

Proposed Methodologies for Awarding the SC Need-based Grant

The premises of the attached schedules are based on the number of full-time Pell Grant recipients (Pell FTE) and not full-time FTE. The data is derived from FY 2005-06 Pell Grant recipients and the NBG Allocations of FY06-07. A full-time calculation for part-time students is in accordance to MRR standards by converting every three part-time students to equal one full-time student.

Each schedule illustrates the tuition and fees set for FY 2007/08. Three sectors were established: 1) four-year institutions; 2) two-year regional institutions; and 3) two-year technical institutions. An average of tuition and fees is broken down by each sector. Please note the disparity between the average tuition and fees of the four-year institutions and the two-year regional institutions is \$3,242. The disparity in the average tuition and fees between the two-year regional institutions and the two-year technical institutions is \$1,827.

Please keep in mind with each schedule, the institutions will still have the flexibility to adjust the grant award based on need.

SCHEDULE ONE proposes awarding Need-based Grant recipients at each four-year and two-year regional institution with a base amount of \$1,200. The number of Pell Grant recipients from each institution were multiplied by the proposed base amount (\$1,200) and provided the total Need-based Grant funds per institution. Each Need-based Grant recipient at a two-year technical institution would receive a base amount of \$600. Utilizing this method, additional funding for the four-year institutions would require \$9.7 million; two-year regional institutions would require an additional \$1 million; and two-year technical institutions would require an additional \$8.4 million. This methodology would require \$19.2 million in total additional funding.

SCHEDULE TWO proposes awarding Need-based Grant recipients at each four-year and two-year regional institution with a base amount of \$1,176. The number of Pell Grant recipients from each institution were multiplied by the proposed base amount (\$1,176) and provided the total Need-based Grant funds per institution. Each Need-based Grant recipient at a two-year technical institution would receive a base amount of \$800. Utilizing this method, additional funding for the four-year institutions would require \$9.2 million; two-year regional institutions would require an additional \$1 million; and two-year technical institutions would require an additional \$13.9 million. This methodology would require \$24.3 million in total additional funding.

SCHEDULE THREE proposes allocating a percentage to each sector's average tuition and fees. This methodology proposes allocating seventeen percent (17%) of each sector's average tuition and fees to provide a proposed award for Need-based Grant recipients for that sector. By doing so, this creates more of an equitable distribution by tying an award based on tuition and fees.

This methodology would require additional funding of \$12.9 million at the four-year institutions; \$1 million at the two-year regional institutions; and \$6.1 million at the two-year technical institutions. The total additional funding for this methodology would require \$20.1 million.