

**South Carolina Commission on Higher Education
1333 Main Street, Suite 200
Columbia, SC 29201**

**Committee on Access & Equity and Student Services
Minutes of the Meeting
October 26, 2005
1:30 p.m.**

Commission Members Present

Dan Ravenel, Chair
Rosemary Byerly
Dr. Bettie Horne
Cynthia Mostellar
Dr. Mitchell Zais

Staff Present

Dr. Karen Woodfaulk
Sherry Hubbard
Sandra Rhyne
Karen Wham
Laverne Sanders

South Carolina Need Based Grant

Sandra Rhyne gave an overview of the Need Based Grant's history, growth of the merit base, eligibility criteria, renewal of Need Based, award process and Pell Grant from the Scholarships and Grants Review report.

Cindy Mostellar asked about the retention rate of the Need Based Scholarship. Sandra responded that question #4 of the Scholarship/Grants Review has the retention rate information. Dr. Mick Zais noted that retention rate measures the SAT score and the affluence of the family. Dr. Zais said they are the number one predictors of the retention. He said if you want high retention you recruit rich kids with high test scores and you retain them at a high rate or you get poor kids with low test scores and you get low retention. Dr. Bettie Horne said that as long as there are so few college graduates that one of the goals is to try and find those kids who are not and focus money on them and spread it wider. Karen Woodfaulk noted that retention rates can be found in Appendix H.

Karen pointed out that in Figure 3; the average annual SC Need Based Grants award amount compared to the average SC Tuition Grants amount which receives funding from the state to award to needy students. She said in the comparison the Need Based Grant which goes to public institutions is very different for students at independent schools which receive higher awards than public institutions who are equally needy. Dr. Zais asked how a school like USC-Aiken calculates for need. Karen explained financial aid used the Federal methodology and spread the funding among needy students. She said if they have more students that school would unfortunately award a needy student less money. Karen added that Need Based Grants' students can not transfer funds, which advocates students receive allocated flat amount.

Sandra explained that Table 41 shows since 1998 students receiving South Carolina scholarships and grants have increased 135% and the dollar amount expended have increase 290%. She noted that students receiving merit based aids as well as the dollar amount have increased significantly while the numbers of the need based aid have barely increased and the dollar amount have decreased by 6%. Sandra said in Figure 4; the South Carolina amount of need based aid comparison nationally in 2002-2003 is 73% need based aid and 27% non-need based aid. Dan Ravenel asked if the committee was in favor of increasing the Need Based Grant. Dr. Zais noted that merit based spending would have to be controlled. Dan said that is what he is proposing that the committee look at those programs that need to be changed and ask the legislature to divert that money to some other area, to the school, need based, or whatever makes sense for higher education. Dr. Zais suggested that if the committee is looking for money to help Need Based, the place to go would be to LIFE Scholarships.

Karen suggested to the committee to look at options that were passed out at Winthrop as a possibility to divert funds from the merit based to the need based.

Cindy asked if students realized disparity in going to public and not private. Karen said she did not think so and she think they chose a college for other reasons. Rosemary Byerly asked if this was because the public institution is FTE funded as far as the Need Based is concern. Karen said that was correct.

The committee discussed how to go forward before submitting suggestions to full Commission and then to the General Assembly. Dr. Horne suggested putting the Review in a summary for the Committee. Dan added that the economic impact would be helpful. Karen said there will be a public hearing for the regulations on December 1, 2005.

Dr. Zais noted that in Table 41 that the Need Based was down 6% compared to the increase in the other scholarships. Dan said that he think this says that the Palmetto Fellows is working and the reason that the 339 exists is that it is an entitlement.

The next meeting will be Thursday, November 3, 2005, after the Professor of the Year luncheon.

The meeting was adjourned at 2:30.

Respectfully Submitted,

Laverne Sanders