

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

**Consideration of Proposed Regulations for Lottery Tuition Assistance,  
SC HOPE, LIFE, and Palmetto Fellows Scholarships Programs**

Please find attached the staff summaries and proposed regulations for the Lottery Tuition Assistance, SC HOPE, LIFE and Palmetto Fellows Scholarship programs.

The Committee on Access & Equity and Student Services will consider these regulations prior to the Commission meeting on October 6, 2005 and will make its recommendations to the Commission on October 6.

Please do not hesitate to call me or Dr. Karen Woodfaulk should you have any questions about the proposed regulations.

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**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

**Lottery Tuition Assistance Program**  
**Proposed Regulatory Amendments, 2006-07 Academic Year**

The Commission on Higher Education proposes amendments to the regulation for the Lottery Tuition Assistance Program. During the 2005 legislative session, Acts 95 and 48 were approved. The proposed amendments to the regulation will make the regulation consistent with Acts 95 and 48. There are also minor proposals being made for clarification of the regulation and definitions added in order to promote consistency among State scholarship and grant programs. All proposed changes to the regulation are highlighted in red.

The first major amendment will allow visually impaired, hearing impaired, or multi-handicapped students who are eligible to receive Lottery Tuition Assistance to use their Grant at an out-of-state two-year institution that specializes in educating students with their impairment. Funds cannot be used simply for specialized programs at out-of-state institutions – the institution itself must be specialized in educating students having the specific impairment.

In addition, Act 48 exempts certain students from filing the Free Application for Federal Student Aid (FAFSA). Exempted students will be students who are not eligible for federal grants including: high school students who are dually enrolled, students who have already earned a bachelor's degree, students who are enrolled in a non-eligible Title IV program and dependent students who cannot obtain tax information from their parent(s), legal guardian(s) or spouse. These students will be required to complete a FAFSA Waiver, which has been developed by the Commission on Higher Education, along with the SC Technical College System.

The first change in the regulation regarding Act 95 is under Section 62-900.160K. A definition for "multi-handicapped student" was added to clarify which students qualify to take the Grant to an out-of-state two-year institution that specializes in educating students with the

specific impairment. This definition is the same one the SC School for the Deaf and Blind uses to determine a multi-handicapped student's eligibility for receiving specialized education. In addition, Section 62-900.185D notes that the Commission on Higher Education will make the final decision as to whether an institution specializes in the student's impairment.

The first change in the regulation regarding Act 48 is included under Section 62-900.165A(1). The added language clarifies which students are eligible to complete the FAFSA Waiver. In addition, Section 62-900.170E(1) adds that institutions must retain a copy of the FAFSA Waiver and appropriate supporting documentation (if applicable). Section 62-900.175B specifies that students applying for Lottery Tuition Assistance must complete the FAFSA Waiver each academic year if they are exempt from filing the FAFSA.

In addition to the legislative changes to the Lottery Tuition Assistance Program, the Commission on Higher Education staff has made the following clarifications to the regulation governing the Grant. These clarifications will not change how the Program is currently being administered.

- Section 62-900.160F clarifies the definition for "field of study" by specifying that the additional diploma or degree earned must show progression in the same academic area in order to be classified in the same field of study as the previous certificate or diploma earned (For example, a student could not receive Lottery Tuition Assistance for an associate's degree and then receive Lottery Tuition Assistance for a certificate in the same academic area within five years. There must be progression between programs).
- Section 62-900.160G adds a definition "for graduation purposes" to be consistent with the Palmetto Fellows Scholarship Program. This definition clarifies what standard the institution is to use for determining the cumulative GPA for continued eligibility.
- Section 62-900.160J adds a definition for "military mobilization" to be consistent with the Palmetto Fellows, LIFE, and SC HOPE Scholarship Programs and to clarify which situations are classified as deployments. Section 62-900.170E(10) includes military mobilization orders as documentation the institution must retain (if appropriate). Section 62-900.181 adds a section for military mobilization to ensure students are not penalized for their military mobilization.
- Section 62-900.165D adds language to clarify that students cannot receive Lottery Tuition Assistance at more than one institution during the same term.
- Section 62-900.165E adds language to clarify the requirement that male students, 18 years of age and older, must have registered with the Selective Service in order to receive funds from Lottery Tuition Assistance.
- Section 62-900.185C clarifies the procedure for institutions to request funds from and return funds to the Commission on Higher Education.

The financial aid officers representing the public and independent higher education institutions met on July 28, 2005 to provide the Commission staff with their input regarding the proposed amendments to the Lottery Tuition Assistance regulation. 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 Lottery Tuition Assistance 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 59-150-360

**62-900.150 Lottery Tuition Assistance Program for Two-Year Public and Independent Institutions**

**Preamble:**

The Commission on Higher Education proposes to amend and replace in its entirety R.62-900 of the Lottery Tuition Assistance Program. Revisions to the existing regulation for the Lottery Tuition Assistance Program are being considered to clarify the policies and procedures for administering the program. One of the proposed amendments will allow for certain students who are not eligible for federal financial aid to be exempt from filing the Free Application for Federal Student Aid (FAFSA) as consistent with Act 48, approved during the 2005 legislative session. Another proposed amendment will allow for visually impaired, hearing impaired or multi-handicapped students who qualify for Lottery Tuition Assistance to receive State funds to attend a two-year out-of-state institution that specializes in educating students with their impairment as consistent with Act 95, approved during the 2005 legislative session. 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 Lottery Tuition Assistance Program was published in the State Register on August 26, 2005. Comments from the notice were considered in formulating the proposed regulation.

**Instructions:** The following regulation will replace in its entirety R.62-900.150 through 62-900.200, Lottery Tuition Assistance Program, to Chapter 62 regulation.

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

**Notice of Public Hearing and Opportunity for Public Comment:**

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

Interested persons are also provided an opportunity to submit written comments on the proposed regulation by writing to Dr. Karen Woodfaulk, Director of Student Services at the SC Commission on Higher Education, 1333 Main Street, Suite 200, Columbia, SC 29201, by calling (803) 737-2244, or by e-mailing kwoodfaulk@che.sc.gov. Comments must be received by no later than 5:00 pm on November 21, 2005. Comments received shall be considered by the staff in formulating the final proposed

regulation for the public hearing on December 1, 2005, as noticed above. Comments received by the deadline shall be submitted to the Commission for consideration at the public hearing.

**Statement of Need and Reasonableness:**

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

**DESCRIPTION OF REGULATION:** R.62-900.150 through 62-900.200, Lottery Tuition Assistance Program

Purpose of Regulation: Regulation 62-900, Lottery Tuition Assistance Program, is being amended and replaced in its entirety. The proposed regulation will clarify the policies and procedures for awarding the grant. Please see Preamble above for detailed discussion of proposed amendments.

Legal Authority: Section 59-150-360 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 Lottery Tuition Assistance Program. The proposed amendments are consistent with legislation contained within Act 48 and Act 95 of the 2005 legislative session. There will be no increased costs to the State or its political subdivisions. In addition, there will be no added costs to the regulated community.

**DETERMINATION OF COSTS AND BENEFITS:** There are no costs associated with the implementation of the following proposed regulation. Certain students will benefit by having a simplified process to apply for Lottery Tuition Assistance.

**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 Lottery Tuition Assistance regulation were necessary to be consistent with legislation approved during the 2005 legislative session.

**Text:**

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62-900.150 Purpose of the Lottery Tuition Assistance Program

Pursuant to the S.C. Education Lottery Act, which was established in 2001 and amended by Act 48 and Act 95 during the 2005 legislative session, the Commission on Higher Education shall promulgate regulation and establish procedures to administer the Lottery Tuition Assistance Program at the State two-year public and independent institutions. The purpose of the Lottery Tuition Assistance Program is to provide resources to the extent that funds are available that supplement, not supplant, existing resources for educational purposes to South Carolina's students. The program will assist students who wish to attend two-year public or independent colleges in South Carolina.

62-900.155 Allocation of Funds

- A. This program is dependent upon sufficient annual funding from the S.C. Education Lottery Account.
- B. Of the monies in the Education Lottery Account, funds shall be appropriated to the Commission on Higher Education for tuition assistance at two-year public and independent institutions as provided in Section 59-150-360.

62-900.160 Program Definitions

- A. "Academic year" is defined as the fall, spring, and summer terms.
- B. "Associate's degree program" is defined as a two-year or associate's degree program (Associate of Arts or Associate of Science), which leads to the first two years of a bachelor's degree at a location approved by the U.S. Department of Education for participation in federally funded financial aid programs and authorized by the Commission on Higher Education.
- C. "Cost-of-tuition" is defined as the amount charged for enrolling ~~registering~~ for credit hours of instruction and mandatory fees assessed to all students. Other fees, charges, or cost of textbooks cannot be included.
- D. "Degree-seeking student" is defined as any part-time or full-time student enrolled in an eligible program of study at a public or independent two-year institution.
- E. "Eligible program" is defined as a program of study leading to an associate's degree or at least a two-year program that is acceptable for full credit towards a bachelor's degree, which meets all other Title IV regulations as authorized by the U.S. Department of Education for participation in federally funded financial aid programs.
- F. "Field of study" shall mean an area in which a certificate, diploma, or degree is awarded. A certificate/~~diploma~~ earned that progresses to a ~~relates to the~~ diploma/associate's degree ~~constitutes in the same field of study~~ academic area.

G. "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.

H. "Full-time student" shall mean a student who has matriculated into an eligible program, and who enrolls in a minimum of twelve credit hours (or the equivalent) at the home institution during an academic term.

I. "Independent two-year institutions" shall mean are defined, for the purposes of the Lottery Tuition Assistance Program, as those independent two-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 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." Institutions whose sole purpose is religious or theological training or the granting of professional degrees do not meet the definition of an eligible institution. Independent four-year institutions are not eligible for participation in this Program.

J. "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.

K. "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.

K. An "offense" shall mean a violation of any law or rule in any state or federal criminal justice system.

L. "Part-time student" shall mean a student who has matriculated into an eligible program, and who enrolls in a minimum of six credit hours at the home institution and a maximum of eleven credit hours (or its equivalent) during an academic term.

M. "Public two-year institutions" shall mean are defined, for the purposes of the Lottery Tuition Assistance Program, as those two-year institutions defined by Chapter 103 of Title 59 of the 1976 Code, which stipulates a "public institution of higher learning shall mean any state-supported postsecondary educational institution."

Public four-year institutions are not eligible for participation in this Program. Technical colleges are governed by regulations promulgated by the SC Technical College System.

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

O. "Satisfactory academic progress" shall mean the minimum academic standard for academic progress established by the institution for the purpose of complying with Title IV regulations for federal Student Aid Programs.

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, Statute 59-112-10, unless the

student qualifies for an exception as defined in the residency regulation promulgated by the Commission on Higher Education as determined by the institutional residency officer each academic year.

#### 62-900.165 Student Eligibility

A. To be eligible for Lottery Tuition Assistance each academic year, the student must:

1. File the Free Application for Federal Student Aid (FAFSA) and complete the process to determine eligibility for federal student aid each academic year or complete a FAFSA Waiver each academic year. A college may waive the FAFSA requirement when: 1) the student is in high school and is participating in a dual enrollment program; 2) the student has already earned a bachelor's degree; 3) the student is enrolled in a program that is not eligible for federal funds; or 4) the dependent student is not able to obtain his/her parents', guardians' or spouse's tax form. The student must provide all necessary documentation and have the form approved by the financial aid office at the institution he/she attends;
  2. Be a U.S. citizen or a legal permanent resident that meets the definition of an eligible non-citizen under State residency statutes;
  3. Qualify for in-state tuition and be a resident of the State of South Carolina for a minimum of one year according to Title 59 of the 1976 Code of Laws governing the determination of residency for tuition and fee purposes, unless the student qualifies for an exception as defined in the residency regulation promulgated by the Commission on Higher Education;
  4. Be enrolled or accepted for enrollment as a part-time or full-time degree-seeking student in an eligible program at an eligible two-year public or independent college in South Carolina. ~~and be making satisfactory academic progress towards completion of the requirements of the program as provided by Title IV Regulations.~~ A student enrolled in less than six credit hours during one term may not receive Lottery Tuition Assistance for the term in question but is eligible for the award upon return to part-time or full-time status;
  5. Be making satisfactory academic progress towards completion of the requirements of the program as provided by Title IV Regulations;
  6. Be enrolled or have completed at the time of funds disbursement a minimum of six credit hours at the home institution for the term of eligibility;
  7. Verify that he/she is not in default and does not owe a refund or repayment on any federal or state financial aid including state scholarships or a State grants, a Federal Pell Grant, a Supplemental Educational Opportunity Grant, and is not in default on a loan under the Federal Perkins Loan, or Federal Stafford Loan programs;
  8. Not be eligible for or a recipient of a SC HOPE, LIFE or Palmetto Fellows Scholarship during the academic year; and
  9. Meet all eligibility requirements annually.
- B. Students shall not be eligible to receive Lottery Tuition Assistance for more than one certificate, diploma, or degree earned within any five-year period unless the additional certificate, diploma, or degree constitutes progress in the same field of study.

C. Students enrolled in an eligible program of study as stated in the "Program Definitions" section may include remedial courses as part of the minimum number of required credit hours for part-time or full-time status, as long as such courses carry credit hours and meet Title IV limitations on remedial coursework.

D. Students may not receive Lottery Tuition Assistance at more than one institution during the same semester.

E. Male students who fail to register and/or can no longer register with the Selective Service are not eligible to receive Lottery Tuition Assistance unless the student can document that he is exempt from the registration requirement according to federal law.

F. Any false information provided by the student or any attempt to obtain or expend Lottery Tuition Assistance for unlawful purposes or any purpose other than in payment or reimbursement for the cost of tuition at the institution authorized to award the funds will be cause for immediate cancellation of Lottery Tuition Assistance. Any student who has attempted to or obtained Lottery Tuition Assistance 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 Lottery Tuition Assistance.

#### 62-900.170 Policies and Procedures for Awarding Lottery Tuition Assistance

A. The Lottery Tuition Assistance Program will be campus-administered by the financial aid office on each campus, and the funds will supplement the student financial aid awards.

B. Actual award amounts are dependent upon the number of eligible students and the amount of funding available each academic year. Lottery Tuition Assistance may not exceed the cost of in-state tuition at State two-year public institutions for the academic year for which the award is made at the designated institution. At independent two-year institutions, the award amount is limited to the highest in-state tuition rate at a two-year public institution. In calculating the amount awarded in Lottery Tuition Assistance, all federal grants and Need-based Grants must be awarded first before determining the amount eligible in Lottery Tuition Assistance to be used for payment towards cost-of-tuition.

C. Adjustments to the financial aid package will be made to Lottery Tuition Assistance when federal grants and Need-based Grants can be applied towards cost-of-tuition.

D. Participating institutions will notify students of their Lottery Tuition Assistance with the terms and conditions of the award.

E. The institution must retain annually appropriate paper or electronic documentation for each award to include at a minimum:

1. Institutional Student Information Report (ISIR) if student completed the FAFSA or FAFSA Waiver and appropriate supporting documentation
2. Award notification
3. Institutional disbursements to student
4. Refund and repayment (if appropriate)
5. Satisfactory academic progress

6. Student's residency status
7. Enrollment and curriculum requirements
8. Verification from institutional disability service provider of student's disability and approval of reduced course-load requirement (if appropriate)
9. Student award based upon approval of institutional appeal (if appropriate)
10. Military mobilization orders (if appropriate)

F. It is the institution's responsibility to ensure that no ineligible student receives Lottery Tuition Assistance.

#### 62-900.175 Duration of Award and Continued Eligibility

A. Award decisions will be made annually and are not automatically guaranteed. The institution shall adjust the amount of the award during the academic year in the event of a change in the student's enrollment status.

B. Each academic year, students applying for Lottery Tuition Assistance must file a Free Application for Federal Student Aid or complete the FAFSA Waiver and provide any supplemental appropriate supporting documentation forms which may be required by the institution. Students must meet all eligibility requirements as stated in the "Student Eligibility" Section. Students must adhere to these guidelines and other pertinent statutes and regulations and with application timeliness and procedures stipulated by the institutions.

C. After attempting 24 credit hours for continued eligibility, the student is required to earn at least a cumulative 2.0 grade point average on a 4.0 scale for graduation purposes by the end of each academic year.

D. The institution shall be responsible for maintaining institutional certification of each recipient's continuous part-time and/or full-time enrollment in an eligible program of study.

E. Students wishing to appeal any award decision must submit a written request to the institution's Director of Financial Aid. This request will be handled in accordance with the institution's financial aid appeals procedures. The institution's decision on appeals shall be final.

#### 62-900.180 Students with Disabilities

A. Students who qualify under the Americans with Disabilities Act (ADA) and Section 504 of the Rehabilitation Act of 1973 must meet all eligibility requirements as defined in "Student Eligibility" Section except for a student who is approved by the disability services provider at the home institution to be enrolled in less than part-time status is eligible to receive funding. 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 each academic year verifying that the student is approved to be enrolled in less than part-time status.

#### 62-900.181 Military Mobilization

A. Service members who are enrolled in college and are affected by military mobilizations will not be penalized for the term(s) they are required to withdraw after the full refund period based on the institutional policies and procedures. Institutions are strongly encouraged to provide a full refund of required tuition, fees and other institutional charges or to provide a credit in a comparable amount against future charges for students who are forced to withdraw as a result of military mobilization.

B. If mobilization causes a student to not meet satisfactory academic progress, the student must appeal to the institution's financial aid office. This request will be handled in accordance with the institution's financial aid appeals procedures.

C. The home institution will be responsible for receiving verification of military mobilization status.

#### 62-900.185 Institutional Disbursement of Funds

A. Actual award amounts are dependent upon the number of eligible students and the amount of funding available each academic year. Lottery Tuition Assistance may not exceed the cost of in-state tuition at the State two-year public institutions for the academic year for which the award is made at the designated institution. At independent two-year institutions, the amount cannot exceed the highest in-state tuition rate at a two-year public institution. In calculating the amount awarded in Lottery Tuition Assistance, all federal grants and Need-based Grants must be awarded first before determining the amount eligible in Lottery Tuition Assistance to be used for payment towards cost-of-tuition.

B. The institution shall provide an award notification to Lottery Tuition Assistance Program recipients, which will contain the terms and conditions of the award and other financial aid awarded. Students will be notified of adjustments in financial aid due to changes in eligibility and/or over-award issues.

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

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

#### 62-900.190 Refunds and Repayments

A. In the event a student who has been awarded Lottery Tuition Assistance withdraws or is suspended from the institution, or drops below part-time (six credit hours) or full-time (twelve credit hours) status during any term of the academic year, institutions must reimburse the Lottery Tuition Assistance Program for the term in question pursuant to refund policies of the institution.

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

62-900.195 Program Administration and Audits

A. The South Carolina Commission on Higher Education will coordinate the oversight of functions (e.g., guidelines, policies, rules, regulations) relative to this program with eligible two-year public and independent institutions in South Carolina. The Commission on Higher Education shall be responsible for the allocation of funds, promulgation of the regulations and rules, and statewide oversight of the Lottery Tuition Assistance Program.

B. According to the Audit Policies and Procedures for Scholarship and Grant Programs Manual, all eligible institutions that participate in the program must abide by program policies, rules or regulations. Institutions also agree to maintain and provide all pertinent information, records, reports, or any information as may be required or requested by the Commission on Higher Education or the General Assembly to ensure proper administration of the program.

C. The Chief Executive Officer at each participating institution shall identify to the Commission on Higher Education an 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.

#### 62-900.200 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 statutes, rules, or regulations, the Commission may suspend, terminate, or place certain conditions upon the institution's continued participation in the program and require reimbursement to the Lottery Tuition Assistance Program for any funds lost or improperly awarded.

B. Upon receipt of evidence that an institution has failed to comply with program statutes, rules, regulations, 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, 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 this regulation.