



# South Carolina Commission on Higher Education

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June 3, 2010

## **MEMORANDUM**

**To:** Ms. Cynthia Mosteller, Chair, and Members  
Committee on Access & Equity and Student Services

**From:** Dr. Karen Woodfaulk, Director  
Student Services Division

### **SC HOPE Scholarship**

#### **Proposed Regulatory Amendments for the 2011-12 Academic Year**

The Commission on Higher Education staff proposes amendments to the regulation for the SC HOPE Scholarship. Act 280, the SC Illegal Immigration Reform Act, was approved during the 2008 legislative session and must be incorporated into the regulation. In addition, CHE is adding proposed language to the existing regulation to ensure that when higher education institutions are offering financial aid incentive packages to students, the state's contribution to the award is recognized as a separate part of the package. These legislative and policy changes may affect a student's eligibility for the SC HOPE Scholarship effective the 2011-12 Academic Year.

The South Carolina Association of Financial Aid Administrators' CHE Advisory Committee met on March 5, 2010, and provided their suggestions and comments about the proposed regulation. The proposed regulation was also e-mailed to the financial aid officers at all public and independent institutions via their listserv and CHE requested their input. CHE staff also presented the proposed changes to the regulation at the annual SCASFAA conference on April 14-16 of this year. The recommendations from the financial aid community were incorporated into the proposed regulation.

The regulation proposes two significant amendments, and several clarifying amendments to the administration of the SC HOPE Scholarship:

1. Act 280, the SC Illegal Immigration Reform Act, was passed during the 2008 legislative session. The Act requires institutions of higher learning in this state to develop a process through which a student's lawful presence in the United States is verified through the federal government. Students whose lawful presence cannot be verified cannot attend any of South Carolina's public higher education institutions, nor can they receive public benefits at any of the state's independent institutions. The proposed changes to the existing SC HOPE Scholarship regulation are necessary to ensure the current regulation is consistent with the legislative mandates of the South Carolina Illegal Immigration Act.

2. Recently, CHE has seen an increase in the number of phone calls from constituents regarding financial aid incentive packages that use State scholarship and grants as a portion of the award, but do not identify the part of the award package that comes from the State of South

Carolina. CHE is adding language to the existing regulation to ensure that the state's contribution to the award is recognized.

The first group of amendments is based on Act 280, the South Carolina Illegal Immigration Reform Act. The amendments ensure that a student's lawful presence in the United States has been verified with the federal government before the student is eligible to receive a LIFE Scholarship.

- **Table of Contents Section & 62-900.135(E)** – Adds language from Act 280, establishing that the Board of Trustees at each institution must develop a process through which the lawful presence of a SC HOPE Scholarship recipient is verified with the federal government before the student receives the Scholarship
- **Section 62-900.95 (V)** – Defines “Lawful Presence” is defined as individuals who are in the United States legally and documented. Only those students whose lawful presence has been verified with the federal government prior to college enrollment will be considered to receive the SC HOPE Scholarship.
- **Section 62-900.95(A), 62-900.95(J) & 62-900.135 (F)** – Clarifies that lawful presence must be verified at the time of initial college enrollment for a student to be eligible to receive the SC HOPE Scholarship.
- **Section 62-900.125(C)(10)** – Adds “verification from the appropriate institutional department that lawful presence of the student has been verified with the federal government” to the list of items that an institution must include in a SC HOPE Scholarship recipients student file each year.
- **Section 62-900.140(D)** – Clarifies that if an institution fails to verify a scholarship recipient, the institutions must return the funds disbursed in error to CHE.

The second major amendment inserts language that prohibits independent and public institutions from using the SC HOPE Scholarship in programs that promote financial aid incentives or packages. The language also requires that any mention of the SC HOPE Scholarship in these financial aid packages must indicate the scholarship to be separate from the University that is offering the financial aid package, and reference the SC HOPE Scholarship as a separate financial aid award, provided to the student by the State of South Carolina.

- **Table of Contents Section & Section 62-900.140(E)** -- Independent and public institutions of higher learning in this, or any other state in the U.S., are prohibited from using the South Carolina HOPE Scholarship or “SC HOPE” Scholarship in programs that promote financial aid incentives or packages. Any mention of the South Carolina HOPE Scholarship or “SC HOPE” Scholarship in these financial aid packages must indicate the scholarship to be separate from the University that is offering the financial aid package, and reference the South Carolina HOPE Scholarship or “SC HOPE” Scholarship as a separate financial aid award, provided to the student by the State of South Carolina.

Finally, the proposed regulation also includes minor changes to section **62-900.95** (Student Eligibility), **62-900.90** (Definitions) and **62-900.120** (Appeals) for clarification purposes and to promote consistency among State scholarship and grant programs. All proposed changes are highlighted in red in the attached regulation.

## **Recommendation**

The Commission staff recommends that the Committee on Access & Equity and Student Services approve the proposed amendments to the regulation for the SC HOPE Scholarship. If approved by the Committee on Access & Equity and Student Services and the Commission on Higher Education, the proposed regulation will be submitted to the General Assembly during the 2011 legislative session for approval under the Administrative Procedures Act.