

October 6, 2005

MEMORANDUM

To: Dr. Layton R. McCurdy, Chairman, and Members, Commission on Higher Education

From: Mr. Daniel Ravenel, Chairman, and Members, Committee on Access & Equity and Student Services

SC HOPE Scholarship Program
Proposed Regulatory Amendments, 2006-07 Academic Year

The Commission on Higher Education proposes amendments to the regulation for the SC HOPE Scholarship Program. During the 2005 legislative session, Act 95 was approved. The proposed amendment to the regulation will make the regulation consistent with Act 95 by allowing visually impaired, hearing impaired or multi-handicapped students who are eligible for the SC HOPE Scholarship to use their Scholarship at an out-of-state four-year institution that specializes in educating students with their impairment. Funds cannot be used simply for specialized programs at out-of-state institutions – the institution itself must be specialized in educating students having the specific impairment. There are also minor proposals being made for clarification of the regulation and definitions added in order to promote consistency among State scholarship and grant programs. All proposed changes to the regulation are highlighted in red.

The first change in the regulation regarding Act 95 is under Section 62-900.90P. A definition for “multi-handicapped student” was added to clarify which students qualify to take the Scholarship to an out-of-state institution that specializes in educating students with the specific impairment. This definition is the same one the SC School for the Deaf and Blind uses to determine a multi-handicapped student’s eligibility for receiving specialized education. In addition, Section 62-900.125E notes that the Commission on Higher Education will make the final decision as to whether an institution specializes in educating students with the specific impairment.

In addition to the legislative change to the SC HOPE Scholarship, the Commission on Higher Education staff has made the following clarifications to the regulation governing the Scholarship. These clarifications will not change how the Program is currently being administered.

- **Section 62-900.90G** provides a definition for "felonies," and **Section 62-900.900** provides a definition for "misdemeanor offenses" in order to be consistent with the Palmetto Fellows, LIFE, and SC HOPE Scholarship Programs. These definitions clarify which offenses are classified as felonies or misdemeanors under State statute. In addition, **Section 62-900.95A(5)** clarifies the regulation for students who are adjudicated delinquent of, convicted of, or plead *nolo contendere* to an alcohol/drug related misdemeanor offense. If the student commits the offense during the academic year, the student will be ineligible for the LIFE Scholarship the following year. However, if a student completes a pretrial intervention program and has his/her record expunged, the conviction will not affect Scholarship eligibility. Students who commit the offense in high school will not be eligible for the SC HOPE Scholarship as they will forfeit their eligibility for all State scholarship programs for the next academic year of enrollment at a postsecondary institution (the SC HOPE Scholarship is for the freshman year only). However, during the year of forfeiture, the student can earn the LIFE Scholarship for the following year of enrollment.
- **Section 62-900.90L** clarifies the definition for "independent institutions" to specify the criteria an independent four-year institution must meet in order for students at that institution to be eligible to participate in the SC HOPE Scholarship Program.
- **Section 62-900.90N** adds a definition for "military mobilization" to be consistent with the Palmetto Fellows Scholarship, LIFE Scholarship, and Lottery Tuition Assistance Programs and to clarify which situations are classified as deployments. **Section 62-900.111** updates the terminology from active duty to either mobilized or military mobilization in order to be consistent with the new definition. Language was also added to encourage institutions to provide a full refund to students who are forced to withdraw because of military mobilization. In addition, it adds that service members will not be penalized for any credits earned while on active duty. **Section 62-900.125C(9)** includes military mobilization orders as documentation the institution must retain (if appropriate).
- **Section 62-900.95A(7)** adds language regarding SC residents who attend out-of-state high schools and students who graduated from a SC high school prior to the full implementation of the Uniform Grading Scale (UGS). These students must have their grades converted to the UGS by a designated official in order to determine eligibility for the SC HOPE Scholarship. Any fees associated with this process are the responsibility of the student or the student's family.

- **Section 62-900.100B** adds language to be consistent with the LIFE Scholarship Program. This language ensures that students who enroll in courses immediately prior to their initial college enrollment will not be penalized. However, if a student receives Lottery Tuition Assistance during this summer term, he/she will lose one term of eligibility for the SC HOPE Scholarship being that the student would have to be degree-seeking to receive the funds. Therefore, the student would have started their initial college enrollment.
- **Section 62-900.105B** adds language to reiterate the fact that students who require more than one year of remediation will not be eligible for the Scholarship. If a student completes one term or one year of remediation, but was not eligible for the Scholarship out of high school, the student cannot receive the Scholarship upon completion of remediation.
- **Section 62-900.130B** clarifies the procedure for institutions to request funds from and return funds to the Commission on Higher Education.

The financial aid officers representing the public and independent higher education institutions met on July 28, 2005 to provide the Commission staff with their input regarding the proposed amendments to the SC HOPE Scholarship regulation. Their recommendations were incorporated into the proposed regulation.

Recommendation

The Commission staff recommends approval of the proposed amendments to the regulation for the SC HOPE Scholarship Program. If approved by the Commission on Higher Education, the amended regulation will be submitted to the General Assembly during the 2006 legislative session for approval under the Administrative Procedures Act.

Document No.
COMMISSION ON HIGHER EDUCATION
CHAPTER 62
Statutory Authority: 1976 Code Section 59-150-370

62-900.85-140 South Carolina HOPE Scholarship

Preamble:

The Commission on Higher Education proposes to amend and replace in its entirety R.62-900 of the SC HOPE Scholarship Program. Revisions to the existing regulation for the SC HOPE Scholarship Program are being considered to clarify the policies and procedures for administering the program. The proposed amendment will make the Scholarship regulation consistent with recently approved legislation, Act 95 approved during the 2005 legislative session: visually impaired, hearing impaired or multi-handicapped students who qualify for the SC HOPE Scholarship may receive State funds to attend a four-year out-of-state institution that specializes in educating students with the specific impairment, for the freshman year only. There are also additional clarifications being proposed such as adding definitions and minor grammatical changes to promote consistency among the State scholarship and grant programs. The Notice of Drafting for the proposed regulation for the SC HOPE Scholarship Program was published in the State Register on August 26, 2005. Comments from the notice were considered in formulating the proposed regulation.

Instructions: The following regulation will replace in its entirety R.62-900.85 through 62-900.140, SC HOPE Scholarship Program, to Chapter 62 regulation.

Preliminary Fiscal Impact Statement: The SC Commission on Higher Education estimates no increased costs to the State or its political subdivisions.

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 SC Commission on Higher Education at its regularly scheduled meeting on December 1, 2005, to be held in the Large Conference Room of the Commission on Higher Education located at 1333 Main Street, Suite 200, Columbia, SC 29201. The Commission meeting commences at 10:30 am 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 available on the Commission's Web site at least one week in advance of the meeting. Persons desiring to make oral comments at the hearing are asked to notify the SC Commission on Higher Education of their intent by no later than Monday, November 21, 2005. Persons are asked to limit their statements to five minutes or less and as a courtesy are asked to provide written copies of their presentation for record purposes.

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 at the SC Commission on Higher Education, 1333 Main Street, Suite 200, Columbia, SC 29201, by calling (803) 737-2244, or by e-mailing kwoodfaulk@che.sc.gov. Comments must be received by no later than 5:00 pm on November 21, 2005. Comments received shall be considered by the staff in formulating the final proposed regulation for the public hearing on December 1, 2005, as noticed above. Comments received by the deadline shall be submitted to the Commission for consideration at the public hearing.

Statement of Need and Reasonableness:

The statement of need and reasonableness was determined by staff analysis pursuant to SC Codes Section 1-23-115(C)(1) through (3) and (9) through (11).

DESCRIPTION OF REGULATION: R.62-900.85 through 62-900.140, SC HOPE Scholarship Program
Purpose of Regulation: Regulation 62-900, SC HOPE Scholarship Program, is being amended and replaced in its entirety. The proposed regulation will clarify the policies and procedures for awarding the Scholarship. Please see Preamble above for detailed discussion of proposed amendment.

Legal Authority: Section 59-150-370 of the SC Code of Laws

Plan of Implementation: The proposed regulation will take effect upon approval by the General Assembly and publication in the State Register. The proposed regulation will be implemented by providing the regulated community with copies once the regulation has been approved.

DETERMINATION OF NEED AND REASONABLENESS OF THE PROPOSED REGULATION BASED ON ALL FACTORS HEREIN AND EXPECTED BENEFITS: The proposed regulation will provide clarification to the policies and procedures for the administration of the SC HOPE Scholarship Program. The proposed amendment is consistent with legislation contained within Act 95 of the 2005 legislative session. There will be no increased costs to the State or its political subdivisions. In addition, there will be no added costs to the regulated community.

DETERMINATION OF COSTS AND BENEFITS: There are no costs associated with the implementation of the following proposed regulation.

UNCERTAINTIES OF ESTIMATES: None

EFFECT ON ENVIRONMENT AND PUBLIC HEALTH: There is no anticipated effect on the environment or public health of South Carolina by the implementation of the following proposed regulation.

DETRIMENTAL EFFECT ON THE ENVIRONMENT AND PUBLIC HEALTH IF THE REGULATION IS NOT IMPLEMENTED: None

Statement of Rationale: Revisions to the SC HOPE Scholarship regulation were necessary to be consistent with legislation approved during the 2005 legislative session.

Text:

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62-900.85 Purpose of the SC HOPE Scholarship Program

The South Carolina HOPE Scholarship was established under the South Carolina Education Lottery Act in 2001 and amended by Act 95 during the 2005 legislative session. ~~was approved by the General Assembly during the 2001 legislative session and signed into law on June 13, 2001.~~ Act 356 authorizes the Commission on Higher Education to promulgate regulation for administration of the SC HOPE Scholarship Program. The purpose of the SC HOPE Scholarship Program is to provide funding to first-time entering freshmen who do not qualify for the LIFE or Palmetto Fellows Scholarships.

62-900.86 Funding

A. Funds made available for SC HOPE Scholarships under the South Carolina Education Lottery Act shall be included in the annual appropriation to the Commission on Higher Education. This program is dependent upon the annual proceeds generated by the Lottery. The Commission on Higher Education shall award funds as SC HOPE Scholarships to eligible students. ~~as SC HOPE Scholarships.~~

62-900.90 Program Definitions

A. "Academic year" is defined as the twelve month period during which a full-time student is expected to earn thirty credit hours. The period of time used to measure the academic year will consist of fall, spring, and summer terms or spring, summer, and fall terms (or its equivalent).

B. "Bachelor's degree program" is defined as a program of study leading to a bachelor's degree as defined by the U.S. Department of Education for participation in federally funded financial aid programs.

C. "Book allowance" shall mean funds that may be applied to the student's account for expenses towards the cost-of-attendance including the cost of textbooks.

D. "Cost-of-attendance" as established defined by Title IV Regulations and may include tuition, fees, living expenses, and other costs such as costs related to disability or dependent care.

E. "Degree-seeking undergraduate student" is defined as any full-time student enrolled in a bachelor's degree program at an eligible institution.

F. "Eligible institution" shall be defined as a public or independent bachelor's level institution.

~~G. "Eligible program of study" is defined as a program of study leading to the first bachelor's degree, which meets all other Title IV regulations as authorized by the U.S. Department of Education for participation in federally funded financial aid programs.~~

G. "Felonies" shall be defined as crimes that are classified under State Statute (Section 16-1-10) and that typically require imprisonment for more than one year.

H. "Freshman year" shall mean the first academic year the student matriculates in an institution after high school graduation or completion of an approved home school program.

I. "Full-time student" shall mean a student who has matriculated into a bachelor's degree program and who enrolls full-time at the home institution, usually fifteen semester credit hours for fall and spring terms or twelve credit hours for fall, eight credit hours for winter, and twelve credit hours for spring trimester terms. In order for the student to be eligible for Scholarship disbursement, the student must be enrolled full-time as stipulated by Title IV Regulations, except that credit hours may not include remedial/developmental and continuing education courses.

J. "High school" is defined as a high school located in South Carolina, an approved home school program as defined in the State Statute, (Sections 59-65-40, 45, and 47) or a preparatory high school located outside of the state while the student is a dependent of a legal resident of South Carolina who has custody or pays child support and college expenses of the dependent high school student in accordance with State Statute (Section 59-112-10). A "preparatory high school" (out-of-state) is defined as a school recognized by the state in which the school is located to offer curricula through the twelfth grade and prepares students for college entrance.

K. "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.

L. "Independent institutions" are defined, for the purposes of the SC HOPE Scholarship Program, as those four-year ~~are those~~ institutions eligible to participate in the South Carolina Tuition Grants Program as defined in Chapter 113 of Title 59 of the 1976 Code, which stipulates that an "independent institution of higher learning means any independent eleemosynary junior or senior college in South Carolina whose major campus and headquarters are located within South Carolina and which is accredited by the Southern Association of Colleges and Schools;" or an 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 who had a major campus and headquarters located within South Carolina and was accredited by the Southern Association of Colleges and Schools as of March 17, 2004." Institutions whose sole purpose is religious or theological training or the granting of professional degrees do not meet the definition of 'independent institution' for purposes of this chapter. However, ~~Independent~~ two-year institutions are not eligible for participation in this program.

M. "Initial college enrollment" shall mean the first time the student matriculates into a postsecondary, degree-granting institution after high school graduation ~~or completion of an approved home school program~~. The terms of eligibility are based upon initial college enrollment and continuous enrollment. This means that any break in enrollment (excluding summer) will count against the maximum terms of eligibility.

N. "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.

O. "Misdemeanor offenses" shall be defined as crimes that are classified under State Statute (Section 16-1-100), less serious than felonies, and are typically punishable by fine or imprisonment for less than one year. A complete listing is located in title 16 of State Statute. Examples of alcohol and/or drug misdemeanor offenses in South Carolina include but are not limited to possession of alcohol under the age of 21, possession of marijuana/illegal drugs, open-container, transfer of alcohol to a person under 21, providing false information as to age (fake ID), etc.

P. "Multihandicapped student" shall be defined as a student who, in addition to being visually or hearing impaired, has at least one additional disabling condition that qualifies the student to receive specialized postsecondary education.

Q. "Public institutions" are those four-year bachelor's degree-granting institutions as defined in Chapter 103 of Title 59 of the 1976 Code, which stipulates "public higher education shall mean state-supported education in the postsecondary field." Public two-year institutions and technical colleges are not eligible for participation in this Program.

R. "Remedial/developmental coursework" shall mean sub-collegiate level preparatory courses in English, mathematics, and reading or any other course deemed remedial by the institution where the course is taken.

S. "South Carolina resident" shall be defined as an individual who satisfies the requirements of residency in accordance with the State of South Carolina Statute for Tuition and Fees, Section 59-112-10, and all related guidelines and regulations promulgated by the Commission on Higher Education as determined by the institutional residency officer each academic year.

T. "Transfer student" shall be defined as a student who has changed enrollment from one institution to an eligible institution.

62-900.95 Student Eligibility

A. To be eligible for a SC HOPE Scholarship, the student must:

1. Be a U.S. citizen or a legal permanent resident that meets the definition of an eligible non-citizen under State residency statutes;

2. Be a South Carolina resident for in-state purposes at the time of high school graduation and at the time of enrollment at the institution, as set forth by Section 59-112-10 and be either a member of a class graduating from a high school located in this State, a home school student who has successfully completed a high school home school program in this State in the manner required by law, or a student graduating from a preparatory high school outside this State, while a dependent of a parent or guardian who is a legal resident of this State and has custody of the dependent according to State Statute, Section 59-149-50A;

3. Earn a cumulative 3.0 grade point average (GPA) based on the Uniform Grading Scale (UGS) upon high school graduation. No other grading policy will be allowed to qualify for the SC HOPE Scholarship. Grade point averages must be reported to two decimal places (minimum) and may not be rounded. For example, a student who earns a 2.99 GPA is not eligible. A student who earns a 3.00 GPA or above is eligible. Institutions shall use the final cumulative GPA as reported by the high school on the official high school transcript;

4. Be admitted, enrolled full-time, and classified as a degree-seeking undergraduate student in an eligible institution in South Carolina;

5. Certify that he/she has not never been adjudicated delinquent, convicted, or pled guilty or *nolo contendere* to any felonies and/or any alcohol/drug related misdemeanor offenses under the laws of this or any other state or under the laws of the United States by submitting a signed affidavit each academic year to the institution testifying to the fact. However, a high school or college student who has been adjudicated delinquent, convicted, or pled guilty or *nolo contendere* of an alcohol or other drug related misdemeanor offense is only ineligible for the next academic year of enrollment at an eligible institution after the date of the adjudication, conviction or plea. If the adjudication, conviction, or plea occurs during the academic year after the student has already submitted a signed affidavit to the institution, the student is

still eligible for the Scholarship for the remainder of the academic year. However, the student will not be eligible to receive the LIFE Scholarship the following fall, spring, and summer terms (or their equivalent), even if all other eligibility requirements have been met. If a student completes a pretrial intervention program and has his/her record expunged, the conviction will not affect Scholarship eligibility;

~~6. Certify that he/she has not defaulted and does not owe a refund or repayment on any Federal or State financial aid. If a student has an Institutional Student Information Record (ISIR) or its equivalent on file, the ISIR information will be used to verify default status or refund/repayment owed on any Federal or State financial aid. Students who have not completed a Free Application for Federal Student Aid (FAFSA) form must have an affidavit on file to verify that he/she is not in default and does not owe a refund or repayment on any Federal or State financial aid including, a State Grant, Federal Pell Grant, Supplemental Educational Opportunity Grant, Perkins Loan and Federal Stafford Loan.~~

6. For a home school graduate to be become eligible for the SC HOPE Scholarship, the student must be a member of an approved South Carolina homeschool program as defined in the State Statute (Sections 59-65-40, 45, and 47) association that provides a GPA on an official transcript based upon high school graduation based on the Uniform Grading Scale. No other grading policy will be allowed to qualify for the SC HOPE Scholarship. Grade point averages must be reported to two decimal places (minimum) and may not be rounded; and

7. In order to meet the GPA requirement, a student who attended an out-of-state preparatory high school or graduated from a SC high school prior to the full implementation of the Uniform Grading Scale in 2004 must request that an official designated by the Commission on Higher Education convert the student's grades to the UGS (if the high school had not already converted to the UGS). Any fees and requirements associated with the conversion are the responsibility of the student. These students must meet all other eligibility criteria, including SC residency requirements.

B. Any credit hours attempted or earned before high school graduation, hours exempted by examination, or Advanced Placement (AP) credit hours do not count against the terms of eligibility.

C. Students who complete their high school graduation requirements prior to the official graduation date reported on the final high school transcript may be eligible to receive the SC HOPE Scholarship pending the approval of the Commission on Higher Education (CHE). The institutional representative must complete and submit an Early Graduation Application Form and all appropriate documentation as deemed necessary by CHE for each student by the established deadline. The student must request and submit a letter from the high school principal verifying that he/she has met all graduation requirements along with an official high school transcript.

D. Service members of the United States Armed Forces will not be penalized for any credit hours earned while on active duty. The credit hours earned will not count against the terms of eligibility.

E. Early graduates who enroll mid-year and are classified as degree-seeking will officially begin their initial college enrollment.

F. SC HOPE Scholarship funds may not be applied to the costs of continuing education or remedial/developmental courses. Twelve credit hours of the course load must be non-remedial/developmental and non-continuing education courses in order to receive SC HOPE Scholarship funds.

G. Students receiving a SC HOPE Scholarship are not eligible for a LIFE Scholarship, Palmetto Fellows Scholarship or Lottery Tuition Assistance.

H. Students who meet all eligibility requirements for the SC HOPE Scholarship are eligible to receive Scholarship funds for the freshman year of attendance only.

I. All documents required for determining SC HOPE Scholarship eligibility must be submitted to the institution by their established deadline(s). Students must submit official transcripts from all previous and current institutions, which provide evidence to determine initial college enrollment.

62-900.100 Duration of Award

A. Students are eligible to receive the SC HOPE Scholarship for no more than two terms (or its equivalent) during the freshman year of attendance only.

~~B. The maximum number of terms of eligibility is based on the student's initial college enrollment with the exception of credit hours earned during the summer session immediately prior to the student's initial college enrollment. First-time entering freshmen will not be penalized for any credit hours earned during the summer session immediately prior to the student's initial college enrollment. The credit hours earned will not count against the terms of eligibility unless the student received Lottery Tuition Assistance for the summer session. The credit hours may be used toward the annual credit hour requirement. If a student receives Lottery Tuition Assistance during the summer session immediately prior to the student's initial college enrollment, he/she will have lost one term of eligibility for the SC HOPE Scholarship.~~

C. If a student enrolls mid-year (spring term) and receives the SC HOPE Scholarship during that term, then qualifies to receive the LIFE Scholarship at the end of the summer term, the student will not be eligible to receive the SC HOPE Scholarship for the next term. If the student does not meet the requirements to qualify for the LIFE Scholarship, then the student may receive the SC HOPE Scholarship the next term of eligibility.

62-900.105 Transfer Students

A. A student who transfers from one institution to an eligible institution during the freshman year of attendance is eligible to receive the SC HOPE Scholarship if the student met the eligibility requirements as stated in the "Student Eligibility" Section at the beginning of the academic year.

B. A student who transfers from a two-year or technical institution to an eligible four-year institution who enrolled in remedial courses during the freshman year may be eligible to receive the SC HOPE Scholarship. The terms of eligibility to receive Scholarship funds must not include the period of time the student was enrolled in remedial courses at a two-year or technical institution, unless the student completed at least twelve credit hours of non-remedial course work during the first term(s) each term of enrollment during the freshman year. The student will be eligible to receive the Scholarship for the maximum number of terms of eligibility following completion of remediation if the student was eligible to receive the Scholarship upon high school graduation. If the student requires more than one academic year of remedial/developmental coursework, then he/she will not be eligible for the Scholarship after completion of remediation. If the student was not eligible for the Scholarship upon high school graduation, the student will not be eligible for the Scholarship after completion of remediation.

62-900.110 Students with Disabilities

A. Students who qualify under the Americans with Disabilities Act (ADA) and Section 504 of the Rehabilitation Act of 1973 must meet all eligibility requirements as defined in the "Student Eligibility"

Section except for the full-time enrollment requirement, if approved by the Disability Services Provider. Students must comply with all institutional policies and procedures in accordance with ADA and Section 504 of the Rehabilitation Act of 1973.

B. The institutional Disability Services Provider must provide written documentation to the Office of Financial Aid during prior to the freshman year verifying that the student is approved to be enrolled in less than full-time status.

C. Students who qualify under ADA and Section 504 of the Rehabilitation Act of 1973 may receive the maximum number of available terms of eligibility as stated in the "Duration of Award" Section.

D. In order to be eligible for the SC HOPE Scholarship, students who no longer qualify under ADA and Section 504 of the Rehabilitation Act of 1973 must comply with all requirements set forth under the "Student Eligibility" Section.

62-900.111 Military Mobilization

A. Service members who are enrolled in college and are affected by military mobilizations will not be penalized for the term(s) they are required to withdraw after the full refund period based on the 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. Additionally, the term(s) that the service member is mobilized called to active duty will not count against the maximum terms of eligibility. The service member shall be allowed to receive the unused term(s) while mobilized on active duty during the succeeding summer term or at the end of the maximum terms of eligibility based on initial college enrollment. The service member must re-enroll in an eligible institution within twelve months upon their 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 service member re-enrolls after the twelve month period, the service member must submit an Appeal Application to the Commission on Higher Education by the established deadline in order to be considered for reinstatement.

B. Service members who are enrolled in college and are mobilized called to active duty for an entire academic year may receive the Scholarship for the next academic year, if they met the "Student Eligibility" requirements at the time of high school graduation. Service members who did not use the SC HOPE Scholarship funds/terms of eligibility during this period due to military mobilization active duty shall be allowed to receive Scholarship funds during the succeeding summer term and/or at the end of the maximum terms of eligibility based on initial college enrollment.

C. Service members who are enrolled in college and are mobilized called to active duty for one academic term and did not use SC HOPE Scholarship funds/terms of eligibility during this period shall be allowed to receive one term of Scholarship funds during the succeeding summer or one term at the end of the maximum terms of eligibility based on initial college enrollment.

D. In order to receive the SC HOPE Scholarship for summer school for the unused term(s), the service member must enroll in twelve credit hours during the succeeding summer term at the home institution.

E. The home institution will be responsible for receiving verification of military mobilization active duty status and terms of eligibility based on the service member's initial college enrollment

F. Service members of the United States Armed Forces will not be penalized for any credit hours earned while on military mobilization. The credit hours will not count against their terms of eligibility.

62-900.115 Refunds or Repayments

A. In the event a student who has been awarded a SC HOPE Scholarship withdraws, is suspended from the institution, or drops below full-time enrollment status during any term of the academic year, institutions must reimburse the SC HOPE Scholarship Program for the amount of the Scholarship for the term(s) in question pursuant to the refund policies of the institution. Collection is the responsibility of the institution.

B. In the event a student withdraws or drops below full-time status after the institution's refund period and therefore must pay tuition and fees for full-time enrollment, the Scholarship may be retained pursuant to the refund policies of the institution.

62-900.120 Appeals Procedures

A. The Commission on Higher Education shall define the appeals procedures.

B. Students who did not receive the maximum number of terms of eligibility for the Scholarship at the end of the first academic year due to an extenuating circumstance may request an appeal with the Commission on Higher Education.

C. The Commission on Higher Education will allow a student to submit only one appeal at the end of the first academic year based on an extenuating circumstance.

D. A completed appeal's application must be filed with the Commission on Higher Education by the established deadline of the academic year the Scholarship is requested. The student must provide a completed application for appeal, a letter requesting an appeal describing the extenuating circumstance, official transcripts from all prior institutions, and any other supporting documentation to substantiate the basis for the appeal.

E. The SC HOPE Scholarship shall be suspended during the appeal period, but will be awarded retroactively if the appeal is granted.

F. The Appeals Committee's decision is final.

62-900.125 Institutional Policies and Procedures for Awarding

A. SC HOPE Scholarship awards are to be used only for payment toward the cost-of-attendance as established by Title IV regulations. The award amount shall not exceed two thousand six hundred fifty dollars (includes \$150 book allowance) during the freshman year only. Half shall be awarded during the fall term and half during the spring term (or its equivalent). The SC HOPE Scholarship 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.

B. Eligible institutions shall provide an award notification to eligible students that will include the book allowance and also contain the terms and conditions of the Scholarship. Institutions will notify students of all adjustments in Scholarship funds that may result from an over award, change in eligibility, change in the student's residency, change in financial status or other matters.

C. 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) Student's residency status
- (4) Refund and repayment (if appropriate)
- (5) Enrollment and curriculum requirements
- (6) Affidavit documenting that the student has never been convicted of any felonies and/or any alcohol/drug related misdemeanor offenses within the past academic year as stated under the "Student Eligibility" Section
- ~~(7) Institutional Student Information Record (ISIR) or affidavit documenting that the student is not in default or does not owe a refund or repayment on any State or Federal financial aid~~
- (7) High school transcript(s) verifying high school graduation or home school completion date and cumulative grade point average
- (8) Verification from institutional disability service provider of student's disability and approval of reduced course-load requirement (if appropriate)
- (9) Military mobilization orders (if appropriate)

D. Any student who has attempted to obtain or obtained a SC HOPE Scholarship award through means of willfully false statement or failure to reveal any material fact, condition, or circumstances affecting eligibility will be subject to applicable civil or criminal penalties, including loss of the SC HOPE Scholarship.

E. Visually impaired, hearing impaired or multi-handicapped students who qualify for the SC HOPE Scholarship may use the State Scholarship funds for the freshman year only to attend a four-year out-of-state institution that specializes in educating students with their impairment upon receiving prior approval from the Commission on Higher Education. The Commission on Higher Education shall make the final decision as to whether an out-of-state institution specializes in the postsecondary education of visually impaired, hearing impaired or multi-handicapped students.

F. It is the institution's responsibility to ensure that only eligible students receive the Scholarship.

62-900.130

Institutional Disbursements

A. The eligible institution will identify award amounts, which cannot exceed two thousand six hundred fifty dollars (includes \$150 book allowance) for students enrolled at four-year public and independent institutions for the freshman year of attendance only. Half shall be disbursed during the fall term and half during the spring term (or their equivalents). Scholarships cannot be disbursed during the summer or any interim sessions. The SC HOPE Scholarship 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.

B. After the last day to register for each term of the academic year, the institution will verify enrollment of each recipient as a South Carolina resident who is a full-time, degree-seeking student. The institution must submit a request for funds and/or a return of funds by the established deadline each term. According to the Scholarship and Grant Programs Policies and Procedures Manual, a listing of all eligible recipients by identification social security number with award amounts for the term must be sent to the Commission on Higher Education by the established deadline each term. At this time, any unused funds must be returned to the Commission immediately, with the institution's request for funds. A year end reconciliation report will be submitted to the Commission on Higher Education prior to June 30th of

~~each fiscal year. The reconciliation report shall include any additional requests for funds and/or return of unused funds.~~

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

D. Students must be enrolled full-time at an eligible institution at the time of Scholarship disbursement. Students who are retroactively awarded must have been enrolled in a minimum of twelve credit hours at the home institution at the time the Scholarship would have been disbursed for that term.

62-900.135

Program Administration and Audits

A. The South Carolina Commission on Higher Education shall be responsible for the oversight of functions (e.g., guidelines, policies, rules, regulations) relative to this program with participating institutions. The Commission on Higher Education shall be responsible for the allocation of funds, promulgation of guidelines and regulations governing the SC HOPE Scholarship Program, any audits or other oversight as may be deemed necessary to monitor the expenditures of Scholarship funds.

B. According to the Audit Policies and Procedures for Scholarship and Grant Programs Manual, all eligible institutions that participate in the program 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 on Higher Education 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 on Higher Education a SC HOPE Scholarship 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.

62-900.140

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 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 SC HOPE Scholarship Program for any funds lost or improperly awarded.

B. Upon receipt of evidence that an institution has failed to comply with program rules, regulations, or guidelines, the Commission on Higher Education 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 public or independent college or university, the Commission on Higher Education 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, pertinent rules, and regulations.