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Document No. 4145
COMMISSION ON HIGHER EDUCATION
CHAPTER 62
Statutory Authority: 1976 Code Section 59-149-10

62-900.85 - 62-900.140. South Carolina HOPE Scholarship

Synopsis:

This proposed regulation will clarify the policies and procedures for administering the SC HOPE Scholarship Program at the public and independent colleges and universities in the state. In addition, the proposed regulation also provides the procedures that institutions must follow when determining students' eligibility and when disbursing the SC HOPE Scholarship funds to eligible students in accordance with the SC Illegal Immigration Reform Act. This regulation is being promulgated to implement this legislative mandate by including the appropriate language in the awarding procedures. The proposed regulation will require legislative review.

A Notice of Drafting was published in the *State Register* on May 28, 2010.

Instructions: Modify and replace in its entirety R.62-900.85 through 62-900.140 with the following:

Text:

Table of Contents:

- 62-900.85. Purpose of the SC HOPE Scholarship Program
- 62-900.86. Funding
- 62-900.90. Program Definitions
- 62-900.95. Student Eligibility
- 62-900.100. Duration of Award
- 62-900.105. Transfer Students
- 62-900.110. Students with Disabilities
- 62-900.111. Military Mobilization
- 62-900.115. Refunds or Repayments
- 62-900.120. Appeals Procedures
- 62-900.125. Institutional Policies and Procedures for Awarding
- 62-900.130. Institutional Disbursements
- 62-900.135. Program Administration and Audits
- 62-900.140. Suspension or Termination of Institutional Participation

62-900.85. Purpose of the SC HOPE Scholarship Program

The South Carolina HOPE Scholarship was established under the South Carolina Education Lottery Act in 2001 and amended by Act 95 during the 2005 legislative session. Act 356 authorizes the Commission on Higher Education to promulgate regulation for administration of the SC HOPE Scholarship Program. The purpose of the SC HOPE Scholarship Program is to provide funding to first-time entering freshmen who do not qualify for the LIFE or Palmetto Fellows Scholarships.

All eligible institutions that participate in the program must verify the lawful presence of any student who receives a SC HOPE Scholarship prior to awarding the Scholarship to the student. When verifying the lawful presence of an individual, institutional personnel shall not attempt to independently verify the

immigration status of any alien, but shall verify any alien's immigration status with the federal government pursuant to 8 USC Section 1373(c).

Independent and public institutions of higher learning in this, or any other state in the U.S., outside the U.S. or abroad 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.

62-900.86. Funding

A. Funds made available for SC HOPE Scholarships under the South Carolina Education Lottery Act shall be included in the annual appropriation to the Commission on Higher Education. This program is dependent upon the annual proceeds generated by the Lottery. The Commission on Higher Education shall award funds as SC HOPE Scholarships to eligible students.

62-900.90. Program Definitions

A. "Academic year" is defined as the twelve month period during which a full-time student is expected to earn thirty credit hours. The period of time used to measure the academic year will consist of fall, spring, and summer terms or spring, summer, and fall terms (or its equivalent).

B. "Bachelor's degree program" is defined as a program of study leading to a bachelor's degree as defined by the U.S. Department of Education for participation in federally funded financial aid programs.

C. "Book allowance" shall mean funds that may be applied to the student's account for expenses towards the cost-of-attendance including the cost of textbooks.

D. "Cost-of-attendance" as defined by Title IV Regulations and may include tuition, fees, living expenses, and other costs such as costs related to disability or dependent care.

E. "Degree-seeking undergraduate student" is defined as any full-time student enrolled in a bachelor's degree program at an eligible institution.

F. "Eligible institution" shall be defined as a public or independent bachelor's level institution in South Carolina.

G. "Felonies" shall be defined as crimes that are classified under State Statute (Section 16-1-10) and that typically require imprisonment for more than one year.

H. "Freshman year" shall mean the first academic year the student matriculates in an institution after high school graduation or completion of an approved home school program.

I. "Full-time student" shall mean a student who has matriculated into a bachelor's degree program and who enrolls full-time at the home institution, usually fifteen semester credit hours for fall and spring terms or twelve credit hours for fall, eight credit hours for winter, and twelve credit hours for spring trimester terms. In order for the student to be eligible for Scholarship disbursement, the student must be enrolled full-time as stipulated by Title IV Regulations, except that credit hours may not include remedial/developmental and continuing education courses.

J. "High school" is defined as a high school located in South Carolina, an approved home school program as defined in the State Statute, (Sections 59-65-40, 45, and 47) or a preparatory high school located outside of the state while the student is a dependent of a legal resident of South Carolina who has custody or pays child support and college expenses of the dependent high school student in accordance with State Statute (Section 59-112-10). A "preparatory high school" (out-of-state) is defined as a school recognized by the state in which the school is located to offer curricula through the twelfth grade and prepares students for college entrance.

K. "Home institution" shall mean the institution where the student is currently enrolled as a degree seeking student and may be eligible for financial aid at the same institution.

L. "Independent institutions" are defined, for the purposes of the SC HOPE Scholarship Program, as those four-year institutions eligible to participate in the South Carolina Tuition Grants Program as defined in Chapter 113 of Title 59 of the 1976 Code, which stipulates that an "independent institution of higher learning means any independent eleemosynary junior or senior college in South Carolina whose major campus and headquarters are located within South Carolina and which is accredited by the Southern Association of Colleges and Schools;" or an independent bachelor's level institution chartered before 1962 whose major campus and headquarters are located within South Carolina; or an independent bachelor's level institution who had a major campus and headquarters located within South Carolina and was accredited by the Southern Association of Colleges and Schools as of March 17, 2004." Institutions whose sole purpose is religious or theological training or the granting of professional degrees do not meet the definition of 'independent institution' for purposes of this chapter. Independent two-year institutions are not eligible for participation in this program.

M. "Initial college enrollment" shall mean the first time the student matriculates into a postsecondary, degree-granting institution after high school graduation. The terms of eligibility are based upon initial college enrollment and continuous enrollment. This means that any break in enrollment (excluding summer) will count against the maximum terms of eligibility.

N. "Military mobilization" is defined as a situation in which the U.S. Department of Defense orders members of the United States Armed Forces to active duty away from their normal duty assignment during a time of war or national emergency.

O. "Misdemeanor offenses" shall be defined as crimes that are classified under State Statute (Section 16-1-100), less serious than felonies, and are typically punishable by fine or imprisonment for less than one year. A complete listing is located in title 16 of State Statute. Examples of alcohol and/or drug misdemeanor offenses in South Carolina include but are not limited to possession of alcohol under the age of 21, possession of marijuana/illegal drugs, open-container, transfer of alcohol to a person under 21, providing false information as to age (fake ID), etc.

P. "Multi-handicapped student" shall be defined as a student who, in addition to being visually or hearing impaired, has at least one additional disabling condition that qualifies the student to receive specialized postsecondary education.

Q. "Public institutions" are those four-year bachelor's degree-granting institutions as defined in Chapter 103 of Title 59 of the 1976 Code, which stipulates "public higher education shall mean state-supported education in the postsecondary field." Public two-year institutions and technical colleges are not eligible for participation in this Program.

R. “Remedial/developmental coursework” shall mean sub-collegiate level preparatory courses in English, mathematics, and reading or any other course deemed remedial by the institution where the course is taken.

S. “South Carolina resident” shall be defined as an individual who satisfies the requirements of residency in accordance with the State of South Carolina Statute for Tuition and Fees, Section 59-112-10, and all related guidelines and regulations promulgated by the Commission on Higher Education as determined by the institutional residency officer each academic year.

T. “Transfer student” shall be defined as a student who has changed enrollment from one institution to an eligible institution.

U. “General Educational Development (GED) Diploma” is defined as a GED high school diploma that was completed in South Carolina or outside of the state while the student was a dependent of a legal resident of South Carolina who had custody or paid child support and college expenses of the dependent GED diploma student. A student who earns a GED diploma cannot receive a SC HOPE Scholarship during his/her initial year (or equivalent) of college enrollment but may earn the LIFE Scholarship in subsequent years. The student must meet the annual credit hour requirement (or equivalent) and a 3.0 “LIFE GPA” at the end of the first academic year.

V. “Lawful Presence” is defined as individuals who are US citizens, permanent residents, or non-US citizens and non-permanent residents who are legally present in the US. When verifying the lawful presence of an individual, institutional personnel shall not attempt to independently verify the immigration status of any alien, but shall verify any alien’s immigration status with the federal government pursuant to 8 USC Section 1373(c).

62-900.95. Student Eligibility

A. To be eligible for a SC HOPE Scholarship, the student must:

1. Be a U.S. citizen or a legal permanent resident that meets the definition of an eligible non-citizen under State residency statutes whose lawful presence in the US has been verified at the time of enrollment at the institution;

2. Be a South Carolina resident for in-state purposes at the time of high school graduation and at the time of enrollment at the institution, as set forth by Section 59-112-10 and be either a member of a class graduating from a high school located in this State, a home school student who has successfully completed a high school home school program in this State in the manner required by law, or a student graduating from a preparatory high school outside this State, while a dependent of a parent or guardian who is a legal resident of this State and has custody of the dependent according to State Statute, Section 59-149-50A. A student must be a legal permanent resident of the United States before being considered to be a South Carolina resident;

3. Earn a cumulative 3.0 grade point average (GPA) based on the Uniform Grading Policy (UGP) upon high school graduation. No other grading policy will be allowed to qualify for the SC HOPE Scholarship. Grade point averages must be reported to two decimal places (minimum) and may not be rounded. For example, a student who earns a 2.99 GPA is not eligible. A student who earns a 3.00 GPA or above is eligible. Institutions shall use the final cumulative GPA as reported by the high school on the official high school transcript. A student who graduates high school with a General Educational Development (GED) Diploma is not eligible to receive the SC HOPE Scholarship;

4. Be admitted, enrolled full-time, and classified as a degree-seeking undergraduate student in an eligible institution in South Carolina;

5. Certify that he/she has never been adjudicated delinquent, convicted, or pled guilty or *nolo contendere* to any felonies and/or any second or subsequent alcohol/drug related misdemeanor offenses under the laws of this or any other state or under the laws of the United States by submitting a signed affidavit each academic year to the institution testifying to the fact. However, a high school or college student who has been adjudicated delinquent, convicted, or pled guilty or *nolo contendere* of a second alcohol or other drug related misdemeanor offense is ineligible for the next academic year of enrollment at an eligible institution after the date of the adjudication, conviction or plea. If the adjudication, conviction, or plea occurs during the academic year after the student has already submitted a signed affidavit to the institution, the student is still eligible for the Scholarship for the remainder of the academic year. However, the student will not be eligible to receive the LIFE Scholarship the following fall, spring, and summer terms (or their equivalent), even if all other eligibility requirements have been met. If a student completes a pretrial intervention program and has his/her record expunged, the conviction will not affect Scholarship eligibility;

6. For a home school graduate to be eligible for the SC HOPE Scholarship, the student must be a member of an approved South Carolina homeschool program as defined in the State Statute (Sections 59-65-40, 45, and 47) that provides a GPA on an official transcript upon high school graduation based on the Uniform Grading Policy. No other grading policy will be allowed to qualify for the SC HOPE Scholarship. Grade point averages must be reported to two decimal places (minimum) and may not be rounded; and

7. In order to meet the GPA requirement, a student who attended an out-of-state preparatory high school or graduated from a SC high school prior to the full implementation of the Uniform Grading Policy must have their grades converted to the SC UGP. These students must meet all other eligibility criteria, including SC residency requirements.

B. Any credit hours attempted or earned before high school graduation, hours exempted by examination, International Baccalaureate (IB) or Advanced Placement (AP) credit hours do not count against the terms of eligibility.

C. Students who complete their high school graduation requirements prior to the official graduation date reported on the final high school transcript may be eligible to receive the SC HOPE Scholarship pending the approval of the Commission on Higher Education (CHE). The institutional representative must complete and submit an Early Graduation Application Form and all appropriate documentation as deemed necessary by CHE for each student by the established deadline. The student must request and submit a letter from the high school principal verifying that he/she has met all graduation requirements along with an official high school transcript.

D. Service members of the United States Armed Forces will not be penalized for any credit hours earned while on active duty. The credit hours earned will not count against the terms of eligibility.

E. Early graduates who enroll mid-year and are classified as degree-seeking will officially begin their initial college enrollment.

F. SC HOPE Scholarship funds may not be applied to the costs of continuing education or remedial/developmental courses. Twelve credit hours of the course load must be nonremedial/developmental and non-continuing education courses in order to receive SC HOPE Scholarship funds.

G. Students receiving a SC HOPE Scholarship are not eligible for a LIFE Scholarship, Palmetto Fellows Scholarship or Lottery Tuition Assistance.

H. Students who meet all eligibility requirements for the SC HOPE Scholarship are eligible to receive Scholarship funds for the freshman year of attendance only.

I. All documents required for determining SC HOPE Scholarship eligibility must be submitted to the institution by their established deadline(s). Students must submit official transcripts from all previous and current institutions, which provide evidence to determine initial college enrollment.

J. All eligible independent and public institutions that participate in the program must verify the lawful presence of any student who receives a SC HOPE Scholarship prior to awarding the Scholarship to the student. When verifying the lawful presence of an individual, institutional personnel shall not attempt to independently verify the immigration status of any alien, but shall verify any alien's immigration status with the federal government pursuant to 8 USC Section 1373(c).

62-900.100. Duration of Award

A. Students are eligible to receive the SC HOPE Scholarship for no more than two terms (or its equivalent) during the freshman year of attendance only.

B. The maximum number of terms of eligibility is based on the student's initial college enrollment with the exception of credit hours earned during the summer session immediately prior to the student's initial college enrollment.

C. If a student enrolls mid-year (spring term) and receives the SC HOPE Scholarship during that term, then qualifies to receive the LIFE Scholarship at the end of the summer term, the student will not be eligible to receive the SC HOPE Scholarship for the next term. If the student does not meet the requirements to qualify for the LIFE Scholarship, then the student may receive the SC HOPE Scholarship the next term of eligibility.

62-900.105. Transfer Students

A. A student who transfers from an ineligible institution to an eligible institution mid-year during the freshman year of attendance is eligible to receive the SC HOPE Scholarship for the second term of their freshman year only. The student must have met the eligibility requirements as stated in the "Student Eligibility" Section at the beginning of their freshman year.

B. A student who transfers from a two-year or technical institution to an eligible four-year institution who enrolled in remedial courses during the freshman year may be eligible to receive the SC HOPE Scholarship. The terms of eligibility to receive Scholarship funds must not include the period of time the student was enrolled in remedial courses at a two-year or technical institution, unless the student completed at least twelve credit hours of non-remedial course work each term of enrollment during the freshman year. The student will be eligible to receive the Scholarship for the maximum number of terms of eligibility following completion of remediation if the student was eligible to receive the Scholarship upon high school graduation. If the student requires more than one academic year of remedial/developmental coursework, then he/she will not be eligible for the Scholarship after completion of remediation. If the student was not eligible for the Scholarship upon high school graduation, the student will not be eligible for the Scholarship after completion of remediation.

62-900.110. Students with Disabilities

A. Students who qualify under the Americans with Disabilities Act (ADA) and Section 504 of the Rehabilitation Act of 1973 must meet all eligibility requirements as defined in the "Student Eligibility" Section except for the full-time enrollment requirement, if approved by the Disability Services Provider. Students must comply with all institutional policies and procedures in accordance with ADA and Section 504 of the Rehabilitation Act of 1973.

B. The institutional Disability Services Provider must provide written documentation to the Office of Financial Aid prior to the freshman year verifying that the student is approved to be enrolled in less than full-time status.

C. Students who qualify under ADA and Section 504 of the Rehabilitation Act of 1973 may receive the maximum number of available terms of eligibility as stated in the "Duration of Award" Section.

D. In order to be eligible for the SC HOPE Scholarship, students who no longer qualify under ADA and Section 504 of the Rehabilitation Act of 1973 must comply with all requirements set forth under the "Student Eligibility" Section.

62-900.111. Military Mobilization

A. Service members who are enrolled in college and are affected by military mobilizations will not be penalized for the term(s) they are required to withdraw after the full refund period based on the institutional policies and procedures. Institutions are strongly encouraged to provide a full refund of required tuition, fees and other institutional charges or to provide a credit in a comparable amount against future charges for students who are forced to withdraw as a result of military mobilization. Additionally, the term(s) that the service member is mobilized will not count against the maximum terms of eligibility. The service member shall be allowed to receive the unused term(s) while mobilized during the succeeding summer term or at the end of the maximum terms of eligibility based on initial college enrollment. The service member must re-enroll in an eligible institution within twelve months upon their demobilization and provide official documentation to verify military deployment to the institutional Financial Aid Office upon re-enrollment. Reinstatement will be based upon the service member's eligibility at the time he/she was mobilized. If the service member re-enrolls after the twelve month period, the service member must submit an Appeal Application to the Commission on Higher Education by the established deadline in order to be considered for reinstatement.

B. Service members who are enrolled in college and are mobilized for an entire academic year may receive the Scholarship for the next academic year, if they met the "Student Eligibility" requirements at the time of high school graduation. Service members who did not use the SC HOPE Scholarship funds/terms of eligibility during this period due to military mobilization shall be allowed to receive Scholarship funds during the succeeding summer term and/or at the end of the maximum terms of eligibility based on initial college enrollment.

C. Service members who are enrolled in college and are mobilized for one academic term and did not use SC HOPE Scholarship funds/terms of eligibility during this period shall be allowed to receive one term of Scholarship funds during the succeeding summer or one term at the end of the maximum terms of eligibility based on initial college enrollment.

D. In order to receive the SC HOPE Scholarship for summer school for the unused term(s), the service member must enroll in twelve credit hours during the succeeding summer term at the home institution.

E. The home institution will be responsible for receiving verification of military mobilization status and terms of eligibility based on the service member's initial college enrollment.

F. Service members of the United States Armed Forces will not be penalized for any credit hours earned while on military mobilization. The credit hours will not count against their terms of eligibility.

62-900.115. Refunds or Repayments

A. In the event a student who has been awarded a SC HOPE Scholarship withdraws, is suspended from the institution, or drops below full-time enrollment status during any term of the academic year, institutions must reimburse the SC HOPE Scholarship Program for the amount of the Scholarship for the term(s) in question pursuant to the refund policies of the institution. Collection is the responsibility of the institution.

B. In the event a student withdraws or drops below full-time status after the institution's refund period and therefore must pay tuition and fees for full-time enrollment, the Scholarship may be retained pursuant to the refund policies of the institution.

62-900.120. Appeals Procedures

A. The Commission on Higher Education shall define the appeals procedures.

B. Students who did not receive the maximum number of terms of eligibility for the Scholarship at the end of the first academic year due to an extenuating circumstance may request an appeal with the Commission on Higher Education.

C. The Commission on Higher Education will allow a student to submit only one appeal at the end of the first academic year based on an extenuating circumstance.

D. A completed appeal application must be filed with the Commission on Higher Education by the established deadline of the academic year the Scholarship is requested. The student must provide a completed application for appeal, a letter requesting an appeal describing the extenuating circumstance, official transcripts from all prior institutions, and any other supporting documentation to substantiate the basis for the appeal. It is the responsibility of the student to ensure that all documents necessary to file an appeal are received at the Commission by the established deadline. Commission staff will not contact the student regarding missing or incomplete appeals documentation. Failure to submit a completed appeal application by the required deadline(s) will result in forfeiture of the scholarship.

E. The SC HOPE Scholarship shall be suspended during the appeal period, but will be awarded retroactively if the appeal is granted.

F. The Appeals Committee's decision is final.

62-900.125. Institutional Policies and Procedures for Awarding

A. SC HOPE Scholarship awards are to be used only for payment toward the cost-of-attendance as established by Title IV regulations. The award amount shall not exceed two thousand eight hundred dollars (includes \$300 book allowance) during the freshman year only. Half shall be awarded during the fall term and half during the spring term (or its equivalent). The SC HOPE Scholarship in combination with all other gift aid, including federal, State, private and institutional funds, shall not exceed the cost-of-attendance as defined in Title IV regulations for any academic year.

B. Eligible institutions shall provide an award notification to eligible students that will include the book allowance and also contain the terms and conditions of the Scholarship. Institutions will notify students of all adjustments in Scholarship funds that may result from an over award, change in eligibility, change in the student's residency, change in financial status or other matters.

C. The institution must retain annual paper or electronic documentation for each award to include at a minimum:

- (1) Award notification
- (2) Institutional disbursement to student
- (3) Student's residency status
- (4) Refund and repayment (if appropriate)
- (5) Enrollment and curriculum requirements
- (6) Affidavit documenting that the student has never been convicted of any felonies and/or any second alcohol/drug related misdemeanor offenses within the past academic year as stated under the "Student Eligibility" Section
- (7) High school transcript(s) verifying high school graduation or home school completion date and cumulative grade point average
- (8) Verification from institutional disability service provider of student's disability and approval of reduced course-load requirement (if appropriate)
- (9) Military mobilization orders (if appropriate)
- (10) Verification from the institution that lawful presence in the US has been verified.

D. Any student who has attempted to obtain or obtained a SC HOPE Scholarship award through means of willfully false statement or failure to reveal any material fact, condition, or circumstances affecting eligibility will be subject to applicable civil or criminal penalties, including loss of the SC HOPE Scholarship.

E. Visually impaired, hearing impaired or multi-handicapped students who qualify for the SC HOPE Scholarship may use the State Scholarship funds for the freshman year only to attend a four-year out-of state institution that specializes in educating students with their impairment upon receiving prior approval from the Commission on Higher Education. The Commission on Higher Education shall make the final decision as to whether an out-of-state institution specializes in the postsecondary education of visually impaired, hearing impaired or multi-handicapped students.

F. It is the institution's responsibility to ensure that only eligible students receive the Scholarship.

62-900.130. Institutional Disbursements

A. The eligible institution will identify award amounts, which cannot exceed two thousand eight hundred dollars (includes \$300 book allowance) for students enrolled at four-year public and independent institutions for the freshman year of attendance only. Half shall be disbursed during the fall term and half during the spring term (or their equivalents). Scholarships cannot be disbursed during the summer or any interim sessions. The SC HOPE Scholarship in combination with all other gift aid, including federal, State, private and institutional funds, shall not exceed the cost-of-attendance as defined in Title IV regulations for any academic year.

B. After the last day to register for each term of the academic year, the institution will verify enrollment of each recipient as a South Carolina resident who is enrolled in at least twelve hours of non-remedial coursework and is a degree-seeking student. The institution must submit a request for funds and/or a

return of funds by the established deadline each term. In addition, a listing of all eligible recipients by identification number with award amounts for the term must be sent to the Commission on Higher Education by the established deadline each term. At this time, any unused funds must be returned to the Commission immediately.

C. The Commission will disburse awards to the eligible institutions to be placed in each eligible student's account.

D. Students must be enrolled full-time at an eligible institution at the time of Scholarship disbursement. Students who are retroactively awarded must have been enrolled in a minimum of twelve credit hours of non-remedial coursework at the home institution at the time the Scholarship would have been disbursed for that term.

62-900.135. Program Administration and Audits

A. The South Carolina Commission on Higher Education shall be responsible for the oversight of functions (e.g., guidelines, policies, rules, regulations) relative to this program with participating institutions. The Commission on Higher Education shall be responsible for the allocation of funds, promulgation of guidelines and regulations governing the SC HOPE Scholarship Program, any audits or other oversight as may be deemed necessary to monitor the expenditures of Scholarship funds.

B. According to the Audit Policies and Procedures for Scholarship and Grant Programs Manual, all eligible institutions that participate in the program must abide by program policies, rules or regulations. Institutions also agree to maintain and provide all pertinent information, records, reports or any information as may be required or requested by the Commission on Higher Education or the General Assembly to ensure proper administration of the program.

C. The Chief Executive Officer at each participating institution shall identify to the Commission on Higher Education a SC HOPE Scholarship institutional representative who is responsible for the operation of the program on the campus and will serve as the contact person. The institutional representative will act as the student's fiscal agent to receive and deliver funds for use under the program.

D. The participating institution shall identify to the Commission on Higher Education an institutional representative who is responsible for all inquiries pertaining to residency classification for the purposes of awarding the SC HOPE Scholarship.

E. All eligible independent and public institutions that participate in the program must verify the residency status and lawful presence of any student who receives a SC HOPE Scholarship prior to awarding the Scholarship to the student. When verifying the lawful presence of an individual, institutional personnel shall not attempt to independently verify the immigration status of any alien, but shall verify any alien's immigration status with the federal government pursuant to 8 USC Section 1373(c).

62-900.140. Suspension or Termination of Institutional Participation

A. The Commission may review institutional administrative practices to determine institutional compliance with pertinent statutes, guidelines, rules or regulations. If such a review determines that an institution has failed to comply with program guidelines, rules, or regulations, the Commission may suspend, terminate, or place certain conditions upon the institution's continued participation in the program and require reimbursement to the SC HOPE Scholarship Program for any funds lost or improperly awarded.

B. Upon receipt of evidence that an institution has failed to comply with program rules, regulations, or guidelines, the Commission on Higher Education shall notify the institution in writing of the nature of such allegations and conduct an audit.

C. If an audit indicates that a violation or violations may have occurred or are occurring at any public or independent college or university, the Commission on Higher Education shall secure immediate reimbursement from the institution in the event that any funds were expended out of compliance with the provisions of the Act, any relevant Statutes, pertinent rules, and regulations.

D. The institution is responsible for determining SC Residency and lawful presence off all SC HOPE Scholarship recipients. If it is determined that the institution has failed to verify the lawful presence and SC residency of a SC HOPE Scholarship recipient, the institution shall immediately reimburse the Commission with any and all funds disbursed in error.

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.

F. The student shall be required to provide a nationally recognized, unique identifier in order to award, disburse and/or transfer the student’s SC HOPE Scholarship to an eligible institution.

Fiscal Impact Statement:

There will be no increased administration costs to the state or its political subdivisions.

Statement of Rationale:

This proposed regulation will clarify the policies and procedures for administering the SC HOPE Scholarship Program at the public and independent colleges and universities in the state. The proposed regulation includes the eligibility criteria that students must meet in order to be awarded a SC HOPE Scholarship. In addition, the proposed regulation also provides the procedures that institutions must follow when determining students’ eligibility and when disbursing SC HOPE Scholarship funds to eligible students. This regulation is being promulgated to implement this legislative mandate by including the appropriate language in the awarding procedures.