

**South Carolina
Higher Education
Tuition Grants Commission**

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MINUTES

South Carolina Higher Education Tuition Grants Commission Meeting
Tuesday, June 14, 2016
1706 Senate Street
Columbia, South Carolina

Commission Members Present On-Site

Ms. Beth Dinndorf, Columbia College, Chair

Commission Members Participating via Conference Call

Dr. Nayef Samhat, Wofford College, Vice Chair
Dr. Randall Pannell, North Greenville University
Mr. Bob Staton, Presbyterian College
Dr. Todd Voss, Southern Wesleyan University

Commission Members Absent

Dr. Maurice Scherrens, Newberry College, Secretary
Mr. Scott Cochran, Spartanburg Methodist College
Dr. Jairy Hunter, Charleston Southern University
Mr. Gary Glenn, SC Commission on Higher Education, Ex-officio

Ms. Beth Dinndorf, Commission Chair, called the meeting to order at 10:32AM. She welcomed all in attendance and requested that a roll call be taken of those participating on-site and via conference call.

Ms. Dinndorf called for a motion to approve the Minutes of the March 15, 2016, Commission Meeting. Dr. Nayef Samhat moved to approve the Minutes. Dr. Todd Voss seconded the motion. The motion was unanimously approved by the Commission.

Ms. Dinndorf called on Mr. Earl Mayo, Commission Director, to report on the review of the 2015-2016 Award Year ending June 30 and an update on the 2016-2017 Award Year. Mr. Mayo stated that there was a document available on the website agenda for review. Mr. Mayo stated that for 2015-2016, the Commission had \$36,467,815 in funds available. He stated that the number of applications received for 2015-2016 was 33,655, and there were 13,362 grants

realized. This was a .02% increase from the past year. He noted it was the first time in four years that there has not been a reduction in grants realized. Mr. Mayo stated that the 2016-2017 projected funds are \$38,637,632. He noted there was an increase in State Recurring Funds of about \$2.5 million. State Lottery Funds had a slight increase, as well. The funds from Children's Education Endowment remained about the same. Mr. Mayo stated that the 2016-2017 estimate of applications received is 33,655 with the amount of grants realized at 13,362, which is the same as the prior year. The average grant amount increased to \$2,850. Ms. Dinndorf asked if there were any questions. Being none, the meeting continued.

Ms. Dinndorf moved to the next agenda item regarding the report on the 2016 Legislative Session. She called on Mr. Mike LeFever, President and CEO, South Carolina Independent Colleges and Universities. Mr. LeFever remarked that they achieved their agenda items for this Assembly, including the \$2.53 million for Tuition Grants which was mostly State Recurring Funds and a small amount from Lottery Funds. This allowed for a Maximum Tuition Grant of \$3,200 for the 2016-2017 award year. The Commission on Higher Education received \$4.5 million for the need-based grant program. This program directly impacts Tuition Grants as about 17% of the total funding for the SC Need-Based Grant is channeled to the Tuition Grants Program. PASCAL was included in the Senate budget after being excluded in the House Budget. The \$1.5 million budget for PASCAL is hoped to come from the excess Lottery Funds created by higher than average Powerball participation. Mr. LeFever remarked on the legislation in process which would allow South Carolina to participate in the State Authorization Reciprocity Agreement (SARA). Mr. Mayo then asked Mr. LeFever how the recent discussion about shortening the legislative session had progressed. Mr. LeFever stated that such bills rarely make it out of committee for consideration. Ms. Dinndorf asked if there were any questions. Being none, the meeting continued.

Ms. Dinndorf called on Ms. Katie Harrison, Commission Deputy Director, to discuss the update on Commission Information Security Measures and Technology. Ms. Harrison discussed how the Tuition Grants staff has been working toward compliance with newly-mandated State Information Security Policies. She reported that a procedural document had been created prior to the State's July 1, 2016 deadline and was available for the approval of the Commission. Commission members had received the document for review prior to the meeting. The document outlines the Commission's responsibilities and procedures in order to be compliant with State policies. She explained the document was a work in process and would be updated as the Commission continued to work with Department of Technology Operations to increase its security posture. A summary of thirteen sections of the procedural document was provided at the meeting. Ms. Dinndorf called for a motion to approve the document effective July 1, 2016. Dr. Randall Pannell moved to approve the motion. Mr. Bob Staton seconded the motion. The motion was unanimously approved by the Commission.

Ms. Dinndorf then called on Mr. Mayo to speak on the Tuition Grant Availability for CHE-Approved 5-year Undergraduate Programs. Mr. Mayo explained that a Commission-approved policy established in the 1970s limited the grant to four years. However, this policy is not in statute. The Commission on Higher Education has approved five-year Bachelor degrees at two South Carolina independent colleges. Students in these programs will be eligible to receive five years of Palmetto Fellows and LIFE Scholarships. If the Tuition Grants Commission was

consistent with the CHE in lengthening the duration of eligibility to five years in these cases, the number of students impacted would be 23, with a cost of about \$73,000 for two full semesters at the maximum grant amount. One other institution may be approved with 18 eligible students; an addition of \$57,000. The Tuition Grants staff recommends allowing for eligible students in CHE-approved, five-year Bachelor's programs to continue to receive Tuition Grant for a fifth year to remain consistent with other State programs. Ms. Dinndorf called for a motion to approve the policy change as recommended. Mr. Staton moved to approve the policy change. Dr. Samhat seconded the motion. The motion was unanimously approved by the Commission.

Ms. Dinndorf then called on Mr. Mayo to speak on updating Commission Policy concerning automatic \$700 EFC for dependent students. Mr. Mayo stated that in previous years, the Commission elected to keep a \$700 dependent student contribution in place to adapt to the old, pre-FAFSA, financial need formula. The \$700 dependent student EFC kept students from being penalized due to working during college or having money in savings. However, there are students each year (141 in 2015-2016) who are negatively impacted because they have an actual contribution of less than \$700 but are assigned \$700 according to the policy. The staff recommends effective for the 2016-2017 award year, the actual EFC for dependent students be used with a \$700 maximum. The financial impact to Tuition Grant would be approximately \$89,970. Ms. Dinndorf called for a motion to approve the policy change as recommended. Dr. Samhat moved to approve the policy change. Dr. Voss seconded the motion. The motion was unanimously approved by the Commission.

Ms. Dinndorf called on Mr. Mayo to discuss approval of the 2017-2018 Budget Request to the State Budget Division for the Tuition Grants Program. Mr. Mayo mentioned that provided in the meeting materials was a summary of the 2016-2017 Fiscal year. The Commission requested and was approved \$2,534,474 for 2016-2017. For the 2017-2018 Budget Request due in September 2016, the Commission was presented two Options for consideration. Option One would increase the Maximum Grant to \$3,300. The amount needed would be \$1,029,433. Option Two provided for the Maximum Grant to be increased to \$3,650 and would need \$5,282,886 in funding. By statute, Tuition Grants is limited to the per student FTE allocation for public colleges, which is \$3,650. Mr. Mayo stated the reasoning behind Option Two is connected to comments from Senator Gilda Cobb-Hunter of the Budget Subcommittee who encouraged the Commission staff to request the full amount that was needed and not simply the \$100 incremental increase. Mr. Mayo deferred to Mr. LeFever for input. Despite concerns for \$33 million in state scholarships being moved from Recurring State Funds to Lottery Funds and the new 10 point uniform grading scale for high schools which may lead to more eligible students for state scholarships, Mr. LeFever stated the current support for need-based funding in the House Ways & Means Higher Education Subcommittee might make a larger increase possible. Dr. Samhat questioned whether asking for the higher amount would affect the credibility of the Commission. Mr. LeFever did not believe so. Dr. Samhat expressed that there could be a benefit for requesting the higher amount. Ms. Dinndorf stated that the only negative repercussion might be approval for the lesser grant amount of \$3,300. Mr. Staton agreed. Dr. Voss stated that it might benefit the program to ask for the higher amount.

Ms. Dinndorf asked for a motion to approve Option Two for the Budget Request for 2017-2018. Dr. Samhat moved to approve. Dr. Pannell seconded. The motion was unanimously approved by the Commission.

Mr. Mayo stated that for the past three years, the staff has requested \$16,000 needed to meet Information Security requirements; however, it has not been approved. Mr. Mayo requested permission to request the amount again. Mr. Mayo conferred with Mr. LeFever to advise whether the funds should be requested from permanent or lottery administrative allocations. Mr. LeFever suggested to make the request as an either/or scenario with both options.

Ms. Dinndorf asked for a motion to approve the budget request for \$16,000 for continued compliance with Information Security requirements. Dr. Samhat moved to approve. Dr. Voss seconded. The motion was unanimously approved by the Commission.

Ms. Dinndorf discussed the approval of the Capitol Impact Contract for 2017. Ms. Harrison explained that Capitol Impact provides geocoding for students to locate their appropriate legislators for the annual letter writing campaign. She reported that the Capitol Impact contract is entered into in November or December each year; therefore, action must be taken at the current meeting to approve entering into the contract. The cost did not increase, but remained at \$3,150.

Ms. Dinndorf asked for a motion to approve the funding for Capitol Impact. Dr. Samhat moved to approve the contract. Dr. Voss seconded the motion. The motion was unanimously approved by the Commission.

Ms. Dinndorf called on Ms. Harrison to report on the Status of US Department of Education and FAFSA Issues. Ms. Harrison reported on the Department of Education's plan to randomize the order of college choice information on the FAFSA information received by state grant agencies. This change would impact South Carolina and fifteen other states. Ms. Harrison reported that Commission staff discussed the potential impacts via a conference call with Undersecretary Ted Mitchell on May 17, 2016. An electronic announcement on June 8 stated that the change to randomized listing of college choice would be delayed until 2018-2019. Ms. Harrison hopes the plan will eventually be dropped entirely and the Commission plans to continue advocating for that option, perhaps through legislative channels. Ms. Harrison confirmed that she and agency staff will be working toward contingency planning if the randomization is implemented in 2018-2019.

Ms. Dinndorf discussed the 2015-2016 Agency Director Performance Evaluation. She stated that Mr. Mayo received 4.79 out of 5 on the evaluation. She complimented Mr. Mayo on his outstanding leadership at the Commission, especially his emphasis on program improvements that benefited students. She indicated the overall rating to be given as "exceeds performance expectations." Ms. Dinndorf asked for a motion to approve the performance review results. Dr. Pannell moved to approve the motion. Dr. Voss seconded the motion. The motion was unanimously approved by the Commission.

Mr. Mayo informed the Commission that he intends to step down from the position of Commission Director in June 2017 at the conclusion of his TERI program service. He stated it

has been a privilege to have served the Tuition Grants Commission since 1995 and as Director since 2008.

Ms. Dinndorf asked Mr. Mayo to discuss the rotation of the Commission and Election of Officers. Mr. Mayo stated that beginning July 1, 2016, Dr. Jairy Hunter, Mr. Scott Cochran, and Dr. Nayef Samhat will be rotating off. Mr. Mayo thanked the Commission members who were rotating off for their service. Those who will be rotating on will be Dr. Lady June Cole, Dr. Robert Wyatt, and Dr. Elizabeth Davis. Mr. Mayo stated with this year's rotation, the position of Vice Chair would need to be filled. The nomination for Vice Chair was Dr. Maurice Scherrens. The nomination of Scherrens would leave the position of Secretary vacant. The nomination for Secretary was Dr. Todd Voss.

Ms. Dinndorf asked for a motion to approve the nominations of Dr. Scherrens as Vice Chair and Dr. Voss as Secretary. Mr. Staton moved to approve. Dr. Pannell seconded. The motion was unanimously approved by the Commission.

In closing, Mr. Mayo reminded those in attendance that the final yearly Program Reviews are due to the Commission by December 31. A Program Review Guide has been posted to the website and the official auditor's report will be available on July 1, 2016.

Ms. Dinndorf informed the attendees of the 2017 South Carolina Higher Education Tuition Grants Commission meeting dates, which are tentatively scheduled for March 7, 2017 and June 6, 2017.

Ms. Dinndorf called for any new business. There being none, the Commission Meeting was adjourned at 11:17 AM.

Respectfully submitted,

Ms. Stephenie Helland
Acting Secretary for
Dr. Maurice Scherrens, Secretary
South Carolina Higher Education Tuition Grants Commission