



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

Palmetto Fellows Scholarship and Palmetto Fellows Scholarship Enhancement

Proposed Regulatory Amendments for the 2011-12 Academic Year

The Commission on Higher Education staff proposes amendments to the regulation for the Palmetto Fellows Scholarship and Palmetto Fellows Scholarship Enhancement. 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.

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 six major amendments, and several clarifying amendments to the administration of the Palmetto Fellows Scholarship and Palmetto Fellows Scholarship Enhancement:

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 Palmetto Fellows Scholarship and Scholarship Enhancement regulation are necessary to ensure the current regulation is consistent with the legislative mandates of the South Carolina Illegal Immigration Act.

2. It was found that an institution allowed their Palmetto Fellows Scholarship recipients to attend a two-year institution while they were suspended for a term, return to the four-year home institution, and still receive the Palmetto Fellows Scholarship. As such, it was necessary to clarify that Palmetto Fellows Scholarship recipients be continuously enrolled at a four-year institution only. This clarification was needed to promote consistency with the law.

3. Recently, officials from Presbyterian College have contacted CHE regarding the possible addition of their Pharmacy degree program on to the CHE approved list of degree programs that are eligible to receive Palmetto Fellows and Palmetto Fellows Scholarship Enhancements. Language has been added to allow for the addition of these programs to the list upon approval from the Academic Affairs Division of CHE.

4. Additional clarification was needed for the application process for the high school counselors and/or high school representatives as well as the selection process.

5. The deletion of awarding a percentage of Palmetto Fellows Scholarship recipients to attend public and independent institutions is no longer needed given that it is awarded to all students regardless of attendance at an eligible SC public or independent institution.

6. Specifies that higher education institutions separate the Palmetto Fellows Scholarship and Palmetto Fellows Scholarship from any financial aid that the institution is offering.

The first major amendment is based on Act 280, the South Carolina Illegal Immigration Reform Act. The amendment ensures 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 Palmetto Fellows Scholarship.

- **Section 62-325(I) & 62-325(H)** – 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 Palmetto Fellows Scholarship recipient is verified with the federal government before the student receives the Scholarship
- **Section 62-310 (CC)** – 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 Palmetto Fellows Scholarship.
- **Section 62-315(A)(4) & 62-325(B)** – Clarifies that lawful presence must be verified at the time of initial college enrollment for a student to be eligible to receive the Palmetto Fellows Scholarship.
- **Section 62-330(J)(13)** – 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 Palmetto Fellows Scholarship recipients student file each year.
- **Section 62-365(C)** – 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 stipulates that Palmetto Fellows Scholarship recipients must be continuously enrolled at four-year institution. Clarification was also added to stipulate that students must be continuously enrolled at an eligible four-year institution. Given this, a definition was added for “continuously enrolled.”

- **Section 62-335(B)** – Adds students must be continuously full-time enrollment at an eligible four-year institution. Students with a break in continuous enrollment at a four-year institution or initially enrolling at a two-year institution in the fall term after high school graduation will forfeit the scholarship.

- **Sections 62-318(A)(4), 62-315(C), 62-315(D), 62-335(B), 62-335(F)(1), 62-335(G)(2) & (4), 62-340(A) & (E), and 62-360(H)** – Adds that students must be enrolled in a four-year institution.

The third major amendment allows the Pharmacy degree program at Presbyterian College to be placed on to the CHE approved list of degree programs that are eligible to receive Palmetto Fellows and Palmetto Fellows Scholarship Enhancements. The inclusion of these programs is pending approval from the Academic Affairs Division of CHE.

- **Sections 62-310(L), 62-310(HH), 62-360(C)**, – Adds the Pharmacy program at Presbyterian College to the CHE approved list of eligible degree programs for the Palmetto Fellows Scholarship Enhancement.

The fourth major amendment pertains to the application process for the high school guidance counselors and/or high school representatives and the selection process of the Palmetto Fellows Scholarship.

- **Section 62-320(K)** – Clarifies when the rank of an out-of-state preparatory high school can be used to determine initial eligibility for the Palmetto Fellows Scholarship.
- **Section 62-320(A)** – Clarifies the application process for the Palmetto Fellows Scholarship.
- **Section 62-325(B)** – Clarifies the selection process for the Palmetto Fellows Scholarship.

The fifth major amendment proposed regulation deletes the 80/20 awarding process between the public independent institutions. The proposed regulation also includes minor changes to sections **62-310** (Definitions) and **62-1200.55** (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.

The last major amendment inserts language that prohibits independent and public two-year institutions from using the Palmetto Fellows Scholarship and Palmetto Fellows Scholarship Enhancement in programs that promote financial aid incentives or packages. The language also requires that any mention of the Palmetto Fellows Scholarship and Palmetto Fellows Scholarship Enhancement in these financial aid packages must indicate the grant to be separate from the college that is offering the financial aid package, and reference the Palmetto Fellows Scholarship and Palmetto Fellows Scholarship Enhancement as a separate financial aid award, provided to the student by the State of South Carolina

- **Section 62-370 Program Administration and Audits**

F. Independent and public institutions of higher learning in this, or any other state in the U.S., are prohibited from using the Palmetto Fellows Scholarship in programs that promote financial aid incentives or packages. Any mention of the Palmetto Fellows 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 Palmetto Fellows Scholarship as a separate financial aid award, provided to the student by the State of South Carolina.

Recommendation

The Commission staff recommends that the Committee on Access & Equity and Student Services approve the proposed amendments to the regulation for the Palmetto Fellows Scholarship and Palmetto Fellows Scholarship Enhancement. 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.

