

## EMERGENCY REGULATIONS

Chapter 62 South Carolina Commission on Higher Education  
 Statutory Authority: Act 512 Part 2 Section 9 Division 2  
 Subdivision C Subpart 1 (6), Acts of Joint Resolutions of  
 South Carolina 1984

## Article I General Introduction

62-10 Introduction

The South Carolina Student Loan Corporation, hereinafter called the Corporation, has been designated pursuant to the South Carolina Education Improvement Act of 1984 to administer The Governor's Teaching Scholarship Loan Program for State residents who wish to become certified teachers in the State. All loans made under this program, shall be subject to the regulations contained herein. Loans shall be made available without regard to race, sex, color, national origin, age or marital status.

## Article II General Regulations Relating to Borrowers

62-20 Borrower eligibility

- A. To be eligible to receive a loan under the Governor's Teaching Scholarship Loan Program a student shall:
- (1) Be a citizen of the United States; and
  - (2) Be a bona fide resident of South Carolina, as defined in applicable State statutes governing the determination of residency for tuition and fee purposes at public colleges and universities within this State; and
  - (3) Have been accepted for enrollment, or enrolled in good standing in an eligible institution as defined in the Regulations of the State Education Assistance Authority, hereinafter called the "Authority," and further defined as follows:
    - (a) For institutions located in South Carolina, those:
      - (1) Which offer baccalaureate or higher degree programs which are approved for initial teacher certification by the State Board of Education (Board); or
      - (11) Whose highest offering is the Associate of Arts or Associate of Science Degrees which are designed for transfer to baccalaureate programs including those in teacher education, and which are eleemosynary institutions accredited by the Commission on Colleges of the Southern Association of Colleges and Schools;
    - (b) For institutions located out of the State, those institutions which are regionally accredited and which offer baccalaureate or higher degree programs which are approved for initial teacher certification by the appropriate credentialing agency in that State; and

- (4) Be enrolled on at least a half-time basis; and
- (5) Indicate a desire and intent to teach in South Carolina; and
- (6) If an undergraduate student who has completed one year (two semesters or the equivalent) of collegiate work and who is attending a South Carolina institution, has taken and passed a "Basic Skills Test" as required by the Board for entrance into a program of teacher education; and, if an undergraduate student or a first-time graduate student, have attained a cumulative grade point ratio of at least 3.5 GPR (on a 4.0 scale) in collegiate work; and
- (7) If an undergraduate who has not completed one year of collegiate work did achieve a score equal to or greater than 1100 on the SAT or graduated in the top ten percentile of his/her high school class; and
- (8) To remain eligible for renewal of the loan while in college, the student must maintain at least a cumulative 3.0 GPR on a 4.0 scale.
- (9) If an undergraduate student, be formally admitted to an undergraduate teacher education program, or if the student is not yet formally admitted to such a program the Department of Education, or its equivalent, at an eligible institution must certify that the student has expressed an intent and desire to enter the field of teaching, and is enrolled in a teacher education program at a time required by the institution; and
- (10) Have not previously been certified to teach, but entering a program for the specific purpose of becoming certified; and
- (11) Be eligible in all other respects as may subsequently be required by the South Carolina Commission on Higher Education, hereinafter called the "Commission," or the Corporation under these Regulations.

Article III General Regulations Relating to  
Loan Maximums, Administration and Repayment

62-30 Loan Maximums

- A. The maximum amount an eligible student may borrow under this program for an academic year of two (2) semesters or three (3) quarters, or the equivalent, is \$5,000.
- B. A loan may not exceed the cost of education less any financial aid awarded to the student.
- C. The aggregate outstanding indebtedness for any student who has not completed an undergraduate program of education may not exceed \$25,000. The aggregate outstanding indebtedness for graduate study, to include all undergraduate loans, may not exceed \$35,000.

### 62-31 Loan Administration

- A. All loans shall be secured by a Promissory Note and shall bear interest from the date of disbursement of funds to the borrower at the rate of 12% per annum.
- B. The proceeds of a loan shall normally be disbursed by academic registration period, but not sooner than required by the student to meet his educational expenses. A check made co-payable to the borrower and to the institution will be forwarded to the institution for distribution to the borrower; provided, however, that in situations in which it is not feasible to issue the check co-payable, the check will be made payable to the borrower alone and forwarded to the institution.
- C. Student and institution shall agree to return to the Corporation any refunds applicable to these loans to which the student is entitled due to withdrawal of the student from the institution.

### 62-32 Repayment

- A. A student who receives loans under this program shall be eligible to have 20% of the loan(s) cancelled for each full year, or 10% for each complete term of teaching experience, up to a maximum of 100% of the amount of the loan(s) plus the interest thereon. There shall be no cancellation for partial terms.
- B. If a borrower does not meet the requirements for cancellation as specified in paragraph A above, the borrower must begin repayment of the loan(s) received under this program in accordance with the Regulations of the Corporation and the Commission and subject to the terms of the Promissory Note(s), unless otherwise agreed to by the Corporation and the borrower. If a borrower does not initially meet the requirements for cancellation as set forth in paragraph A above, but subsequently does so, there will be no refund or credit provided for any amount paid; provided, however, any unpaid balance at the time the borrower begins teaching will be eligible for cancellation subject to the regulations contained herein.
  - (1) Repayment of the principal amount of a loan made under this program together with the interest, shall be made in monthly installments beginning six (6) months after the date on which the borrower ceases to carry at least one-half the normal fulltime academic work load at an eligible institution as defined by the Authority. The monthly installment shall be at a rate which will repay the loan in not more than ten (10) years from the beginning of the repayment period. Unless specifically authorized by the Corporation, the monthly installment shall be at a rate of not less than \$50 per month. A borrower may accelerate repayment of the loan, in whole or in part, without penalty.
  - (2) In the event a borrower dies, the obligation to make any further repayment shall be cancelled upon receipt of a certificate of death, and in the event a borrower becomes totally and permanently disabled, the obligation to make any further repayment shall be cancelled upon receipt of certification by a licensed physician and upon receipt of such other medical evidence as the Corporation may require.

The methodology proposed here would begin by separating total E&G costs into the following categories:

- 1) the costs generated by in-state undergraduate students,
- 2) the costs generated by out-of-state undergraduate students, and
- 3) the costs generated by graduate students.

Two categories for in-state first professional students and for out-of-state first professional students would also be added.

Begin with the formula amount generated by in-state undergraduate students and take 20% of this amount. This is the rate traditionally used by CHE. Next, graduate students would be charged at the same amount per FTE (not the same percentage) as for in-state undergraduates. Finally, this leaves costs associated with out-of-state undergraduates. This proposal would deduct 50% of this amount.

When determining the out-of-state ratios used to calculate the costs generated by out-of-state undergraduates, it is proposed that FTE's be approximated by using the formula,  $FTE = \text{full-time} + 1/3 \text{ part-time}$ . This method of equating 3 part-time students with 1 full-time student is a generally accepted method of converting from headcount to FTE and has been used in various national surveys.

This proposal would replace the current revenue step of the formula and also the doctoral adjustment step. The doctoral adjustment step already accomplishes some of what this proposal does for doctoral level credit hours.

There are a few special cases. At South Carolina State a rate of 15% (instead of 20%) for in-state undergraduate students is used. For out-of-state students, 37.5% is deducted or 2.5 times the in-state rate. At MUSC the rates proposed are 10% for undergraduates because undergraduates at MUSC generate twice as much as at other institutions. Three institutions - MUSC, USC, and USC Med School - have the first professional level. At MUSC and the USC-School of Medicine the rates used are 5% for in-state first professional students (i.e. medical doctors) and 12 1/2% for out-of-state first professional students. At USC the first professional category consists of law and pharmacy students. Here the proposed rates are 15% for in-state students and 37.5% for out-of-state students. This rate would yield revenue consistent with USC's tuition for law students.

The Committee on Business and Finance recommends that this change in revenue step methodology be adopted. The Committee further recommends that it be implemented over a two-year period, beginning with the 1990-91 formula.

The next page shows the first year impact of the changes proposed above.

PROPOSED REVENUE STEP AVERAGE WITH CURRENT METHODOLOGY FOR FIRST YEAR OF A TWO YEAR PHASE IN PERIOD

CURRENT METHOD	CITADEL	STATE	WINTHROP	COL CHARL	FRAN MAR	LANDER	USC ATR	USC COAST	USC STAFF	TOTAL
AVERAGE REV STEP	5,697,569	3,999,832	5,892,406	6,326,640	3,306,257	2,390,331	2,195,025	3,372,734	2,556,006	
FORMULA INCREASE	(186,592)	64,891	108,813	9,034	34,217	(3,881)	(7,220)	(65,348)	(15,112)	
CURRENT METHOD	USC-BEAU	USC-LAN	USC-SALK	USC-SUM	USC-UNION	USC-MED	USC-COL	CLEMSON	MISC	TOTAL
AVERAGE REV STEP	437,361	610,986	423,534	839,296	215,739	1,127,869	32,836,580	25,347,709	4,976,340	102,554,214
FORMULA INCREASE	(134)	(1,844)	(2,575)	(1,290)	436	17,539	1,577,898	1,112,808	(31,006)	2,582,634



**ANALYSIS OF TUITION AND REQUIRED FEES  
FOR FULL-TIME GRADUATE STUDENTS**

**S.C. COMMISSION ON HIGHER EDUCATION**

The Commission on Higher Education conducted a survey to gather information on tuition and required fees for full-time graduate students from peer institutions selected from the Southern Regional Education Board (SREB) states. The areas surveyed were: (1) residency requirements for the purpose of tuition and fees, (2) waivers of tuition and required fees policies, and (3) Educational and General (E&G) tuition and fees. Thirty-one colleges and universities were included in the survey; twenty-five (81%) responded. The staff also did a comparison of the In-State and Out-of-State Graduate Enrollment (See Attachment 4).

**RESIDENCY REQUIREMENTS FOR TUITION AND FEES**

All SREB states surveyed, including South Carolina (North Carolina, Georgia, Tennessee, Virginia, Mississippi, Texas and \*Alabama) have similar criteria for establishing residency. Following are the general residency requirements for those states.

\* Students who reside in Georgia counties which are contiguous to the Alabama state line are charged in-state tuition rates.

One must have lived in the state no less than twelve months, prior to enrollment, with the intention of making a permanent home therein (i.e., maintaining a bona fide domicile). An individual may have to provide documentation (voter registration one year prior to enrollment, driver's license, real estate ownership, etc.) to support the claim that ties to other states have ceased and that ties of the new state of residency are established. Persons who reside in the state may also be eligible for in-state rates under the following conditions: (1) permanent full-time employment, (2) a dependent of a employee at an institution which the individual plans to enroll, (3) military personnel and dependents, (4) graduate teaching and research assistantships, requiring at least one-third time service at such institution, and (5) a married person may claim the residence of his/her spouse.

#### POLICIES FOR WAIVING TUITION AND FEES

Seventeen of the twenty-five (68%) colleges and universities responding to the survey stated that their institutions do have some type of policy for waiving graduate students' tuition and fees (See Attachment 1). It should be noted that by and large the institutions that have a policy for waiving graduate students' tuitions and fees are major research institutions.

- (3) The Corporation shall have authority to assess a late charge for failure of the borrower to pay all or part of an installment within the ten (10) days after its due date. The amount of such charge may not exceed six cents (6¢) for each dollar of each installment due.
- (4) The Corporation shall have the authority to collect from the borrower reasonable attorney's fees and other costs and charges necessary for the collection of any amount not paid when due.
- (5) Nothing in this section shall preclude any forbearance for the benefit of the borrower which may be agreed upon by the parties to the loan and approved by the Corporation.
- C. The Corporation shall develop and maintain such procedures, subject to the approval of the Commission, as may be necessary to carry out applicable provisions of this Program and the regulations thereof; and as may be required to exercise reasonable care and diligence in the making and collection of loans.

~~S.C. COMMISSION ON HIGHER EDUCATION~~

By: Fred R. Sheheen  
Commissioner