

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
September 7, 2006
10:00 a.m.

Commission Members Present

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

Staff Present

Ms. Camille Brown	Dr. Tajuana Massie
Mr. Michael Brown	Dr. Gail Morrison
Ms. Arlene Criswell	Mr. Frank Myers
Mr. Franklin Davis	Ms. Stephanie Reynolds
Ms. Sybil Gibbs	Ms. Sandra Rhyne
Ms. Deborah Henning	Ms. Laverne Sanders
Ms. Yolanda Hudson	Ms Virginia Winfrey
Dr. Lynn Kelley	Dr. Karen Woodfaulk

Guests

Mr. Chris Baker - Bob Jones University	Dr. Ed Miller, U.S.C.–Columbia
Ms. Sandra Davis, SC State University	Mr. Tom Nelson, Lander University
Mr. Joey Derrick, USC Columbia	Mr. Wayne Landrith, SCICU
Ms. Sallie Glover, U.S.C. - Columbia	Ms. Cindy Peachey, USC-Columbia
Mr. Fred Hardin, Lander University	Mr. Keith Reeves, Clemson University

1. Introductions

The meeting was called to order by Chairman Cynthia Mosteller. Dr. Karen Woodfaulk requested that the audience introduce themselves.

2. Approval of Minutes and Welcome

The meeting was called to order by Chairman Cynthia Mosteller. Chairman Mosteller asked for a motion to approve the minutes of the meeting held on August 2, 2006. A **motion** was made by Commissioner Mick Zais and **seconded** by Commissioner Dan Ravenel and **carried** to approve the minutes as written.

3. **State Scholarships and Grants Report**

Dr. Karen Woodfaulk gave an overview of the Executive Summary of the Scholarships and Grants Report. She stated that the Scholarships and Grants Report was reviewed in a variety of ways. She said that some small changes have been made in the report such as adding additional data. She explained that adjustments were made to the charts and not to the data.

Dr. Woodfaulk reported that the Palmetto Fellows Scholarship Program had the highest retention rate. She stated that the retention rate was around 91%. Dr. Woodfaulk said that the recommendation from the Committee was to look at methods for keeping students who earned the Palmetto Fellows Scholarship in the State. She said that approximately 19% of those students who declined the Scholarship and left the State enrolled in very reputable institutions. Dr. Woodfaulk stated that the Commission needs to make sure that the Palmetto Fellows Scholarship Program remains very attractive for these students.

Dr. Woodfaulk reported that the LIFE Scholarship Program has changed throughout the years. She said that the Program started out as a \$3,000 award and that students were required to meet an ACT or SAT score criterion. Dr. Woodfaulk stated that throughout the years the criteria has changed, which has allowed for students to get the LIFE Scholarship if they met a GPA requirement and also if they met the class rank requirement. She said that the Commission has found that the number of students who qualify based on SAT/ACT scores have considerably decreased; however, overall, many of the students have maintained the Scholarship in the sophomore and junior years. Dr. Woodfaulk stated that the freshman year continues to be a challenge, especially for those students who earn the LIFE Scholarship by meeting the class rank and GPA eligibility criteria. She noted that in the LIFE Scholarship Program, most of the students meet a GPA of 3.0 upon exiting high school. She said that simply earning a 3.0 GPA in high school is not enough to help students maintain the LIFE Scholarship at the end of their freshman year. Dr. Woodfaulk stated that this is something the Commission should research more thoroughly. Dr. Woodfaulk said the Commission has found that the rate in which SC HOPE Scholarship recipients earn the LIFE Scholarship is not very high. She stated that the rate is around 19%. However, in the SC HOPE Scholarship Program, even if students lose the Scholarship the majority continue to persist through college.

Dr. Woodfaulk noted that the Lottery Tuition Assistance Program was established to help non-traditional students either prepare for a career change or to gain an associate's degree, certificate, or diploma. She stated that the Lottery Tuition Assistance Program has been used for dually enrolled students in high school. She said this was not the original intent of the program. Dr. Woodfaulk stated that there have been discussions at the Commission about reducing the requirements from six credit hours to three credit hours, to enable high school dually enrolled students to receive Lottery Tuition Assistance funds. She said, however, that the Education and Economic Development Act (EEDA) Committee on Articulation and Dual Enrollment, High School Graduation and Postsecondary Education Alignment has recommended a separate funding stream specifically designed for dually enrolled students through the Pathways Tuition Grants Program. For 2007-08, the SC Department of Education, supported by the Commission, SC State Technical Board, and the EEDA coordinating council, is requesting approximately \$10.1 million from the SC General Assembly to fund this program.

Dr. Woodfaulk reported that the Need-based Grant Program was established in 1996. She stated that South Carolina was one of the last states in the nation to fund a need-based program. She said that the funding for merit-based programs has increased tremendously in the State, while the Need-based Grant Program has increased very little in comparison. She stated this has caused some concern. Dr. Woodfaulk said that the allocation of the Need-based Grant is also an issue. She said that the Need-based Grant allocation to institutions is awarded based on full-time enrollment head-count. However, the financial aid officers have the flexibility to distribute funds across the campus using institutional policies and Federal methodology for awarding. Dr. Woodfaulk stated that there has been discussion on changing the allocation methodology to be based upon the number of Pell Grant recipients at an institution.

Commissioner Mitchell Zais inquired as to whether the Commission has statistics on Palmetto Fellows and SC HOPE Scholarship first-time recipients such as the statistics on the LIFE Scholarship first-time freshmen in the Scholarships and Grants Report. The percent of first-time freshmen awarded the LIFE Scholarship is 41% in the Scholarships and Grants Report. Ms. Camille Brown replied that the information is available.

Commissioner Dan Ravenel stated that on page two of the report illustrates the Need-based Grant is distributed to the institutions by the Pell Grant model. The allocated money is not given to the students, but is given to the institutions, and the institutions will determine how the money is disbursed to the students.

Dr. Ed Miller, Director of Financial Aid at USC Columbia, shared data that summarizes aggregate need for awarding undergraduate SC residents on his campus. Dr. Miller suggested that a reallocation model of aggregate need would shift about \$1 million away from the USC Columbia and over \$1 million from Clemson University. He stated that colleges are required by federal law to define exceptional financial need and many schools define need as the ability to meet 50% of the cost of education. There is a dramatic need even after applying grants award. Dr. Miller said students who have Pell Grant eligibility by federal definition are “the neediest students” in looking at their economic situation. Their need is defined by the cost of education minus their resources. A student has a high need if he or she is a Pell Grant eligible student; however, if they choose to attend a lower cost institution, than their need will be less. Dr. Miller said he is concerned about the proposed Pell Grant model. Dr. Miller suggests holding to the current allocation model that is in place and only talk about reallocating new dollars to those institutions.

Commissioner Zais stated that there is no comparative data in the statistics provided by Dr. Miller. He said that there is a large enrollment and a large unmet need at USC Columbia. Commissioner Zais said that the definition of need is the difference between the cost of attendance and the expected family contribution.

Commissioner Ravenel inquired as to what would be an alternative method to the Pell Grant methodology. Dr. Miller stated that he suggests what he has provided in the aggregate need data. Dr. Miller added that he cannot say it is a better measure. Dr. Miller said he could not provide comparative data. Commissioner Ravenel stated that comparative data is available from the institutions.

Commissioner Zais inquired as to the amount of Clemson's tuition. Mr. Keith Reeves, Associate Director of Financial Aid at Clemson University, replied it was \$4,500 a semester. Commissioner Zais stated that 100% of SC residents who were admitted to Clemson two years ago received either the Palmetto Fellows or the LIFE Scholarship according to President Barker. Dr. Zais stated that Clemson is receiving a significant portion of the state aid. Mr. Reeves stated that 98% of the students at Clemson University receive the Palmetto Fellows, the LIFE or the SC HOPE Scholarship their freshman year. He said there are no problems with freshmen students earning the scholarships. He stated it is the remaining three years of college that are an issue.

Commissioner Ravenel inquired as to the percentage of students who leave school because their finances have been interrupted by the loss of their scholarship. Dr. Miller stated that 10% of students leave school due to lack of financial assistance.

Commissioner Ravenel inquired as to the percentage of students who lose their scholarship and cannot accept their financial award and leave college. Dr. Ed Miller replied that there are very few students who leave because they cannot afford to attend college. He said that students leave for reasons such as their job taking them away or new economic demands. Chairman Mosteller inquired about the issue of student loans. Dr. Miller replied that student loans are exacerbated because there is not enough grant money to provide to students.

Ms. Sandra Davis, Director of Financial Aid at SC State University, stated that the Pell Grant methodology would put the financial aid money where it needs to go. She said SC State University does not have a large population of students who receive the Palmetto Fellows Scholarship. Ms. Davis said that a small population of students is eligible for the LIFE Scholarship, but that there is a larger population that qualifies for the Pell Grant. She said there is a high percentage of needy students at SC State University. Ms. Davis said she could not say today if the proposed allocation or some other means will be the best; but, the proposed allocation would help a number of SC State University students.

Mr. Tom Nelson, Vice President of Enrollment at Lander University, stated that Lander does not have 98% of their students receiving the LIFE or Palmetto Fellows Scholarship. He said Lander does have many Pell Grant recipients. Mr. Nelson stated that Pell Grant eligibility is only one component to consider.

Chairman Mosteller said it is hard to defend allocation based on FTEs. Commissioner Horne said it is important to remember that one or two institutions will be impacted by any action taken by making corrections to the Need-based Grant Program to give money to students who are the neediest. She stated that this is what the taxpayers would expect the Commission to do, rather than to have as the primary concern the welfare of the institutions.

Dr. Woodfaulk stated that regional meetings will convene around the state to discuss the issue of what is a "needy" student at the institutions. She said personnel at the colleges and universities will be invited, and the members of the Committee will also be invited. Ms. Sandra Rhyne explained that the meeting will consist of open discussions concerning what is a needy student in the state of South Carolina, what is being done for these "needy students," what kind of aid is available, and how should the State retain needy students. She stated that the Commissioners, financial aid officers, members of the religious community, the chambers of

commerce, and anyone who has a vested interest will be invited to the meetings. Chairman Mosteller requested that institutions come forward with a concept proposal for a methodology.

Commissioner Ravenel inquired as to how the amount of \$10 million was obtained. Dr. Woodfaulk said the data was based on a survey that was sent out about three years ago to ask the institutions to determine whether students had additional need. She said it was determined from the survey that students at the institutions did have additional need. Dr. Woodfaulk stated that this is the latest data the Commission has and that new data will come out in the October survey.

3. **Meeting Calendar 2006-2007**

Dr. Woodfaulk requested the dates of availability for the Committee on Assess and Equity and Student Services to meet. Commissioner Ravenel stated that there were discussions held at the Executive Committee meeting to figure out ways to meet preferably in the afternoon of the Commission meetings and let the Finance Committee meet in the mornings. The Committee agreed to meet in the afternoon of the next Commission meeting to be held at Clemson University on October 5, 2006.

4. **Adjournment**

Commissioner Ravenel **motioned** and Commissioner Zais **seconded** for adjournment of the meeting. The meeting was adjourned at 11:00 a.m.

Respectfully Submitted,

Laverne Sanders