Tennessee Student Assistance Corporation

Tuesday September 27, 2016

DECISION ITEM D: Proposed 2017-2018 Budget Request

Staff Recommendation

- (1) That the TSAC Board of Directors approve the recommended 2017-2018 funding levels as presented in the document entitled *Tennessee Student Assistance Corporation Estimated 2016-17 and Base 2017-18 Budgets*.
- (2) That the TSAC Board of Directors recommend an \$18.1 million increase in fiscal year 2017-18 for the Tennessee Student Assistance Award program.
- (3) That the TSAC Board of Directors authorize its Executive Director to make any necessary technical corrections prior to submission to the Department of Finance and Administration.

Background

The Tennessee Student Assistance Corporation is required to submit its budget request to the Department of Finance and Administration by September 30, 2016.

Appropriations for the TSAA program have increased more than \$30 million in the past five years. TSAC's requests have focused on the number of eligible students who are not awarded each year due to financial limits. Details on this year's request follow on the next page.

The Department of Finance and Administration has requested that TSAC submit a two percent reduction in state appropriations for the 2017-18 fiscal year. TSAC will submit a reduction plan from administrative expenses in Division 332.05 in the amount of \$32,600. No budget reductions will be made to any of TSAC's grant programs.

Supporting Documents

Tennessee Student Assistance Corporation, Estimated 2016-17 and Base 2017-18 Budgets and TSAC Recommended Budget Improvement

Tennessee Student Assistance Corporation Recommended Budget Improvement 2017-18

Funding For All Eligible TSAA Applicants

The Tennessee Student Assistance Award (TSAA) is Tennessee's primary need-based financial aid program, serving residents of Tennessee attending in-state institutions. In Fiscal Year 2016-17, funding for the TSAA program includes \$80,962,500 from state appropriations and \$6,800,000 from lottery funds, for a total of \$87,762,500. This amount reflects an increase of \$13.2 million over the prior fiscal year.

In spite of increased appropriations over the past several years, approximately 76,000 students who are currently eligible for the TSAA do not receive the award due to funding limits. TSAC's goal is to fully fund eligible student applicants over a five year period. To accomplish this, TSAC is recommending an increase of \$18.1 million for fiscal year 2017-18. Based on projected acceptance rates, this will serve approximately 10,000 students, bringing the total number of awarded students to approximately 58,600.

Consistent with the Drive to 55 and the Complete College Tennessee Act, TSAC's goal is to support efforts to increase 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 2016-17 and Base 2017-18 Budgets

The Student Assistance Awards Salaries & Benefits Salaries &			Estimated 2016-2017	Base 2017-2018	3
Total 87,762,500 87,762,500 State	TN Student Assistance Awards	Salaries & Benefits	\$ -	\$	_
State 80,962,500 80,962,500 6,800,000 6,800,	332.03	Operational Expenditures	87,762,500	87,762,5	500
Cottery 6,800,000 6,800,000 C		· ·			
Cottery 6,800,000 6,800,000 C		State	80,962,500	80,962,5	500
332.04 Operational Expenditures Total 158,900,000 - Federal Total 150,000,000 - Administration Salaries & Benefits 8,900,000 * 4,306,100 332.05 Operational Expenditures Total 25,036,900 1,923,600 Total 29,165,500 6,229,700 State 2,076,700 1,628,300 Federal 2,523,600 - Current Services 21,963,800 2,000,200 Lottery 2,601,400 2,601,200 Academic Scholars Salaries & Benefits \$ - \$ - 332.06 Operational Expenditures Total 1,090,500 1,290,500 Total Total 1,090,500 1,290,500 State 711,800 31,800 Current Services 378,700 378,700 332.07 Operational Expenditures Total 3,174,100 2,069,200 State 978,200 778,200 Federal - - - Non-Governmental 700,000 333,100,000		Lottery			
Total	FFELP	Salaries & Benefits	\$ -	\$.	_
Federal Current Services	332.04	Operational Expenditures	158,900,000		-
Current Services		Total	158,900,000		-
Administration Salaries & Benefits \$ 4,128,600 \$ 4,306,100 332.05 Operational Expenditures Total 25,036,900 1,923,600 State 2,076,700 1,628,300 Federal 2,523,600 - Current Services 21,963,800 2,000,200 Lottery 2,601,400 2,601,200 Academic Scholars Salaries & Benefits \$ - \$ - 332.06 Operational Expenditures Total 1,090,500 1,290,500 State 711,800 911,800 Current Services 378,700 378,700 332.07 Operational Expenditures Total 3,174,100 2,069,200 Total 3,174,100 2,069,200 State 978,200 778,200 Federal - - Non-Governmental 700,000 700,000 Current Services 141,000 141,000 Interdepartmental 1,354,900 450,000 Lottery for Education Account Salaries & Benefits \$ - \$		Federal	150,000,000		-
332.05		Current Services	8,900,000		-
Total 29,165,500 6,229,700	Administration	Salaries & Benefits	\$ 4,128,600	\$ 4,306,1	100
State	332.05	Operational Expenditures	25,036,900	1,923,6	500
Federal		Total	29,165,500	6,229,7	700
Current Services Lottery 21,963,800 2,000,200 2,601,400 2,000,200 2,601,200 Academic Scholars Salaries & Benefits \$ - \$ - 332.06 Operational Expenditures Total 1,090,500 1,290,500 1,290,500 State 711,800 911,800 911,800 Current Services 378,700 378,700 Loan/Scholarships Salaries & Benefits \$ - \$ - 332.07 Operational Expenditures Total 3,174,100 2,069,200 State 978,200 778,200 Federal - - - Non-Governmental 700,000 700,000 Current Services 141,000 141,000 Interdepartmental 1,354,900 450,000 Lottery for Education Account Total Salaries & Benefits \$ - 332.19 Operational Expenditures Total 333,100,000 333,100,000 Total 333,100,000 333,100,000 Total Expenditures Total 4,306,100 426,145,800 Operational Expenditures Total 609,064,000 426,145,800		State	2,076,700	1,628,3	300
Lottery		Federal	2,523,600		-
Academic Scholars Salaries & Benefits \$ - \$ - 332.06 Operational Expenditures Total 1,090,500 1,290,500 State 711,800 911,800 Current Services 378,700 378,700 Loan/Scholarships Salaries & Benefits \$ - \$ - 332.07 Operational Expenditures Total 3,174,100 2,069,200 State 978,200 778,200 Federal - - - Non-Governmental 700,000 700,000 Current Services 141,000 141,000 Interdepartmental 1,354,900 450,000 Lottery for Education Account Salaries & Benefits \$ - \$ - 332.19 Operational Expenditures Total 333,100,000 333,100,000 Lottery 333,100,000 333,100,000 Total 4,128,600 4,306,100 Operational Expenditures Total 609,064,000 426,145,800 Total 613,192,600 430,451,900 State 84,729,200 <td< td=""><td>Current Services</td><td>21,963,800</td><td>2,000,2</td><td>200</td></td<>		Current Services	21,963,800	2,000,2	200
332.06 Operational Expenditures Total 1,090,500 1,290,500 State 711,800 911,800 Current Services 378,700 378,700 Loan/Scholarships Salaries & Benefits \$ - \$ - 332.07 Operational Expenditures Total 3,174,100 2,069,200 State 978,200 778,200 Federal - - - Non-Governmental 700,000 700,000 Current Services 141,000 141,000 Interdepartmental 1,354,900 450,000 Lottery for Education Account Salaries & Benefits \$ - \$ - 332.19 Operational Expenditures 333,100,000 333,100,000 Total 333,100,000 333,100,000 333,100,000 Lottery 333,100,000 333,100,000 426,145,800 Total 609,064,000 426,145,800 Total 613,192,600 430,451,900 State 84,729,200 84,280,800 Federal 152,523,600		Lottery	2,601,400	2,601,2	200
Total 1,090,500 1,290,500	Academic Scholars	Salaries & Benefits	\$ -	\$.	
Total 1,090,500 1,290,500	332.06	Operational Expenditures	1,090,500	1,290,5	500
Loan/Scholarships Salaries & Benefits \$ - \$ - 332.07 Operational Expenditures Total 3,174,100 2,069,200 State 978,200 778,200 Federal - - Non-Governmental 700,000 700,000 Current Services 141,000 141,000 Interdepartmental 1,354,900 450,000 Lottery for Education Account Salaries & Benefits \$ - \$ - 332.19 Operational Expenditures Total 333,100,000 333,100,000 Total 333,100,000 333,100,000 Total 333,100,000 333,100,000 Total 609,064,000 426,145,800 Total 613,192,600 430,451,900 State \$ 84,729,200 \$ 84,280,800 Federal 152,523,600 - Non-Governmental 700,000 700,000 Current Services 31,383,500 2,519,900					
Loan/Scholarships Salaries & Benefits \$ - \$ - 332.07 Operational Expenditures Total 3,174,100 2,069,200 State 978,200 778,200 Federal - - Non-Governmental 700,000 700,000 Current Services 141,000 141,000 Interdepartmental 1,354,900 450,000 Lottery for Education Account Salaries & Benefits \$ - \$ - 332.19 Operational Expenditures Total 333,100,000 333,100,000 Total 333,100,000 333,100,000 Total 333,100,000 333,100,000 Total 609,064,000 426,145,800 Total 613,192,600 430,451,900 State \$ 84,729,200 \$ 84,280,800 Federal 152,523,600 - Non-Governmental 700,000 700,000 Current Services 31,383,500 2,519,900		State	711,800	911,8	300
332.07 Operational Expenditures 3,174,100 2,069,200 Total 3,174,100 2,069,200 State 978,200 778,200 Federal - - Non-Governmental 700,000 700,000 Current Services 141,000 141,000 Interdepartmental 1,354,900 450,000 Lottery for Education Account Salaries & Benefits \$ - \$ - 332.19 Operational Expenditures 333,100,000 333,100,000 Total 333,100,000 333,100,000 Total 54,128,600 4,306,100 Coperational Expenditures 609,064,000 426,145,800 Total 613,192,600 430,451,900 State \$ 84,729,200 \$ 84,280,800 Federal 152,523,600 - Non-Governmental 700,000 700,000 Current Services 31,383,500 2,519,900		Current Services			
Total 3,174,100 2,069,200	Loan/Scholarships	Salaries & Benefits	\$ -	\$.	
State 978,200 778,200 Federal - - - -	·	Operational Expenditures	3,174,100	2,069,2	200
Federal		Total	3,174,100	2,069,2	200
Non-Governmental 700,000 700,000 700,000 Current Services 141,000 141,000 141,000 141,000 141,000 141,000 141,000 141,000 141,000 141,000 141,000 141,000 141,000 1450,000		State	978,200	778,2	200
Current Services Interdepartmental 141,000 Interdepartmental 450,000 Interdepartmental 450,000 Interdepartmental 450,000 Interdepartmental 333,100,000 Interdepartmental 4,286,600 Interdepartmental 4,306,100 Interdepartmental 4,286,600 Interdepartmental 4,286,600 Interdepartmental 4,306,100 Interdepartmental 4,286,600 Interdepartmental 4,306,100 Interdepartmental 4,306,100 Interdepartmental 4,286,600 Interdep		Federal	-		-
Interdepartmental		Non-Governmental	700,000	700,0	000
Lottery for Education Account Salaries & Benefits \$ - \$ - 332.19 Operational Expenditures Total 333,100,000 333,100,000 333,100,000 Lottery 333,100,000 333,100,000 333,100,000 TOTAL TSAC Salaries & Benefits Operational Expenditures Foundable Federal State \$ 4,128,600 \$ 4,306,100 Non-Governmental Non-Governmental Current Services \$ 84,729,200 \$ 84,280,800 700,000 700,000 700,000 2,519,900 2,519,900		Current Services	141,000	141,0	000
332.19 Operational Expenditures 333,100,000 333,100,000 333,100,000 333,100,000 333,100,000 333,100,000		Interdepartmental	1,354,900	450,0	000
Total 333,100,000 333,100,000 Lottery 333,100,000 333,100,000 TOTAL TSAC Salaries & Benefits \$ 4,128,600 \$ 4,306,100 Operational Expenditures 609,064,000 426,145,800 Total 613,192,600 430,451,900 State \$ 84,729,200 \$ 84,280,800 Federal 152,523,600 - Non-Governmental 700,000 700,000 Current Services 31,383,500 2,519,900	Lottery for Education Account	Salaries & Benefits	\$ -	\$.	-
Lottery333,100,000333,100,000TOTAL TSACSalaries & Benefits Operational Expenditures Total\$ 4,128,600 609,064,000 613,192,600\$ 4,306,100 426,145,800 430,451,900State Federal Non-Governmental 	332.19	Operational Expenditures	333,100,000	333,100,0	000
TOTAL TSAC Salaries & Benefits \$ 4,128,600 \$ 4,306,100		Total	333,100,000	333,100,0	000
Operational Expenditures 609,064,000 426,145,800 Total 613,192,600 430,451,900 State \$ 84,729,200 \$ 84,280,800 Federal 152,523,600 - Non-Governmental 700,000 700,000 Current Services 31,383,500 2,519,900		Lottery	333,100,000	333,100,0	000
Operational Expenditures 609,064,000 426,145,800 Total 613,192,600 430,451,900 State \$ 84,729,200 \$ 84,280,800 Federal 152,523,600 - Non-Governmental 700,000 700,000 Current Services 31,383,500 2,519,900	TOTAL TSAC	Salaries & Benefits	\$ 4,128,600	\$ 4,306,1	100
Total613,192,600430,451,900State\$ 84,729,200\$ 84,280,800Federal152,523,600-Non-Governmental700,000700,000Current Services31,383,5002,519,900					
Federal152,523,600-Non-Governmental700,000700,000Current Services31,383,5002,519,900		·			
Federal152,523,600-Non-Governmental700,000700,000Current Services31,383,5002,519,900		State	\$ 84,729,200	\$ 84,280,8	300
Non-Governmental 700,000 700,000 Current Services 31,383,500 2,519,900			, ,		-
Current Services 31,383,500 2,519,900				700,0	000
		Current Services			

^{*} TSAC will submit a 2% base budget reduction to Finance & Administration. This reduction will impact only TSAC's administration.