	450,262,000
	State	\$ 104,853,300	\$ 104,853,300
	Non-Governmental	700,000	700,000
	Current Services	2,580,800	2,580,800
	Lottery	342,127,900	342,127,900