

## **STAFF RECOMMENDATION: CHANGE IN DEPENDENT STUDENT EFC**

For 20 years the South Carolina Higher Education Tuition Grants Commission has used the Expected Family Contribution (EFC) generated directly by the results of the Free Application for Federal Student Aid (FAFSA) with the exception of the results used for Dependent Students. As a holdover from the prior family contribution formula used by the Commission for a number of years prior to adopting the FAFSA as its application, the Commission decided to use a flat \$700 student contribution.

The benefit of using the flat \$700 was that it held harmless those students who, through their own hard work and initiative, worked while attending high school and college and who saved money for college. It capped their expected contribution.

For most Dependent students whose true EFC was below \$700, it did them no harm to have this flat \$700 number used because they qualified for the Maximum Tuition Grant regardless of their EFC.

The staff has reviewed the use of the flat \$700 EFC and has determined that there are 141 students in the current award year not receiving the Maximum Grant who are being harmed financially by the use of the automatic EFC. With a change in the Tuition Grants need formula, those 141 students would have qualified for an additional Tuition Grant of anywhere between \$10 and \$700. The impact financially would have been an additional \$89,970 in Grants for eligible students.

**The staff recommends that the Commission consider the following change to the Dependent EFC:**

**Effective with the 2016-2017 award cycle, the Dependent EFC used for the calculation of a South Carolina Tuition Grant shall be the true FAFSA Dependent EFC calculation capped at \$700.**

Adoption of this recommendation would enable the Commission's philosophy of not harming hard working students' ability to obtain a Tuition Grant to continue while also not preventing needier students from obtaining their true Maximum Tuition Grant.

A vote by the South Carolina Tuition Grants Commission is required to change the currently approved awarding formula.