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Document No. 4147  
**COMMISSION ON HIGHER EDUCATION**  
CHAPTER 62  
Statutory Authority: 1976 Code Section 59-150-360

62-900.150 - 62-900.200. Lottery Tuition Assistance Program for Two-Year Public and Independent Institutions

**Synopsis:**

This proposed regulation will clarify the policies and procedures for administering the Lottery Tuition Assistance Program for Two-Year Public and Independent Institutions in the state. In addition, the proposed regulation also provides the procedures that institutions must follow when determining students' eligibility and when disbursing the Lottery Tuition Assistance 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.

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

**Instructions:** Modify and replace in its entirety R.62-900.150 through 62-900.200 with the following.

**Text:**

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62-900.150. Purpose of the Lottery Tuition Assistance Program.

Pursuant to the S.C. Education Lottery Act, which was established in 2001 and amended by Act 48 and Act 95 during the 2005 legislative session, the Commission on Higher Education shall promulgate regulation and establish procedures to administer the Lottery Tuition Assistance Program at the State two-year public and independent institutions. The purpose of the Lottery Tuition Assistance Program is to provide resources to the extent that funds are available that supplement, not supplant, existing resources for educational purposes to South Carolina's students. The program will assist students who wish to attend two-year public or independent colleges in South Carolina.

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 Lottery Tuition Assistance Program or "LTAP" in programs that promote financial aid incentives or packages. Any mention of the Lottery Tuition Assistance Program

or “LTAP” 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 Lottery Tuition Assistance Program as a separate financial aid award, provided to the student by the State of South Carolina.

#### 62-900.155. Allocation of Funds.

A. This program is dependent upon sufficient annual funding from the S.C. Education Lottery Account.

B. Of the monies in the Education Lottery Account, funds shall be appropriated to the Commission on Higher Education for tuition assistance at two-year public and independent institutions as provided in Section 59150-360.

#### 62-900.160. Program Definitions.

A. “Academic year” is defined as the fall, spring, and summer terms.

B. “Associate’s degree program” is defined as a two-year or associate’s degree program (Associate of Arts or Associate of Science), which leads to the first two years of a bachelor’s degree at a location approved by the U.S. Department of Education for participation in federally funded financial aid programs and authorized by the Commission on Higher Education.

C. “Cost-of-tuition” is defined as the amount charged for enrolling for credit hours of instruction and mandatory fees assessed to all students. Other fees, charges, or cost of textbooks cannot be included.

D. “Degree-seeking student” is defined as any part-time or full-time student enrolled in a diploma, certificate, or an associate’s degree program of study at an eligible SC public or independent two-year institution.

E. “Eligible program” is defined as a program of study leading to an associate’s degree or at least a two-year program that is acceptable for full credit towards a bachelor’s degree, which meets all other Title IV regulations as authorized by the U.S. Department of Education for participation in federally funded financial aid programs.

F. “Field of study” shall mean an area in which a certificate, diploma, or degree is awarded. A certificate/diploma earned that progresses to a diploma/associate’s degree in the same academic area.

G. “For graduation purposes” is defined as any grade or credit hour that the home institution requires in accordance with their policies and procedures for graduation of the student, including electives and additional coursework.

H. “Full-time student” shall mean a student who has matriculated into an eligible program, and who enrolls in a minimum of twelve credit hours (or the equivalent) at the home institution during an academic term.

I. “Independent two-year institutions” are defined, for the purposes of the Lottery Tuition Assistance Program, as those two-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 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.” Institutions whose sole purpose is religious or

theological training or the granting of professional degrees do not meet the definition of an eligible institution. Independent four-year institutions are not eligible for participation in this Program.

J. "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).

K. "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.

L. "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.

M. "Part-time student" shall mean a student who has matriculated into an eligible program, and who enrolls in a minimum of six credit hours at the home institution and a maximum of eleven credit hours (or its equivalent) during an academic term.

N. "Public two-year institutions" are defined, for the purposes of the Lottery Tuition Assistance Program, as those two-year institutions defined by Chapter 103 of Title 59 of the 1976 Code, which stipulates a "public institution of higher learning shall mean any state-supported postsecondary educational institution." Public four-year institutions are not eligible for participation in this Program. Technical colleges are governed by regulations promulgated by the SC Technical College System.

O. "Remedial 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.

P. "Satisfactory academic progress" shall mean the minimum academic standard for academic progress established by the institution for the purpose of complying with Title IV regulations for federal student aid programs and for State scholarship and grants.

Q. "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, Statute 59-112-10, unless the student qualifies for an exception as defined in the residency regulation promulgated by the Commission on Higher Education as determined by the institutional residency officer each academic year.

#### 62-900.165. Student Eligibility.

A. To be eligible for Lottery Tuition Assistance each academic year, the student must:

1. File the Free Application for Federal Student Aid (FAFSA) and complete the process to determine eligibility for federal student aid each academic year or complete a FAFSA Waiver each academic year. A college may waive the FAFSA requirement when: 1) the student is in high school and is participating in a dual enrollment program; 2) the student has already earned a bachelor's degree; 3) the student is enrolled in a program that is not eligible for federal funds; or 4) the dependent student is not able to obtain his/her parents', guardians' or spouse's tax form. The student must provide all necessary documentation and have the form approved by the financial aid office at the institution he/she attends;

2. Be a U.S. citizen or a legal permanent resident that meets the definition of an eligible non-citizen under State residency statutes;

3. Qualify for in-state tuition and be a resident of the State of South Carolina for a minimum of one year according to Title 59 of the 1976 Code of Laws governing the determination of residency for tuition and fee purposes, unless the student qualifies for an exception as defined in the residency regulation promulgated by the Commission on Higher Education;

4. Be enrolled or accepted for enrollment as a part-time or full-time student in a diploma, certificate, or an associate's degree-seeking program in an eligible program at an eligible two-year public or independent college in South Carolina. A student enrolled in less than six credit hours during one term may not receive Lottery Tuition Assistance for the term in question but is eligible for the award upon return to part-time or full-time status;

5. Be making satisfactory academic progress towards completion of the requirements of the program as provided by Title IV Regulations;

6. Be enrolled or have completed at the time of funds disbursement a minimum of six credit hours at the home institution for the term of eligibility;

7. Verify that he/she is not in default and does not owe a refund or repayment on any federal or state financial aid including state scholarships or grants, a Federal Pell Grant, a Supplemental Educational Opportunity Grant, the Federal Perkins Loan, or Federal Stafford Loan programs;

8. Not be eligible for or a recipient of a SC HOPE, LIFE or Palmetto Fellows Scholarship during the academic year; and

9. Meet all eligibility requirements annually.

B. Students shall not be eligible to receive Lottery Tuition Assistance for more than one certificate, diploma, or degree earned within any five-year period unless the additional certificate, diploma, or degree constitutes progress in the same field of study. Students must be making satisfactory academic progress towards completion of the requirements of the program as provided by Title IV Regulations.

C. Students enrolled in an eligible program of study as stated in the "Program Definitions" section may include remedial courses as part of the minimum number of required credit hours for part-time or full-time status, as long as such courses carry credit hours and meet Title IV limitations on remedial coursework.

D. Students may not receive Lottery Tuition Assistance at more than one institution during the same semester.

E. Only students who are degree-seeking shall receive Lottery Tuition Assistance at their home institution. Transient students shall not receive Lottery Tuition Assistance.

F. While the student is taking remedial/developmental coursework, an exception to the initial college enrollment applies only to first-time freshmen who met the eligibility requirements for the LIFE Scholarship upon graduation from high school, are enrolled in less than 12 credit hours of non-remedial coursework at an eligible two-year or technical college and taking a minimum of six credit hours of remedial/developmental education coursework during the term may be eligible to receive Lottery Tuition Assistance for the fall and/or spring terms only of their first academic year. First-time freshmen who are eligible for the LIFE Scholarship, attending an eligible two-year or technical college and enrolled in a minimum of 12 credit hours of non-remedial coursework shall receive the LIFE Scholarship. Once a

student is awarded the LIFE Scholarship, they are no longer eligible to receive LTAP during the same academic year. See Section 62-1200.10 (I) of the LIFE Scholarship and LIFE Scholarship Enhancement Regulation.

G. Any false information provided by the student or any attempt to obtain or expend Lottery Tuition Assistance for unlawful purposes or any purpose other than in payment or reimbursement for the cost of tuition at the institution authorized to award the funds will be cause for immediate cancellation of Lottery Tuition Assistance. Any student who has attempted to or obtained Lottery Tuition Assistance through means of a 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 Lottery Tuition Assistance.

#### 62-900.170. Policies and Procedures for Awarding Lottery Tuition Assistance.

A. The Lottery Tuition Assistance Program will be administered by the financial aid office on each campus, and the funds will supplement the student financial aid awards.

B. Actual award amounts are dependent upon the number of eligible students and the amount of funding available each academic year. Lottery Tuition Assistance may not exceed the cost of in-state tuition at State two-year public institutions for the academic year for which the award is made at the designated institution. At independent two-year institutions, the award amount is limited to the highest in-state tuition rate at a two-year public institution. In calculating the amount awarded in Lottery Tuition Assistance, all federal grants and Need-based Grants must be awarded first before determining the amount eligible in Lottery Tuition Assistance to be used for payment towards cost-of-tuition.

C. Adjustments to the financial aid package will be made to Lottery Tuition Assistance when federal grants and Need-based Grants can be applied towards cost-of-tuition.

D. Participating institutions will notify students of their Lottery Tuition Assistance with the terms and conditions of the award.

E. Effective Fall 2008, Section 59-101-430 A of SECTION 17. Chapter 101 Title 59 of the 1976 Code states that unlawful aliens are prohibited from attending SC public institutions of higher learning. This applies to students who are currently enrolled, as well as new enrollees. In accordance of this statute, institutions must institute a process that verifies an individual's lawful presence in the United States. 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).

F. The institution must retain annually appropriate paper or electronic documentation for each award to include at a minimum:

1. Institutional Student Information Report (ISIR) if student completed the FAFSA or FAFSA Waiver and appropriate supporting documentation
2. Award notification
3. Institutional disbursements to student
4. Refund and repayment (if appropriate)
5. Satisfactory academic progress
6. Student's residency status
7. Enrollment and curriculum requirements

8. Verification from institutional disability service provider of student's disability and approval of reduced course-load requirement (if appropriate)
9. Student award based upon approval of institutional appeal (if appropriate)
10. Military mobilization orders (if appropriate)
11. Verification from the institution that lawful presence in the US has been verified.

G. It is the institution's responsibility to ensure that no ineligible student receives Lottery Tuition Assistance.

H. The student shall be required to provide a nationally recognized unique identifier in order for the institution to award, disburse, and/or transfer the student's state scholarship and/or grant to an eligible institution.

#### 62-900.175 Duration of Award and Continued Eligibility

A. Award decisions will be made annually and are not automatically guaranteed. The institution shall adjust the amount of the award during the academic year in the event of a change in the student's enrollment status.

B. Each academic year, students applying for Lottery Tuition Assistance must file a Free Application for Federal Student Aid or complete the FAFSA Waiver and provide any appropriate supporting documentation which may be required by the institution. Students must meet all eligibility requirements as stated in the "Student Eligibility" Section. Students must adhere to these guidelines and other pertinent statutes and regulations and with application timeliness and procedures stipulated by the institutions.

C. Students must meet satisfactory academic progress as established by the institution for the purposes of complying with Title IV regulations for continued eligibility to receive Lottery Tuition Assistance.

D. The institution shall be responsible for maintaining institutional certification of each recipient's continuous part-time and/or full-time enrollment in an eligible program of study.

E. Students wishing to appeal any award decision must submit a written request to the institution's Director of Financial Aid. This request will be handled in accordance with the institution's financial aid appeals procedures. The institution's decision on appeals shall be final.

#### 62-900.180. 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 "Student Eligibility" Section except for a student who is approved by the disability services provider at the home institution to be enrolled in less than part-time status is eligible to receive funding. 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 each academic year verifying that the student is approved to be enrolled in less than part-time status.

#### 62-900.181. 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.

B. If mobilization causes a student to not meet satisfactory academic progress, the student must appeal to the institution's financial aid office. This request will be handled in accordance with the institution's financial aid appeals procedures.

C. The home institution will be responsible for receiving verification of military mobilization status.

#### 62-900.185. Institutional Disbursement of Funds.

A. Actual award amounts are dependent upon the number of eligible students and the amount of funding available each academic year. Lottery Tuition Assistance may not exceed the cost of in-state tuition at the State two-year public institutions for the academic year for which the award is made at the designated institution. At independent two-year institutions, the amount cannot exceed the highest in-state tuition rate at a two-year public institution. In calculating the amount awarded in Lottery Tuition Assistance, all federal grants and Need-based Grants must be awarded first before determining the amount eligible in Lottery Tuition Assistance to be used for payment towards cost-of-tuition.

B. The institution shall provide an award notification to Lottery Tuition Assistance Program recipients, which will contain the terms and conditions of the award and other financial aid awarded. Students will be notified of adjustments in financial aid due to changes in eligibility and/or over-award issues.

C. The institution shall award only students who meet satisfactory academic progress as established by the institution for the purposes of complying with Title IV regulations. After the last day to register for each term of the academic year, the institution will verify that each recipient is a South Carolina resident who is a part-time or full-time, 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 the award amounts for the term must be sent to the Commission on Higher Education. At this time, any unused funds must be returned to CHE immediately.

D. Visually impaired, hearing impaired or multi-handicapped students who qualify for Lottery Tuition Assistance may use the State grant funds to attend a CHE approved two-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.

E. The student shall be required to provide a nationally recognized unique identifier in order for the institution to award, disburse, and/or transfer the student's state scholarship and/or grant to an eligible institution.

#### 62-900.190. Refunds and Repayments.

A. In the event a student who has been awarded Lottery Tuition Assistance withdraws, is expelled, is suspended from the institution, drops below part-time (six credit hours) or full-time (twelve credit hours) status, or is found to be a non SC resident or has an unlawful presence in the United States during any

term of the academic year, institutions must reimburse the Lottery Tuition Assistance Program for the term in question pursuant to refund policies of the institution.

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

#### 62-900.195. Program Administration and Audits.

A. The South Carolina Commission on Higher Education will coordinate the oversight of functions (e.g., guidelines, policies, rules, regulations) relative to this program with eligible two-year public and independent institutions in South Carolina. The Commission on Higher Education shall be responsible for the allocation of funds, promulgation of the regulations and rules, and statewide oversight of the Lottery Tuition Assistance Program.

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 an institutional representative who is responsible for the operation of the program on the campus and will serve as the contact person for the program. The institutional representative will act as the student's fiscal agent to receive and deliver funds for use under the program.

D. Independent and public institutions of higher learning in this, or any other state in the U.S., are prohibited from using the Lottery Tuition Assistance Program or "LTAP" in programs that promote financial aid incentives or packages. Any mention of the Lottery Tuition Assistance Program or "LTAP" 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 Lottery Tuition Assistance Program as a separate financial aid award, provided to the student by the State of South Carolina.

E. All eligible independent and public institutions that participate in the program must verify the lawful presence of any student who receives Lottery Tuition Assistance funding prior to awarding the grant 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).

#### 62-900.200. Suspension or Termination of Institutional Participation.

A. The Commission may review institutional administrative practices to determine institutional compliance with rules and regulations, pertinent statutes, and program guidelines. If such a review determines that an institution has failed to comply with program statutes, 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 Lottery Tuition Assistance Program for any funds lost or improperly awarded.

B. Upon receipt of evidence that an institution has failed to comply with program statutes, rules, regulations, 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, 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 this regulation.

**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 Lottery Tuition Assistance Program for two-year public and independent institutions in the state. The proposed regulation includes the eligibility criteria that students must meet in order to be awarded Lottery Tuition Assistance. In addition, the proposed regulation also provides the procedures that institutions must follow when determining students' eligibility and when disbursing Lottery Tuition Assistance funds to eligible students. This regulation is being promulgated to implement this legislative mandate by including the appropriate language in the awarding procedures.