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Description of document: Harry S. Truman Scholarship Foundation Congressional Budget Justifications, FY 2014-FY 2018

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ATTN: the Deputy Executive Secretary
Harry S. Truman Scholarship Foundation
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Washington, DC 20006
Fax: 202-395-6995
Email: tyglesias@truman.gov

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From: Tara Yglesias <tyglesias@truman.gov>
Sent: Tue, Aug 22, 2017 2:42 pm
Subject: RE: Freedom of Information Act request

Attached please find the documents that you requested. I apologize for the delay.

> a copy of the Congressional Budget Justification (CBJ) documents for the Harry S. Truman Scholarship Foundation, for the last five years. <

Best,

Tara Yglesias
Deputy Executive Secretary
Harry S. Truman Scholarship Foundation
712 Jackson Place, NW
Washington, DC 20006
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Harry S. Truman Scholarship Foundation

Congressional Justification

FY 2014

For additional information, contact:

Andrew Rich
Executive Secretary
202.395.3545
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CONGRESSIONAL JUSTIFICATION
FY 2014 BUDGET
HARRY S. TRUMAN SCHOLARSHIP FOUNDATION

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Executive Summary

I. History of Congressional Appropriations

| | FY 2009 | FY 2010 | FY 2011 | FY 2012 | FY 2013 | FY 2014 |
|---------------|-----------|-----------|-----------|-------------|------------------------|-------------|
| Request | \$500,000 | \$660,000 | \$950,000 | \$1,400,000 | \$1,700,000 | \$1,650,000 |
| Appropriation | \$500,000 | \$660,000 | \$750,000 | \$748,000 | \$748,000 ¹ | |

II. Budget

| | FY 2009 | FY 2010 | FY 2011 | FY 2012 | FY 2013 (est) | FY 2014 (est) |
|---|-------------|-------------|-------------|-------------|--------------------------|---------------|
| Trust Fund Revenue | \$2,496,838 | \$1,259,022 | \$1,772,157 | \$1,323,229 | \$1,100,000 | \$1,100,000 |
| Expenditures | | | | | | |
| Scholar Payments | \$1,542,157 | \$1,178,642 | \$1,189,380 | \$1,217,616 | \$1,400,000 | \$1,400,000 |
| Scholar Programming Support & Selection | \$396,972 | \$367,985 | \$419,109 | \$351,322 | \$466,100 | \$467,000 |
| Salaries, Benefits & Overhead | \$819,121 | \$843,530 | \$676,316 | \$805,049 | \$1,034,500 ² | \$895,000 |
| Total Expenditures | \$2,758,250 | \$2,390,157 | \$2,284,805 | \$2,373,987 | \$2,900,600 | \$2,762,000 |

III. Harry S. Truman Scholarship Foundation Funding History

The Harry S. Truman Scholarship Foundation was established by Congress in 1975 as the sole federal memorial to President Truman to support graduate education for young people committed to careers in public service. The authorizing statute mandated that the trust fund be invested solely in U.S. Treasury Securities. As a result of declining interest rates on Treasuries, the annual yield from the trust fund has declined by 63% (\$2.27m) from FY 2002 to FY 2012. The Foundation has cut its expenditures by 40% during the same period. Even with these significant reductions, the Foundation anticipates a budget deficit of \$1.65m for FY 2014 without the requested appropriation.

The original value of the scholarship in 1977 (\$20,000) covered the full average annual cost of tuition, room and board for four years of higher education. The cost of higher education has increased in excess of 500% since 1977. The Scholarship has increased only 50% since 1977 to \$30,000. The current value of the scholarship fails to cover even the cost of tuition alone for only two years of graduate study.

IV. FY 2014 Appropriation Request

The Foundation requests an appropriation of \$1,650,000 in FY 2014 to offset the decline in trust fund revenues.

¹ This is the amount that was approved by both the House and Senate Appropriations Committees.

² The Foundation is incurring a \$180,000 expenditure for a new web infrastructure in FY 2013. The Foundation's old website was ten years old and no longer able to support the application and reporting requirements for the Truman Scholarship.

History and Program

The Harry S. Truman Scholarship Foundation is an independent agency established by Congress in 1975 (P.L. 93-642; 20 U.S.C. 2001, et seq.) as the sole federal memorial to President Truman. The authorizing legislation charged the Foundation with the mission of encouraging exceptional college students to pursue careers in public service with support from Truman Scholarships.

The Truman Scholarship is a merit-based award available to college juniors who plan to pursue careers in government or elsewhere in public service. Truman Scholars receive up to \$30,000 for graduate or professional school, participate in leadership development activities, and have special opportunities for internships and employment with the federal government. The Truman Scholarship program has several components:

- ***The Selection Process:*** The Foundation conducts a national selection process to identify Truman Scholars. All accredited two and four-year U.S. institutions are eligible to nominate students for the award. Students apply for the Truman in their junior year of college and must complete a lengthy application. A Finalist Selection Committee reviews all nominated candidates (approximately 600 are received each year) and selects approximately one-third for interview. Sixteen Regional Review Panels in various locations around the country then interview finalists and select 60 students as Truman Scholars each year.
- ***Truman Scholar Leadership Week:*** All newly-selected Truman Scholars are required to attend a six-day orientation in order to become familiar with the services provided by the Foundation and the many pathways to public service. Scholars participate in seminars and workshops with distinguished Truman alumni and other public service leaders, a policy analysis project, a graduate school and career fair, and community service events.
- ***Summer Institute:*** Immediately after college graduation, Scholars have the opportunity to participate in a ten-week long Summer Institute in Washington, D.C. The Foundation arranges internships with government agencies and nonprofit organizations, seminars and workshops, meetings with Washington policymakers and Truman alumni, and opportunities for community building among Scholars.
- ***Truman-Albright Fellows Program:*** After Summer Institute, Scholars may elect to remain in Washington, D.C. for a full year in the Truman-Albright Fellows Program. Scholars are placed in public service jobs – most with the federal government – while participating in a graduate level public policy discussion, mentoring opportunities, and a community service program.
- ***Recruitment and Alumni Events:*** The Foundation travels to a number of colleges and universities, conferences, and meetings each year to increase awareness of the award as well as government and public service careers in

general. The Foundation has also established a “Truman Foundation Honor Institution” award to recognize those institutions that have made the Truman competition, and the values of public service that the Foundation seeks to recognize, part of the campus culture.

The Foundation is a small independent agency within the Executive Branch of the Federal government. The Foundation staff consists of the Executive Secretary, Deputy Executive Secretary, and, at full strength, four professional staff members. One and a half professional staff positions are unfilled at this time as a cost-saving measure. The current 4.5-person staff operates and manages all Foundation programs.

The Foundation Trust Fund was established with a \$30 million appropriation in 1976. Congress provided no additional funds until FY 2009. The authorizing legislation directed that this endowment be invested solely in U.S. Treasury Securities. The Foundation’s operating budget has always come from interest earned from these Treasury Securities. With the significant decline in interest rates in recent years, the Foundation has experienced a substantial decline in revenue.

Budget

The Harry S. Truman Scholarship Foundation requests an appropriation of \$1,650,000 for FY 2014 to cover the cut in earnings from its Trust Fund. This request is the sixth request for an appropriation since the Foundation’s initial appropriation in 1976.

I. Revenue / Expense comparison FY 2002 through FY 2014

Declining Federal financial support has seriously affected the Foundation’s ability to fulfill its mandate. Between 2002 and 2012, the Foundation experienced a 63% decline in earnings from its trust fund. In response, the Foundation cut the operating budget by 40%. With interest rates on Treasuries still low, earnings on our trust fund continue to decline. Meanwhile, our obligations for payments on scholarships are moving up slightly (based on prior year commitments to students).

| FY | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|----------|--------|--------|--------|--------|--------|--------|--------|
| Revenue | \$3.59 | \$3.50 | \$3.16 | \$3.04 | \$2.74 | \$2.79 | \$2.40 |
| Expenses | \$3.94 | \$3.34 | \$3.38 | \$3.28 | \$2.95 | \$2.95 | \$2.75 |

| FY | 2009 | 2010 | 2011 | 2012 | 2013 (est) | 2014 (est) |
|----------|--------|--------|--------|--------|---------------|---------------|
| Revenue | \$2.47 | \$1.26 | \$1.77 | \$1.32 | \$1.10 | \$1.10 |
| Expenses | \$2.76 | \$2.39 | \$2.28 | \$2.37 | \$2.90 | \$2.76 |

Amounts expressed in \$ millions.

II. Budget Categories

The \$2.76m FY 2014 operating budget of the Foundation falls into the following categories:

| | |
|--|-----|
| Scholar Payments, Programming & Events | 69% |
| Overhead & Salaries | 31% |

III. Budget Detail

A more detailed budget for FY 2009 through FY 2014 is set forth below:

| | FY 2009 | FY 2010 | FY 2011 | FY 2012 | FY 2013 (est) | FY 2014 (est) |
|----------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Trust Fund Revenue | \$2,469,838 | \$1,259,022 | \$1,772,157 | \$1,323,229 | \$1,100,000 | \$1,100,000 |
| Expenditures | | | | | | |
| Scholar Payments | \$1,542,156 | \$1,178,642 | \$1,189,380 | \$1,217,616 | \$1,400,000 | \$1,400,000 |
| Scholar Programming | \$349,438 | \$320,258 | \$377,947 | \$298,281 | \$401,200 | \$402,000 |
| Scholar Selection | \$47,534 | \$47,728 | \$41,162 | \$53,527 | \$64,900 | \$65,000 |
| Salaries & Benefits | \$563,968 | \$675,740 | \$508,525 | \$638,640 | \$704,000 | \$725,000 |
| Rent, Communications & Utilities | \$181,602 | \$89,207 | \$94,783 | \$83,860 | \$255,000 | \$90,000 |
| Contractor Services | \$60,717 | \$64,025 | \$63,213 | \$57,764 | \$59,000 | \$62,000 |
| Equipment | \$-0- | \$192 | \$72 | \$12,420 | \$1,500 | \$2,000 |
| Printing | \$7,914 | \$7,134 | \$5,244 | \$8,159 | \$9,500 | \$10,500 |
| Board Travel | \$4,920 | \$7,231 | \$4,479 | \$3,720 | \$5,500 | \$5,500 |
| Total Expenditures | \$2,758,250 | \$2,390,157 | \$2,884,805 | \$2,373,987 | \$2,900,600 | \$2,762,000 |

Appropriations Requested

The Foundation requests an appropriation of \$1,650,000 for FY 2014 to offset the significant decline in revenue from the trust fund. The request is meant to prevent an incursion into the corpus of the trust fund. Without additional federal funding support, the Foundation will be required to spend \$1,650,000 of the corpus of the trust fund simply to maintain the already dramatically reduced annual operating budget. Such a reduction in the corpus of the trust fund would start a dramatic downward spiral in interest revenue for future years.

Appropriations Language

For payment to the Harry S. Truman Scholarship Foundation Trust Fund established under section 10 of Public Law 93.642, the Harry S. Truman Memorial Scholarship Act (20 U.S.C. 2009), \$1,650,000 to remain available until expended.

Harry S. Truman Scholarship Foundation

Congressional Justification

FY 2015

For additional information, contact:

Andrew Rich
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arich@truman.gov

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CONGRESSIONAL JUSTIFICATION
FY 2015 BUDGET
HARRY S. TRUMAN SCHOLARSHIP FOUNDATION

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Executive Summary

I. History of Congressional Appropriations

| | FY 2009 | FY 2010 | FY 2011 | FY 2012 | FY 2013 | FY 2014 | FY 2015 |
|---------------|-----------|-----------|-----------|-------------|-------------|-------------|-------------|
| Request | \$500,000 | \$660,000 | \$950,000 | \$1,400,000 | \$1,700,000 | \$1,650,000 | \$1,932,000 |
| Appropriation | \$500,000 | \$660,000 | \$750,000 | \$748,000 | \$748,000 | \$750,000 | |

II. Budget

| | FY 2009 | FY 2010 | FY 2011 | FY 2012 | FY 2013 | FY 14 (est) | FY 15 (est) |
|---|-------------|-------------|-------------|-------------|--------------------------|-------------|-------------|
| Trust Fund Revenue | \$2,496,838 | \$1,259,022 | \$1,772,157 | \$1,323,229 | \$1,119,941 | \$1,127,702 | \$750,000 |
| Expenditures | | | | | | | |
| Scholar Payments | \$1,542,157 | \$1,178,642 | \$1,189,380 | \$1,217,616 | \$1,458,736 | \$1,400,000 | \$1,400,000 |
| Scholar Programming Support & Selection | \$396,972 | \$367,985 | \$419,109 | \$351,322 | \$370,984 | \$417,600 | \$392,000 |
| Salaries, Benefits & Overhead | \$819,121 | \$843,530 | \$676,316 | \$805,049 | \$1,024,366 ¹ | \$891,000 | \$890,000 |
| Total Expenditures | \$2,758,250 | \$2,390,157 | \$2,284,805 | \$2,373,987 | \$2,854,086 | \$2,708,600 | \$2,682,000 |

III. Harry S. Truman Scholarship Foundation Funding History

The Harry S. Truman Scholarship Foundation was established by Congress in 1975 as the sole federal memorial to President Truman to support graduate education for young people committed to careers in public service. The authorizing statute mandated that the trust fund be invested solely in U.S. Treasury Securities. As a result of declining interest rates on Treasuries, the annual yield from the trust fund has declined by 63% (\$2.27m) from FY 2002 to FY 2013, with further declines projected for FY 2014 and FY 2015. The Foundation has cut its expenditures by 40% over the past decade. Even with these significant reductions, the Foundation anticipates a budget deficit of \$1.93m for FY 2015 without the requested appropriation.

The original value of the scholarship in 1977 (\$20,000) covered the full average annual cost of tuition, room and board for four years of higher education. The cost of higher education has increased in excess of 500% since 1977. The Scholarship has increased only 50% since 1977 to \$30,000. The current value of the scholarship fails to cover even the cost of tuition alone for only two years of graduate study.

IV. FY 2015 Appropriation Request

The Foundation requests an appropriation of \$1,932,000 in FY 2015 to offset the decline in trust fund revenues.

¹ In FY 2013, the Foundation incurred a \$200,000 expenditure for a new web infrastructure. The Foundation's old website was ten years old and no longer able to support the application and reporting requirements for the Truman Scholarship.

History and Program

The Harry S. Truman Scholarship Foundation is an independent agency established by Congress in 1975 (P.L. 93-642; 20 U.S.C. 2001, et seq.) as the sole federal memorial to President Truman. The authorizing legislation charged the Foundation with the mission of encouraging exceptional college students to pursue careers in public service with support from Truman Scholarships.

The Truman Scholarship is a merit-based award available to college juniors who plan to pursue careers in government or elsewhere in public service. Truman Scholars receive up to \$30,000 for graduate or professional school, participate in leadership development activities, and have special opportunities for internships and employment with the federal government. The Truman Scholarship program has several components:

- ***The Selection Process:*** The Foundation conducts a national selection process to identify Truman Scholars. All accredited two and four-year U.S. institutions are eligible to nominate students for the award. Students apply for the Truman in their junior year of college and must complete a lengthy application. A Finalist Selection Committee reviews all nominated candidates (approximately 625 are received each year) and selects approximately one-third for interview. Seventeen Regional Review Panels in various locations around the country then interview finalists and select 60 students as Truman Scholars each year.
- ***Truman Scholar Leadership Week:*** All newly-selected Truman Scholars are required to attend a six-day orientation in order to become familiar with the services provided by the Foundation and the many pathways to public service. Scholars participate in seminars and workshops with distinguished Truman alumni and other public service leaders, a policy analysis project, a graduate school and career fair, and community service events.
- ***Summer Institute:*** Immediately after college graduation, Scholars have the opportunity to participate in a ten-week long Summer Institute in Washington, D.C. The Foundation arranges internships with government agencies and nonprofit organizations, seminars and workshops, meetings with Washington policymakers and Truman alumni, and opportunities for community building among Scholars.
- ***Truman-Albright Fellows Program:*** After Summer Institute, Scholars may elect to remain in Washington, D.C. for a full year in the Truman-Albright Fellows Program. Scholars are placed in public service jobs – most with the federal government – while participating in a graduate level public policy discussion, mentoring opportunities, and a community service program.
- ***Recruitment and Alumni Events:*** The Foundation travels to a number of colleges and universities, conferences, and meetings each year to increase awareness of the award as well as government and public service careers in

general. The Foundation has also established a “Truman Foundation Honor Institution” award to recognize those institutions that have made the Truman competition, and the values of public service that the Foundation seeks to recognize, part of the campus culture.

The Foundation is a small independent agency within the Executive Branch of the Federal government. The Foundation staff consists of the Executive Secretary, Deputy Executive Secretary, and, at full strength, four professional staff members. One and a half professional staff positions are unfilled at this time as a cost-saving measure. The current 4.5-person staff operates and manages all Foundation programs.

The Foundation Trust Fund was established with a \$30 million appropriation in 1976. Congress provided no additional funds until FY 2009. The authorizing legislation directed that this endowment be invested solely in U.S. Treasury Securities. The Foundation’s operating budget has always come from interest earned from these Treasury Securities. With the significant decline in interest rates in recent years, the Foundation has experienced a substantial decline in revenue.

Budget

The Harry S. Truman Scholarship Foundation requests an appropriation of \$1,932,000 for FY 2015 to cover the reduction in earnings from its Trust Fund. This is the seventh request for an appropriation since the Foundation's initial appropriation in 1976.

I. Revenue / Expense comparison FY 2002 through FY 2015

Declining Federal financial support has seriously affected the Foundation's ability to fulfill its mandate. Between 2002 and 2012, the Foundation experienced a 63% decline in earnings from its trust fund. In response, the Foundation cut the operating budget by 40%. With interest rates on Treasuries still low, earnings on our trust fund continue to decline. Meanwhile, our obligations for payments on scholarships are moving up slightly (based on prior year commitments to students).

| FY | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|----------|--------|--------|--------|--------|--------|--------|--------|
| Revenue | \$3.59 | \$3.50 | \$3.16 | \$3.04 | \$2.74 | \$2.79 | \$2.40 |
| Expenses | \$3.94 | \$3.34 | \$3.38 | \$3.28 | \$2.95 | \$2.95 | \$2.75 |

| FY | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 (est) | 2015 (est) |
|----------|--------|--------|--------|--------|--------|---------------|---------------|
| Revenue | \$2.47 | \$1.26 | \$1.77 | \$1.32 | \$1.12 | \$1.13 | \$0.75 |
| Expenses | \$2.76 | \$2.39 | \$2.28 | \$2.37 | \$2.85 | \$2.71 | \$2.68 |

Amounts expressed in \$ millions.

II. Budget Categories

The \$2.68m FY 2015 operating budget of the Foundation falls into the following categories:

| | |
|--|-----|
| Scholar Payments, Programming & Events | 67% |
| Overhead & Salaries | 33% |

III. Budget Detail

A more detailed budget for FY 2009 through FY 2015 is set forth below:

| | FY 2009 | FY 2010 | FY 2011 | FY 2012 | FY 2013 | FY 2014 (est) | FY 2015 (est) |
|----------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Trust Fund Revenue | \$2,469,838 | \$1,259,022 | \$1,772,157 | \$1,323,229 | \$1,119,941 | \$1,127,702 | \$750,000 |
| Expenditures | | | | | | | |
| Scholar Payments | \$1,542,156 | \$1,178,642 | \$1,189,380 | \$1,217,616 | \$1,458,736 | \$1,400,000 | \$1,400,000 |
| Scholar Programming | \$349,438 | \$320,258 | \$377,947 | \$298,281 | \$311,159 | \$350,700 | \$325,000 |
| Scholar Selection | \$47,534 | \$47,728 | \$41,162 | \$53,527 | \$59,825 | \$66,900 | \$67,000 |
| Salaries & Benefits | \$563,968 | \$675,740 | \$508,525 | \$638,640 | \$648,100 | \$684,000 | \$680,000 |
| Rent, Communications & Utilities | \$181,602 | \$89,207 | \$94,783 | \$83,860 | \$315,932 | \$136,000 | \$137,500 |
| Contractor Services | \$60,717 | \$64,025 | \$63,213 | \$57,764 | \$44,675 | \$53,000 | \$60,000 |
| Equipment | \$-0- | \$192 | \$72 | \$12,420 | \$3,261 | \$2,500 | \$2,000 |
| Printing | \$7,914 | \$7,134 | \$5,244 | \$8,159 | \$6,241 | \$10,000 | \$6,500 |
| Board Travel | \$4,920 | \$7,231 | \$4,479 | \$3,720 | \$6,157 | \$5,500 | \$4,000 |
| Total Expenditures | \$2,758,250 | \$2,390,157 | \$2,884,805 | \$2,373,987 | \$2,854,086 | \$2,708,600 | \$2,682,000 |

Appropriations Requested

The Foundation requests an appropriation of \$1,932,000 for FY 2015 to offset the significant decline in revenue from the trust fund. The request is meant to prevent an incursion into the corpus of the trust fund. Without additional federal funding support, the Foundation will be required to spend \$1,932,000 of the corpus of the trust fund simply to maintain the already dramatically reduced annual operating budget. Such a reduction in the corpus of the trust fund would start a dramatic downward spiral in interest revenue for future years.

Appropriations Language

For payment to the Harry S. Truman Scholarship Foundation Trust Fund established under section 10 of Public Law 93.642, the Harry S. Truman Memorial Scholarship Act (20 U.S.C. 2009), \$1,932,000 to remain available until expended.

Harry S. Truman Scholarship Foundation

Congressional Justification

FY 2016

For additional information, contact:

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CONGRESSIONAL JUSTIFICATION
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Executive Summary

I. History of Congressional Appropriations

| | FY 2009 | FY 2010 | FY 2011 | FY 2012 | FY 2013 | FY 2014 | FY 2015 | FY 2016 |
|---------------|-----------|-----------|-----------|-------------|-------------|-------------|-------------|-------------|
| Request | \$500,000 | \$660,000 | \$950,000 | \$1,400,000 | \$1,700,000 | \$1,650,000 | \$1,932,000 | \$1,810,000 |
| Appropriation | \$500,000 | \$660,000 | \$750,000 | \$748,000 | \$748,000 | \$750,000 | \$750,000 | |

II. Budget

| | FY 2009 | FY 2010 | FY 2011 | FY 2012 | FY 2013 | FY 2014 | FY 15 (est) | FY 16 (est) |
|---|-------------|-------------|-------------|-------------|--------------------------|-------------|-------------|-------------|
| Trust Fund Revenue | \$2,496,838 | \$1,259,022 | \$1,772,157 | \$1,323,229 | \$1,119,941 | \$1,222,959 | \$750,000 | \$750,000 |
| Expenditures | | | | | | | | |
| Scholar Payments | \$1,542,157 | \$1,178,642 | \$1,189,380 | \$1,217,616 | \$1,458,736 | \$1,219,770 | \$1,400,000 | \$1,300,000 |
| Scholar Programming Support & Selection | \$396,972 | \$367,985 | \$419,109 | \$351,322 | \$370,984 | \$401,880 | \$392,000 | \$398,000 |
| Salaries, Benefits & Overhead | \$819,121 | \$843,530 | \$676,316 | \$805,049 | \$1,024,366 ¹ | \$854,017 | \$890,000 | \$862,000 |
| Total Expenditures | \$2,758,250 | \$2,390,157 | \$2,284,805 | \$2,373,987 | \$2,854,086 | \$2,516,708 | \$2,682,000 | \$2,560,000 |

III. Harry S. Truman Scholarship Foundation Funding History

The Harry S. Truman Scholarship Foundation was established by Congress in 1975 as the sole federal memorial to President Truman to support graduate education for young people committed to careers in public service. The authorizing statute mandated that the trust fund be invested solely in U.S. Treasury Securities. As a result of declining interest rates on Treasuries, the annual yield from the trust fund has declined by 63% (\$2.27m) from FY 2002 to FY 2014, with further declines projected for FY 2015 and FY 2016. The Foundation has cut its expenditures by 40% over the past decade. Even with these significant reductions, the Foundation anticipates a budget deficit of \$1.81m for FY 2016 without the requested appropriation.

The original value of the scholarship in 1977 (\$20,000) covered the full average annual cost of tuition, room and board for four years of higher education. The cost of higher education has increased in excess of 500% since 1977. The Scholarship has increased only 50% since 1977 to \$30,000. The current value of the scholarship fails to cover even the cost of tuition alone for only two years of graduate study.

IV. FY 2016 Appropriation Request

The Foundation requests an appropriation of \$1,810,000 in FY 2016 to offset the decline in trust fund revenues.

¹ In FY 2013, the Foundation incurred a \$200,000 expenditure for a new web infrastructure. The Foundation's old website was ten years old and no longer able to support the application and reporting requirements for the Truman Scholarship.

History and Program

The Harry S. Truman Scholarship Foundation is an independent agency established by Congress in 1975 (P.L. 93-642; 20 U.S.C. 2001, et seq.) as the sole federal memorial to President Truman. The authorizing legislation charged the Foundation with the mission of encouraging exceptional college students to pursue careers in public service with support from Truman Scholarships.

The Truman Scholarship is a merit-based award available to college juniors who plan to pursue careers in government or elsewhere in public service. Truman Scholars receive up to \$30,000 for graduate or professional school, participate in leadership development activities, and have special opportunities for internships and employment with the federal government. The Truman Scholarship program has several components:

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- ***Truman Scholar Leadership Week:*** All newly-selected Truman Scholars are required to attend a six-day orientation in order to become familiar with the services provided by the Foundation and the many pathways to public service. Scholars participate in seminars and workshops with distinguished Truman alumni and other public service leaders, a policy analysis project, a graduate school and career fair, and community service events.
- ***Summer Institute:*** Immediately after college graduation, Scholars have the opportunity to participate in a ten-week long Summer Institute in Washington, D.C. The Foundation arranges internships with government agencies and nonprofit organizations, seminars and workshops, meetings with Washington policymakers and Truman alumni, and opportunities for community building among Scholars.
- ***Truman-Albright Fellows Program:*** After Summer Institute, Scholars may elect to remain in Washington, D.C. for a full year in the Truman-Albright Fellows Program. Scholars are placed in public service jobs – most with the federal government – while participating in a graduate level public policy discussion, mentoring opportunities, and a community service program.
- ***Recruitment and Alumni Events:*** The Foundation travels to a number of colleges and universities, conferences, and meetings each year to increase awareness of the award as well as government and public service careers in

general. The Foundation has also established a “Truman Foundation Honor Institution” award to recognize those institutions that have made the Truman competition, and the values of public service that the Foundation seeks to recognize, part of the campus culture.

The Foundation is a small independent agency within the Executive Branch of the Federal government. The Foundation staff consists of the Executive Secretary, Deputy Executive Secretary, and, at full strength, four professional staff members. Two professional staff positions are unfilled at this time as a cost-saving measure. We have one short-term fellow working with us in order to save money. The current four person staff operates and manages all Foundation programs.

The Foundation Trust Fund was established with a \$30 million appropriation in 1976. Congress provided no additional funds until FY 2009. The authorizing legislation directed that this endowment be invested solely in U.S. Treasury Securities. The Foundation’s operating budget has always come from interest earned from these Treasury Securities. With the significant decline in interest rates in recent years, the Foundation has experienced a substantial decline in revenue.

Budget

The Harry S. Truman Scholarship Foundation requests an appropriation of \$1,810,000 for FY 2016 to cover the reduction in earnings from its Trust Fund. This is the eighth request for an appropriation since the Foundation's initial appropriation in 1976.

I. Revenue / Expense comparison FY 2002 through FY 2016

Declining Federal financial support has seriously affected the Foundation's ability to fulfill its mandate. Between 2002 and 2014, the Foundation experienced a 63% decline in earnings from its trust fund. In response, the Foundation cut the operating budget by 40%. With interest rates on Treasuries still low, earnings on our trust fund continue to decline. Meanwhile, our obligations for payments on scholarships are moving up slightly (based on prior year commitments to students).

| FY | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|----------|--------|--------|--------|--------|--------|--------|--------|
| Revenue | \$3.59 | \$3.50 | \$3.16 | \$3.04 | \$2.74 | \$2.79 | \$2.40 |
| Expenses | \$3.94 | \$3.34 | \$3.38 | \$3.28 | \$2.95 | \$2.95 | \$2.75 |

| FY | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 (est) | 2016 (est) |
|----------|--------|--------|--------|--------|--------|--------|---------------|---------------|
| Revenue | \$2.47 | \$1.26 | \$1.77 | \$1.32 | \$1.12 | \$1.22 | \$0.75 | \$0.75 |
| Expenses | \$2.76 | \$2.39 | \$2.28 | \$2.37 | \$2.85 | \$2.52 | \$2.68 | \$2.56 |

Amounts expressed in \$ millions.

II. Budget Categories

The \$2.56m FY 2016 operating budget of the Foundation falls into the following categories:

| | |
|--|-----|
| Scholar Payments, Programming & Events | 66% |
| Overhead & Salaries | 34% |

III. Budget Detail

A more detailed budget for FY 2009 through FY 2015 is set forth below:

| | FY 2009 | FY 2010 | FY 2011 | FY 2012 | FY 2013 | FY 2014 | FY 2015 (est) | FY 2016 (est) |
|----------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Trust Fund Revenue | \$2,469,838 | \$1,259,022 | \$1,772,157 | \$1,323,229 | \$1,119,941 | \$1,122,959 | \$750,000 | \$750,000 |
| Expenditures | | | | | | | | |
| Scholar Payments | \$1,542,156 | \$1,178,642 | \$1,189,380 | \$1,217,616 | \$1,458,736 | \$1,219,770 | \$1,400,000 | \$1,300,000 |
| Scholar Programming | \$349,438 | \$320,258 | \$377,947 | \$298,281 | \$311,159 | \$339,392 | \$325,000 | \$325,000 |
| Scholar Selection | \$47,534 | \$47,728 | \$41,162 | \$53,527 | \$59,825 | \$62,488 | \$67,000 | \$73,000 |
| Salaries & Benefits | \$563,968 | \$675,740 | \$508,525 | \$638,640 | \$648,100 | \$684,840 | \$680,000 | \$670,000 |
| Rent, Communications & Utilities | \$181,602 | \$89,207 | \$94,783 | \$83,860 | \$315,932 | \$137,659 | \$137,500 | \$130,000 |
| Contractor Services | \$60,717 | \$64,025 | \$63,213 | \$57,764 | \$44,675 | \$51,963 | \$60,000 | \$50,000 |
| Equipment | \$-0- | \$192 | \$72 | \$12,420 | \$3,261 | \$3,909 | \$2,000 | \$2,000 |
| Printing | \$7,914 | \$7,134 | \$5,244 | \$8,159 | \$6,241 | \$9,775 | \$6,500 | \$6,500 |
| Board Travel | \$4,920 | \$7,231 | \$4,479 | \$3,720 | \$6,157 | \$6,912 | \$4,000 | \$3,500 |
| Total Expenditures | \$2,758,250 | \$2,390,157 | \$2,884,805 | \$2,373,987 | \$2,854,086 | \$2,516,708 | \$2,682,000 | \$2,560,000 |

Appropriations Requested

The Foundation requests an appropriation of \$1,810,000 for FY 2016 to offset the significant decline in revenue from the trust fund. The request is meant to prevent an incursion into the corpus of the trust fund. Without additional federal funding support, the Foundation will be required to spend \$1,810,000 of the corpus of the trust fund simply to maintain the already dramatically reduced annual operating budget. Such a reduction in the corpus of the trust fund would start a dramatic downward spiral in interest revenue for future years.

Appropriations Language

For payment to the Harry S. Truman Scholarship Foundation Trust Fund established under section 10 of Public Law 93.642, the Harry S. Truman Memorial Scholarship Act (20 U.S.C. 2009), \$1,810,000 to remain available until expended.

Harry S. Truman Scholarship Foundation

Congressional Justification

FY 2017

For additional information, contact:

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CONGRESSIONAL JUSTIFICATION
FY 2017 BUDGET
HARRY S. TRUMAN SCHOLARSHIP FOUNDATION

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Executive Summary

I. History of Congressional Appropriations

| | FY 2009 | FY 2010 | FY 2011 | FY 2012 | FY 2013 | FY 2014 |
|---------------|-----------|-----------|-----------|-------------|-------------|-------------|
| Request | \$500,000 | \$660,000 | \$950,000 | \$1,400,000 | \$1,700,000 | \$1,650,000 |
| Appropriation | \$500,000 | \$660,000 | \$750,000 | \$748,000 | \$748,000 | \$750,000 |

| | FY 2015 | FY 2016 | FY 2017 |
|---------------|-------------|-------------|-------------|
| Request | \$1,932,000 | \$1,810,000 | \$1,860,500 |
| Appropriation | \$750,000 | \$1,000,000 | |

II. Budget

| | FY 2009 | FY 2010 | FY 2011 | FY 2012 | FY 2013 | FY 2014 |
|---|-------------|-------------|-------------|-------------|--------------------------|-------------|
| Trust Fund Revenue | \$2,496,838 | \$1,259,022 | \$1,772,157 | \$1,323,229 | \$1,119,941 | \$1,222,959 |
| Expenditures | | | | | | |
| Scholar Payments | \$1,542,157 | \$1,178,642 | \$1,189,380 | \$1,217,616 | \$1,458,736 | \$1,219,770 |
| Scholar Programming Support & Selection | \$396,972 | \$367,985 | \$419,109 | \$351,322 | \$370,984 | \$401,880 |
| Salaries, Benefits & Overhead | \$819,121 | \$843,530 | \$676,316 | \$805,049 | \$1,024,366 ¹ | \$854,017 |
| Total Expenditures | \$2,758,250 | \$2,390,157 | \$2,284,805 | \$2,373,987 | \$2,854,086 | \$2,516,708 |

| | FY 15 | FY 16 (est) | FY 17 (est) |
|---|-------------|-------------|-------------|
| Trust Fund Revenue | \$752,157 | \$750,000 | \$700,000 |
| Expenditures | | | |
| Scholar Payments | \$1,213,122 | \$1,300,000 | \$1,300,000 |
| Scholar Programming Support & Selection | \$384,332 | \$390,000 | \$390,000 |
| Salaries, Benefits & Overhead | \$858,017 | \$870,500 | \$870,500 |
| Total Expenditures | \$2,455,471 | \$2,560,500 | \$2,560,500 |

¹ In FY 2013, the Foundation incurred a \$200,000 expenditure for a new web infrastructure. The Foundation's old website was ten years old and no longer able to support the application and reporting requirements for the Truman Scholarship.

III. Harry S. Truman Scholarship Foundation Funding History

The Harry S. Truman Scholarship Foundation was established by Congress in 1975 as the sole federal memorial to President Truman to support graduate education for young people committed to careers in public service. The authorizing statute mandated that the trust fund be invested solely in U.S. Treasury Securities. As a result of declining interest rates on Treasuries, the annual yield from the trust fund has declined by 79% (\$2.84m) from FY 2002 to FY 2015. The Foundation has cut its expenditures by 40% over the past twelve years. Even with these significant reductions, the Foundation anticipates a budget deficit of \$1.861m for FY 2017 without the requested appropriation.

The original value of the scholarship in 1977 (\$20,000) covered the full average annual cost of tuition, room and board for four years of higher education. The cost of higher education has increased in excess of 500% since 1977. The Scholarship has increased only 50% since 1977 to \$30,000. The current value of the scholarship fails to cover even the cost of tuition alone for only two years of graduate study.

IV. FY 2017 Appropriation Request

The Foundation requests an appropriation of \$1,860,500 in FY 2017 to offset the decline in trust fund revenues.

History and Program

The Harry S. Truman Scholarship Foundation is an independent agency established by Congress in 1975 (P.L. 93-642; 20 U.S.C. 2001, et seq.) as the sole federal memorial to President Truman. The authorizing legislation charged the Foundation with the mission of encouraging exceptional college students to pursue careers in public service with support from Truman Scholarships.

The Truman Scholarship is a merit-based award available to college juniors who plan to pursue careers in government or elsewhere in public service. Truman Scholars receive up to \$30,000 for graduate or professional school, participate in leadership development activities, and have special opportunities for internships and employment with the federal government. The Truman Scholarship program has several components:

- ***The Selection Process:*** The Foundation conducts a national selection process to identify Truman Scholars. All accredited two and four-year U.S. institutions are eligible to nominate students for the award. Students apply for the Truman in their junior year of college and must complete a lengthy application. A Finalist Selection Committee reviews all nominated candidates (approximately 675 are received each year) and selects approximately one-third for interview. Sixteen Regional Review Panels in various locations around the country then interview finalists and select 60 students as Truman Scholars each year.
- ***Truman Scholar Leadership Week:*** All newly-selected Truman Scholars are required to attend a six-day orientation in order to become familiar with the services provided by the Foundation and the many pathways to public service. Scholars participate in seminars and workshops with distinguished Truman alumni and other public service leaders, a policy analysis project, a graduate school and career fair, and community service events.
- ***Summer Institute:*** Immediately after college graduation, Scholars have the opportunity to participate in a nine-week long Summer Institute in Washington, D.C. The Foundation arranges internships with government agencies and nonprofit organizations, seminars and workshops, meetings with Washington policymakers and Truman alumni, and opportunities for community building among Scholars.
- ***Truman-Albright Fellows Program:*** After Summer Institute, Scholars may elect to remain in Washington, D.C. for a full year in the Truman-Albright Fellows Program. Scholars are placed in public service jobs – most with the federal government – while participating in a graduate level public policy discussion, mentoring opportunities, and a community service program.
- ***Recruitment and Alumni Events:*** The Foundation travels to a number of colleges and universities, conferences, and meetings each year to increase awareness of the award as well as government and public service careers in

general. The Foundation also fosters community through events and social media among the more than 3,000 Truman Scholars who have been selected since the Foundation was established in 1975.

The Foundation is a small independent agency within the Executive Branch of the Federal government. The Foundation staff consists of the Executive Secretary, Deputy Executive Secretary, and, at full strength, four professional staff members. Two professional staff positions are unfilled at this time as a cost-saving measure. We have one short-term fellow working with us in order to save money. The current four person staff operates and manages all Foundation programs.

The Foundation Trust Fund was established with a \$30 million appropriation in 1976. Congress provided no additional funds until FY 2009. The authorizing legislation directed that this endowment be invested solely in U.S. Treasury Securities. The Foundation's operating budget has always come from interest earned from these Treasury Securities. With the significant decline in interest rates in recent years, the Foundation has experienced a substantial decline in revenue.

Budget

The Harry S. Truman Scholarship Foundation requests an appropriation of \$1,860,500 for FY 2017 to cover the reduction in earnings from its Trust Fund. This is the ninth request for an appropriation since the Foundation's initial appropriation in 1976.

I. Revenue / Expense comparison FY 2002 through FY 2017

Declining federal financial support has seriously affected the Foundation's ability to fulfill its mandate. Between 2002 and 2015, the Foundation experienced a 79% decline in earnings from its trust fund. The Foundation cut the operating budget by 40%. With interest rates on Treasuries still low, earnings on our trust fund continue to decline. Meanwhile, our obligations for payments on scholarships are now stable (based on prior year commitments to students).

| FY | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
|----------|--------|--------|--------|--------|--------|--------|--------|--------|
| Revenue | \$3.59 | \$3.50 | \$3.16 | \$3.04 | \$2.74 | \$2.79 | \$2.40 | \$2.47 |
| Expenses | \$3.94 | \$3.34 | \$3.38 | \$3.28 | \$2.95 | \$2.95 | \$2.75 | \$2.76 |

| FY | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 (est) | 2017 (est) |
|----------|--------|--------|--------|--------|--------|--------|---------------|---------------|
| Revenue | \$1.26 | \$1.77 | \$1.32 | \$1.12 | \$1.22 | \$0.75 | \$0.75 | \$0.70 |
| Expenses | \$2.39 | \$2.28 | \$2.37 | \$2.85 | \$2.52 | \$2.46 | \$2.56 | \$2.56 |

Amounts expressed in \$ millions.

II. Budget Categories

The \$2.56m FY 2017 operating budget of the Foundation falls into the following categories:

| | |
|--|-----|
| Scholar Payments, Programming & Events | 67% |
| Overhead & Salaries | 33% |

III. Budget Detail

A more detailed budget for FY 2009 through FY 2017 is set forth below:

| | FY 2009 | FY 2010 | FY 2011 | FY 2012 | FY 2013 | FY 2014 |
|----------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Trust Fund Revenue | \$2,469,838 | \$1,259,022 | \$1,772,157 | \$1,323,229 | \$1,119,941 | \$1,122,959 |
| Expenditures | | | | | | |
| Scholar Payments | \$1,542,156 | \$1,178,642 | \$1,189,380 | \$1,217,616 | \$1,458,736 | \$1,219,770 |
| Scholar Programming | \$349,438 | \$320,258 | \$377,947 | \$298,281 | \$311,159 | \$339,392 |
| Scholar Selection | \$47,534 | \$47,728 | \$41,162 | \$53,527 | \$59,825 | \$62,488 |
| Salaries & Benefits | \$563,968 | \$675,740 | \$508,525 | \$638,640 | \$648,100 | \$684,840 |
| Rent, Communications & Utilities | \$181,602 | \$89,207 | \$94,783 | \$83,860 | \$315,932 | \$137,659 |
| Contractor Services | \$60,717 | \$64,025 | \$63,213 | \$57,764 | \$44,675 | \$51,963 |
| Equipment | \$-0- | \$192 | \$72 | \$12,420 | \$3,261 | \$3,909 |
| Printing | \$7,914 | \$7,134 | \$5,244 | \$8,159 | \$6,241 | \$9,775 |
| Board Travel | \$4,920 | \$7,231 | \$4,479 | \$3,720 | \$6,157 | \$6,912 |
| Total Expenditures | \$2,758,250 | \$2,390,157 | \$2,884,805 | \$2,373,987 | \$2,854,086 | \$2,516,708 |

| | FY 2015 | FY 2016 (est) | FY 2017 (est) |
|----------------------------------|--------------------|--------------------|--------------------|
| Trust Fund Revenue | \$752,157 | \$750,000 | \$700,000 |
| Expenditures | | | |
| Scholar Payments | \$1,213,122 | \$1,300,000 | \$1,300,000 |
| Scholar Programming | \$327,431 | \$330,000 | \$330,000 |
| Scholar Selection | \$56,901 | \$60,000 | \$60,000 |
| Salaries & Benefits | \$635,784 | \$650,000 | \$650,000 |
| Rent, Communications & Utilities | \$148,242 | \$150,000 | \$150,000 |
| Contractor Services | \$59,250 | \$55,000 | \$55,000 |
| Equipment | \$2,328 | \$2,500 | \$2,500 |
| Printing | \$8,102 | \$8,000 | \$8,000 |
| Board Travel | \$4,311 | \$5,000 | \$5,000 |
| Total Expenditures | \$2,455,471 | \$2,560,500 | \$2,560,500 |

Appropriations Requested

The Foundation requests an appropriation of \$1,860,500 for FY 2017 to offset the significant decline in revenue from the trust fund. The request is meant to prevent an incursion into the corpus of the trust fund. Without additional federal funding support, the Foundation will be required to spend \$1,860,500 of the corpus of the trust fund simply to maintain the already dramatically reduced annual operating budget. Such a reduction in the corpus of the trust fund would start a dramatic downward spiral in interest revenue for future years.

Appropriations Language

For payment to the Harry S. Truman Scholarship Foundation Trust Fund established under section 10 of Public Law 93.642, the Harry S. Truman Memorial Scholarship Act (20 U.S.C. 2009), \$1,860,500 to remain available until expended.

Harry S. Truman Scholarship Foundation

Congressional Justification

FY 2018

For additional information, contact:

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Executive Secretary
202.395.3545
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CONGRESSIONAL JUSTIFICATION
FY 2018 BUDGET
HARRY S. TRUMAN SCHOLARSHIP FOUNDATION

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Executive Summary

I. History of Congressional Appropriations

| | FY 2009 | FY 2010 | FY 2011 | FY 2012 | FY 2013 | FY 2014 |
|---------------|-----------|-----------|-----------|-------------|-------------|-------------|
| Request | \$500,000 | \$660,000 | \$950,000 | \$1,400,000 | \$1,700,000 | \$1,650,000 |
| Appropriation | \$500,000 | \$660,000 | \$750,000 | \$748,000 | \$748,000 | \$750,000 |

| | FY 2015 | FY 2016 | FY 2017 | FY2018 |
|---------------|-------------|-------------|-------------|-------------|
| Request | \$1,932,000 | \$1,810,000 | \$1,860,500 | \$1,971,500 |
| Appropriation | \$750,000 | \$1,000,000 | | |

II. Budget

| | FY 2009 | FY 2010 | FY 2011 | FY 2012 | FY 2013 | FY 2014 |
|--|-------------|-------------|-------------|-------------|--------------------------|-------------|
| Trust Fund Revenue | \$2,496,838 | \$1,259,022 | \$1,772,157 | \$1,323,229 | \$1,119,941 | \$1,222,959 |
| Expenditures | | | | | | |
| Scholar Payments | \$1,542,157 | \$1,178,642 | \$1,189,380 | \$1,217,616 | \$1,458,736 | \$1,219,770 |
| Scholar Programming Support & Selection | \$396,972 | \$367,985 | \$419,109 | \$351,322 | \$370,984 | \$401,880 |
| Salaries, Benefits, Overhead, & Communications | \$819,121 | \$843,530 | \$676,316 | \$805,049 | \$1,024,366 ¹ | \$854,017 |
| Total Expenditures | \$2,758,250 | \$2,390,157 | \$2,284,805 | \$2,373,987 | \$2,854,086 | \$2,516,708 |

| | FY 15 | FY 16 | FY 17 (est) | FY 18 (est) |
|---|-------------|-------------|-------------|-------------|
| Trust Fund Revenue | \$752,157 | \$714,334 | \$700,000 | \$700,000 |
| Expenditures | | | | |
| Scholar Payments | \$1,213,122 | \$1,020,942 | \$1,300,000 | \$1,300,000 |
| Scholar Programming Support & Selection | \$384,332 | \$446,931 | \$476,500 | \$476,500 |
| Salaries, Benefits, Overhead & Communications | \$858,017 | \$896,557 | \$895,000 | \$895,000 |
| Total Expenditures | \$2,455,471 | \$2,364,430 | \$2,671,500 | \$2,671,500 |

¹ In FY 2013, the Foundation incurred a \$200,000 expenditure for a new web infrastructure. The Foundation's old website was ten years old and no longer able to support the application and reporting requirements for the Truman Scholarship.

III. Harry S. Truman Scholarship Foundation Funding History

The Harry S. Truman Scholarship Foundation was established by Congress in 1975 as the sole federal memorial to President Truman to support graduate education for young people committed to careers in public service. The authorizing statute mandated that the trust fund be invested solely in U.S. Treasury Securities. As a result of declining interest rates on Treasuries, the annual yield from the trust fund has declined by 79% (\$2.84m) from FY 2002 to FY 2016. The Foundation has cut its expenditures by 40% over the past fourteen years. Even with these significant reductions, the Foundation anticipates a budget deficit of \$1.972m for FY 2018 without the requested appropriation.

The original value of the scholarship in 1977 (\$20,000) covered the full average annual cost of tuition, room and board for four years of higher education. The cost of higher education has increased in excess of 500% since 1977. The Scholarship has increased only 50% since 1977 to \$30,000. The current value of the scholarship fails to cover even the cost of tuition alone for only two years of graduate study.

IV. FY 2018 Appropriation Request

The Foundation requests an appropriation of \$1,971,500 in FY 2018 to offset the decline in trust fund revenues.

History and Program

The Harry S. Truman Scholarship Foundation is an independent agency established by Congress in 1975 (P.L. 93-642; 20 U.S.C. 2001, et seq.) as the sole federal memorial to President Truman. The authorizing legislation charged the Foundation with the mission of encouraging exceptional college students to pursue careers in public service with support from Truman Scholarships.

The Truman Scholarship is a merit-based award available to college juniors who plan to pursue careers in government or elsewhere in public service. Truman Scholars receive up to \$30,000 for graduate or professional school, participate in leadership development activities, and have special opportunities for internships and employment with the federal government. The Truman Scholarship program has several components:

- ***The Selection Process:*** The Foundation conducts a national selection process to identify Truman Scholars. All accredited two and four-year U.S. institutions are eligible to nominate students for the award. Students apply for the Truman in their junior year of college and must complete a lengthy application. A Finalist Selection Committee reviews all nominated candidates (approximately 750 are received each year) and selects approximately one-third for interview. Sixteen Regional Review Panels in various locations around the country then interview finalists and select 60 students as Truman Scholars each year.
- ***Truman Scholars Leadership Week:*** All newly-selected Truman Scholars are required to attend a six-day orientation in order to become familiar with the services provided by the Foundation and the many pathways to public service. Scholars participate in seminars and workshops with distinguished Truman alumni and other public service leaders, a policy analysis project, a graduate school and career fair, and community service events.
- ***Summer Institute:*** Immediately after college graduation, Scholars have the opportunity to participate in a nine-week long Summer Institute in Washington, D.C. The Foundation arranges internships with government agencies and nonprofit organizations, seminars and workshops, meetings with Washington policymakers and Truman alumni, and opportunities for community building among Scholars.
- ***Truman-Albright Fellows Program:*** After Summer Institute, Scholars may elect to remain in Washington, D.C. for a full year in the Truman-Albright Fellows Program. Scholars are placed in public service jobs – most with the federal government – while participating in a graduate level public policy discussion, mentoring opportunities, and a community service program.
- ***Recruitment and Alumni Events:*** The Foundation travels to a number of colleges and universities, conferences, and meetings each year to increase awareness of the award as well as government and public service careers in

general. The Foundation also fosters community through events and social media among the more than 3,000 Truman Scholars who have been selected since the Foundation was established in 1975.

The Foundation is a small independent agency within the Executive Branch of the Federal government. The Foundation staff consists of the Executive Secretary, Deputy Executive Secretary, and, at full strength, four professional staff members. Two professional staff positions are unfilled at this time as a cost-saving measure. We have one short-term fellow working with us in order to save money. The current four person staff operates and manages all Foundation programs.

The Foundation Trust Fund was established with a \$30 million appropriation in 1976. Congress provided no additional funds until FY 2009. The authorizing legislation directed that this endowment be invested solely in U.S. Treasury Securities. The Foundation's operating budget has always come from interest earned from these Treasury Securities. With the significant decline in interest rates in recent years, the Foundation has experienced a substantial decline in revenue.

Budget

The Harry S. Truman Scholarship Foundation requests an appropriation of \$1,971,500 for FY 2018 to cover the reduction in earnings from its Trust Fund. This is the ninth request for an appropriation since the Foundation's initial appropriation in 1976.

I. Revenue / Expense comparison FY 2002 through FY 2018

Declining federal financial support has seriously affected the Foundation's ability to fulfill its mandate. Between 2002 and 2016, the Foundation experienced a 79% decline in earnings from its trust fund. The Foundation cut the operating budget by 40%. With interest rates on Treasuries still low, earnings on our trust fund continue to decline. Meanwhile, our obligations for payments on scholarships are now stable (based on prior year commitments to students).

| FY | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|----------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Revenue | \$3.59 | \$3.50 | \$3.16 | \$3.04 | \$2.74 | \$2.79 | \$2.40 | \$2.47 | \$1.26 |
| Expenses | \$3.94 | \$3.34 | \$3.38 | \$3.28 | \$2.95 | \$2.95 | \$2.75 | \$2.76 | \$2.39 |

| FY | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 (est) | 2018 (est) |
|----------|--------|--------|--------|--------|--------|--------|---------------|---------------|
| Revenue | \$1.77 | \$1.32 | \$1.12 | \$1.22 | \$0.75 | \$0.71 | \$0.70 | \$0.70 |
| Expenses | \$2.28 | \$2.37 | \$2.85 | \$2.52 | \$2.46 | \$2.36 | \$2.67 | \$2.67 |

Amounts expressed in \$ millions.

II. Budget Categories

The \$2.67m FY 2018 operating budget of the Foundation falls into the following categories:

| | |
|--|-----|
| Scholar Payments, Programming & Events | 67% |
| Overhead & Salaries | 33% |

III. Budget Detail

A more detailed budget for FY 2009 through FY 2018 is set forth below:

| | FY 2009 | FY 2010 | FY 2011 | FY 2012 | FY 2013 | FY 2014 |
|----------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Trust Fund Revenue | \$2,469,838 | \$1,259,022 | \$1,772,157 | \$1,323,229 | \$1,119,941 | \$1,122,959 |
| Expenditures | | | | | | |
| Scholar Payments | \$1,542,156 | \$1,178,642 | \$1,189,380 | \$1,217,616 | \$1,458,736 | \$1,219,770 |
| Scholar Programming | \$349,438 | \$320,258 | \$377,947 | \$298,281 | \$311,159 | \$339,392 |
| Scholar Selection | \$47,534 | \$47,728 | \$41,162 | \$53,527 | \$59,825 | \$62,488 |
| Salaries & Benefits | \$563,968 | \$675,740 | \$508,525 | \$638,640 | \$648,100 | \$684,840 |
| Rent, Communications & Utilities | \$181,602 | \$89,207 | \$94,783 | \$83,860 | \$315,932 | \$137,659 |
| Contractor Services | \$60,717 | \$64,025 | \$63,213 | \$57,764 | \$44,675 | \$51,963 |
| Equipment | \$-0- | \$192 | \$72 | \$12,420 | \$3,261 | \$3,909 |
| Printing | \$7,914 | \$7,134 | \$5,244 | \$8,159 | \$6,241 | \$9,775 |
| Board Travel | \$4,920 | \$7,231 | \$4,479 | \$3,720 | \$6,157 | \$6,912 |
| Total Expenditures | \$2,758,250 | \$2,390,157 | \$2,884,805 | \$2,373,987 | \$2,854,086 | \$2,516,708 |

| | FY 2015 | FY 2016 | FY 2017 (est) | FY 2018 (est) |
|----------------------------------|--------------------|--------------------|--------------------|--------------------|
| Trust Fund Revenue | \$752,157 | \$714,334 | \$700,000 | \$700,000 |
| Expenditures | | | | |
| Scholar Payments | \$1,213,122 | \$1,020,942 | \$1,300,000 | \$1,300,000 |
| Scholar Programming | \$327,431 | \$390,432 | \$409,000 | \$409,000 |
| Scholar Selection | \$56,901 | \$56,499 | \$67,500 | \$67,500 |
| Salaries & Benefits | \$635,784 | \$688,110 | \$685,000 | \$685,000 |
| Rent, Communications & Utilities | \$148,242 | \$141,462 | \$144,500 | \$144,500 |
| Contractor Services | \$59,250 | \$46,495 | \$50,000 | \$50,000 |
| Equipment | \$2,328 | \$6,969 | \$2,500 | \$2,500 |
| Printing | \$8,102 | \$9,498 | \$8,000 | \$8,000 |
| Board Travel | \$4,311 | \$4,023 | \$5,000 | \$5,000 |
| Total Expenditures | \$2,455,471 | \$2,364,430 | \$2,671,500 | \$2,671,500 |

Appropriations Requested

The Foundation requests an appropriation of \$1,971,500 for FY 2018 to offset the significant decline in revenue from the trust fund. The request is meant to prevent an incursion into the corpus of the trust fund. Without additional federal funding support, the Foundation will be required to spend \$1,971,500 of the corpus of the trust fund simply to maintain the already dramatically reduced annual operating budget. Such a reduction in the corpus of the trust fund would start a dramatic downward spiral in interest revenue for future years.

Appropriations Language

For payment to the Harry S. Truman Scholarship Foundation Trust Fund established under section 10 of Public Law 93.642, the Harry S. Truman Memorial Scholarship Act (20 U.S.C. 2009), \$1,971,500 to remain available until expended.