

## Proposed Methodology for Awarding the SC Need-based Grant

The premise of the attached model is based on the number of full-time Pell Grant recipients (Pell FTE) and not full-time FTE. The data is derived from FY 2005/06 Pell Grant recipients and the NBG Allocations of FY 2006/07. A full-time calculation for part-time students was derived by converting every three part-time students to equal one full-time student.

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

Please keep in mind that the institutions will still have the flexibility to adjust the grant award based on need.

**MODEL SEVEN** proposes a Need-based Grant base amount of \$1200 at each four-year institution. The number of Pell Grant recipients from each institution was multiplied by the proposed base amount (\$1,200) to calculate the total Need-based Grant funding per institution. The base amount for Need-based Grant recipients attending the two-year regional institutions would be \$750. The base amount for Need-based Grant recipients at a two-year technical institution would be \$500. Utilizing this method, additional funding for the four-year institutions would require \$9.7 million; two-year regional institutions would require an additional half-million; and two-year technical institutions would require an additional \$5.6 million. This methodology would require \$15.9 million in total additional funding.