

## **SC National Guard College Assistance Program Addendum for CHE Budget Requests for FY 2013-14**

**CHE considered and approved at its meeting on January 3, 2013, the recommendation below to amend its FY 2013-14 Budget Requests to include a request for increased funding of \$2,854,000 for the SC National Guard College Assistance Program as outlined below.**

### **Background**

Due to the number of participants this fall and the current level of available program funds, the South Carolina National Guard College Assistance Program (SCNG CAP) reached its capacity for FY 2012-13 during the Fall 2012 semester. As a result, program funds are not available in FY 2012-13 for eligible participants during the Spring 2013 semester.

Based on the review at this time of the funding situation with respect to recruiting goals of the SC National Guard, SC Commission on Higher Education (CHE) staff working with SC National Guard staff are recommending an increase in program funds for FY 2013-14 as outlined below. The recommended program increase of \$2,854,000 is anticipated to enable annual participation at similar levels of recent years. In the upcoming months, CHE staff will continue to work closely with the SC National Guard in considering the program's future and on-going needs to best support the Guard in meeting its recruitment and education goals. CHE and Guard staff will be re-evaluating also the eligibility selection criteria for the program to ensure that it best maximizes the available program funding.

SCNG CAP provides incentives for enlisting or remaining for a specified time in either the SC Army or Air National Guard (SCNG) by offering undergraduate college financial assistance to members of the SC Army and Air National Guard. SCNG CAP was started in 2007 and replaced a former college loan repayment program for Guard members that had been in effect since 2001 and was closed to new participants and phased-out as obligations to enrolled participants were met. A recipient of SCNG CAP shall not qualify for college assistance program benefits for more than one hundred thirty (130) semester hours or related quarter hours from the time of initial eligibility into the SCNG CAP. The cumulative total of all SCNG CAP benefits received may not exceed eighteen thousand dollars (\$18,000). SCNG CAP is awarded on an annual basis. Eligible Army Guard members may receive up to \$4,500 per year and eligible Air Guard members may receive up to \$9,000 per year not to exceed the cost of attendance as defined by Title IV regulation or the cumulative program limits. Benefits are available for eligible members attending eligible two- and four- year public and independent institutions and subject to the availability of appropriated funds.

SCNG CAP is administered by CHE in collaboration and consultation with the SC National Guard and has been quite successful in supporting goals of the Guard and assisting members in furthering their education. Participation has grown rapidly since the program's inception with 394 awards and just under \$1 million in FY 2007-08 to 1,203 awards and \$3.85 million in FY 2011-12. Currently in Fall 2012, 944 Army and Air National Guard members are participating in the program with approximately \$2,192,615 awarded. As of September 20, 2012, there were 2,789 Army and Air National Guard members eligible for the program based on the current regulations.

The General Assembly has generously supported the program since its passage. Appropriations for the SCNG CAP have included \$3 million in FY 2007-08 (\$1.7M in lottery funds and \$1.3M in one-time, nonrecurring funds) and \$1.7M (lottery) from FY 2008-09 to the current fiscal year, FY 2012-13. In addition, funds from the former loan repayment program that were not needed in meeting loan repayment obligations were redirected to SCNG CAP. Due to the availability of the additional funds redirected from the former loan repayment program and given the severe fiscal constraints with the Great Recession, increases in SCNG CAP have not been requested in recent years. Additional funds from the loan repayment program that were redirected to SCNG CAP have been depleted as of Fall 2012.

SCNG CAP received \$89,868 in General Funds and \$1,700,000 in S.C. Education Lottery Funds in FY 2012-13. To meet the SCNG CAP goals, additional Lottery funding of \$2,854,000 is requested for FY 2013-14. The additional funds will enable annual participation at similar levels to that of Fall 2012. The request is estimated based on the Guard recruiting 750 Army Guard members and 131 Air Guard members. The requested increase in funding will bring the total program funding to \$4,643,868 (\$89,868 level funding from General Funds and \$4,554,000 requested lottery funding).

### **RECOMMENDATION:**

Staff recommends that the Finance and Facilities Committee commend favorably to the Commission amending the agency's FY 2013-14 budget requests to include the addition of the request for increased funding for the SCNG CAP as outlined above.

*Recommendation Approved by Finance and Facilities and CHE on January 3, 2013.*