

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
July 6, 2006
10:30 a.m.

Commission Members Present

Mr. Dan Ravenel, Chairman
Dr. Bettie Horne
Ms. Cynthia Mostellar

Commissioners Members Absent

Dr. Mitchell Zais

Staff Present

Dr. Karen Woodfaulk
Dr. Gail Morrison
Ms. Julie Carullo
Mr. Michael Brown
Ms. Camille Brown
Ms. Arlene Criswell
Ms. Deborah Henning
Ms. Karen Wham

Ms. Yolanda Hudson
Dr. Tajuana Massie
Ms. Sandra Rhyne
Ms. Jocelyn Ross
Ms. Laverne Sanders
Ms. Melissa Santilli
Ms. Rae McPherson

Guests

Financial Aid Representatives

1. Approval of Minutes and Welcome

The meeting was called to order by Chairman Dan Ravenel. Chairman Ravenel asked for a motion to approve the minutes from the May 4, 2006 meeting. The **motion** was made (Commissioner Bettie Horne), **seconded** (Commissioner Cynthia Mostellar) and **carried** to approve the minutes as written.

2. Overview of Report

Dr. Woodfaulk explained that the purpose of the meeting was to receive input from the financial aid representatives attending the meeting. Dr. Woodfaulk gave an overview of the Scholarships and Grants Report.

Dr. Woodfaulk stated that the North Carolina Lottery is in its beginning stages. She said there have been discussions about what impact the North Carolina Lottery will have on South Carolina in terms of its lottery revenue. She said as stated in the Scholarship and Grants Report, 66% of the lottery revenue goes to scholarships and grants. There were other programs that received lottery funds but the largest portion goes to scholarships and grants. She stated

that if the State finds itself in a position of a shortfall, the Commission would need to examine the opportunities and the challenges in providing scholarships and grants. Dr. Woodfaulk reported that one of the reasons Georgia had a crisis in 2002 was because lawmakers failed to make early adjustments in the program that could have reduce cost. Instead, Georgia opted to make modifications and added thousands of students to the scholarship rolls. She stated that similar to other states, any recommendations that come from the Commission such omitting the book allowance will be met with public outcry.

Dr. Woodfaulk reported that merit based scholarship programs have increased in recent years. As the Report states, it appears that middle income families may be viewing the scholarships in Georgia as entitlements, and South Carolina may be experiencing that same kind of issue.

Dr. Woodfaulk stated the original questions from the Scholarship Report were: 1) does the original intent of the Scholarship program still mean anything; 2) how can the criteria change so that more students continue into the second and third years of college with scholarships; 3) what do statistics tell us about the overall achievement of college freshmen; and 4) which college did better in retention? She stated that several questions have emerged from the report and the data gathered.

Palmetto Fellows Scholarship

Ms. Melissa Santilli reviewed the Palmetto Fellows Scholarship program. She stated the acceptance rates have stayed consistent over the past three years. Ms. Santilli said the students are staying in-state. Approximately 18% leave the state to attend institutions such as Duke, Harvard, and MIT and other selective colleges and universities.

Ms. Santilli said one of the other goals of the Palmetto Fellows Scholarship is to encourage minority students to stay in state. She said the students earning the Scholarship right out of high school are keeping it. She reported that the Palmetto Fellows Scholarship has a overall retention rate of 91.5%.

LIFE Scholarship

Dr. Tajuana Massie presented information regarding the LIFE Scholarship from Fall 1998 - Fall 2004. In 1998, there were 20,645 first-time freshmen enrolled in institutions across South Carolina. Of those students, at least 5,778 (28%) of the first-time freshmen across the State were awarded the LIFE Scholarship. Dr. Massie stated that during Fall 2004 40.8% of students enrolled in institutions across the State were awarded the LIFE Scholarship. There was a 45% increase from Fall 1998 to Fall 2004 in the number of students who were awarded the LIFE Scholarship.

The results of the Scholarship and Grants Report indicated high retention rates for the LIFE Scholarship. The retention rate of students who were awarded the LIFE Scholarship from Fall 1998 to Fall 1999 was 59.6% and 65.4% from fall 2004 to fall 2005. Chairman Ravenel asked for clarification on whether the data included students who lose it after the first year and regain it in their senior year. Dr. Massie and Ms. Camille Brown stated that the data included those students who lost the scholarship and then regained it while in college.

Dr. Massie stated that the LIFE Scholarship had four primary goals when the program was established by the General Assembly. She said one of those goals was to ensure that students are encouraged to do well as they transition into college. She explained that the table labeled as *High School GPA for all South Carolina First-time, Full-time, Degree-seeking Freshmen* included in the report provides information concerning high school GPAs for all South Carolina first-time, full-time freshmen. She stated most students in high school did well and most maintained a B average while they were in high school. Dr. Woodfaulk stated that most of the students have earned B's and A's upon graduation from high school. She said this would at least allow for the students to receive a HOPE Scholarship or a LIFE Scholarship. Dr. Massie stated that after the end of the first academic year in college a majority of students who are awarded the LIFE Scholarship are able to maintain at least a 3.0 cumulative GPA.

HOPE Scholarship

Ms. Karen Wham explained that the HOPE Scholarship was first implemented in the 2002-2003 academic year. She explained that it was created for those students who had a 3.0 high school GPA and wanted to go to a four year institution but did not quite meet the eligibility requirements for LIFE or Palmetto Fellows. She stated that in 2004-2005 the program had about 2500 students awarded which cost the state approximately \$6 million. She stated that in 2004 about 20% went on to earn the LIFE Scholarship, about 67% did not earn LIFE but still remained enrolled in college, and about 13% didn't enroll in college at all. She stated that while the students may not go on to earn the LIFE Scholarship, the HOPE Scholarship does serve as an important purpose by giving those students that extra incentive to enroll in a four year college who may not have enrolled in college at all. Ms. Wham reported that 86% enrolled in college the following year and this is much better than the average freshmen rate. She stated 66% return in the public institutions, and about 69% return at the independent institutions. She said the retention rate is much greater for the HOPE Scholarship.

Ms. Wham said the Committee wanted to see what other types of aid these students were receiving. She said about 30% received the SC Need-based Grant, 23% received other institutional scholarships and 14% were required to take out loans.

3. Discussion of Proposed Scholarship Model

Dr. Woodfaulk reviewed the scholarship models. She said the Committee discussed a model where the Palmetto Fellows Scholarship requirements would be changed, requiring a 3.75 GPA, with a 1200 SAT score and a top 10% class rank; the LIFE Scholarship would change from a 3.0 to 3.5 GPA, with an 1100 SAT score and top 25% class rank; and finally the HOPE Scholarship would change to a 3.25 GPA. She stated the cost to the State would be \$7.7 million. She said the proposed initial eligibility criteria for the Palmetto Fellows Scholarship would change bringing up the GPA and expanding the class rank; the maximum award would increase from by \$300 to \$700 a year. She said there would be an additional 1,379 students (16.3%) receiving the scholarship. The cost to the state would be \$9.6 million. She stated no money would be saved from increasing the GPA and expanding the rank. Commissioner Mosteller added that one inequity that the Committee observed was that in some schools the rank is the top 6% and in smaller schools students are often penalized because the curve

happens to be very high. She said the Committee felt that broadening the class rank would be more of an equitable formula. She said if the GPA in high school tends to be high anyway, and the program is not losing students based on GPA, then the Committee might should look at a grid that has a higher GPA requirement in high school and a lower GPA required to keep the Scholarship. She stated the GPA would be a higher requirement in high school and a step downward in college. Chairman Ravenel added that the Committee talked about was possibly having a SAT score which would be the only criteria for certain students that may not be in the top 10% of their class. Dr. Gail Morrison asked what the rationale was for increasing the award by \$300.00. Dr. Woodfaulk replied that as tuition increases, the award should be more attractive as South Carolina students are being courted around the country. She added that the award has not changed for four years. Dr. Morrison stated that if the state is only losing 18% to very selective institutions, \$300 is probably not sufficient. Dr. Woodfaulk replied that if we keep this attractive enough over the period of years, then the scholarship will maintain. Commission Mosteller asked what can be done to court the students to stay in the State. Commission Mosteller said she would like to see students at the Governor's Honor School at the College of Charleston to be considered a Governor's "Palmetto Scholars".

Dr. Woodfaulk stated that in looking at the Fall 2004 data for the LIFE Scholarship, if the criteria were changed to a 3.5 GPA, an 1100 on the SAT, and the top 25% for the class rank with the award amount of \$5,000, we would lose 36.9% of our LIFE Scholarship recipients. Mr. Don Griggs, College of Charleston, said he would like for everyone to remember what happened to the Palmetto Fellows when South Carolina tried to be budget driven and not student driven. He stated the legislators stepped in, and the public would not stand for it. He said he thinks in all likelihood, that the middle income family that loses the award would speak out. Commissioner Bettie Horne asked if some of those students would move up to Palmetto Fellows. Dr. Woodfaulk responded that some would move up to the Palmetto Fellows because the requirement would expand to the top 10%, some would be awarded the HOPE Scholarship, while others would lose the scholarship entirely.

Dr. Woodfaulk explained that the HOPE GPA would be brought up to a 3.25 GPA, and the award would go up slightly to \$3,000. She stated the program would lose about 5.5% students. She also stated that some of the LIFE Scholarship students would then receive the HOPE Scholarship and some of the HOPE students would be out of the program altogether. Dr. Woodfaulk said the cost would be \$6.5 million.

Dr. Woodfaulk stated that if the regulations were changed so the Palmetto Fellow recipients had to earn a 3.5 GPA to maintain the Scholarship, the LIFE Scholarships recipients had to earn a 3.2 GPA to maintain and the HOPE Scholarship recipients had to earn a 3.0 GPA to maintain, all of the programs would significantly change.

4. Need-based Grant Overview and Discussion of Proposed Need-based Grant Methodology

Ms. Sandra Rhyne stated the purpose of the Need-based Grant. She explained the methodology for the Grant at public institutions. Due to limited funding most institutions develop a priority deadline for awarding the Need-based Grant. She explained that the Need-based Grant is awarded with the lowest estimated family contribution (EFC) as reported back from the Federal government. She expressed the concern that most of the State's neediest students do not apply to college until July or August when school starts. She reported that the maximum annual

award at public institutions is \$2,500 for full-time students and \$1,250 for part-time students. However, most institutions do not award the maximum amount. The average award for Fall 2005 was \$672. Ms. Rhyne also discussed how merit aid has dramatically risen in South Carolina since 1998. She stated the Need-based has barely increased during that same period.

Dr. Woodfaulk added that the issue was to make sure the Commission meets the intent of the law that states the Need-based Grant should be awarded to the “neediest” students. She stated the allocation should be based on Pell Grant enrollment not full-time enrollment to Pell Grant recipients. She said some money would be shifted out from some institutions and it would go to other institutions because of their high population of Pell Grant recipients. She said the Commission needs to look further at requesting an additional \$10 million. Dr. Woodfaulk stated that there continues to be a concern about the amount of money that is going into merit-based programs while we are not being very successful in the Need-based Program.

Dr. Woodfaulk stated that members of the State financial aid professional organization have been asked to serve on an advisory committee to the Commission. She said other institutions that are not members of the professional organization will also be included.

4. **Other Business**

Chairman Ravenel opened the floor for a nomination for Chairman of the Access & Equity and Student Services Committee. Commissioner Horne nominated Commissioner Mosteller, **seconded** (Commissioner Ravenel), **motion carried**. Chairman Ravenel said he will remain on the Committee.

Commissioner Mosteller asked attendees to submit feedback to Dr. Woodfaulk.

5. **Next Meeting Date**

The next meeting will be at 9:00 a.m. on August 2, 2006. The meeting was adjourned at 12:30 p.m.

Respectfully Submitted,

Laverne Sanders