



# South Carolina Commission on Higher Education

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CHE  
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Dr. Garrison Walters, Executive Director

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## MEMORANDUM

**To:** Mr. Ken Wingate, Chair, and Members, Commission on Higher Education  
**From:** Dr. Bettie Rose Horne, Chair, and Members, Committee on Academic Affairs and Licensing

### Consideration of Life and Palmetto Fellows Scholarship Enhancement Issues

#### Background

In 2007, the General Assembly passed Act 115 of 2007 to provide Palmetto Fellows and LIFE scholarship recipients at four-year institutions who are majoring in eligible math, science, engineering, and health care programs with an enhancement to their scholarship awards. The award for Palmetto Fellows recipients who are majoring in one of the eligible majors beginning in the sophomore year provides up to \$3,300 per year, and the award for LIFE scholarship recipients who are majoring in one of the eligible majors beginning in the sophomore year provides up to \$2,500 per year. These additional awards are known as the LIFE/Palmetto Fellows Scholarship Enhancement Awards.

Act 115 of 2007, which was passed by the General Assembly on June 27, 2007, required that the scholarship enhancements go into effect in the Fall Semester, 2007. The corresponding statute, in Section 59-149-15 (B) which refers to LIFE Scholarship enhancements, states that:

The Commission on Higher Education by regulation shall define what constitutes a science or mathematics major but at a minimum shall include majors in science or mathematics disciplines, computer science or informational technology, engineering, science education, math education, and health care and related disciplines including medicine and dentistry; provided, that nothing herein prevents a student from changing majors within acceptable science or mathematics disciplines.

The same language is found in Section 59-104-15 (B) which refers to Palmetto Fellows enhancements.

In response to the requirement that the Commission determine program eligibility for the scholarship enhancements and the very short time line in which to do so, a committee of Commission staff developed the list of *CHE Approved Bachelor Programs for Scholarship Enhancements*. Absent guidance beyond the broad language of the statute, the approach taken by staff to determine eligibility depended heavily on the federal *Classification of Instructional Programs* (CIP) codes. (This coding system groups degree programs into broad areas based on their general content and focus and further classifies them with increasingly specific denotations. For example, engineering programs are all classified in the broad two-digit CIP code of 14, but Chemical and Biomolecular Engineering, a sub-specialty within engineering, would be specified as 14.0702.) The approach taken by the committee was to classify as eligible all degree programs in the broad categories defined by the statute and within the categories' two-digit CIP codes. This use of global inclusion by CIP code was adopted as an *ad hoc* measure and is not specified in statute.

In the first year of implementation of the scholarship enhancements, the Commission received many requests that programs not included in the list of eligible programs be added. Many of these requests concerned either a program with the word "science" in its name (e.g., Forensic Science, Construction Science) or a program with math or science content but in non-science disciplines (e.g., Economics). Commission staff sought guidance from the leading sponsor of Act 115 of 2007, Speaker Harrell, and his staff in order to help clarify legislative intent and give Commission staff a more focused definition of the programs to be included. According to Speaker Harrell, the purpose of the scholarship enhancement program is to increase enrollments in the traditional science, engineering, and math disciplines where nations such as China and India are dramatically outstripping the U.S. in producing scientists, engineers, mathematicians, and other technologists who can fuel a 21st century economy and international competitiveness. It was not to make the supplements available to students in all programs which have science or mathematics content but to encourage enrollment in those under-enrolled core majors in the life and physical sciences, engineering, health, and secondarily in math and science teacher education in order to sustain and expand American preeminence in these fields, including providing a core of graduates capable of pursuing graduate degrees in their fields where research is essential.

In Fall 2009, 1,979 Palmetto Fellows recipients and 4,269 LIFE Scholarship recipients received scholarship enhancements for a cost of \$8,568,742. Although the data for Spring 2010 are not available, a conservative estimate of the total 2009-2010 cost of the scholarship enhancements is approximately \$17,133,000. That is an increase from 2007-08, when the cost was approximately \$15,177,000, and from 2008-09, when the cost was approximately \$16, 559,000.

In light of the annual cost of the scholarship programs, fiscal pressures resulting from the economic downturn and requests from institutions that new programs be added to the list of eligible programs, staff has determined that a formal process must be developed to smooth the budgetary and personal consequences to students of adding programs to or removing programs from the list of eligible programs.

## **Process for Removal and Addition of Programs to the List of Enhancement Eligible Programs**

When Act 115 was passed in 2007, the process adopted included allowing eligible students at every class level (sophomore, junior, senior) to begin receiving the enhancements simultaneously. While this was necessary and appropriate in order to implement the program fully and quickly, it is less so now given the current fiscal climate and the fact that new programs often are added to the list after the budget for the ensuing year has been considered by the Legislature. As an example, if the request to add USC-Columbia's revised Exercise Science program, which has been modified so as to fall under an eligible CIP code, were approved, adding all class levels of eligible students to the enhancement program simultaneously would add approximately \$500,000 in costs to the 2010-2011 enhancement program, money which has not been appropriated or considered in the current budget negotiations. In order to lessen the impact on any single year's budget and to allow appropriate pre-planning of budgets, staff proposes that effectively immediately, for any program added to the list, student eligibility for the scholarship enhancement begins with the freshman class. This process will allow additional program costs to be absorbed over a four-year period and greatly improve the Commission's and the Legislature's ability to plan for the added costs.

Using the process described above and applying it to the exercise science example, the 2010-11 freshman class would be the first class eligible for scholarship enhancements when they become sophomores in 2011-12. Subsequent entering classes would become eligible as sophomores. If adopted, this process for determining student eligibility will apply to all new programs added to the list of eligible programs.

Similar issues, but from the student perspective, are present if a program is removed from the list of eligible programs. In this instance, however, there is an overriding imperative that is not present when a program is added: that is, no student currently receiving a scholarship enhancement shall be harmed by the removal of a program from the list of eligible programs. In the event of a program's being removed from the list, eligibility for students currently enrolled in the program would continue until they complete their senior year. However, no students new to the program, including transfer students, would be eligible to receive enhancements after the program is removed from the list. This process is essentially the same one that is currently in place if an institution terminates a degree program; students who are majoring in the program are allowed to progress normally through the program and complete their degrees, but no new students can be admitted to the program following the termination date.

Staff will reevaluate the list of programs eligible for scholarship enhancements in light of the additional guidance received from the Legislature. The above processes, if approved, will be applied as appropriate following the reevaluation of the list of eligible programs.

## **Recommendation**

The Committee on Academic Affairs and Licensing commends favorably to the Commission the procedure to phase in over four years student eligibility for LIFE/Palmetto Fellows Scholarship Enhancement Awards in programs added to the list of eligible programs and to phase out over three years student eligibility for LIFE/Palmetto Fellows Scholarship Enhancement Awards in programs which have been removed from the list of eligible programs.