



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

South Carolina Need-based Grant

Proposed Regulatory Amendments for the 2011-12 Academic Year

The Commission on Higher Education staff proposes amendments to the regulation for the SC Need-based Grant. 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 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 three major amendments, and one clarifying amendments to the administration of the SC Need-based Grant:

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 Need-based Grant regulation are necessary to ensure the current regulation is consistent with the legislative mandates of the South Carolina Illegal Immigration Act.

2. Inclusion of an initial eligibility requirement for students who have already earned college credit and seeking to apply for the SC Need-based Grant for the first time.

3. Specifies that higher education institutions separate the SC Need-based Grant 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 SC Need-based Grant.

- **Section 62-470(J), 62-470(I)** – 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 Need-based Grant recipient is verified with the federal government before the student receives the Grant.
- **Section 62-460(H)** – 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 Need-based Grant.
- **Section 62-465(B)** – Clarifies that lawful presence must be verified at the time of initial college enrollment for a student to be eligible to receive the SC Need-based Grant.
- **Section 62-470(K)(12)** – 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 Need-based Grant recipients student file each year.
- **Section 62-495(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 amendment provides an eligibility requirement for degree-seeking students receiving the SC Need-based Grant for the first time.

- **Section 62-465 – Student Eligibility**

A.(9). Students that have previously earned credit hours and applying for the SC Need-based Grant for the first time must have earned a cumulative 2.0 grade point average on a 4.0 scale for graduation purposes at the end of the academic year before awarding the Grant.

The last major amendment inserts language that prohibits independent and public two-year institutions from using the SC Need-based Grant in programs that promote financial aid incentives or packages. The language also requires that any mention of the SC Need-based Grant 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 SC Need-based Grant as a separate financial aid award, provided to the student by the State of South Carolina

- **Section 62-500 Program Administration and Audits**

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

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 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.