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January 5, 2017

South Carolina National Guard College Assistance Program (SCNG CAP)

Public Hearing on Regulatory Amendments for the 2017-18 Academic Year

Members of the SCNG CAP Advisory Committee and the SC National Guard CAP representatives reviewed the regulation governing SCNG CAP and proposed amendments to the regulation for further clarification of administrative procedures. The proposed regulation was presented to the SC Commission on Higher Education for approval on October 24, 2016.

Major amendments to the regulation strike the language that allows the recipient to receive the full annual benefit in the final semester of enrollment as required for degree completion and revises the language regarding the proration of awards for less than full-time students.

- **Section 62-252 (A) (3)** - Strikes the language that allows the recipient to receive the full annual benefit in the final semester of enrollment as required for degree completion.
- **Section 62-252 (G) (2)** - Strikes "Pell Grant Model" from the language.

The final regulation includes changes to Section 62-251 (Program Definitions) for clarification.

- **Section 62-251 (Q)** - Adds a definition for "Qualified Member"
- **Section 62-251 (R)** - Adds a definition for "Good Standing"
- **Section 62-251 (S)** - Adds a definition for "Four Years"
- **Section 62-252 (A)** - Strikes "Qualifying" and adds "Qualified"
- **Section 62-252 (A) (3)** - Strikes "Sequential" and adds "Succeeding"
- **Section 62-253 (D)** - Strikes "Technical Training" and adds "Initial Active Duty Training" (IADT)
- **Section 62-258 (H)** - Strikes "Subsequent" and adds "Succeeding"

The final regulation also includes minor changes for clarification of administrative procedures.

- **Section 62-253 (E)** - Language added to clarify that enlisted personnel are not eligible for benefits after the discharge date
- **Section 62-256 (C)** - Language added to clarify eligibility is in accordance with the eligibility requirements listed in section 62-253
- **Section 62-258 (F)** - Language added to clarify eligibility is in accordance with the eligibility requirements listed in section 62-253
- **Section 62-259 (A) (1)** – Language added to clarify ineligibility is in accordance with the eligibility requirements listed in section 62-253 C. (1)
- **Section 62-260 (B)** – Strikes “Audit Policies and Procedures for Benefit and Grant Programs Manual” from the language

Recommendation

The Committee on Access & Equity and Student Services recommends that the Commission on Higher Education approve the final amendments to the regulation for the South Carolina National Guard College Assistance Program (SCNG CAP). If approved by the Commission on Higher Education, the final regulation will be submitted to the Legislative Council, for General Assembly Review, on January 13, 2017.

Document No. 4730
COMMISSION ON HIGHER EDUCATION
 CHAPTER 62
 Statutory Authority: 1976 Code Section 59-114-75

62-250 through 62-263 2. South Carolina National Guard College Assistance Program

Preamble:

The South Carolina Commission on Higher Education promulgates Regulation 62-250 through 62-262 that 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 financial assistance for eligible enlisted guard members enrolled in undergraduate programs. The Commission proposes amendments to the regulation for further clarification of administrative procedures and additional definitions for clarification. These amendments include: 1) removal of the language that allows the recipient to receive the full annual benefit in the final semester of enrollment as required for degree completion 2) revision to the language regarding the proration of awards for less than full-time students; and 3) added definitions for qualified member, good standing, and four years.

The proposed regulation will require legislative review.

A Notice of Drafting for the proposed regulation was published in the South Carolina State Register on July 22, 2016.

Section-by-Section Discussion

- Section 62-251: Sets forth additions to definitions used in the regulation. Definitions for “Qualified Member”, “Good Standing and “Four Years” are added.
- Section 62-252: Clarifies definitions by striking “Qualifying” and adding “Qualified”. Strikes “Sequential” and adds “Succeeding”. Strikes the language that allows the recipient to receive the full annual benefit in the final semester of enrollment as required for degree completion. Strikes “Pell Grant Model” from language.
- Section 62-253: Strikes “Technical Training” and adds “Initial Active Duty Training” (IADT). Language is added to clarify that enlisted personnel are not eligible for benefits after the discharge date.
- Section 62-256: Language added to clarify eligibility is in accordance with the eligibility requirements listed in section 62-253.
- Section 62-258: Clarification made to language, striking “Subsequent” and adding “Succeeding”. Language added to clarify eligibility is in accordance with the eligibility requirements listed in section 62-253.
- Section 62-259: Language added to clarify ineligibility is in accordance with the eligibility requirements listed in section 62-253 C. (1)
- Section 62-260: Clarification is made to language, striking “Audit Policies and Procedures for Benefit and Grant Programs Manual” from the language.

Notice of Public Hearing and Opportunity for Public Comment:

Interested members of the public and regulated community are invited to make oral or written comments on the proposed regulation at a public hearing to be conducted by the South Carolina Commission on Higher Education on January 5, 2017, to be held in the Main Conference Room at 1122 Lady Street, Suite 300, Columbia, SC. The meeting will commence at 1:00 p.m. at which time the Commission will consider items on its agenda in the order presented. The order of presentation for public hearings will be noted in the Commission's agenda to be published by the Commission ten days in advance of the meeting.

Interested persons are also provided an opportunity to submit written comments on the proposed regulation by writing to Dr. Karen Woodfaulk, Director of Student Services, South Carolina Commission on Higher Education, 1122 Lady Street, Suite 300, Columbia, SC 29201. Comments must be received no later than 5:00 p.m. on December 28, 2016. Comments received shall be considered by the staff in formulating the final proposed regulation for the public hearing on January 5, 2017, as noticed above. Comments received by the deadline shall be submitted to the Commission in summary of public comments for consideration at the public hearing.

Preliminary Fiscal Impact Statement:

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

Statement of Need and Reasonableness:

DESCRIPTION OF REGULATION: 62-250 THROUGH 62-262 SOUTH CAROLINA NATIONAL GUARD COLLEGE ASSISTANCE PROGRAM

Purpose: R.62-250 through R.62-262 of Chapter 62 is being amended and replaced in its entirety. Revisions to the existing regulation for the SC National Guard College Assistance Program are being considered to clarify the policies and procedures for administering the program. In the proposed amendment, further clarification of administrative procedures is provided and additional definitions for clarification are included. These amendments include: 1) removal of the language that allows the recipient to receive the full annual benefit in the final semester of enrollment as required for degree completion 2) revision to the language regarding the proration of awards for less than full-time students; and 3) added definitions for qualified member, good standing, and four years.

Legal Authority: The legal authority for R.62-250-262 is 1976 Code Section 59-114-75.

Plan for Implementation: The proposed regulation will take effect upon approval by the South Carolina General Assembly and publication in the *State Register*. The proposed regulation will be implemented by providing the regulated community with copies of the regulation.

DETERMINATION OF NEED AND REASONABLENESS OF THE PROPOSED REGULATION BASED ON ALL FACTORS HEREIN AND EXPECTED BENEFITS: The proposed regulation is needed to provide clarification for institutions administering the SC National Guard College Assistance Program, which provides financial assistance for eligible enlisted guard members enrolled in undergraduate programs.

DETERMINATION OF COSTS AND BENEFITS: Promulgation of this regulation will not result in additional costs to the state or its political subdivisions. It is believed that the proposed regulation will benefit our state by providing institutions clarifying language regarding the requirements for receiving assistance through the SC National Guard College Assistance Program.

UNCERTAINTIES OF ESTIMATES: None.

EFFECT ON ENVIRONMENT AND PUBLIC HEALTH: Not applicable.

DETRIMENTAL EFFECT ON THE ENVIRONMENT AND PUBLIC HEALTH IF THE REGULATION IS NOT IMPLEMENTED: Not applicable.

Statement of Rationale:

The South Carolina Commission on Higher Education promulgates Regulation 62-250 through 62-263~~2~~ that 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~~ financial assistance for eligible enlisted guard members enrolled in undergraduate programs. The Commission proposes amendments to the regulation for further clarification of administrative procedures and additional definitions for clarification. Amendments to the existing regulation incorporate changes enacted by Act 151 of 2014 effective April 7, 2014. These amendments include: 1) clarification that each academic year's annual maximum grant must be based on the amount of available program funds removal of the language that allows the recipient to receive the full annual benefit in the final semester of enrollment as required for degree completion 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; revision to the language regarding the proration of awards for less than full-time students; 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 added definitions for qualified member, good standing, and four years.

Instructions:

The following Regulations 62-250 through 62-263~~2~~ are modified as provided below.

Text:

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- 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
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- 62-261. Suspension or Termination of Institutional Participation
- 62-262. Funding

62-250. Purpose of the 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 Guard. 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 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 twelve month period as defined by the institution for the awarding of financial aid to a student and which includes regular terms (fall, spring, or trimester) or other terms (summer and other) in any combination.

B. “College assistance program” means the South Carolina National Guard college assistance 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).

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 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.

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.

Q. "Qualified Member" shall be defined as a member who has completed Advanced Individual Training (AIT)/Initial Active Duty Training (IADT).

R. "Good Standing" shall be defined as a member who is a satisfactory participant in the SC National Guard.

S. "Four Years" shall be defined as four calendar years from the term the benefit covered.

62-252. Program Benefits and Maximum Assistance

A. ~~Qualifying~~ Qualified 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 institution in any given award year; and the cumulative total of all college assistance program benefits received may not exceed eighteen thousand dollars.

(1) These college assistance program benefits cover the cost of attendance; 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.

(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 (fall semester, spring semester, or its equivalent) equal disbursements. Any remaining funds can be used in any ~~sequential~~ succeeding 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 hours from the time of initial eligibility into the 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 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 benefits must not be awarded for graduate degree courses.

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

(1) Awards for less than full-time students cannot exceed the cost of attendance.

(2) College assistance program benefits will be prorated for less than full-time enrolled students. The prorated method (based on semester calculation) will be ~~based on the Pell Grant model~~ (¾ time; ½ time; less than ½ time to include ¼ and less than ¼ time) of the recipient's full time award value.

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. 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 National Guard for a college assistance program benefit.

B. College assistance program benefits may be applied by giving priority to service members in areas of critical need. The 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 upon completion of Basic Combat Training (BCT)/Basic Military Training (BMT) and Advanced Individual Training (AIT)/~~Technical Training~~ Initial Active Duty Training (IADT) 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. Enlisted personnel will not be eligible for benefits after the discharge date.

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

62-254. Participant Application Process and Continued Eligibility

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).

D. Transfer students who are eligible prior to the beginning of the academic year for the 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 eligibility requirements.

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 college assistance program benefit 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 exception to policy per the established procedures of the Office of the Adjutant General to the Office of the Adjutant General by the established deadline in order to be considered for reinstatement (Please refer to Section 62-257).

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 benefits/terms of eligibility

during this period due to military mobilization shall be allowed to receive the college assistance benefits during the succeeding term.

C. The home institution will be responsible for receiving verification of military mobilization status, from the National Guard, attempted semester hours, credit hours earned, and eligibility for benefit renewal for the next academic year in accordance with section 62-253.

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~~ Exception to Policy

A. Students may ~~appeal~~ submit an exception to policy requesting a review of an adverse determination as to the awarding or continuation of the college assistance program benefit to the Office of the Adjutant General or the appointed Air or Army National Guard CAP Representative.

B. The Adjutant General, or the appointed Air or Army National Guard CAP Representative, shall devise procedures addressing student ~~appeals~~ exception to policy requests 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. College assistance program awards are to be used only for payment toward the cost-of-attendance as established by Title IV Regulations. The 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 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 hours from the time of initial eligibility of the program.
- (6) Military mobilization orders (if appropriate)

E. The 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 Commission portal (via log-on/password); eligibility will reflect assurance that the student is eligible for the annual maximum in accordance with section 62-253 unless otherwise noted.

G. The 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 succeeding 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, ineligible under section 62-253 C. (1), 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 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, R.62-258, and procedures that may be prescribed the Commission.

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.

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.

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. At this time any funds must be returned to the Commission on Higher Education immediately.

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

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

62-260. Program Administration and Audits

A. The Commission on Higher Education, in conjunction with the 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 shall be responsible for the allocation of funds, promulgation of guidelines and regulations governing the college assistance program, and any audits or other oversight as may be deemed necessary to monitor the expenditures of scholarship funds.

(2) The 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 National Guard shall be responsible for any and all student appeals.

(4) The 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~~ Institutions 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 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 a college 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.

62-261. 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 college assistance program for any funds lost or improperly awarded.

B. Upon receipt of evidence that an institution has failed to comply, the Commission 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 institution, the Commission 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.

62-262. Funding

A. Benefits provided through the 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.

C. 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.

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 revisions. Funding for the South Carolina National Guard ~~Student~~ College Assistance Program is dependent upon annual appropriations by the General Assembly.

Statement of Rationale:

The revisions to the regulation 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~~ further clarify administrative procedures.