



# SC Higher Education Tuition Grants Commission

*Providing Opportunity. Promoting Choice.*

111 Executive Center Drive  
Suite 242  
Columbia, SC 29210  
(803) 896-1120  
info@sctuitiongrants.org

Katherine H. Harrison  
Executive Director

## AGENDA

Tuesday, April 16, 2024; 10:30 A.M.

**Microsoft Teams Meeting: Meeting ID: 250 096 101 144 ; Passcode: JDjUnv**

If needed, attendees may dial in using the number below:

(803) 454-9963

Phone Conference ID: 861 038 215#

1. Welcome and Commission Roll Call..... Katie Harrison
2. Update on Application (FAFSA) Processing ..... Zach Christian
3. Review of Available and Anticipated Funds ..... Katie Harrison
4. \* Staff Recommendation: Maintain Initial 2024-2025  
Award Amounts..... Katie Harrison
5. \* Old Business ..... Katie Harrison
  - Program Review Requirements and Review of  
Current Program Review Participation and Percentages
6. New Business..... Boone Hopkins, Chair
7. Adjournment..... Boone Hopkins, Chair

**Next Scheduled Commission Meeting:**

***Tuesday; June 25, 2024; 10:30 AM***

**\* Commission Vote or Action Needed**

*In compliance with the Freedom of Information Act, the Higher Education Tuition Grants Commission notified media outlets of the time and location of this meeting on April 10, 2024.*



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## **UPDATE ON APPLICATION (FAFSA) PROCESSING**

On March 11, 2024, the Tuition Grants Commission received its first 2024-2025 Institutional Student Identification Record (ISIR) file, containing FAFSA data for 11 South Carolina Residents. As files trickled in, Commission Staff worked closely with Nelnet to complete necessary testing and review of the data prior to it being loaded into production. On March 27, 2024, Commission Deputy Director Zachary Christian notified the financial aid offices at each of the participating colleges and universities of the availability of 2024-25 data in *myTG*.

*Data as of April 11, 2024:*

Date	Total ISIRs Received	2024-2025					%Change Awardees	%Change Applicants
		All Applications*	Invalid FAFSA	Graduate Student	Total Applicants*	Awardees		
3/26/2024	84,749	14,555	3,065	1,117	10,373	<b>9,009</b>	<b>-49.39%</b>	<b>-48.57%</b>
4/2/2024	89,124	15,248	3,177	1,174	10,897	<b>9,450</b>	<b>-48.21%</b>	<b>-47.30%</b>
4/11/2024	101,330	16,717	3,438	1,415	11,864	<b>10,290</b>	<b>-44.72%</b>	<b>-43.74%</b>

\*Effective with 2024-25, "All Applications" Include Invalid FAFSAs and Graduate Students "Total Applicants" will be All Applications - Invalid/Grad Applications as the former database system did not convert "Invalid FAFSA" or "Graduate Student" as applicants.

While 2024-25 Applications are being received, the laundry list of known issues and knowledge of erroneous data is concerning. The U.S. Department of Education (ED) has provided recent guidance allowing Institutions of Higher Learning and State Grant Agencies to use FAFSA data that is known to be incorrect while making financial aid offers, leading to many students having eligibility that otherwise would not be eligible based on an accurate calculation of the need analysis. Commission Staff encourages all schools to utilize the reprocessed ISIR transaction for Tuition Grants purposes to avoid potential unintended consequences and to ensure that all student applications are used with data that is provided consistently and equitably; however, as with any Award Year, Tuition Grant eligibility will be based upon the same ISIR transaction being used to award Title IV and other financial aid at the student's chosen college.

On Monday, April 8, the National Association of Student Financial Aid Administrators (NASFAA) published a timeline of key events in the FAFSA Simplification process since the signing of the FAFSA Simplification Act (attached to this document). This timeline visually depicts the steps and missteps that have led to the current state of affairs.

In an [Electronic Announcement \(GENERAL-24-37\)](#) posted on April 9th, ED announced that student-initiated corrections would be "available for brief periods of time (i.e., several hours at a time) over the coming days to those who have submitted FAFSA forms." As students begin making corrections to their FAFSA forms, Commission Staff expect to see the amount of rejected "invalid FAFSA" applications decrease significantly.

On April 10<sup>th</sup>, Tuition Grants Commission staff identified an issue with how a student's school choice list on their FAFSA form is being altered during actual processing by the FAFSA Processing System. ISIRs for students who listed more than one school on their form are being processed by the FPS with their school choices in descending numeric order, instead of the

order in which they were listed by the student on their FAFSA form, which has been standard procedure for many years. After this issue was discovered and confirmed by our colleagues in other states that this was indeed an issue impacting all State ISIR files, it was reported to ED by Commission Executive Director Katie Harrison. This issue has since been acknowledged by ED, and will be fixed in an upcoming update to the FAFSA Processing System, but the Department has yet to provide any updates on if or how the currently impacted files will be addressed.

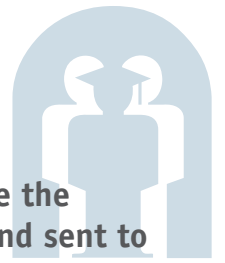
Because South Carolina Tuition Grants are processed to the first eligible college list on a student's application, with all school codes being provided in descending order, Commission Staff have no way of knowing which college should have been the first listed participating school, and thus the college listed on the student's Tuition Grants Record in *myTG*.

One main feature that will be available to students once the Commission begins sending tentative eligibility notifications will be the ability to complete grant transfers via the *myTG* Student Portal. Additional verbiage will be added to the Tentative Eligibility Notification emails, which will prominently display information regarding the grant transfer process and its ease of use within the *myTG* Student Portal, to ensure students are receiving clear guidance.

Commission Staff do, however, anticipate an increase in grant transfer requests, and communications from students who may be confused as to why they need to complete an extra step when they previously would not have needed to do so based on having correctly listed their school preferences on their FAFSA form.

As the *myTG* Student Portal is being finalized with clear and concise verbiage for all possible eligibility statuses, Commission Staff plan to begin sending Tentative Eligibility Notification emails to students later this month. All email notifications will direct students to create a *myTG* Student Portal Account and review their Tuition Grant eligibility status and award information, if applicable.

# FAFSA Key Dates



In a normal processing year, the FAFSA is released on October 1. Students complete the FAFSA, the FAFSA is processed, and ISIRs are generated within 3-5 business days and sent to institutions. Applicants and institutions are typically able to make corrections to the FAFSA immediately after it is processed. Below is a timeline of the 2024-25 cycle.

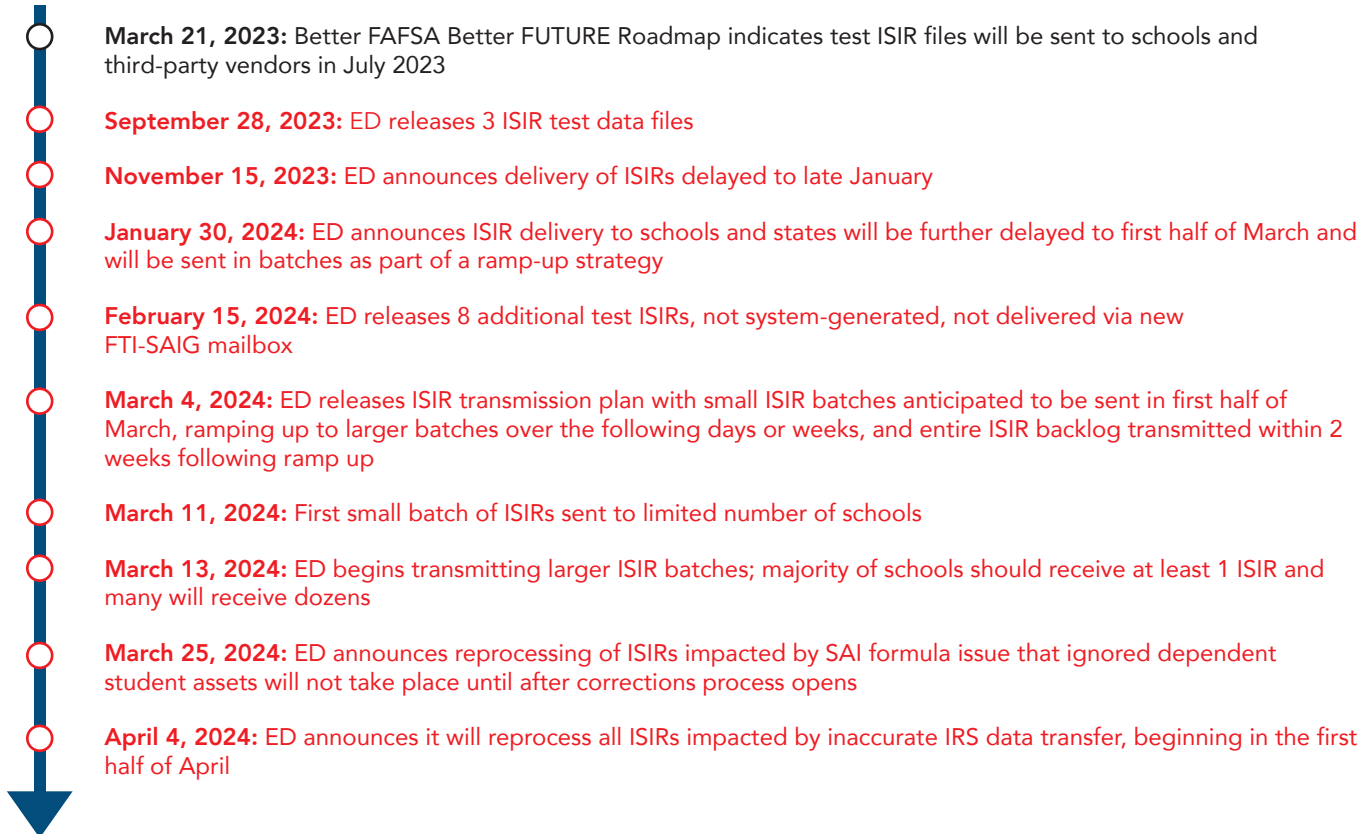
- December 27, 2020:** Consolidated Appropriations Act, 2021 signed into law; includes FAFSA Simplification Act
- January 19, 2021:** NASFAA includes FAFSA simplification as a top priority in a brief prepared for incoming Biden administration
- March 15, 2021:** Consolidated Appropriations Act, 2022 includes technical revisions to the FAFSA Simplification Act including delaying implementation for FAFSA and SAI formula provisions to 2024-25
- November 28 - December 1, 2022:** ED does not commit to October 1 FAFSA release date at its annual FSA Training Conference; shares vague dates for release of FAFSA-related documentation that do not appear to allow for an October 1 launch
- December 14, 2022:** NASFAA and NCAN send joint letter to White House asking for confirmation of whether 2024-25 FAFSA launch will occur on October 1
- February 7, 2023:** ED officials refuse to commit to October 1 FAFSA release date for 2024-25 at NASFAA's Leadership & Legislative Conference & Expo
- March 15, 2023:** NASFAA & other higher education organizations send a joint letter to ED asking for commitment on FAFSA release date
- March 21, 2023:** ED releases Better FAFSA Better FUTURE Roadmap with announcement of December FAFSA launch
- March 27, 2023:** ED releases 2024-25 paper draft FAFSA for 60-day public comment period
- September 18, 2023:** ED releases second draft paper FAFSA for 30-day comment period
- October 13, 2023:** NASFAA & other higher education organizations urge ED to provide specific FAFSA release date
- November 15, 2023:** ED announces 2024-25 FAFSA will be available by December 31. Students will also be unable to make corrections to submitted FAFSAs until late January
- November 17, 2023:** NASFAA joins other higher organizations in joint letter requesting more detailed information about timelines
- December 15, 2023:** ED announces FAFSA release will be a "soft launch"
- December 30, 2023:** FAFSA opens with significant outage periods and early reports of students unable to complete the application for various reasons
- January 7, 2024:** FAFSA Issue Alerts page created documenting many issues impacting applicants' ability to complete the form, including students whose contributors (parents and students' spouses) lack a social security number (SSN)
- January 30, 2024:** ED announces students will not be able to make corrections to submitted FAFSAs until the first half of March
- February 20, 2024:** ED announces resolution for FAFSA contributors without an SSN coming in first half of March; releases 9-step temporary workaround
- March 12, 2024:** ED announces that most contributors without an SSN can now complete their FAFSA section
- March 12, 2024:** ED announces IRS FA-DDX not working for contributors without an SSN
- March 15, 2024:** As larger batches of ISIRs are received, schools report seeing higher than normal rates of students applying for unsubsidized loan only. ED later changed the wording of the FAFSA question to ensure students answer correctly
- March 25, 2024:** ED announces delay in applicants' ability to make FAFSA corrections to the first half of April
- March 29, 2024:** ED catches up on FAFSA backlog

KEY Red = Late announcement or release | Blue = NASFAA action/communication  
Orange = Department of Education error

# ISIR Key Dates




The ISIR is the output document of the FAFSA that communicates the Student Aid Index (SAI) and Pell Grant eligibility to financial aid offices, which they use to determine a student's eligibility for financial aid. In a normal processing year, ISIRs are generated within 3-5 days after students submit the FAFSA, and are sent to institutions at that point. Below is a timeline of the 2024-25 cycle.



# EdConnect Key Dates



EdConnect is a Windows-based software financial aid administrators use to send and receive federal student aid information, including ISIRs. EdConnect is occasionally updated, but not necessarily in conjunction with the start of an aid processing cycle. Due to the changes in the FAFSA Simplification Act, EdConnect required an upgrade. Below is a timeline of the 2024-25 cycle.

- 
- A vertical blue arrow pointing downwards, with a white circle at the top and a white circle at the bottom. The arrow is positioned to the left of the timeline items.
- November 8, 2023:** ED sends Electronic Announcement to schools instructing them to upgrade to EdConnect 8.6.0
  - December 4, 2023:** ED announces issue with EdConnect 8.6.0; offers temporary workaround and promises fix in future release
  - February 27, 2024:** ED announces release of EdConnect 8.6.1
  - February 29, 2024:** ED announces issue with EdConnect version 8.6.1; removes software file from website
  - March 1, 2024:** EdConnect version 8.6.1 is re-released with supposed fixes
  - March 11, 2024:** ED announces issue with headers and trailers identified in the supposedly fixed EdConnect version 8.6.1. Instructions provided to users who downloaded prior to March 11 indicate they must take one of two proposed actions to address issues



# SAI Formula/Student Eligibility Determination Key Dates

Formerly known as the EFC, the formula that determines a student's aid eligibility is typically updated annually and finalized prior to the release of the FAFSA on October 1. In a normal processing year, ISIRs contain accurate SAIs upon which financial aid administrators can make financial aid offers to students. Below is a timeline of the 2024-25 cycle.

- December 27, 2020:** Consolidated Appropriations Act, 2021 signed into law; includes FAFSA Simplification Act
- March 15, 2021:** Consolidated Appropriations Act, 2022 includes technical revisions to FAFSA Simplification Act including delaying implementation for FAFSA and SAI formula provisions to 2024-25
- November 21, 2022:** ED publishes 2024-25 Draft Student Aid Index (SAI) and Pell Grant Eligibility Guide; tables reflect original figures from FAFSA Simplification Act
- May 19, 2023:** ED releases first update of Draft Student Aid Index (SAI) and Pell Grant Eligibility Guide; tables still reflect original figures from FAFSA Simplification Act
- August 25, 2023:** ED issues second update to Draft Student Aid Index (SAI) and Pell Grant Eligibility Guide; tables still reflect original figures from FAFSA Simplification Act
- September 13, 2023:** A participant asks ED in a FAFSA webinar whether tables in the SAI formula will be updated for inflation; ED indicates no plans to do so for 2024-25 but will update in 2025-26
- September 21, 2023:** ED releases FSA Estimator
- September 25, 2023:** FSA Estimator taken down due to inaccurate SAI/Pell information being generated
- October 16, 2023:** NASFAA requests that ED update SAI formula tables for inflation
- January 23, 2024:** White House announces SAI formula tables will be updated; no details on when tables will be updated or whether it will impact ISIR delivery promised for late January
- January 30, 2024:** Final SAI Guide with formula tables updated for inflation published
- February 27, 2024:** ED announces it is making a significant change to the SAI formula to permit the Student Contribution from Income (SCI) to be as low as -\$11,130 vs. -\$1,500 from earlier versions of the SAI formula
- February 28, 2024:** ED is alerted to an issue with SAIs being incorrectly calculated due to dependent student assets being ignored
- March 1, 2024:** President Biden signs continuing resolution legislation, amending the FAFSA Simplification Act to place a -\$1500 floor on the SCI for 2024-25 and \$0 floor for 2025-26 and beyond to address earlier ED error
- March 12, 2024:** ED announces error in estimated SAIs provided to students from households with 2 income earners where one income is < \$60K causing assets not to be considered in the SAI
- March 21, 2024:** ED notified by a financial aid administrator that the IRS FA-DDX appears to be transferring the wrong line item from the tax return for US taxes paid, using a higher figure that includes self-employment tax (meaning SAIs are appearing to be lower than they should be)
- March 22, 2024:** ED announces error in SAIs being delivered to schools on ISIRs where student assets were not being counted toward the student contribution in the SAI, requiring reprocessing
- March 22, 2024:** ED notified by an FAA that IRS FA-DDX appears to be transferring incorrect figures for education credits
- March 29, 2024:** ED announces it is aware of reports concerning tax data provided on the Institutional Student Information Records (ISIRs) for 2024-25 FAFSA applications
- March 30, 2024:** ED updates March 29 Electronic Announcement regarding potential incorrect FTI data transferred from ED. Confirms <20% of applications are impacted. Confirms issues of "some fields are a mix of updated and original returns", education credit data inaccurate, manual entry tax paid and education credits wrong due to discrepancies in the instructions
- April 1, 2024:** ED provides follow-up on three separate incorrect tax data issues. Shares that it will only reprocess records if reprocessing would result in a lower SAI but that institutions can use PJ to use existing (incorrect) data or request reprocessing but that ED will assume schools will use incorrect data to make financial aid decisions

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## **STAFF RECOMMENDATION REGARDING 2024-2025 SOUTH CAROLINA TUITION GRANTS**

Based on the continued recommended support of \$20,000,000 in Lottery Funding by the House Ways & Means Committee and the Senate Finance Committee, along with evaluation of funds available to carry-forward, following the established awarding philosophy of equalized grant values, the Commission staff recommends to the Commission that grants for 2024-2025 be approved as follows:

While the agency has finally started to receive 2024-2025 FAFSA records from the US Department of Education, well-known discrepancies and errors continue to hinder FAFSA completion for the upcoming award cycle. With the number of uncertainties still high and the impact on enrollment and eligibility still unknown, Commission Staff recommend that the Maximum Grant be maintained at the previously approved award amount of \$4,800 for the 2024-2025 Award Year. Commission Staff does not anticipate the award amount would drop below \$4,800 under any circumstances.

**The South Carolina Tuition Grants Commission previously approved \$4,800 as the initial Maximum Tuition Grant at its March 12, 2024, Meeting. No additional vote is required if the Commission chooses to maintain the Maximum Grant Award Amount of \$4,800.**



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### **STAFF RECOMMENDATION FOR REVIEW OF PROGRAM REVIEW REQUIREMENTS**

Each year, all institutions participating in the Tuition Grants Program are required to undergo a third-party Tuition Grants Program Review. The institution retains the full authority to choose its own third-party auditor to complete the Program Review. According to the Program Review Guide, the primary objectives identified for the auditor performing Program Reviews are:

1. To determine that the college has utilized reasonable administrative procedures and internal controls for effectively discharging its management responsibilities;
2. To review the college's operations and report on areas of non-compliance with the legislation, program guidelines, and program instructions; and, based upon the review, to provide a program manager's constructive recommendations for improvements.

The Program Review Guide, provided to each audit firm by Commission Staff annually, also specifies, "the auditor will review computations associated with either a 20% random sample of student awards, or the appropriate statistical random sample, either of which should be derived from the Payment Roster Report that is available at the college via the *myTG* student information system." There is no additional guidance in the Program Review Guide stating how to derive an appropriate statistical random sample.

Throughout the years, the random sample student award percentage has varied substantially from institution to institution, ranging from only 1.45% to 42.86% in the most recent year. For the recently concluded 2022-2023 program review cycle, the average percentage of student awards reviewed was 11.11%.

Commission Staff believes this disparity in percentages, especially with some audit firms regularly reviewing less than 3-5% of Tuition Grant awards, may not lend itself to a thorough review of administrative procedures and institutional responsibilities at some institutions. The agency recommends that the Commission discuss whether a minimum percentage threshold should be implemented beginning with the 2023-2024 program review cycle.

Based on the discussion of the Commission at the March 12, 2024, Commission Meeting, additional information was requested to be reviewed prior to any further discussion or decisions being made. Included with this document is a breakdown of the Tuition Grants Program Review Percentages for the 2022-2023 Award Year. Based on this additional information, Commission Staff recommend setting a minimum review threshold between 6% - 20% of Tuition Grants Recipients, with the preference of the Staff being a minimum review threshold of 10%.

**A vote by the South Carolina Tuition Grants Commission is required to change the current Program Review Requirements and to set a minimum percentage threshold.**

**SOUTH CAROLINA TUITION GRANTS COMMISSION  
PROGRAM REVIEW PERCENTAGES OVERVIEW**

<u>COLLEGE</u>	<u>RECIPIENT COUNT</u>	<u>STUDENTS REVIEWED</u>	<u>PERCENT REVIEWED</u>	<u>ADD'L # NEEDED FOR 6%</u>	<u>ADD'L # NEEDED FOR 8%</u>	<u>ADD'L # NEEDED FOR 10%</u>	<u>ADD'L NEEDED FOR 20%</u>
Allen University	227	60	26.43%	0	0	0	0
Anderson University	1,552	60	3.87%	33	64	95	250
Benedict College	498	40	8.03%	0	0	10	60
Bob Jones University	518	60	11.58%	0	0	0	44
Charleston Southern University	1,208	60	4.97%	12	37	61	182
Claflin University	927	25	2.70%	31	49	68	160
Clinton College	32	8	25.00%	0	0	0	0
Coker University	383	25	6.53%	0	6	13	52
Columbia College	412	8	1.94%	17	25	33	74
Columbia International University	258	60	23.26%	0	0	0	0
Converse University	433	25	5.77%	1	10	18	62
Erskine College	413	60	14.53%	0	0	0	23
Furman University	421	25	5.94%	0	9	17	59
Limestone University	634	25	3.94%	13	26	38	102
Morris College	198	25	12.63%	0	0	0	15
Newberry College	719	60	8.34%	0	0	12	84
North Greenville University	927	60	6.47%	0	14	33	125
Presbyterian College	420	25	5.95%	0	9	17	59
Southern Wesleyan University	352	60	17.05%	0	0	0	10
Spartanburg Methodist College	693	25	3.61%	17	30	44	114
Voorhees University	140	60	42.86%	0	0	0	0
Wofford College	671	25	3.73%	15	29	42	109

**2022-2023 Average Percentage: 11.14%**

*Data Classification: Internal Use*