

South Carolina Higher Education Tuition Grants Commission

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MINUTES

South Carolina Higher Education Tuition Grants Commission Meeting
Monday, June 8, 2009
1706 Senate Street
Columbia, South Carolina

Commission Members Present:

Dr. James Epting, North Greenville University, Chairman
Dr. Charles Young, Allen University
Dr. David Spittal, Southern Wesleyan University

Commission Members Participating via Conference Call

Dr. John Griffith, Presbyterian College, Secretary

Commission Members Absent

Dr. Mitchell Zais, Newberry College, Vice Chairman
Dr. Caroline Whitson, Columbia College
Dr. David Shi, Furman University
Dr. Benjamin Dunlap, Wofford College
Dr. Garrison Walters, South Carolina Commission on Higher Education

Commission Chairman Dr. James Epting called the meeting to order at 10:34 a.m. He welcomed all in attendance and those participating via conference call.

Dr. Epting called for a motion to approve the Minutes of the January 27, 2009 Commission Meeting and the Commission's E-Mail Vote from March 2, 2009. Dr. David Spittal moved to approve the Minutes and E-Mail Vote and Dr. Charles Young seconded the motion. **The Commission unanimously approved the motion.**

Dr. Epting called on Mr. Earl Mayo, Commission Director, to present a review of the 2008-2009 and 2009-2010 award years. Mr. Mayo reported that projections for 2009-2010 included a potential reduction in overall funding because receipts in need-based grant funds received through unclaimed lottery prizes are unknown at this time. Additionally, the Program experienced an increase for the first time in over five years by over 350 additional grant recipients. The combination of funding levels and increased recipients required the Commission to set 2009-2010 maximum South Carolina Tuition Grants at \$3150.

Dr. Epting called on Mr. Mayo to present a report on the outcome of the 2009 Legislative Session as relating to the South Carolina Tuition Grants Program. Mr. Mayo reported that in the Commission's state budget request last fall, an additional \$2.5 million was requested. Due to the economic downturn, this request was not realized. In January, the Governor's Office recommended level-funding of the program which was subsequently supported and approved by the House and Senate. Mr. Mike LeFever, President and Chief Executive Officer of the South Carolina Independent Colleges and Universities, Inc. (SCICU), added commentary on the 2009 Legislative Session, pointing out that the Tuition Grants Program did as well as it could given the current economic conditions of the State. Mr. Mayo added that the Commission is fortunate that the proviso preventing mid-year cuts to the South Carolina Tuition Grants Program is now in statute.

Dr. Epting called on Mr. Mayo to present a review of the State Budget Request for 2010-2011. Three options for what to request from the Legislature were presented to the Commission for consideration:

Option 1 – As it has done annually, the Higher Education Price Index (HEPI) was used to create Options 1 and 2. The South Carolina Tuition Grants Program has received no increase within the last three years, and Option 1 would be to use the combined increases of the HEPI for the last three years of 11.9% to request an increase that would raise the maximum grant from \$3150 to \$3525. The additional funding necessary for Option 1 would be about \$4.74 million.

Option 2 – Take a more conservative approach and request only the most recent 2008 HEPI percentage increase of 3.6%. Additional funding needed for this option is about \$1.69 million.

Option 3 – Considering the current economic conditions and reductions in the 2009-2010 State Budget, the Commission would not request any additional funds at this time, but would request that the Tuition Grants Program be funded again in 2010-2011 at the current levels.

After discussion, it was agreed that Option 2 was the best option. Dr. John Griffith moved to adopt Option 2. Dr. Young seconded the motion. **The motion was unanimously approved by the Commission.**

Dr. Epting asked Mr. Mayo to report on the electronic awards notification process. He did so, indicating that the Commission is now sending student ineligibility letters as well as award letters electronically, which will result in significant postage savings possibly exceeding \$15,000 in 2009-2010.

Dr. Epting pointed out that all 2007-2008 College Program Reviews had been received and closed.

Dr. Epting called on Mr. Mayo to initiate a discussion of the Spring Semester disbursements for the South Carolina Tuition Grants Program. Mr. Mayo explained that the statute pertaining to the allocation of Lottery funds dictates that the Tuition Grants Program receive its funds on a quarterly basis in October, January, April and then monthly thereafter through July. As they are collected, these funds are allocated on a

shared basis with other entities being funded by the Education Lottery. For 2009, the Commission only received 52% of its annual lottery funds by the end of the third quarter in April and it is taking until June for sufficient funding to be received to finally disburse all Spring Semester grants to students. This situation is not expected to change in future years. Mr. Mayo presented the following options for disbursing Spring Semester funds in the future so that the students attending the same colleges will not be negatively impacted by the late receipt of their student grant funds:

Option 1 – Continue the Commission’s current process and continue to disburse funds in the order that Enrollment Reports are submitted during the Spring Semester until funds are depleted. Disbursements will then be made to students in the order that Reports are submitted as the new Lottery funds are received.

Option 2 – The four of the 21 participating colleges who give credit for Tuition Grants up front before actual receipt of Tuition Grant funds, and who do not hold student loans or other financial aid funds overages until receipt of Tuition Grants, would be designated as the colleges whose students would receive final disbursements every year.

Option 3 – A rotational schedule would be established so that students would receive their funds in a specific order based on the college that they attend. Tentatively, students at each college would await late disbursement of their Spring funds about once every five years.

Option 4 – Reduce the initial Maximum Grant by approximately \$150 to build a larger pool of funds for additional carry-forward in the Lottery account.

Option 5 – The Commission would disburse all student grants at 85% of the Spring grant amounts upon receipt of Enrollment Reports. Upon completion of disbursements to students at all colleges, the Commission would then disburse the remaining 15% of students’ Spring Semester grants in May or June upon receipt of Lottery funds.

After input from the Financial Aid Officers in attendance and discussion, it was agreed by Commission members that Option 5 would be the best option to solve the issue.

Dr. Epting called for a motion to implement Option 5. Dr. Young moved to adopt Option 5 as the Commission Policy for disbursement of Spring term grants effective for Spring 2010. Dr. Spittal seconded the motion. **The motion was unanimously approved by the Commission.**

Mr. Mayo asked for Commission members to approve the renewal of the contract with Capitol Impact for 2010, which provides a Legislative Grassroots Communication System. The annual amount of the renewal is \$3150. Dr. Epting called for a motion to approve the contract. Dr. Young moved to approve it. Dr. Spittal seconded the motion. **The motion was unanimously approved by the Commission.**

Dr. Epting advised that the Agency Head Performance Evaluation for 2008-2009 had been completed for Mr. Earl Mayo, Agency Director, with an excellent overall evaluation. Dr. Epting called for a motion to approve the evaluation. Dr. Young moved

to approve it. Dr. Spittal seconded the motion. **The motion was unanimously approved by the Commission.**

Dr. Epting called for the election of a Chairman, Vice Chairman, and Secretary of the upcoming 2009-2010 South Carolina Tuition Grants Commission. **Dr. Spittal nominated Dr. John Griffith, Presbyterian College, for Chairman. The nomination was unanimously approved by the Commission.**

Dr. Spittal nominated Dr. Charles Young, Allen University, for Vice Chairman. The nomination was unanimously approved by the Commission.

Dr. Young nominated Dr. David Spittal, Southern Wesleyan University, for Secretary. The nomination was unanimously approved by the Commission.

Mr. Mayo was called upon to discuss the rotation of the South Carolina Tuition Grants Commission which occurs annually at the end of the summer meeting.

Rotating “OFF” of the Commission will be Dr. Mitchell Zais, Newberry College; Dr. Jimmy Epting, North Greenville University; and Dr. Benjamin Dunlap, Wofford College. Rotating “ON” to the Commission will be Dr. Evans Whitaker, Anderson University; Dr. Robert Wyatt, Coker College; and Dr. Betsy Fleming, Converse College.

Dr. Epting reminded all present of the dates of future South Carolina Higher Education Tuition Grants Commission Meetings which are scheduled for 10:30 a.m. on Wednesday, January 13, 2010 and Wednesday, June 9, 2010.

Dr. Epting called for further business. There being none, the meeting was adjourned at 11:34 a.m.

Respectfully submitted,

Toni Cave
Acting Secretary for
Dr. John Griffith, Secretary
South Carolina Higher Education Tuition Grants Commission