



# South Carolina Commission on Higher Education

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Dr. Richard C. Sutton  
Executive Director

December 19, 2014

## **MEMORANDUM**

**To:** Chairman John L. Finan, and Members SC Commission on Higher Education

**From:** Mr. Hood Temple, Chair  
Committee on Access & Equity and Student Services

**Re:** **Public Hearing Regarding the Proposed Regulations for the SC National Guard Loan Repayment Program and the SC National Guard College Assistance Program Regulations**

In accordance with the Administrative Procedures Act, a public hearing will be held during the January 8, 2015 meeting of the SC Commission on Higher Education (CHE) regarding proposed regulations for the SC National Guard Student Loan Repayment Program and for the SC National Guard College Assistance Program (SCNG CAP). Notice of this hearing and opportunity for public comment was provided with the publication of the proposed regulations for these programs in the State Register published on November 28, 2014. To be considered, written comments were requested to be submitted to CHE by the close of business on December 31, 2014.

With respect to the procedure for submitting regulations, a drafting notice of these regulations was published in the June 27, 2014, State Register. CHE considered and approved the proposed amended regulations published in the November 28 State Register at its meeting on October 2, 2014 upon recommendation of the CHE Committee on Access & Equity and Student Services.

The proposed regulation for the SC National Guard Student Loan Repayment Program (Document # 4534) repeals the program regulation as the program is closed pursuant to Act 40 of 2007. The SCNG CAP regulation (Document # 4533) is being amended to incorporate changes enacted with the passage of Act 151 of 2014 and provide clarification and consistency with respect to administration of the program. Attached are the proposed regulations as published in the State Register.

**Agenda Item 2, Attachment 1**

Agency Name: Commission on Higher Education  
Statutory Authority: 59-111-75  
Document Number: 4534  
Proposed in State Register Volume and Issue: 38/11  
Status: Proposed  
Subject: South Carolina National Guard Student Loan Repayment Program

History: 4534

<u>By</u>	<u>Date</u>	<u>Action Description</u>	<u>Jt. Res. No.</u>	<u>Expiration Date</u>
-	11/28/2014	Proposed Reg Published in SR		

Document No. 4534  
**COMMISSION ON HIGHER EDUCATION**  
CHAPTER 62  
Statutory Authority: 1976 Code Section 59-111-75

62-200 through 62-240. South Carolina National Guard Student Loan Repayment Program

**Preamble:**

Repeal R.62-200, South Carolina National Guard Student Loan Repayment Program regulations (Chapter 62).

The Commission on Higher Education proposes to repeal in its entirety the regulation for the South Carolina National Guard Student Loan Program (R.62-200 - R.62-240). The General Assembly passed legislation, Act 40 of 2007, to close the South Carolina National Guard Student Loan Repayment Program to new participants beginning with the 2007-08 academic year and replaced the program with a college assistance program for South Carolina National Guard members. As of the 2013-14 academic year, the loan repayment program has been fully closed. As a result, the South Carolina Commission on Higher Education is repealing in its entirety the program regulation which is no longer needed.

Notice of Drafting for the proposed amendments to the regulation was published in the *State Register* on June 27, 2014.

**Notice of Public Hearing and Opportunity for Public Comment:**

A public hearing will be held at 10:30 a.m. on January 8, 2015, in the offices of the SC Commission on Higher Education, 1122 Lady Street, Suite 300, Columbia, South Carolina 29201. Interested persons may submit written comments in writing or by email to Dr. Karen Woodfaulk, Director of Student Services, at South Carolina Commission on Higher Education, 1122 Lady Street, Suite 300, Columbia, South Carolina, 29201 or [kwoodfaulk@che.sc.gov](mailto:kwoodfaulk@che.sc.gov). To be considered, written comments must be received no later than 5:00 p.m. on December 31, 2014.

**Preliminary Fiscal Impact Statement:**

The South Carolina Commission on Higher Education estimates that no costs will be incurred in repealing the regulation. The program has been closed and the repeal of the regulation has no fiscal impact.

**Statement of Need and Reasonableness:**

DESCRIPTION OF REGULATION: South Carolina National Guard Student Loan Repayment Program.

Purpose: Repeal the program regulation.

Legal Authority: SC Code of Laws Section 59- 111-75.

Plan for Implementation: Pursuant to 59-111-75(B) enacted in 2007, the program has been fully closed as of the 2013-14 academic year, and the regulation is no longer applicable.

**DETERMINATION OF NEED AND REASONABLENESS OF THE PROPOSED REGULATION  
BASED ON ALL FACTORS HEREIN AND EXPECTED BENEFITS:**

The South Carolina National Guard Student Loan Repayment Program regulation (R.62-200 through R.62-240) is no longer applicable because the program has been closed pursuant to action of the General Assembly. As a result, the regulation is being repealed in its entirety.

**DETERMINATION OF COSTS AND BENEFITS:**

There is no cost incurred by the state with the repeal of the regulation.

**UNCERTAINTIES OF ESTIMATES:**

There are no uncertainties of the estimates concerning the regulation.

**EFFECT ON ENVIRONMENT AND PUBLIC HEALTH:**

There is no effect on the environment or public health.

**DETRIMENTAL EFFECT ON ENVIRONMENT AND PUBLIC HEALTH IF THE REGULATION  
IS NOT IMPLEMENTED**

There is no detrimental effect on the environment and public health if the regulation is not implemented.

**Statement of Rationale:**

The South Carolina National Guard Student Loan Repayment Program was closed to new participants beginning with the 2007-08 academic year with the enactment of Act 40 of 2007 and replaced with a college tuition assistance program for South Carolina National Guard members. The loan repayment program was phased-out and fully closed as of the 2013-14 academic year. As a result, the program regulation is no longer applicable and is being repealed in its entirety.

~~Indicates Matter Stricken~~

Indicates New Matter

**Text:**

~~62-200 through 62-240. South Carolina National Guard Student Loan Repayment Program.~~

**Table of Contents:**

~~62-200 — Purpose of the South Carolina National Guard Student Loan Repayment Program (SLRP)~~  
~~62-205 — Funding~~  
~~62-210 — Member Eligibility~~  
~~62-215 — Areas of Critical Need~~  
~~62-220 — Annual Application~~

- ~~62-225 — Disbursements~~
- ~~62-230 — Expiration of Eligibility to Participate~~
- ~~62-235 — Appeals~~
- ~~62-240 — Program Oversight~~

~~62-200 Purpose of the South Carolina National Guard Student Loan Repayment Program (SLRP)~~

~~Pursuant to Act 41, the Commission on Higher Education, in consultation with the South Carolina Student Loan Corporation, shall develop a loan repayment program for providing incentives for enlisting or remaining for a specified time in both the South Carolina Army and Air National Guards (SCNG) in areas of critical need. The Commission on Higher Education must define areas of critical need annually in consultation with the Adjutant General. The Commission on Higher Education shall promulgate regulation to set forth the terms of the loan repayment program.~~

~~62-205 — Funding~~

~~A. This program is dependent upon annual funding from the state of South Carolina until a recurring fund or principal account is established.~~

~~B. Of the funds appropriated by the General Assembly for the loan repayment program, these funds must be retained in a separate account and used on a revolving basis for purposes of the loan repayment program and its administration. The State Treasurer shall disburse funds from this account as requested by the Commission on Higher Education and upon warrant of the Comptroller General; provided, however, that no more than ten percent of the funds annually appropriated to the Commission on Higher Education may be used for the cost of administering the program. Funds in the account and earnings from it may be carried forward in succeeding fiscal years and used for the purposes of the loan repayment program.~~

~~62-210 — Member Eligibility~~

~~A. Members must enlist, reenlist, accept a warrant or be commissioned with a term of service of at least 6 years. Members must have a remaining obligation of at least four years as members of the SCNG for SLRP benefits to initiate. SLRP benefits may not initiate until an eligible loan is at least one year old and the active member has completed one year of satisfactory service in the SCNG. Members must meet a specified area of critical need according to the Critical Needs List at the time of enlistment, reenlistment, warranting or commissioning.~~

~~B. Members must complete a South Carolina National Guard Student Loan Repayment Program Eligibility Form as part of the enlistment, re-enlistment, warrant or commission contract. The Adjutant General will make available eligibility forms to recruiting/retention officers. At the beginning of each month, the Commission on Higher Education will provide the Education Services Office with the available number of control numbers that their office may assign for each month. Recruiting/retention officers must obtain a control number from the Education Services Office before offering SLRP benefits to any member of the SCNG. At the end of each month, the Education Services Office shall provide the Commission on Higher Education with a list of all members who have been issued a control number for SLRP eligibility.~~

~~C. Members must submit a completed South Carolina National Guard Student Loan Repayment Program Annual Application each fiscal year in accordance with the “Annual Application” Section.~~

~~D. Members must certify that they are legal residents of South Carolina.~~

~~E. In order for student loan repayment to be processed, ARNG members must have completed basic training (BT), advanced individual training (AIT), and be Military Occupational Specialty (MOS) qualified. ANG members must be Air Force Specialty Code (AFSC) qualified.~~

~~F. Members must maintain satisfactory participation in a unit of the SCNG. Members must maintain a satisfactory record of performance of duty and attendance at unit assemblies and annual training. Failure to maintain MOS qualification, with a reasonable ability to become qualified in appropriate time, is not satisfactory participation (Grant of a commission within the SCNG will allow time for branch qualification by regulation). A file that becomes “flagged” in excess of six months for cause within the individual’s control is unsatisfactory participation for purposes of this program.~~

#### ~~62-215 — Areas of Critical Need~~

~~A. Areas of critical need may include MOS/AFSC and units for the SCNG. The Commission on Higher Education in consultation with the Adjutant General will determine the MOS/AFSC and units that will be included on the Critical Needs List for the SCNG, which must be placed in priority order. The Adjutant General will provide the Critical Needs List to the Commission on Higher Education by no later than June 15 prior to the fiscal year awarding period and an update may be provided periodically as needed.~~

~~B. For fiscal year 2001-02 only, the 2000-01 applicants for the South Carolina National Guard Tuition Assistance Program who did not receive funding and who have an eligible student loan, will receive priority.~~

~~C. Exact list of critical needs are subject to change.~~

#### ~~62-220 — Annual Application~~

~~A. The Adjutant General will provide each eligible member with the South Carolina National Guard Student Loan Repayment Annual Application form at least sixty (60) days prior to the member’s anniversary date. Applications will also be available at the Commission on Higher Education’s website. Each member is responsible for ensuring that the SCNG has a current mailing address.~~

~~B. Completed application for each eligible loan must be submitted to the Commission on Higher Education each fiscal year within thirty days after the member’s anniversary date. The accurate and timely submission of the application is the personal responsibility of the member. Payments will not be processed without a completed annual application.~~

~~C. Submission of a completed application does not guarantee student loan repayment. Repayment is subject to the availability of funding for the program.~~

~~D. As part of the application, each member is responsible for providing the name, address, and account number for each loan provider that is eligible for student loan repayment. The~~

~~member authorizes release of financial data on each eligible loan to the Commission on Higher Education.~~

~~E. Any member who has attempted to obtain or obtained funds through means of a willfully false statement or failure to reveal any material fact, condition, or circumstances affecting eligibility will be subject to applicable military justice, civil or criminal penalties, including termination in the SLRP. If SLRP benefits are terminated under this paragraph, the member may not regain eligibility in the program.~~

~~F. The Adjutant General shall provide the Commission on Higher Education by the 15<sup>th</sup> of each month with a list of eligible members whose anniversary dates fall in the previous month. The list shall include at a minimum the following information: each eligible member's name, control number, social security number, whether he/she participates in the Federal SLRP. This list should only include the names of the member's that are eligible based on the fact that they have maintained satisfactory participation in the SCNG according to paragraph F under "Member Eligibility."~~

#### ~~62 225 — Disbursements~~

~~A. The SLRP provides for the repayment by the Commission on Higher Education of a designated amount for an eligible student loan(s).~~

~~B. An eligible student loan is a loan made, insured, or guaranteed under part B, part D, or part E of Title IV of the Higher Education Act of 1965. Failure to qualify for an eligible student loan precludes participation in the program. Any loans made to parents as PLUS loans are not eligible for SLRP benefits.~~

~~C. Eligible student loans must be at least one year old and must not be in default. Loans that fall into default will not be eligible for repayment. It is the member's responsibility to see that this does not occur by making arrangements for payment, deferment or forbearance with the loan provider on any loan(s), which payment is due.~~

~~D. On the anniversary date of each completed satisfactory year of service in the SCNG for a maximum of four years, the member may be eligible to receive student loan repayment based upon meeting the eligibility requirements of the program. Member must have a remaining obligation of at least four years as members of the SCNG for SLRP benefits to initiate. Loans may not be processed for payment prior to the member's anniversary date. The four years of eligibility are not required to be consecutive.~~

~~E. Benefits will be paid at the rate of no more than \$4,500 per year of satisfactory service in the SCNG, for a maximum total of four years and \$18,000. Disbursements will not exceed indebtedness. For example if a member has a loan that is not at least \$4,500, then the payment amount will not exceed the payoff for the loan.~~

~~F. The Commission on Higher Education may periodically adjust the amount of the award based upon inflation increases or other relevant factors.~~

~~G. Payments for members who have multiple loans will be divided equally among the loans if the payments do not exceed the indebtedness. Following are examples of members with multiple loans:~~

~~1. Member A has two eligible student loans. The first loan is for \$2,000 and the second loan is for \$4,000. The amount of annual eligibility is \$4,500 since this will not exceed the total indebtedness of \$6,000. The first loan will receive a payment of \$2,000 since that is the total amount owed and it does not exceed half of the annual eligibility. The second loan will receive a payment of \$2,500, the remaining benefit for the annual eligibility of \$4,500.~~

~~2. Member B has three eligible loans. The first loan is for \$4,200, the second loan is for \$4,500, and the third loan is for \$5,200. The amount of annual eligibility is \$4,500 since this will not exceed the total indebtedness of \$13,900. Each loan will receive an equal payment of \$1,500 since this will not exceed the indebtedness for each loan.~~

~~H. The Commission on Higher Education will ensure that SLRP benefits for members who also participate in the Federal Student Loan Repayment Program will be coordinated so that any payment from the Federal Government must be applied first and then SLRP benefits will be applied to the outstanding balance of any eligible student loan(s) according to the "Disbursement" Section.~~

~~I. Payments shall be made directly to the loan provider with the member listed as the beneficiary of the payment so that the student loan is paid for the benefit of that member.~~

~~J. Reimbursements will not be made for any payment(s) against the student loan that has been made by the member, another individual, or another agency.~~

#### ~~62-230—Expiration of Eligibility to Participate~~

~~A. A member's eligibility to participate in the SLRP will expire on the earlier of the following dates:~~

- ~~1. Date on which four years of payment on loans are completed;~~
- ~~2. Date member reaches the end of enlistment contractual obligation unless reenlists in critical need area or completes obligation by commission/warrant;~~
- ~~3. Date separated or discharged from the SCNG; and/or~~
- ~~4. Date the member becomes an unsatisfactory participant in the SCNG. If a member regains satisfactory participation in the SCNG in subsequent years according to D of "Member Eligibility" Section, additional payments may be processed on the next anniversary date of satisfactory service.~~

#### ~~62-235—Appeals~~

~~A. Members wishing to appeal any decision regarding satisfactory performance in the SCNG must submit a written request to the Adjutant General. The Adjutant General's decision on satisfactory performance appeals shall be final.~~

~~B. Members wishing to appeal any decision regarding student loan repayment must submit a written request to the Commission on Higher Education. The Commission on Higher Education's decision on student loan repayment appeals shall be final.~~

#### ~~62-240—Program Oversight~~

~~A. The Commission on Higher Education in consultation with the Adjutant General will coordinate the oversight of functions (e.g., guidelines, policies, procedures, regulation) relative~~

~~to this program. The Commission on Higher Education shall be responsible for the allocation of funds and promulgation of the regulation.~~

~~B. The Commission on Higher Education shall review the loan program annually and report to the General Assembly on its progress and results to ensure proper administration of the program. Repealed.~~

**Agenda Item 2, Attachment 2**

Agency Name: Commission on Higher Education  
Statutory Authority: 59-114-75  
Document Number: 4533  
Proposed in State Register Volume and Issue: 38/11  
Status: Proposed  
Subject: South Carolina National Guard College Assistance Program

History: 4533

<u>By</u>	<u>Date</u>	<u>Action Description</u>	<u>Jt. Res. No.</u>	<u>Expiration Date</u>
-	11/28/2014	Proposed Reg Published in SR		

Document No. 4533  
**COMMISSION ON HIGHER EDUCATION**  
CHAPTER 62  
Statutory Authority: 1976 Code Section 59-114-75

62-250 through 62-263. South Carolina National Guard College Assistance Program

**Preamble:**

The South Carolina Commission on Higher Education Regulation 62-250 through 62-263 governs requirements for the operation and administration of the South Carolina National Guard College Assistance Program under SC Code of Laws, Section 59-114-10 et seq. The program is administered by the Commission in coordination with the South Carolina National Guard and provides tuition assistance for eligible enlisted guard members enrolled in undergraduate programs. The Commission proposes amendments to the existing regulation in order to incorporate changes enacted by Act 151 of 2014 effective April 7, 2014, to clarify administrative procedures for the program, and to make changes that promote consistency in administration.

Notice of Drafting for the proposed amendments to the regulation was published in the *State Register* on June 27, 2014.

Section-by-Section Discussion

Amendments to this regulation include re-wording and re-ordering of existing text for improved readability in applying the regulation. These and other changes included are outlined as follows:

Section 62-250 is amended to remove abbreviations.

Section 62-251(A) is amended for consistency with state law to clarify the definition of “Academic Year.”

Section 62-251(B) clarifies the term “college assistance program” to be the National Guard college assistance program.

Section 62-251(G) is amended to clarify the term “degree-seeking student” by omitting reference to completion of degree programs which is addressed elsewhere.

Section 62-252(M) is amended to delete “SC public or independent.”

Section 62-251(O) is amended to align “satisfactory academic progress” to a uniform methodology for determining financial aid (Title IV).

Section 62-251(P) is added to define “Attempted hours” as all enrolled semester or quarter hours with exception to those hours that are dropped or withdrawn.

Section 62-252(A) is amended to re-number and re-order existing provisions and to make the following changes: 1) add “eligible to clarify which institutions and to delete the section reference to the defined term “eligible institution”; 2) omit unnecessary phrases “SC National Guard” prior to college assistance program and “as defined by Title IV regulation “ following cost of attendance as they are included in terms as defined; 3) add new text, Section 62-252(A) (2), to include the 2014 statutory change that the annual maximum grant must be based on the amount of available program funds and to provide clarification that annual maximum grant will

be determined at the beginning of each fiscal year based on state appropriations disbursement of funds to students.

Section 62-252(B) is amended to add the term “attempted hours” and remove the terms “semester or equivalent quarter hours” so as to clarify hours of enrollment that will be counted toward the maximum 130 credit hour limit to receive college assistance program benefits.

Section 62-252(B)(1) adds language to clarify that college assistance program benefits will be prorated so that the benefit does not exceed statutory limits and deletes the unnecessary phrase “SC National Guard.”

Section 62-252(B)(2) adds language to allow for students to withdraw, in accordance with institutional policies, without penalty.

Section 62-252(C) is amended to maintain consistency with definitions for eligible program of study and degree seeking student and to include text deleted from 62-252(G) that benefits may not be received upon completion of an eligible program to pursue an eligible program at the same or preceding level. Language that restricts benefits to those who have not received a bachelor’s or graduate degree is moved from this section to the renumbered Section 62-252(D). Language that restricts benefits to undergraduate coursework only is moved from this section to the renumbered 62-252(F).

Section 62-252(E), renumbered, adds language to limit receipt of benefits to one institution per term, and in cases where a student is enrolled in more than one institution per term, the benefit will be sent to the student’s home institution, and omits. The prior Section 62-252(E) is struck and considered in the amended Section 62-254.

Section 62-252(G) is renumbered and re-worded to clarify eligibility and disbursement for eligible students who are enrolled part-time.

Section 62-252(H) and (J) are moved from Section 62-253(F) and (G), respectively, to this section for better placement.

Section 62-252(I) adds language to clarify benefits and eligibility of National Guard members who qualify under the Americans with Disabilities Act (ADA) and Section 504 of the Rehabilitation Act of 1973.

Section 62-253 and 62-253(B) are amended to remove unnecessary text for consistency with terminology for college assistance program and National Guard.

Section 62-253(D) is amended to include 2014 statutory changes that a National Guard member becomes qualified for program funding upon completion of Basic Training and Advanced Individual Training. Previously, a National Guard member became eligible for program benefits on the day of enlistment. The last two sentences of 62-253(D) are renumbered as (E) and the prior section (E) becomes (F).

Section(s) 62-253 (H), (I), and (I) (1) are omitted from this section as they are explained elsewhere in regulation.

Section 62-254 is amended to omit Transfer Students from the section title as Continued Eligibility also addresses transfer students.

Section(s) 62-254 (A)(1)(2), (B), (C), and (D) are omitted and replaced with Section(s) (A)(1)(2)(3)(4), (B), (C), and (D) to provide additional clarification to the application and award

process for new, continuity and transfer students. The National Guard will determine eligibility of Guard Members, and upon determination of eligibility, Guard Members shall contact the financial aid office at the institution to initiate awarding of benefits. Language is added to require coordination of eligibility verification and payment of benefits between the financial aid offices at the institutions and Commission on Higher Education.

Section 62-256 is amended to clarify in (A) reinstatement of eligibility for college assistance program benefits upon return from military mobilization; to replace in (B) funds with benefits; and to clarify in (C) attempted semester hours are included.

Section 62-258 is amended in multiple places to strike South Carolina National Guard and add text consistent with program name as defined in 62-251(B). Language is added in part (D) (5) of this section to clarify that credit hours are attempted hours, and in part (H) to clarify the responsibility of home institution in determining eligible applicants.

Section 62-259 is amended to provide for renumbering of existing points and to clarify that awards can be made at less than half-time enrollment status. Language is added to clarify responsibility of home institution in awarding and Commission in prescribing related procedures. The prior Section 62-260 is merged into existing Section 62-259.

Section(s) 62-260, 261 and 262 are renumbered from 62-261, 262, and 263 respectively. Language is amended so that references to the program name, the Commission, National Guard and eligible program are consistent with those terms as defined in 62-251.

Section 62-262, renumbered, is also amended to include 2014 statutory changes to acknowledge that appropriations for the program may be carried forward to a subsequent fiscal year and expended for the same purpose and are exempt from mid-year budget reductions and to delete obsolete language.

#### **Notice of Public Hearing and Opportunity for Public Comment:**

A public hearing will be held at 10:30 a.m. on January 8, 2015 in the offices of the SC Commission on Higher Education, 1122 Lady Street, Suite 300, Columbia, South Carolina. Interested persons may submit written comments to Dr. Karen Woodfaulk, Director of Student Services, South Carolina Commission on Higher Education, 1122 Lady Street, Suite 300, Columbia, SC 29201 or by email to [kwoodfaulk@che.sc.gov](mailto:kwoodfaulk@che.sc.gov). To be considered, comments must be received no later than 5:00 p.m. on December 31, 2014.

#### **Preliminary Fiscal Impact Statement:**

The South Carolina Commission on Higher Education estimates that no costs will be incurred by the state and its political subdivisions as a result of the proposed amendments. Funding for the South Carolina National Guard Student College Assistance Program is dependent upon annual appropriations by the General Assembly.

#### **Statement of Need and Reasonableness:**

DESCRIPTION OF REGULATION: 62-250. South Carolina National Guard College Assistance Program.

Purpose: 62-250 is being amended to incorporate changes enacted with the passage of Act 151 of 2014 and to make changes to provide administrative clarification.

Legal Authority: SC Code of Laws Section 59- 114-75.

Plan for Implementation: Required statutory changes have been implemented and the full implementation of regulation will effective upon approval by the General Assembly.

**DETERMINATION OF NEED AND REASONABLENESS OF THE PROPOSED REGULATION BASED ON ALL FACTORS HEREIN AND EXPECTED BENEFITS:**

During the 2014 legislative session, three statutory changes were enacted that provided clarification of administrative provisions. These amendments included: 1) clarification that each academic year's annual maximum grant must be based on the amount of available program funds; 2) a change in qualification such that a SC National Guard Member becomes qualified for program funding upon completion of Basic Training and Advanced Individual Training rather than upon enlistment; and 3) codification of a budget proviso enabling appropriations to the SC National Guard College Assistance Program are to be carried forward to a subsequent fiscal year and expended for the same purpose, and to be exempted from any midyear budget reductions. The amended regulation incorporates these changes and further clarifies procedures for administration of the program.

**DETERMINATION OF COSTS AND BENEFITS:**

None. The amendments align existing regulation with statutory authority for the program.

**UNCERTAINTIES OF ESTIMATES:**

None.

**EFFECT ON ENVIRONMENT AND PUBLIC HEALTH:**

None.

**DETRIMENTAL EFFECT ON ENVIRONMENT AND PUBLIC HEALTH IF THE REGULATION IS NOT IMPLEMENTED:**

None.

**Statement of Rationale:**

The proposed amendments will incorporate statutory changes to align the South Carolina National Guard College Assistance Program regulation with state law and will promote greater consistency with respect to program administration.

~~Indicates Matter Stricken~~

Indicates New Matter

**Text:**

Table of Contents:

- 62-250. Purpose of the ~~SC~~ South Carolina National Guard College Assistance Program
- 62-251. Program Definitions
- 62-252. Program Benefits and Maximum Assistance
- 62-253. ~~National Guard~~ College Assistance Program Terms of Eligibility (Student Eligibility)
- 62-254. Participant Application Process and Continued Eligibility and Transfer Students
- 62-255. Enrollment in Internships, Cooperative Work Programs, Travel Study Programs and National  and International Student Exchange Programs
- 62-256. Military Mobilization
- 62-257. Appeals Procedures
- 62-258. Institutional Policies and Procedures for Awarding
- 62-259. Benefits Disbursement and Reimbursements
- ~~62-260. Institutional Disbursements~~
- 62-~~261~~ 260. Program Administration and Audits
- 62-~~262~~261. Suspension or Termination of Institutional Participation
- 62-~~263~~262. Funding

62-250. Purpose of the ~~SC~~ South Carolina National Guard College Assistance Program

Pursuant to Act 40 of 2007, the Commission on Higher Education shall develop a college assistance program for providing incentives for enlisting or remaining for a specified time in both the South Carolina Army and Air National Guards (~~SCNG~~). The Commission on Higher Education, along with the South Carolina National Guard, shall promulgate regulation and establish procedures to administer the South Carolina National Guard College Assistance Program. These ~~SC~~ South Carolina National Guard College Assistance Program benefits will cover the cost of attendance as defined by Title IV regulation, up to a maximum amount each award year. The maximum amount will be made annually and detailed in established procedures; to be administered by the Commission on Higher Education.

62-251. Program Definitions

A. The “Academic Year” shall be defined as the beginning ~~that~~ twelve month period as defined by the institution for the awarding of financial aid to a student and which includes regular terms (~~F~~fall, ~~S~~spring, or trimester) or other terms (~~S~~summer and other) in any combination.

B. “College assistance program” means ~~any awards made under~~ the South Carolina National Guard ~~C~~college ~~A~~assistance ~~P~~program.

C. “Commission” means the South Carolina Commission on Higher Education.

D. “Eligible institution” means:

(1) a public institution of higher learning as defined in Section 59-103-5 and an independent institution of higher learning as defined in Section 59-113-50; and

(2) a public or 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 which was incorporated in its original charter in 1962, was granted a license to operate in 1997 by the Commission on Higher Education, has continued to maintain a campus in South Carolina, and is accredited by the Southern Association of Colleges and Secondary Schools. Institutions whose sole purpose is religious or theological training or the granting of professional degrees do not meet the definition of “public or independent institution” for purposes of this chapter.

E. “National Guard” means South Carolina Army or Air National Guard.

F. Cost of Attendance” is defined as “tuition and fees” charged for registering for credit hours of instruction, costs of textbooks, and other fees and costs associated with attendance at an eligible institution in accordance with Title IV Regulations.

G. “Degree-seeking student” is defined as any student enrolled in an eligible institution which leads to the first one-year certificate, first two-year program or associate’s degree, or first

bachelor's, or a program of study that is structured so as not to require a bachelor's degree for acceptance into the program (and leads to a graduate degree). ~~Upon completion of the first one-year certificate, first two-year program or associate's degree, or first bachelor's or program of study that is structured so as not to require a bachelor's degree for acceptance into the program (and leads to a graduate degree), the student cannot use scholarship funds to pursue a program in the same or preceding level.~~

H. "Eligible program of study" is defined as a program of study leading to:

(1) at least a one-year educational program that leads to the first certificate or other recognized educational credential (e.g., diploma) as defined by the U.S. Department of Education for participation in federally funded financial aid programs and prepares students for gainful employment in recognized occupations;

(2) the first associate's degree;

(3) at least a two-year program that is acceptable for full credit towards the first bachelor's degree; or

(4) the first bachelor's degree.

I. "Full-time student" shall mean a student who has matriculated into an eligible program of study and who enrolls full-time, usually 12 credit hours for fall and spring terms.

J. "Less-than full-time student" shall mean a student who has matriculated into an eligible program of study and who enrolls part-time, e.g., usually fewer than 12 credit hours, for the fall and spring terms.

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, or as determined by the South Carolina Military Department.

L. "Remedial/developmental coursework" shall mean sub-collegiate level preparatory courses in English, mathematics, reading and any courses classified as remedial by the institution where the course is taken.

M. "Transfer student" shall be defined as a student who has changed enrollment from one institution to an eligible ~~SC public or independent~~ institution.

N. "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.

O. "Satisfactory academic progress" shall be defined as the academic progress as required by the institution in which the student is enrolled as a degree-seeking student for Title IV financial aid eligibility. ~~The student must meet all requirements for satisfactory academic progress towards the degree/program completion as established by the institution. Should the student's enrollment status not be covered in the institutional policies, completion of all courses with a passing grade is required.~~

P. "Attempted hours" include all enrolled semester hours or related quarter hours, whether passed or not, and does not include those hours dropped or withdrawn in accordance with institutional drop-add policies.

## 62-252. Program Benefits and Maximum Assistance

A. Qualifying members of the National Guard may receive college assistance program benefits up to an amount equal to one hundred percent of college cost of attendance, provided, however, these college assistance program benefits in combination with all other grants and scholarships shall not exceed the cost of attendance at the particular eligible institutions ~~referenced in section 62-251 subsection (D)~~ in any given award year; and the cumulative total of all college assistance program benefits received may not exceed eighteen thousand dollars.

~~(1.) These SC National Guard College Assistance Program benefits cover the cost of attendance as defined by Title IV regulation; however, the benefit maximum per award year may be reduced if, in combination with other financial aid, the cumulative total of all aid received~~

would exceed the cost of attendance. Disbursements of this grant will typically be paid in two (Ffall semester, Sspring semester, or its equivalent) equal disbursements. Any remaining funds can be used in any sequential terms prior to annual expiration date. If the recipient is in his/her final semester of enrollment as required for degree completion, the recipient may receive up to the full annual benefit in the final semester.

(2) The annual maximum grant will be determined prior to the beginning of each academic year based on the amount of available program funds.

(3) Disbursements of this grant will typically be paid in two (Ffall semester, Sspring semester, or its equivalent) equal disbursements. Any remaining funds can be used in any sequential terms prior to annual expiration date. If the recipient is in his/her final semester of enrollment as required for degree completion, the recipient may receive up to the full annual benefit in the final semester.

B. A member shall not qualify for college assistance program benefits for more than one hundred thirty attempted semester hours or related quarter hours from the time of initial eligibility into the SC National Guard College Assistance Program.

(1) The award will be prorated so that a student's funded hours shall not exceed 130 attempted hours from the time of initial eligibility.

(2) A student will not be penalized toward the maximum one-hundred-thirty attempted hours for which the student enrolled but withdraws in accordance to institutional drop-add policies.

C. Students who have been awarded a bachelor's or graduate degree are not eligible for the College Assistance Program benefit. Benefits are not to be awarded for graduate degree courses. may not receive college assistance benefits upon completion of an eligible program to pursue an eligible program of study in the same or preceding level.

D. Students who have been awarded a bachelor's or graduate degree are not eligible for the College Assistance Program benefit.

E. Students may not receive college assistance benefits at more than one institution during the same term. Where students are enrolled in more than one institution during a semester, the benefit will be received at the student's home institution.

F. College assistance Bbenefits are must not to be awarded for graduate degree courses.

G. Less than full-time Sstudents may receive college assistance program benefits.

(1) Awards for less than full-time students The SC National Guard College Assistance Program benefits cannot exceed the cost of attendance as defined by Title IV regulation an academic year to eligible Guard members attending a public or independent institution as defined in section 62-251 subsection (D).

(2) Half shall be awarded during the fall term and half during the spring term (or its equivalent). College assistance program benefits Benefit funds will be prorated for less than full-time enrolled students. awarded prorated, to students not enrolled full time. The prorated method (based on semester calculation) will be based on the Pell Grant model (3/4 time; 1/2 time; less than 1/2 time (to include 1/4 and less than 1/4 time) of the recipient's full time award value.

E. A new application must be submitted by the Guard Member for each separate academic year to the South Carolina National Guard identifying his/her home institution and his/her intent to enroll at that institution.

H. College assistance program benefits may not be applied to the cost of continuing education or graduate coursework.

I. A Guard member who qualifies under the Americans with Disabilities Act (ADA) and Section 504 of the Rehabilitation Act of 1973 must meet all eligibility requirements as defined in "Program Benefits and Maximum Assistance" Sections except for the full-time enrollment requirement, if approved by the Disability Services Provider at the home institution. A Guard member must comply with all institutional policies and procedures in accordance with ADA and Section 504 of the Rehabilitation Act of 1973. It is the responsibility of the Guard member to

provide written documentation concerning services from the institutional Disability Services Provider. The institutional Disability Services Provider must provide written documentation to the Office of Financial Aid prior to each academic year verifying that the student is approved to be enrolled in less than full-time status. The institution is responsible for retaining appropriate documentation according to the “Institutional Policies and Procedures for Awarding” Section.

J. Remedial/developmental or non-degree attempted hours shall be used toward the National Guard member’s 130 attempted hours.

#### 62-253. National Guard College Assistance Program Terms of Eligibility (Student Eligibility)

A. Members of the National Guard enrolled or planning to enroll in an eligible institution may apply to the ~~South Carolina~~ National Guard for a college assistance program benefit.

B. ~~The South Carolina National Guard~~ College Assistance Program benefits may be applied by giving priority to service members in areas of critical need. The ~~SC~~ National Guard will determine areas of critical need.

C. To qualify, an applicant must:

(1) be in good standing with the active National Guard at the beginning of each academic year and remain a member in good standing with the active National Guard throughout the entire academic year for which benefits are payable;

(2) have valid tuition and fee expenses from an eligible institution;

(3) maintain satisfactory academic progress as defined by the institution;

(4) be a U.S. citizen or a legal permanent resident who meets the definition of an eligible non-citizen under State Residency Statutes;

(5) be admitted, enrolled and classified as a degree-seeking full-time or part-time student at an eligible institution in South Carolina; and

(6) satisfy additional eligibility requirements as may be promulgated by the Commission.

D. Individuals joining the National Guard become eligible for college assistance program benefits on the day of enlistment upon completion of Basic Combat Training (BCT)/Basic Military Training (BMT) and Advanced Individual Training (AIT)/Technical Training for sequential regular terms (fall, spring, or trimester) or other terms (summer and other).

E. Enlisted personnel must continue their service in the National Guard during all terms of courses covered by the benefit received. Officers shall continue their service with the National Guard for at least four years after completion of the most recent award or degree completion.

~~EF.~~ National Guard members receiving a full Reserve Officer's Training Corps (ROTC) scholarship are not eligible for college assistance program benefits.

~~F. National Guard College Assistance scholarship funds may not be applied to the cost of continuing education or graduate coursework.~~

~~G. Remedial/developmental or non-degree credit hours shall be used toward the National Guard member’s credit hour limit.~~

~~H. Students who have already been awarded their first bachelor’s degree or graduate degree or who have already completed a program of study that is structured so as not to require a bachelor’s degree for acceptance into the program (and leads to a graduate degree) are not eligible to participate in the National Guard College Assistance Program.~~

~~I. All documents required for determining the National Guard College Assistance Program eligibility must be initiated and submitted by the student to the institution by the institution’s established deadline(s).~~

~~1. Currently enrolled members should contact their college’s financial aid office to initiate benefits award for the current academic year. The financial aid office will coordinate with the Commission on Higher Education to verify student eligibility and coordinate payment to the college or university on behalf of the student member.~~

#### 62-254. Participant Application Process and Continued Eligibility and Transfer Students

A. New applications must be completed and submitted each year prior to the beginning of the fall term of the academic year by the deadline determined by the National Guard.

(1) The application is to be submitted to the National Guard and must include information identifying the student's home institution and intent to enroll at the institution in the upcoming year.

(2) Guard members who intend to enroll only for the spring and/or summer semester must also complete a new application prior to the fall term of each academic year by the established deadline determined by the National Guard.

(3) The National Guard shall determine eligibility for the college assistance program.

(4) Once eligibility has been determined by the National Guard, all documents must be initiated and submitted by the student to the institution.

B. Currently enrolled members must have applied prior to the beginning of the fall term of each academic year by the National Guard established deadline and should contact their college's financial aid office to initiate benefit award for the current academic year. The financial aid office will coordinate with the Commission to verify student eligibility and coordinate payment to the college or university on behalf of the student member.

C. For continued eligibility, students must apply prior to the beginning of the fall term of each academic year by the established deadline as determined by the National Guard, continue to meet all eligibility requirements as stated in the Section 62-253, College Assistance Program Terms of Eligibility (Student Eligibility).

~~A. Students must meet the following criteria to renew eligibility for the South Carolina National Guard College Assistance Program Benefit:~~

~~(1) Continue to meet all eligibility requirements as stated in the National Guard College Assistance Program Terms of Eligibility (Student Eligibility) Section 62-253 (C); and~~

~~(2) Students who initially enroll in college mid-year (spring term) may be eligible to receive the tuition assistance the same academic year.~~

~~BD. Transfer students who are eligible prior to the beginning of the academic year for receive/participate in the National Guard College Assistance Program and who transfer mid-year to another eligible institution may be eligible to receive the assistance for the spring term if they continue to meet the eligibility requirements at the end of the previous academic year.~~

~~C. The institution where the student is transferring will determine the classification of the entering transferring student based on initial college enrollment and will use this classification to determine the remaining terms of eligibility in compliance with the "Program Benefits and Maximum Assistance" Section 62-252.~~

~~D. The home institution will be responsible for obtaining official certification of the student's grade point average, credit hours earned, and satisfactory academic progress for the purposes of determining eligibility for scholarship renewal for the next academic year.~~

62-255. Enrollment in Internships, Cooperative Work Programs, Travel Study Programs and National and International Student Exchange Programs

A. Students enrolled in internships, cooperative work programs, travel study programs, or National or International Student Exchange Programs that are approved by the home institution and that the home institution accepts as full-time transfer credit are eligible to receive the ~~South Carolina National Guard College Assistance Program~~ benefit funds during the period in which the student is enrolled in such programs. Students will be required to meet the continued eligibility requirements.

62-256. Military Mobilization

A. Service members who are enrolled in college and during which affected by military mobilizations will not be penalized for the term they are required to withdraw after the full refund period based on 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. The service member must re-enroll in an eligible institution within twelve months upon 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 student re-enrolls after the twelve month period, the service member must submit an Appeal Application per the established procedures of the Office of the Adjutant General to the ~~Commission on Higher Education and the South Carolina National Guard~~ Office of the Adjutant General 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 renew the scholarship for the next academic year, if they met the eligibility requirements at the end of the prior academic year. Service members who did not use the college assistance program ~~and~~ benefits/terms of eligibility during this period due to military mobilization shall be allowed to receive the college assistance ~~and~~ benefits during the succeeding term.

C. The home institution will be responsible for receiving verification of military mobilization status, from the ~~South Carolina National Guard~~, attempted semester hours, credit hours earned, and eligibility for benefit renewal for the next academic year.

D. Service members of the United States Armed Forces will not be penalized for any credit hours earned while on military mobilization. The credit hours earned will be used toward the maximum credit hour requirement for the college assistance program.

#### 62-257. Appeals Procedures

A. Students may appeal an adverse determination as to the awarding or continuation of the ~~College Assistance Program~~ benefit to the Office of the Adjutant General.

B. The Adjutant General shall devise procedures addressing student appeals to provide students an opportunity to submit documentation for a second review and determination of award.

#### 62-258. Institutional Policies and Procedures for Awarding

A. Each institution is responsible for reviewing all students based on the "Eligibility Requirements/Satisfactory Academic Progress" to determine eligibility for college assistance program benefits.

B. ~~SC National Guard~~ College Assistance program awards are to be used only for payment toward the cost-of-attendance as established by Title IV Regulations. The ~~South Carolina National Guard~~ ~~College Assistance Program~~ 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.

C. Institutions will notify students of any adjustments in the ~~SC National Guard~~ ~~College Assistance Program~~ benefit funds that may result from an over award, change in eligibility, or change in financial status or other matters.

D. 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) Refunds and repayments (if appropriate)
- (4) Enrollment and curriculum requirements
- (5) Verification of required number of annual credit hours based on that (s)he is within the eligible 130 attempted credit hours from the time of initial eligibility of the program.
- (6) Military mobilization orders (if appropriate)

E. The ~~South Carolina~~ National Guard shall be responsible for providing a list of all eligible Guard members to the Commission on Higher Education, which in turn shall provide this list to all the eligible institutions. Only Guard Members who are on the list shall be awarded the ~~College Assistance Program~~ benefits.

F. Eligible participant lists will be accessed through the ~~CHE~~ Commission portal (via log-on/password); eligibility will reflect assurance that the student is eligible for the annual maximum unless otherwise noted.

G. The ~~South Carolina National Guard College Assistance Program~~ awards are to be used to meet unmet need or to replace any loans or work-study up to the student's cost-of-attendance.

H. The home institution will be responsible for obtaining official certification of the student's grade point average, attempted semester hours, credit hours earned, and satisfactory academic progress for the purposes of determining student eligibility for the college assistance program benefit and renewal in subsequent academic years.

#### 62-259. Benefits Disbursement and Reimbursements

A. The Commission shall disburse benefits awarded pursuant to this chapter to the eligible institutions to be placed in an account established for each eligible student.

(1-) In the event that a student who has received a benefit withdraws, is suspended, or otherwise becomes ineligible, the institution must reimburse the ~~College Assistance Program~~ for the amount of the benefit for the applicable term pursuant to the refund policies of the institution.

(2-) The institution is responsible for collecting any amount due to the institution from the student.

(3-) In the event a student withdraws or drops below eligibility requirements after the institution's refund period and therefore must pay tuition and fees for full-time or ~~part-time less-than full time~~ enrollment, the benefits may be retained pursuant to the refund policies of the institution.

B. The institution is responsible for awarding College Assistance program funds according to the "Institutional Policies and Procedures for Awarding" Section, R62-258, and procedures that may be prescribed the Commission.

#### ~~62-260. Institutional Disbursements~~

~~A.C.~~ Eligible institutions shall award amounts which, when combined with other financial aid, cannot exceed the student's cost-of-attendance or defined program award maximums.

~~B.D.~~ After the last day to register for each term of the eligible academic year, the institution will verify enrollment of each recipient and award amount based upon enrollment status.

~~C.E.~~ The institution must submit a request for funds and/or return of funds by the established deadline each term. In addition, a listing of all eligible recipients by identification numbers with award amounts for the term must be sent to the Commission ~~on Higher Education~~. At this time any funds must be returned to the Commission on Higher Education immediately.

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

~~E.G.~~ At the time of disbursement, the student must be enrolled at the institution indicated as the home institution (on the ~~SC South Carolina~~ National Guard application form) as a degree-seeking student at the home institution.

#### ~~62-261~~260. Program Administration and Audits

A. The ~~South Carolina~~ Commission on Higher Education, in conjunction with the ~~South Carolina~~ National Guard, shall be responsible for the oversight of functions (e.g., guidelines, policies, rules, regulations) relative to this program with participating institutions.

(1.) The Commission on Higher Education shall be responsible for the allocation of funds, promulgation of guidelines and regulations governing the ~~South Carolina National Guard~~ College Assistance Program, and any audits or other oversight as may be deemed necessary to monitor the expenditures of scholarship funds.

(2.) The ~~South Carolina~~ National Guard shall be responsible for Officers continuing their service with the National Guard for at least four years after completion of the most recent benefit awarded or degree completion.

(3.) The ~~South Carolina~~ National Guard shall be responsible for any and all student appeals.

(4.) The ~~South Carolina~~ National Guard shall be responsible for providing a list of all eligible Guard members to the Commission on Higher Education, which in turn shall provide this list to all the eligible institutions. Only Guard Members who are on the list shall be awarded the College Assistance Program benefits.

B. According to the "Audit Policies and Procedures for Benefit 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 ~~South Carolina National Guard~~ College Assistant assistance Program 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.

#### ~~62-262261.~~ 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 statutes, 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 ~~South Carolina National Guard~~ College Assistance Program for any funds lost or improperly awarded.

B. Upon receipt of evidence that an institution has failed to comply, 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 eligible ~~public or independent~~ institution, 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, guidelines, rules, and regulations.

#### ~~62-263262.~~ Funding

A. Benefits provided through the ~~National Guard~~ College Assistance Program are subject to the availability of funds appropriated by the General Assembly.

B. Funds appropriated for the college assistance program may be carried forward and expended for the same purpose. If a midyear budget reduction is imposed by the General Assembly or the State Budget and Control Board, the appropriations for the college assistance program are exempt.

BC. Up to five percent of the amount appropriated to the college assistance program may be used to defray administrative costs incurred by the Commission associated with the implementation of this chapter

~~— C. Any funds remaining in the South Carolina National Guard Student Loan Repayment Program shall be transferred to the College Assistance Program in accordance with regulations prescribed by the Commission.~~