

**South Carolina Commission on Higher Education**  
**Large Conference Room**  
**1333 Main Street, Suite 200**  
**Columbia, SC 29201**

**Committee on Access & Equity and Student Services**  
**Minutes of the Meeting**  
**August 2, 2006**  
**9:00 a.m.**

**Commission Members Present**

Ms. Cynthia Mosteller, Chairman  
Dr. Bettie Horne  
Mr. Dan Ravenel  
Dr. Mitchell Zais

**Staff Present**

|                      |                      |
|----------------------|----------------------|
| Dr. Karen Woodfaulk  | Ms. Arlene Criswell  |
| Dr. Tajuana Massie   | Mr. Franklin Davis   |
| Ms. Sandra Rhyne     | Ms. Lorinda Copeland |
| Ms. Rae McPherson    | Ms. Deborah Henning  |
| Ms. Karen Wham       | Ms. Yolanda Hudson   |
| Ms. Melissa Santilli | Ms. Sybil Gibbs      |
| Ms. Laverne Sanders  |                      |

**Guests**

|   |  |
|---|--|
| Ms. Sallie Glover, U.S.C. - Columbia        | Mr. Chuck Sanders, South Carolina Student Loan Association |
| Mr. Ed Miller, U.S.C. – Columbia            |  |
| Dr. Russ Bumba, SC Technical College System |  |

**1. Approval of Minutes and Welcome**

The meeting was called to order by Chairman Cynthia Mosteller. Chairman Mosteller asked if there were any questions regarding the minutes. **Motion** was made (Commissioner Bettie Horne) to accept the minutes. Chairman Mosteller noted that the minutes on page 3, the South Carolina HOPE Scholarship section, stated that 20% of the students went on to earn the LIFE Scholarship, but in the Committee's extended review she thought it was closer to 43%. Ms. Karen Wham stated that 67.4% of HOPE Scholarship recipients in Fall 2004 did not earn the LIFE Scholarship for Fall 2005 but still remained in a South Carolina college/university. Ms. Wham said that 19.4% of South Carolina HOPE Scholarship recipients did earn the LIFE Scholarship in Fall 2005. She said that 13.2% of Fall 2004 South Carolina HOPE Scholarship recipients did not enroll in a South Carolina college or university in Fall 2005. Chairman Mosteller asked if the data showed whether the students representing the 13.2% would have earned the LIFE Scholarship or not. Ms. Karen Wham stated that the 13.2% did not enroll in a SC institution at all. Dr. Woodfaulk said that the Commission could try to find out what

happened to these students. Commissioner Mitchell Zais stated that the vast amount of these students would not have earned the LIFE Scholarship because most of the students who dropped out at the end of the first year do so due to grades or finances. Commissioner Horne **modified the motion** to have the minutes clarified.

## 2. **Consideration of FY 2006-07 Administrative Budget**

Chairman Mosteller stated that the Committee would look at the approval of the South Carolina Student Loan Corporation Teacher Loan Operating Budget. Commissioner Mosteller noted that on the last page of the budget request there is \$35,000 more requested than last year. Dr. Woodfaulk said that the Teacher Loan Program had requested an increase in personnel costs. She said that personnel showed the highest cost, and this is the reason for the increase. Mr. Chuck Sanders asserted that \$20,000 of the \$35,000 is health care and insurance costs. Mr. Sanders stated that the other \$10,000 was due to salary increases of 3.50%. He said that the budget was also cut in other places. Commissioner Ravenel inquired as to whom else would approve the budget. Mr. Sanders responded that the appropriation is approved by the General Assembly and the Student Loan Corporation Board approves the Teacher Loan Program's budget. A **motion** (Commissioner Ravenel) was made and **approved** to accept the proposed budget.

## 3. **Scholarships and Grants**

Chairman Mosteller stated that the goal for the Committee is to have the Scholarships and Grants Report completed by October 2006 to take to the full Commission. Chairman Mosteller stated that the report should be ready to go to the General Assembly in January 2007. Chairman Mosteller stated that she would like to have a meeting to condense the Scholarships and Grants Report and the PowerPoint presentation from the July 6, 2006 meeting to make the information more consistent and pliable for the General Assembly. She said the PowerPoint presentation and Scholarships and Grants Report are not completely consistent for communication purposes.

Chairman Mosteller inquired about the correlation between student loan increases and the loss of scholarships. She stated that the General Assembly would want to know what happens to the student who loses his or her scholarship. Dr. Woodfaulk stated that the Commission staff would need to conduct a survey of the institutions to gather data about what happens to the students who lose their LIFE Scholarship. The Commission would need to work with the financial aid offices at the institutions to determine the percentage of students who lost the LIFE Scholarship that are receiving a loan or have applied for a loan. Dr. Woodfaulk said that the Commission would have to rely on the financial aid officers at the institutions for that kind of information. She stated that the Commission has information relating to whether a student has lost the LIFE Scholarship, but the Commission would not have data to ascertain whether a student applied for a loan. Commissioner Zais asked if taking out a loan was a considered a negative circumstance if the student lost the LIFE Scholarship. Chairman Mosteller replied no. She stated that it is part of the reality of what happens to a student who loses the Scholarship. Commissioner Zais stated that the parents of students who lose their LIFE Scholarships will more than likely provide the money for tuition. Commissioner Ravenel stated that while taking on the responsibility of a student loan is not a bad thing, it is not a great alternative to having a scholarship or having lower tuition. He said the impact of the loan lasts much longer.

Commissioner Ravenel said that it is the standard by which students are being measured that is causing them unnecessarily to get loans that linger on after their college career. Commissioner Zais asked if a change in the evaluative techniques is the determination of who continues on with a LIFE Scholarship. Mr. Chuck Sanders, SC Student Loan Corporation, said that the average debt when a student finishes college is \$16,000, and roughly 70% of the state's students do borrow money for college. He stated that only 10% of the Student Loan Corporation loans are at a lower rate.

Chairman Mosteller stated that revisions may not be made until the State is forced to make changes due to decreases in lottery revenue. Commissioner Zais stated that intention is missed because such an enormous percentage of the State's scholarship dollars goes to above-average students that are not based on financial need but instead on test scores. He said that a South Carolina scholarship award is completely different from the manner in which other states base their scholarship awards. Commissioner Ravenel stated that there is no controversy at all with the Palmetto Fellows Scholarship. He said the money appropriated to the Need-based Grant Program is too low. He said the focus really needs to be on the two scholarship programs (HOPE and LIFE) that do bring about some disappointment and could be thought of as wasted money. Commissioner Ravenel said that the original intent of the Scholarships and Grants Report was to see if there is an impact from the scholarships on the State. He feels that there is a positive impact; however, this may not be seen in the statistics. Commissioner Zais said that there would be a greater impact if the State targeted students with financial need. Chairman Mosteller said that the key question is whether or not a student continues on when they lose their scholarship. Commissioner Zais said the answer depends on their level of financial need. Chairman Mosteller inquired as to the 13% of SC HOPE Scholarship recipients who did not continue in school. If these students did not re-enroll in the same institution, did they attend any institution at all? Ms. Karen Wham responded that the students did not enroll in a South Carolina institution; therefore, they either went to an out-of-state institution or completely dropped out of college. Chairman Mosteller proposed to have a meeting with Dr. Woodfaulk to review Scholarships and Grants Report and bring it back to the Committee for final review.

### **Palmetto Fellows/Honors Colleges**

Ms. Melissa Santilli reported that the staff looked at the Honors Colleges of Clemson, College of Charleston and USC. She stated that the College of Charleston students can apply with very minimal requirements. She said if a student would like to apply, they write an essay and get a recommendation from their high school. She said that USC has a minimum SAT score of 1300 and that that students must submit an application. Ms. Santilli stated that at Clemson, students do not have to apply to the honors college; instead, the University notifies the students if they are eligible. The requirements at Clemson are to have a 650 on the reading section of the SAT and a 650 on the math section of the SAT. She said that Clemson only considers students in the top 3% of their high school class. Ms. Santilli said that the only freshmen from SC who would be eligible are the Palmetto Fellows Scholarship recipients but not all of them. Commissioner Ravenel inquired as to what percentage of honor students at Clemson are SC students. Ms. Santilli responded that 40% of the students were not from South Carolina. Commissioner Ravenel asked what the purpose was for discussing the honors requirements of the three schools. Chairman Mosteller explained that the purpose was to determine if any more marketing needed to be done through honors colleges, if there is any need for standardization of

the applications, or if there is anything the Commission can do to raise the awareness and prestige of the honors colleges among SC residents.

### **Need-based Grant Survey**

Dr. Karen Woodfaulk explained that the Committee wanted to know how the Need-based Grant recipients were paying for college. Dr. Woodfaulk said the Committee wanted to know whether the students were taking out loans. Ms. Sandra Rhyne presented a proposed survey that was centered on Need-based Grant students and other types of financial aid they received, how much need is left once all financial aid is applied to their account, how many students are taking out loans and the average award amount. Ms. Rhyne said the Commission knows that all of the needy students are not served by the Need-based Grant as many of the neediest students apply late. Commissioner Zais said the amount of money allocated to a college should not be based on FTE; instead allocation of funds should be based on the number of students eligible to receive Pell Grants. Dr. Woodfaulk explained that if the methodology was changed, institutions would not be required to award the Need-based Grant exclusively to Pell Grant recipients. As always, allocation will still go to the institution and the institution would still have the flexibility to determine which needy students receive the grant. Dr. Woodfaulk said the more Pell Grant recipients an institution has, based on the Pell Grant methodology, the more money the institution would be allocated. She stated that currently the allocation is only based on FTE headcount of South Carolina students.

#### 4. **New Business**

Dr. Woodfaulk explained an issue with the Uniform Grading Scale for the home school students. She stated that every student who is awarded a scholarship must have their GPA and class rank converted to the Uniform Grading Scale as approved by the General Assembly. She explained that there were concerns about the unevenness in the conversion process. Dr. Woodfaulk stated that the Commission requested that home school parents allow for an approved home school association to conduct the conversions on a uniform basis. She stated that some of the home school parents have concerns about their rights to perform the grade conversions for students. Dr. Woodfaulk said that the Commission advised the financial aid officers that if these parents do the conversions the students would be allowed to receive their Scholarships for the 2006-07 academic year. However, the Commission would like to have a series of meetings with the home school community for the purpose of discussing methods for Uniform Grading Scale conversions for home school students for the 2007-08 academic year forward.

Chairman Mosteller explained the scope of the Committee. She said that the Committee should not forget about the issue of service learning. She inquired as to whether the Access and Equity Committee should look at the issue of tuition.

Dr. Woodfaulk stated she would like for the Commission to consider a request to the General Assembly to give the staff and the institutions a one year lag time for changes to the scholarship programs because of the amount of time it takes to get data and preparation completed by everyone. Commissioner Ravenel stated that the issue is a question for the Commission to decide.

Commissioner Ravenel suggested that the Committee take a look at graduate scholarships. Dr. Woodfaulk said the Commission can do a review to see what information is available.

5. **Next Meeting Date**

The next meeting will be September 7, 2006, after the full Commission meeting. The meeting was adjourned at 10:30 a.m.

Respectfully Submitted,

*Laverne Sanders*