

Att. XXIII

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

Palmetto Fellows Scholarship Program
Proposed Regulatory Amendments - 2006-07 Academic Year

The Commission on Higher Education staff proposes amendments to the regulation for the Palmetto Fellows Scholarship Program. During the 2005 legislative session, Acts 95 and 162 were approved and affect students' eligibility for the Palmetto Fellows Scholarship. The regulation proposes five major amendments to the administration of the Palmetto Fellows Scholarship Program. One of the proposed amendments will make the regulation consistent with Act 95 to allow visually impaired, hearing impaired or multi-handicapped students who qualify for the Scholarship to use their awards to attend a four-year out-of-state institution that specializes in educating students with their impairment.

The four remaining amendments will make the regulation consistent with Act 162: 1) students can meet alternative criteria to apply for the Scholarship by scoring a minimum of 1400 on the SAT (or 32 on the ACT) and earning at least a 4.0 cumulative GPA on the Uniform Grading Scale (UGS), without regard to class rank; 2) the number of students included in the top six percent of the class will be the next whole number if the top six percent is not already a whole number, without regard to normal rounding rules; 3) eligible students may receive the Scholarship at Bob Jones University; and 4) students who applied for and were awarded the Scholarship as a senior in high school but declined the award to attend a four-year out-of-state institution are eligible to reapply for their remaining terms of eligibility upon transferring back to an eligible four-year independent or public institution in South Carolina. There are also minor proposals being made for clarification and to add definitions in order to promote consistency among State scholarship and grant programs. Proposed changes in the regulation are highlighted in red.

The first major proposed amendment is under Section 62-310L. A definition for "multi-handicapped student" was added to clarify which students will qualify for taking the Scholarship to a four-year out-of-state institution that specializes in educating students with their 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. Also, Section 62-325C reiterates the same information, as well as the fact that the Commission must provide prior approval and make the final decision whether an out-of-state institution specializes in the postsecondary education of visually impaired, hearing impaired or multi-handicapped students.

The second major proposed amendment is under Section 62-320C(2) and Section 62-320D(2). Previously, students were required to meet three academic requirements: score at least 1200 on the SAT (27 on the ACT); earn a minimum 3.5 cumulative GPA on the UGS; and rank in the top six percent of their class. Beginning with the 2005 graduating class, students were allowed to meet alternative criteria of scoring at least 1400 on the SAT (32 on the ACT) and earning a minimum 4.0 cumulative GPA on the UGS, without regard to class rank.

The third major proposed amendment is under Section 62-320G. Previously, students were required to rank within the top six percent of their class, with no rounding. The formula consisted of the student's class rank, divided by the number in the class, and multiplied by 100. The result must have been 6.00% or less in order for the student to qualify. For example, Jane ranked 9th out of 140 students. Therefore, 9 divided by 140 equaled .0642. Then the result was multiplied by 100 which equaled 6.42 percent. This meant that Jane would have been ineligible based on the previous formula. The new formula consists of the class size multiplied by six percent and rounded up to the next whole number. For example, the new formula would multiply the class size of 140 by six percent. Using the new calculation to round up to the next whole number, then Jane is eligible in this example since 8.4 rounds up to 9.

The fourth major proposed amendment is under Section 62-310I. The definition for "independent institutions" has been modified to allow for Bob Jones University to be eligible. These first four amendments were implemented with the 2005 graduating class.

The fifth major proposed amendment is under Section 62-325D. The Commission on Higher Education has been handling this process since 2003 through one-year temporary budget provisos until 2005 when it was approved as part of Act 162. Thus, a change in regulation is required in order to be consistent with permanent law. This section allows for students who applied for and were awarded the Scholarship as a senior in high school but declined the award to attend a four-year out-of-state institution to be eligible to reapply for their remaining terms of eligibility upon transferring back to an eligible four-year independent or public institution in South Carolina.

Additionally, the following clarifications are also being proposed but will not affect how the Program is currently being administered:

- Section 62-310D – The definition for "felonies" was added to be consistent with the LIFE and SC HOPE Scholarship Programs. This definition clarifies which crimes are

- classified as felonies under State statute, which exempts students from ever receiving the Palmetto Fellows Scholarship.
- **Section 62-310E** – The definition “for graduation purposes” was added to be consistent with the Lottery Tuition Assistance Program. This definition clarifies what standard the institution is to use for determining the cumulative GPA and earned credit hours for continued eligibility since there have been recent changes to these calculations for the LIFE Scholarship.
 - **Section 62-310H** – The definition for “misdemeanor offenses” was added to be consistent with the LIFE and SC HOPE Scholarship Programs. This definition clarifies which crimes are classified as misdemeanor offenses under State statute and gives some examples. **Section 62-335E(5)** – This section addresses students with alcohol and drug-related misdemeanor offenses. These students are only ineligible for the next academic year of enrollment at an eligible independent or public institution after the date of the adjudication, conviction or plea. The section also clarifies how to handle specific situations that have consistently occurred such as students obtaining convictions after the school year has begun or students who have completed the pretrial intervention program and have had their records expunged.
 - **Section 62-310K** – The definition for “military mobilization” was added to be consistent with the LIFE Scholarship, Lottery Tuition Assistance and SC HOPE Scholarship Programs. This definition clarifies which situations are classified as deployments. **Section 62-330G(9)** added military mobilization orders as required documentation that the institution must retain if appropriate. **Section 62-351** updates the terminology from active duty to either mobilized or military mobilization to be consistent with the new definition.
 - **Section 62-320H** – This sections adds language to clarify that if homeschool students cannot obtain rank verification, then they may also qualify by using the alternative criteria of scoring at least 1400 on the SAT (32 on the ACT) and earning a minimum 4.0 cumulative GPA on the UGS.
 - **Section 62-320I** – Because students attending out-of-state preparatory high schools cannot obtain a class rank based on the UGS, this section clarifies that they must qualify based on the alternative criteria. Additionally, the section also states that students must request that an official designated by the Commission on Higher Education convert their grades to the UGS to be eligible.

The financial aid officers representing the independent and public institutions in South Carolina met on July 28, 2005, to provide the Commission staff with their input regarding the proposed amendments to the regulation for the Palmetto Fellows Scholarship. Their recommendations were incorporated into the proposed regulation.

Recommendation

The Committee on Access & Equity and Student Services recommends approval of the proposed amendments to the regulation for the Palmetto Fellows 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 Number
COMMISSION ON HIGHER EDUCATION
Chapter 62
Statutory Authority: 1976 Code Section 59-104-20

62-300 Palmetto Fellows Scholarship Program

Preamble:

The Commission on Higher Education proposes to amend and replace in its entirety R.62-300 of the Palmetto Fellows Scholarship Program. Revisions to the existing regulation for the Palmetto Fellows Scholarship Program are being considered to clarify the policies and procedures for administering the Program. Four of the proposed amendments will make the Scholarship regulation consistent with recently approved legislation, Act 162 approved during the 2005 legislative session: 1) students can meet alternative criteria to apply for the Palmetto Fellows Scholarship (scoring a minimum 1400 on the SAT (32 on the ACT) and earning a minimum 4.0 cumulative grade point average (GPA) on the Uniform Grading Scale (UGS), without regard to class rank); 2) the number of students included in the top six percent will be the next whole number if the top six percent is not a whole number, without regard to normal rounding rules; 3) eligible students may receive Scholarship funding at Bob Jones University; and 4) students who applied for and were awarded the Scholarship as a senior in high school but declined the award to attend a four-year out-of-state institution are eligible to reapply for their remaining terms of eligibility upon transferring back to an eligible four-year independent or public institution in South Carolina. Another proposed amendment will make the Scholarship regulation consistent with other recently approved legislation, Act 95 approved during the 2005 legislative session: visually impaired, hearing impaired or multi-handicapped students who qualify for the Scholarship may receive State funds to attend a four-year out-of-state institution that specializes in educating students with their impairment. 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 Palmetto Fellows 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.62-300 through 62-370, Palmetto Fellows 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 Commission on Higher Education of their intent by no later than 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: 62-300 through 62-375, Palmetto Fellows Scholarship Program

Purpose of Regulation: Regulation 62-300, Palmetto Fellows 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 amendments.

Legal Authority: Section 59-104-20 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 Palmetto Fellows Scholarship Program. Proposed amendments are consistent with legislation contained within Act 95 and Act 162 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. Students will benefit by expanding the initial eligibility criteria for the Palmetto Fellows Scholarship to allow more opportunities for students to qualify.

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 Palmetto Fellows Scholarship regulation were necessary to be consistent with legislation approved during the 2005 legislative session.

Text:

Table of Contents:

- 62-300 Purpose of the Palmetto Fellows Scholarship Program
- 62-305 Funding
- 62-310 Definitions
- 62-315 Student Eligibility
- 62-320 Student Application
- 62-325 Selection Process
- 62-330 Policies and Procedures for Awarding Palmetto Fellows Scholarships
- 62-335 Duration and Renewal of Awards
- 62-340 Transfer of Palmetto Fellows Scholarship
- 62-345 Students with Disabilities
- 62-350 Enrollment in Internships, Cooperative Work Programs, Travel Study Programs, or National or International Exchange Programs
- 62-351 Military Mobilization
- 62-355 Appeals Procedures
- 62-360 Institutional Disbursement of Scholarship Funds
- 62-365 Refunds and Repayments
- 62-370 Program Administration and Audits
- 62-375 Suspension or Termination of Institutional Participation

62-300 Purpose of the Palmetto Fellows Scholarship Program

Pursuant to Act 458 and amended by Act 95 and Act 162 in 2005, the Commission on Higher Education shall promulgate regulation and establish procedures to administer the Palmetto Fellows Scholarship Program. The General Assembly established the Palmetto Fellows Scholarship Program to foster scholarship among the State's postsecondary students and retain outstanding South Carolina high school graduates in the State through awards based on scholarship and achievement. The purpose of the Palmetto Fellows Scholarship Program is to recognize the most academically talented high school seniors in South Carolina and to encourage them to attend eligible colleges or universities in the State. A secondary purpose is to help retain talented minority students who might otherwise pursue studies outside the State.

62-305 Allocation of Palmetto Fellows Scholarship Funds to Public and Independent Institutions

A. Funds made available for higher education grants and scholarships under Chapter 143 of Title 59 of the 1976 Code, as amended under Act 458, *South Carolina Children First: Resources for Scholarship and Tuition Act of 1996*, shall be included in the annual appropriation to the Commission on Higher Education. Fifty percent of the appropriation shall be designated for the Palmetto Fellows Scholarship Program and the remaining fifty percent shall be for the Need-based Grants Program. However, in instances where the equal division of the appropriated funds between the Palmetto Fellows Scholarship and Need-based Grants Programs exceeds the capacity to make awards in either program, the Commission on Higher Education has the authority to re-allocate the remaining funds between the two programs. The Commission on Higher Education shall award to eligible students attending eligible independent or public institutions as Palmetto Fellows Scholarships as follows:

1. Of the funds allocated to public institutions, the percentage shall be equivalent to the percentage of the public institution's share of the total South Carolina resident undergraduate full-time headcount enrollment in the preceding year.

2. Of the funds allocated to independent institutions, the percentage shall be equivalent to the percentage of the independent institutions' share of the total South Carolina resident undergraduate full-

time headcount enrollment in the preceding year and will be determined annually by the South Carolina Commission on Higher Education and the Tuition Grants Commission.

B. Under the *South Carolina Education Lottery Act*, a designated amount shall be allocated for Palmetto Fellows Scholarships and shall be included in the annual appropriation to the Commission on Higher Education.

C. After expending funds appropriated for Palmetto Fellows Scholarships from all other sources, there is automatically appropriated from the general fund of the State whatever amount is necessary to provide Palmetto Fellows Scholarships to all students meeting the requirements of Section 59-104-20.

62-310 Definitions

A. "Academic year" is defined as the twelve-month period of time 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 the fall, spring and summer terms (or its equivalent).

B. "Bachelor's degree program" is defined as an undergraduate program of study leading to the first bachelor's degree as defined by the U.S. Department of Education.

C. "Degree-seeking student" is defined as any student enrolled full-time in a program of study that leads to the first bachelor's degree or a program of study that is structured so as not to require a bachelor's degree at an eligible independent or public institution.

D. "Felonies" shall be defined as crimes classified under State statute (Section 16-1-10) for which the punishment in federal or state law and typically requires imprisonment for more than one year.

E. "For graduation purposes" is defined as any grade or credit hour that the home institution requires in accordance with their policies and procedures for graduation of the student, including electives and additional coursework.

F. "Full-time student" shall mean a student who has matriculated into a program of study leading to the first bachelor's degree or a program of study that is structured so as not to require a bachelor's degree and leads to a graduate degree and who enrolls full-time, usually fifteen 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 at the home institution as stipulated by Title IV Regulations, except that credit hours may not include remedial/developmental coursework.

G. "High school" shall be defined as a public or private high school located within South Carolina, an approved homeschool program as defined in relevant 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 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.

H. "Home institution" shall be defined as the institution where the student is currently enrolled as a degree-seeking student and may be eligible for financial aid at the same institution.

I. "Independent institutions" are defined, for the purposes of the Palmetto Fellows Scholarship Program, as those four-year 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. Two-year independent institutions are not eligible to participate in the Program.

J. "Misdemeanor offenses" shall be defined as crimes 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 under Title 16 of State statute. Examples of alcohol and/or drug-related 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 persons under 21, providing false information as to age (fake identification), etc.

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.

L. "Multi-handicapped 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.

M. "Program of study that is structured so as not to require a bachelor's degree" shall be defined as 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, which will be the student's first academic degree awarded as defined by the U.S Department of Education. Students are eligible to receive the Scholarship for a maximum of eight terms (or its equivalent) as long as all other eligibility criteria are met and the program is approved by the Commission on Higher Education. Students who have been awarded a bachelor or graduate degree are not eligible for Scholarship funding.

N. "Public institutions" are defined, for the purposes of the Palmetto Fellows Scholarship Program, as 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.

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

P. "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.

Q. "Transfer student" is defined, for the purposes of this Program, as a student who has changed full-time enrollment from a four-year institution to another eligible independent or public institution.

62-315 Student Eligibility

A. In order to qualify for consideration for a Palmetto Fellows Scholarship, a student must:

1. Meet the eligibility criteria stipulated under the "Student Application" Section;
2. Be enrolled as a senior in an eligible high school;
3. Be a legal resident of South Carolina as defined in applicable State Statute governing the determination of residency for tuition and fee purposes at the time of college enrollment;
4. Be a U.S. citizen or a legal permanent resident that meets the definition of an eligible non-citizen under State Residency Statute;
5. Be seriously considering attending, have applied, or have been accepted for admission to an eligible four-year bachelor's degree-granting independent or public institution in South Carolina as a first-time, full-time, degree-seeking student;
6. Certify that he/she has not been adjudicated delinquent, convicted, or pled guilty or *nolo contendere* to any felonies, alcohol, or drug related 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, except that a high school or college student who has been adjudicated delinquent, convicted, or pled guilty or *nolo contendere* of an alcohol or drug related misdemeanor offense is only ineligible for the next academic year after the date of the adjudication, conviction or plea; and
7. Submit the official Palmetto Fellows Scholarship Application by the established deadline(s) and comply with all the directions contained therein.

B. The high schools shall ensure that all students meeting the eligibility criteria are given the opportunity to be included in the applicant pool.

C. A student who graduates immediately after the high school junior year is eligible to apply for the Palmetto Fellows Scholarship, providing that the student meets all eligibility requirements as described in the "Student Eligibility" Section, and providing that the student is entering an eligible independent or public institution not later than the fall term immediately following high school graduation.

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

E. Any student who attempts to obtain or obtains a Palmetto Fellows Scholarship through means of a 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 Palmetto Fellows Scholarship.

62-320 Student Application

A. The Commission on Higher Education will send information regarding the application process to all South Carolina high schools, homeschool associations and district superintendents. High school officials will identify students who meet the specified eligibility criteria by each established deadline. Applications must be submitted no later than the established deadline(s) along with the appropriate signatures, official transcripts and test score verification to the Commission on Higher Education.

Students who are enrolled at out-of-state high schools are personally responsible for contacting the Commission on Higher Education about the application process and must adhere to the same established deadline(s).

B. The high schools and homeschool associations shall submit a list to the Commission on Higher Education indicating the names of all students who meet the eligibility criteria according to the high school. The list shall indicate whether the student is submitting a completed application or declining the opportunity to submit an application. If the student declines the opportunity to submit an application, the high school will submit a form for each of these students, signed by both the student and the parent/guardian, and indicating the reason(s) for not submitting an application. Students who decline to apply for the Scholarship forfeit any future eligibility under the Program.

C. Applications for early awards must be submitted to the Commission on Higher Education for the Palmetto Fellows Scholarship by the date established in December each academic year. Students must meet one of the following academic criteria in order to be eligible to apply for the early awards (students cannot use early awards criteria to meet the final awards deadline):

1. Score at least 1200 on the SAT or 27 on the ACT through the November test administration; earn a cumulative 3.50 GPA at the end of the junior year; and rank in the top six percent of the class at the end of either the sophomore or the junior year; or

2. Score at least 1400 on the SAT or 32 on the ACT through the November test administration and earn a cumulative 4.00 GPA at the end of the junior year, without regard to class rank.

D. Applications for final awards must be submitted to the Commission on Higher Education for the Palmetto Fellows Scholarship by the date established in June each academic year. Students must meet one of the following academic criteria in order to be eligible to apply for the final awards:

1. Score at least 1200 on the SAT or 27 on the ACT through the June test administration; earn a cumulative 3.50 GPA at the end of the senior year; and rank in the top six percent of the class at the end of the senior year; or

2. Score at least 1400 on the SAT or 32 on the ACT through the June test administration and earn a cumulative 4.00 GPA at the end of the senior year, without regard to class rank.

E. Students must have official certification that they earned the requisite score on the SAT I or an equivalent ACT score. The Commission on Higher Education shall convert all ACT scores to the equivalent SAT scores. In order to determine the minimum composite score for the SAT, students must use the highest Math score combined with the highest Critical Reading score (formerly known as the Verbal score). Students may use the highest Math score and highest Critical Reading/Verbal score from different test administrations. However, students cannot use the Writing subsection score to meet the minimum SAT score requirement. Students may use the SAT version prior to March 2005 and/or the new version to meet the SAT score requirement. In order to determine the minimum composite score for the ACT, students must use the highest composite score based upon one test administration.

F. Grade point averages must be based on the Uniform Grading Scale, reported to at least two decimal places, and may not be rounded up.

G. The number of students included in the top six percent of the class will be the next whole number if the top six percent is not already a whole number. For example, a class size of 185 students would include the top twelve students since 11.1 rounds up to twelve. For those high schools that have fewer

than ~~forty~~ twenty students in the class, the top two students (students ranked as number one and two) shall be considered for the Scholarship regardless of whether they rank in the top six percent of the class. These students must meet all other eligibility criteria.

H. In order to apply for the Palmetto Fellows Scholarship by using rank as an eligibility criterion, homeschool students must be a member of an approved homeschool program (as defined in relevant State Statute) that provides an official class rank for their members. If a homeschool student is unable to obtain rank verification, he/she may also be eligible by using the alternative criteria of scoring 1400 on the SAT (or 32 on the ACT) and earning a cumulative 4.00 GPA on the Uniform Grading Scale, without regard to class rank. These students must meet all other eligibility criteria.

I. Students who attend out-of-state preparatory high schools must be eligible to apply by using the alternative criteria of scoring 1400 on the SAT (or 32 on the ACT) and earning a cumulative 4.00 GPA on the Uniform Grading Scale. In order to meet the GPA requirement, students must request that an official designated by the Commission on Higher Education convert the students' grades to the UGS. Any fees and requirements associated with the grade conversion are the responsibility of the student. These students must meet all other eligibility criteria, including South Carolina residency requirements.

62-325 Selection Process

A. The Commission on Higher Education shall notify students of their selection as a Palmetto Fellow along with the terms and conditions of the award.

B. In order to accept the Scholarship, students must return a form that designates an eligible independent or public institution in which they plan to enroll by the date established by the Commission on Higher Education.

C. Visually impaired, hearing impaired or multi-handicapped students who qualify for the Scholarship may use the State Scholarship funds 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 whether an out-of-state institution specializes in the postsecondary education of visually impaired, hearing impaired or multi-handicapped students.

D. A student who applied for and was subsequently awarded the Palmetto Fellows Scholarship as a senior in high school, but declined the award to attend a four-year out-of-state institution, is eligible to reapply for the Scholarship upon transferring back to an eligible independent or public institution in South Carolina. Students must have met all initial and continued eligibility requirements for the Palmetto Fellows Scholarship. The number of terms a student attended college out-of-state will be deducted from the eight terms of Scholarship eligibility.

E. The Commission on Higher Education shall ensure that there is equitable minority participation in the Program.

62-330 Policies and Procedures for Awarding Palmetto Fellows Scholarships

A. The institution shall specify exact award amounts based upon applying the Palmetto Fellows Scholarship Regulation and criteria stipulated herein. The annual award amount for each Palmetto Fellow shall not exceed \$6700 per academic year. Half of the Scholarship shall be awarded in the fall term and half during the spring term (or its equivalent), assuming continued eligibility.

B. Palmetto Fellows Scholarships are to be used only toward payment for cost of attendance as established by Title IV Regulations with modifications set forth in C below for the academic year for which the Scholarship is made at the designated independent or public institution. The maximum amount awarded shall not exceed the cost of attendance as established by Title IV Regulations for any year.

C. Charges for room and board are to be limited as follows:

1. Room charges shall not exceed the average cost of on-campus residential housing; and
2. Board charges shall not exceed the cost of the least expensive campus meal plan that includes 21 meals per week.

D. In determining the amount awarded for the Palmetto Fellows Scholarship, all other sources of gift aid, including federal, State, private and institutional funds, must be applied to the unmet total cost of attendance in accord with Title IV Regulations before calculating the Scholarship amount and awarding the Scholarship. Adjustments to the financial aid package will be made to the Palmetto Fellows Scholarship in accordance with prescribed Title IV Regulations in order to prevent an over-award.

E. Although a student may be named a Palmetto Fellow, the student may not receive a monetary award if the award, when added to other financial resources, would cause the student to receive total assistance in excess of the student's cost of attendance as defined by Title IV Regulations and these guidelines.

F. Eligible independent and public institutions will notify students of their award along with the terms and conditions of the award.

G. The institution must retain annual paper or electronic documentation for each award to include at a minimum:

1. Institutional Student Information Record (ISIR) or affidavit documenting that the student is not in default or does not owe a refund on any state or federal financial aid
2. Affidavit documenting that the student has never been convicted of any felonies and not been convicted of any alcohol/drug-related misdemeanor offenses within the past academic year as stated under "Student Eligibility" and "Duration and Renewal of Awards" Sections
3. Award notification
4. Institutional disbursement to student
5. Refund or repayment (if appropriate)
6. Student's residency status
7. Enrollment and curriculum requirements
8. Verification from the institutional Disability Services Provider of student's disability and approval of reduced course-load requirement (if appropriate)
9. Military mobilization orders (if appropriate)

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

62-335 Duration and Renewal of Awards

A. A Palmetto Fellows Scholarship shall be initially awarded for one academic year. The institution shall adjust the amount of the Scholarship award during the academic year in the event of a change in the student's eligibility.

B. Students selected as Palmetto Fellows must enter an eligible independent or public institution the fall term immediately following high school graduation.

C. A Palmetto Fellows Scholarship may be renewed annually for no more than a total of eight terms (or its equivalent) of full-time study toward the first bachelor's degree or a program of study that is structured so as not to require a bachelor's degree and leads to a graduate degree. Renewal decisions will be made annually and are not automatically guaranteed. Students who have already been awarded their first bachelor or graduate degree are not eligible to receive the Palmetto Fellows Scholarship.

D. The institution shall be responsible for obtaining institutional certification of each recipient's cumulative grade point average and credit hours earned for purposes of determining eligibility for award renewal. By the end of the spring term, the institution shall notify all Palmetto Fellows who have not met the continued eligibility requirements for the next academic year. The notification should also include information regarding the student's ability to attend summer school in order to meet the continued eligibility requirements.

E. In order to retain eligibility for the Palmetto Fellows Scholarship after the initial year, the student must meet the following continued eligibility requirements:

1. Enroll full-time at the time of the Scholarship disbursement;
2. Earn at least a cumulative 3.0 GPA for graduation purposes by the end of each academic year;
3. Earn a minimum of thirty credit hours for graduation purposes by the end of each academic year. Exempted credit hours (such as AP, CLEP, etc.), credit hours earned before high school graduation, and credit hours earned the summer term immediately following high school graduation cannot be used to meet the annual credit hour requirement;
4. Certify each academic year 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. Students who have not completed the FAFSA 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 the state grants/scholarships, Pell Grant, Supplemental Educational Opportunity Grant, Federal Perkins or Stafford Loan; and
5. Certify each academic year that he/she has never been adjudicated delinquent, convicted, or pled guilty or *nolo contendere* to any felonies and 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. However, a high school or college student who has been adjudicated delinquent, convicted, or pled guilty or *nolo contendere* of an alcohol or drug-related misdemeanor offense is only ineligible for the next academic year of enrollment at an eligible independent or public 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 will continue to be eligible for the remainder of the academic year. However, the student will be ineligible for the Scholarship for the following fall, spring and summer terms (or their equivalent). If a student completes a pretrial intervention program and has his/her record is subsequently expunged, the charge will not affect Scholarship eligibility.

F. Any student who attempts to obtain or obtains a Palmetto Fellows Scholarship through means of a 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 Palmetto Fellows Scholarship.

62-340 Transfer of Palmetto Fellows Scholarship

A. Palmetto Fellows enrolled at a four-year public or independent institution may transfer the Scholarship to another eligible independent or public institution in South Carolina upon obtaining prior approval from the Commission on Higher Education by submitting either a transfer form or reapplication form.

B. Transfer students are only eligible to receive the Scholarship for no more than eight terms (or its equivalent) of college attendance.

C. Transfer students must comply with all standards for continued eligibility as defined under "Duration and Renewal of Awards" Section in order for their Scholarship to be eligible for transfer.

62-345 Students with Disabilities

A. Palmetto Fellows 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, in order to be eligible to receive Scholarship funding. Students must comply with all institutional policies and procedures in accordance with ADA and Section 504 of the Rehabilitation Act of 1973.

B. For renewal, Palmetto Fellows who qualify under ADA and Section 504 of the Rehabilitation Act of 1973 must meet all renewal requirements as defined in the "Duration and Renewal of Awards" Section, except for a student not meeting the annual credit hour requirement who is approved by the Disability Services Provider at the home institution to be enrolled in less than full-time status or less than the required number of annual credit hours for that academic year. Each academic year for Scholarship renewal, students must earn the required number of hours approved by the institutional Disability Services Provider at the home institution and earn a minimum 3.0 cumulative grade point average for graduation purposes. Students must comply with all institutional policies and procedures in accordance with ADA and Section 504 of the Rehabilitation Act of 1973.

C. 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 or less than the required annual credit hours. It is the responsibility of transfer students to provide written documentation from the previous institutional Disability Services Provider.

D. Palmetto Fellows who qualify under ADA and Section 504 of the Rehabilitation Act of 1973 are eligible to receive up to the maximum number of available terms and available funds.

62-350 Enrollment in Internships, Cooperative Work Programs, Travel Study Programs, or National or 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 Palmetto Fellows Scholarship funds during the period in which the student is enrolled in such programs. Students will be required to meet the continued eligibility requirements.

B. Eligible students may use the appropriated portion of the Palmetto Fellows Scholarship funds for 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. Palmetto Fellows Scholarship funds must be paid directly to the student's account at the home institution. The amount awarded cannot exceed the cost of attendance at the home institution or the cost of attendance at the host institution, whichever is less. The Commission on Higher Education will not transfer Scholarship funds to the institutions where students will participate in internships, cooperative work programs, travel study programs, or National or International Student Exchange Programs. The home institution is responsible for Scholarship funds according to the "Program Administration and Audits" Section.

C. Students who enroll in one academic term at the home institution and also enroll in an internship, cooperative work program, travel study program, or National or International Student Exchange Program that are approved by the home institution and that do not award full-time transfer credit during the same academic year must earn fifteen credit hours and a cumulative 3.0 grade point average for graduation purposes by the end of the academic year to be eligible for Scholarship renewal for the next academic year. The student may continue to be eligible to receive the Palmetto Fellows Scholarship for up to a total of eight terms (or its equivalent) at all institutions attended (provided the student meets the continued eligibility requirements).

D. For students enrolling in an internship, cooperative work program, travel study program, or National or International Student Exchange Program that is approved by the home institution but does not award full-time transfer credit for the entire academic year, Scholarship renewal for the next academic year will be based on the prior year's eligibility. The student may continue to be eligible to receive the Palmetto Fellows Scholarship for up to a total of eight terms (or its equivalent) at all institutions attended (provided the student meets the continued eligibility requirements).

E. Students enrolling in an internship, a cooperative work program, a travel study program, or National or International Student Exchange Program that are approved by the home institution during the academic year and did not use their entire eligibility for Palmetto Fellows Scholarship funds during this period shall be allowed to receive one term of Palmetto Fellows Scholarship funds during the succeeding summer. In order to receive Palmetto Fellows Scholarship funds for the succeeding summer term, students must enroll in twelve credit hours at the home institution. In order to maintain eligibility for the next academic year for students who only attend summer school, the student must earn twelve credit hours by the end of the academic year. For students who enroll in summer school and one other term of the academic year, the student must earn a total of 27 credit hours (or its equivalent) by the end of the academic year. The student must meet all continued eligibility requirements, except for the completion of the thirty credit hour requirement for the academic year.

F. The home institution will be responsible for obtaining official certification of the student's cumulative grade point average and credit hours earned for the purposes of determining eligibility for Scholarship renewal for the next academic year.

62-351 Military Mobilization

A. Service members who are enrolled in college and are affected by military mobilizations will not be penalized for the term 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 will not count against the maximum terms of eligibility. The service

member shall be allowed to receive the unused term(s) while mobilized during the succeeding summer term or at the end of the maximum terms of eligibility (provided the service member meets continued eligibility requirements). The service member must re-enroll in an eligible independent or public 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 for a minimum of one academic year may renew the Scholarship for the next academic year, if they met the continued eligibility requirements at the end of the prior academic year. Service members may continue to be eligible to receive the Palmetto Fellows Scholarship for up to a total of eight terms (or its equivalent) at all institutions attended (provided the service member meets continued eligibility requirements).

C. Service members who are enrolled in college and are mobilized for one academic term must complete fifteen credit hours and earn a cumulative 3.0 grade point average for graduation purposes by the end of the academic year to be eligible for Scholarship renewal for the next academic year. Service members may continue to be eligible to receive the Palmetto Fellows Scholarship for up to a total of eight terms (or its equivalent) at all institutions attended (provided the service member meets the continued eligibility requirements).

D. In order to receive the Palmetto Fellows 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. For service members who enroll in summer school and one other term of the academic year, the service member must earn a total of twenty-seven credit hours (or its equivalent) by the end of the academic year. In order to maintain eligibility for the next academic year for service members who only attend summer school, the member must earn twelve credit hours by the end of the academic year. The service member must meet all continued eligibility requirements, except for the completion of the thirty credit hour requirement for the academic year.

E. The home institution will be responsible for obtaining verification of military mobilization status, cumulative grade point average and credit hours earned for the purposes of determining eligibility for Scholarship renewal for the next academic year.

62-355 Appeals Procedures

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

B. A student who does not meet the continued eligibility criteria for renewal of the Palmetto Fellows Scholarship forfeits continued participation in the Program and may request an appeal based on extenuating circumstances.

C. A student is allowed to submit only one appeal each academic year.

D. A student wishing to appeal any non-renewal decision based on extenuating circumstances must submit the following source documents to the Commission on Higher Education by no later than the established deadline of the academic year the scholarship is requested:

1. A completed application for appeal
2. A letter requesting an appeal describing the extenuating circumstances

3. An official transcript(s)
4. Any other supporting documentation to substantiate the basis for the appeal

E. A student who fails to submit an appeal by the required deadline will result in forfeiture of the award.

F. The Palmetto Fellows Scholarship shall be suspended during the appeal period, but will be awarded retroactively if the appeal is granted.

G. The Appeals Committee's decision is final.

62-360 Institutional Disbursement of Scholarship Funds

A. The institution will identify award amounts, which cannot exceed \$6700 per academic year. Half of each Scholarship shall be awarded during the fall term and half during the spring (or its equivalent), assuming continued eligibility. Scholarships cannot be disbursed during the summer or any interim sessions with the exception of disbursements that meet the requirements under the "Enrollment in Internships, Cooperative Work Programs, Travel Study Programs, or National or International Student Exchange Programs" or "Military Mobilization" Sections. Palmetto Fellows may not be funded for more than a total of eight terms (or its equivalent) of full-time study toward the first bachelor's degree or a program of study that is structured so as not to require a bachelor's degree and leads to a graduate degree.

B. The Palmetto Fellows Scholarship may not be applied to remedial/developmental coursework, a second bachelor's degree or to graduate coursework, unless the graduate coursework is required as part of a program of study that is structured so as not to require a bachelor's degree and leads to a graduate degree as defined in the "Program Definitions" Section. In the event of early graduation, the award is discontinued.

C. The institution shall provide each Palmetto Fellow with an award notification for each academic year, which will contain the terms and conditions of the Scholarship and other financial aid awarded. Students will be notified of adjustments in financial aid due to changes in eligibility and/or over-award issues. The Commission on Higher Education, for documentation purposes, requires that each institution obtain verification of acceptance of the Palmetto Fellows Scholarship and terms for the award.

D. 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 return of funds by the established deadline each term. In addition, a listing of eligible recipients by identification number with the award amounts 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.

E. The Commission will disburse awards to the eligible independent and public institutions to be placed in each eligible student's account.

62-365 Refunds and Repayments

A. In the event a student who has been awarded a Palmetto Fellows Scholarship withdraws, is suspended from the institution, or drops below full-time status during any regular term of the academic year, institutions must reimburse the Palmetto Fellows Scholarship Program for the amount of the Scholarship for the term in question pursuant to 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 award may be retained by the student pursuant to the refund policies of the institution.

62-370 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 eligible independent and public institutions. The Commission on Higher Education shall be responsible for the allocation of funds, promulgation of guidelines and regulation governing the Palmetto Fellows 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 independent and public 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 eligible independent and public institution shall identify to the Commission on Higher Education a Palmetto Fellows Scholarship institutional representative who is responsible for the operation of the Program on the campus and will serve as the contact person for the Program. The institutional representative will act as the student's fiscal agent to receive and deliver funds for use under the Program.

62-375 Suspension or Termination of Institutional Participation

A. The Commission on Higher Education 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 on Higher Education may suspend, terminate, or place certain conditions upon the institution's continued participation in the Program and require reimbursement to the Palmetto Fellows Scholarship Program for any funds lost or improperly awarded.

B. Upon receipt of evidence that an institution has failed to comply, 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(s) may have occurred or are occurring at any eligible independent or public institution, 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, guidelines, rules, and regulations.