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Document No.
COMMISSION ON HIGHER EDUCATION
 CHAPTER 62
 Statutory Authority: 1976 Code Section 59-150-360

62-900.85-145 South Carolina HOPE Scholarship

Synopsis:

The South Carolina HOPE Scholarship established under the South Carolina Education Lottery Act was approved by the General Assembly during the 2001 legislative session and signed into law on June 13, 2001. This Bill authorizes funding for scholarships to cover the cost of attendance, up to a maximum of two thousand dollars to eligible students attending eligible four-year public and independent institutions in South Carolina. The goals of the SC HOPE Scholarship program is to provide a merit scholarship to students who achieve academically but are not eligible to receive the LIFE or Palmetto Fellows Scholarship. The Bill authorizes the Commission on Higher Education to create regulations for administration of the SC HOPE Scholarship program.

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Instructions: Add new 62-900.85 through 62-900.145, South Carolina HOPE Scholarship, to Chapter 62 regulations.

Text:

62-900.85 Funding

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 annual funding from the state of South Carolina. The Commission on Higher Education shall award funds 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 an average of thirty credit hours (or the equivalent). The period of time used to measure the academic year will consist of a fall, spring and summer term (or its equivalent).

B. **"Baccalaureate 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. **"Cost of Attendance"** includes tuition, fees and the student's living expenses while he or she is attending school, and other costs such as costs related to disability or dependent care. The cost of attendance must conform to Title IV regulations.

D. **"Degree-seeking undergraduate student"** is defined as any full-time student enrolled in an eligible program of study at an eligible institution that leads to the first baccalaureate degree.

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

F. **"Eligible program of study"** is defined as a program of study leading to the first baccalaureate 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. **"Freshmen year"** shall mean the first year undergraduate students ever attended college after high school graduation.

H. **"Full-time student"** shall mean a student who has matriculated into an eligible program of study and who enrolls full-time, usually fifteen semester credit hours for fall and spring terms or eleven credit hours for fall, eight credit hours for winter, and eleven 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 coursework.

I. **"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 where 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. 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.

J. **"Independent institutions"** 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." However, independent two-year institutions are not eligible for participation in this program.

K. An **"offense"** shall mean a violation of any law or rule in the State or Federal criminal justice system.

L. **"Public institutions"** are those four-year baccalaureate 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 post-secondary field." Public two-year institutions and technical colleges are not eligible for participation in this program.

M. **"South Carolina Resident"** shall be defined as an individual who satisfies the requirements of residency in accordance with the State Statute for Tuition and Fees, Statute 59-112-10, and all related guidelines and regulations promulgated by the Commission on Higher Education.

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

O. **"Transient student"** shall be defined as a temporary, full- or part-time non-degree seeking-student who does not meet the institution's criteria as a matriculating full-time student.

62-900.95 Student Eligibility

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

- (1) Be a U.S. citizen or a permanent resident that meets the definition of an eligible non-citizen under State Residency Statutes;
- (2) Be a South Carolina Resident as set forth by 59-112-10 and graduated from a high school located in the State of South Carolina or graduated from a high school outside of the state, while a dependent of a parent or legal guardian who is a legal resident of South Carolina consistent with the Statute Chapter 62 59-149-50 and 59-112-10;
- (3) Earn a 3.0 cumulative grade point average (GPA) on a 4.0 scale,
 - (a) Due to the different grading scales used throughout the State, the State Board of Education adopted the Uniform Grading Policy for South Carolina in December 1999. Until 2004, students may qualify for the SC HOPE Scholarship using the new Uniform Grading Policy or the grade point calculation policy established by the high school. If a weighted grade point average is provided by the high school, the institution shall use the high school's weighted grade point average based on the approved policies of the high school in determining whether the student meets the "B" average. The high school must specify which grading scale was used. If more than one final grade point average is reported by the high school on the final transcript, the institution may use the highest grade point average. Beginning with students graduating in 2004, scholarship eligibility will be based upon the Uniform Grading Scale only. No other grading policy will be allowed to qualify for a State scholarship.
- (4) Be admitted, enrolled full-time, and classified as a degree-seeking undergraduate student in an eligible public or independent institution in South Carolina;
- (5) 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 of eligibility after the date of the adjudication, conviction or plea; and
- (6) Certify that he/she has not defaulted and does not owe refunds on any Federal or State financial aid. If a student has a Student Aid Report (SAR) or its equivalent on file or has applied for Title IV financial assistance by completing the Free Application for Federal Student Aid (FAFSA) form, the Student Aid Report (SAR) information will be used to verify default status or refunds owed on Federal or State financial aid. Students who have not completed a Free Application for Federal Student Aid (FAFSA) to receive Title IV financial assistance must have an affidavit on file to certify that he/she is not in default or owes a refund on Federal or State financial aid or repayment including: a State Grant, Federal Pell Grant, Supplemental Educational Opportunity Grant, Perkins Loan and Federal Stafford Loan.

B. Students receiving a SC HOPE Scholarship are not eligible for a LIFE or Palmetto Fellows Scholarship.

C. Students who meet all eligibility requirements for the SC HOPE scholarship are eligible to receive scholarship funds for the freshmen year of attendance only.

D. All documents required for determining SC HOPE Scholarship eligibility must be submitted to the institution by their established deadline(s).

62-900.100 Duration of Award

A. Students may receive the SC HOPE Scholarship for no more than two terms (or its equivalent) during their freshmen year only. If the student earns a cumulative 3.0 grade point average and an average of 30 credit hours upon completion of the freshman year, the student would be eligible to receive the LIFE Scholarship for the sophomore year.

B. Students who initially enroll mid-year at an eligible institution are eligible to receive the SC HOPE Scholarship for one term (or its equivalent). At the end of the academic year, if the student has earned a minimum of 15 credit hours and a 3.0 cumulative grade point average, the student would be eligible to receive the LIFE Scholarship his or her sophomore year.

C. Any credit hours attempted or earned before high school graduation, hours exempted by examination, or advanced placement credit hours do not count against the semester limits.

62-900.105 Transfer Students

A. Students transferring from one institution to an eligible institution mid-year are eligible to receive the SC HOPE Scholarship if they met the eligibility requirements at the beginning of the academic year.

62-900.110 Students with Disabilities

A. First-time entering freshmen 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 section 62-900.95 except for a student who is approved by the Disability Services Provider to be enrolled in less than "full-time" status is eligible to receive the SC HOPE Scholarship. 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 the freshman year verifying that the student is approved to be enrolled in less than full-time status.

C. Students who qualify under the Americans with Disabilities Act (ADA) and Section 504 of the Rehabilitation Act of 1973 may receive the maximum number of available terms and available funds as stated in 62-900.100.

D. In order to be eligible for the SC HOPE Scholarship, students who no longer qualify under the Americans with Disabilities Act (ADA) and Section 504 of the Rehabilitation Act of 1973 must comply with all requirements set forth under section 62-900.95.

62-900.115 Withdrawal, Suspension or Dropping below Full-time Status

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 SC HOPE 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 Policies and Procedures for Awarding

A. SC HOPE Scholarship awards are to be used only for payment for cost of attendance as established by Title IV regulations.

B. The institution must retain appropriate documentation to include at a minimum:

- (1) award notification
- (2) refunds and repayments
- (3) institutional disbursements to students
- (4) student residency status
- (5) enrollment status, cumulative grade point average and cumulative number of credits hours earned
- (6) affidavit documenting that the student has never been convicted of any felonies, alcohol/drug related offenses as stated in section 62-900.95.
- (7) FAFSA or affidavit documenting that the student is not in default or owes a refund on Federal or State financial aid or repayment, including a State Grant, Federal Pell Grant, Supplemental Educational Opportunity Grant, Perkins Loan and Federal Stafford Loan as stated in 62-900.95.
- (8) High school transcripts verifying cumulative grade point averages, graduation date or home school Completion date (freshmen only)

C. 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.

D. Each participating institution shall identify to the Commission on Higher Education a SC HOPE Scholarship institutional representative whom is responsible for the operation of the SC HOPE Scholarship Program on the campus and will serve as the contact person for the program. The institutional representative will act as the student fiscal agent to receive and deliver funds for use under the program.

62-900.125 Institutional Procedures for Award Notification

A. The institution shall provide an award notification to SC HOPE scholarship recipients that will 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, changes in eligibility, changes in the student's residency or financial status, or other matters.

B. Participating eligible public and independent institutions will identify students who meet the eligibility requirements for SC HOPE Scholarships:

- (1) Enrollment status (full-time as defined by Title IV of Higher Education Act)

- (2) Classification
- (3) High school grade point average
- (4) Residency status
- (5) Degree level

62-900.130 Scholarship Disbursements

- A. The eligible institution will identify award amounts, which cannot exceed \$2,000 for students enrolled at four-year public and independent institutions for the freshmen year 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.
- B. Eligible public institutions will send social security numbers of eligible students, amount per student, and an Interdepartmental Transfer (STAR 40) form to the Commission by no later than October 1 for fall term and March 1 for spring term.
- C. Eligible independent institutions will send social security numbers of eligible students, amount per student, and an invoice to the Commission by no later than October 1 for fall term and March 1 for spring term.
- D. The Commission will disburse awards to the participating institutions to be placed in each eligible student's account.
- E. Adjustments for fall term disbursements will be made in the spring report after confirmation of CHEMIS data and CHEMIS disbursement fall reports. Adjustments for the spring term will be made in the summer reconciliation report after confirmation of the CHEMIS disbursement spring report. All participating institutions will submit a reconciliation report to the Commission at the end of the academic year. Along with this report the institution may submit any additional requests for disbursements and/or return any unused funds to the Commission. Institutions are required to inform the Commission in writing if there are no adjustments to report. The deadline for summer reconciliation is June 30 of the fiscal year.

62-900.135 Verification of Scholarships

- A. Eligible public and independent institutions: the Commission will verify enrollment, grade point average, and residency data of students who were determined to be eligible through CHEMIS reports. CHEMIS reports are due by October 31.
- B. Student information to be submitted to the Commission by October 31 (fall term)
 - (1) Social security number
 - (2) Enrollment status (full-time as defined by Title IV of Higher Education Act)
 - (3) Classification
 - (4) High school graduation date (or home-school completion date)
 - (5) High school grade point average (first-time entering freshmen)
 - (6) Residency status
 - (7) Degree level
 - (8) Race and Gender

- C. The Commission on Higher Education may request additional information regarding verification of scholarships.

62-900.140 Program Administration and Audits

- A. The Commission shall be responsible for the oversight of functions (e.g., rules, regulations, policies) relative to this program with participating institutions, including 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. The Commission will schedule and conduct periodic Program Audit Reviews at all eligible institutions that receive the SC HOPE Scholarship funds to ensure compliance with the State Statute, regulations, pertinent statutes, and program guidelines.
- C. The Commission will develop and issue standard audit policies and procedures for the scholarships and grant programs to all eligible institutions that administer the SC HOPE Scholarship funds.
- D. Institutions are required to ensure that the appropriate staff person(s) and applicable records are accessible and available during the on-site review.
- E. The Commission staff shall have the right to examine and obtain copies of all source documentation (student data and fiscal records) pertaining to the SC HOPE Scholarship awards as set forth in 34 CFR, Sections 99.31 (a) (3) and 99.35 (a) and (b) of the Family Educational Rights and Privacy Final Regulations.

62-900.145 Suspension or Termination of Institutional Participation

- A. The Commission may review institutional administrative practices to determine institutional compliance with rules and regulations, pertinent statutes, and program guidelines. If such a review determines that an institution has failed to comply with program rules and regulations or guidelines, 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 these regulations.

Fiscal Impact Statement:

Funding for the SC HOPE Scholarship Program is dependent upon the proceeds generated by the SC Education Lottery.