

**South Carolina Commission on Higher Education
Committee on Access & Equity and Student Services**
1122 Lady Street, Suite 300
Columbia, SC 29201

**Minutes of the Meeting
Main Conference Room
August 2, 2018
10:00 a.m.**

Members Present

Mr. Paul Batson, Chair
Mr. James Battle
Dr. Bettie Horne
Mr. Richard A. Jones
Mr. Charles Munns

Guests Attending

Mr. Trey Simon, President &
CEO, SC Student Loan Corporation
Mr. Ray Jones, Vice President
SC Student Loan Corporation
Dr. Charlie Spell, SC State University
Ms. Reinell Thomas-Myers, SC State University

Staff Present

Dr. Karen Woodfaulk
Ms. Lorinda Copeland
Mr. Kevin Glears
Mr. Christopher Glenn
Mr. Frank Myers
Ms. Vickie Pratt
Ms. Laverne Sanders
Ms. Tanya Weigold
Ms. Leslie Williams

1. Introductions and Approval of Minutes

Chairman Paul Batson called the meeting to order and welcomed all in attendance. Introductions were made by all in attendance. Chairman Batson welcomed Commissioner James Battle to the Committee on Access & Equity and Student Services.

A **motion** was made (Munns), **seconded** (Jones), and **carried** to approve the minutes of June 7, 2018.

It was confirmed that the meeting was being held in accordance with the Freedom of Information Act.

2. SC Student Loan Corporation Delinquent Loans Update *(For Information, No Action Necessary)*

Mr. Trey Simon, President and CEO of the SC Student Loan Corporation (SLSLC), stated that the SC Student Loan Corporation (SCSLC) established a definition of default

as requested by the Committee. He explained that the definition of default was determined to be 180 days which is common with the rest of the industry.

Dr. Karen Woodfaulk stated that the SCSLC has a large volume of SC Teacher Loans in their system. She said SCSLC also administers the SC Teachers Loan Program in addition to student loans. Dr. Woodfaulk explained that SCSLC would like to submit the accounts of the defaulted loans of the SC Teachers Loan program to a collection agency. She stated that SCSLC proposes that SC Teachers Loan Program use the same collections process. Dr. Woodfaulk explained that the Teachers Loan accounts, along with the SCSLC student accounts would follow the same collection process, including making contact with borrowers, and would be in contact with the SCSLC about any settlement options and issues of concern.

Dr. Woodfaulk stated that a consensus is needed on whether to go with the 270 days currently used by the federal government to determine default status or 180 days presently used by the Center for Educator Recruitment, Retention & Advancement. Commissioner Batson asked who decides on the number of days for defaulted loans. Dr. Woodfaulk replied that CHE is given the authority for the administration of the SC Teachers Loan Program, and the program is handled through SCSLC. Dr. Horne asked about the amount of time that CERRA uses on defaulted loans. Dr. Woodfaulk stated that she was not aware of the reason that CERRA uses the 180 days for defaulted loans except the expectation for Teaching Fellows is that once they have completed their program they will begin teaching. Mr. Simon explained that the repayment terms of the SC Teachers Loan Program may be different than the Teaching Fellows Program. He said the SC Teachers Loan Program has a six-month grace period once the student has graduated.

Commissioner Munns asked about borrowers placed in default status for not notifying SCSLC of a change of address. He stated concerns about borrowers placed in collections because of not reporting the 30-day change of address. He asked if borrowers who missed the 30-day change of address were in good standing with the collection agency. Mr. Ray Jones replied that the change of address is currently within the SC Teaching Fellows Program Master Promissory Note Agreement that the borrower signs. He said the loans would not default at a 30-day delinquency and would have to meet the 180 days standard. Commissioner Munns asked about teachers not receiving loan forgiveness because they are teaching in the wrong place. He stated that it was his understanding that the entire State was critically because of the teachers' shortage. Mr. Simon stated that the approval has not been given for the changes to be made on the teachers' shortage critical need. He stated that SCSLC supports the teachers' shortage in SC to be considered critical need, however, currently the SC Teachers Loan Program forgiveness is defined by critically-subject area and geographic school in the state. Dr. Woodfaulk explained that the SC Department of Education and CERRA provides a list of critical-need areas annually. She said there is a proposal for the teachers loans to have a 33 percent forgiveness rate instead of a 20 percent forgiveness rate and in addition, a proposed change to include loan forgiveness to all future loan program borrowers who teach in a SC public school rather than critical geographic or subject need areas. Dr. Woodfaulk stated that the Committee and CHE have provided all the approvals and the

proposal must go to the SC General Assembly. Commissioner Munns asked for an update to be provided at the next Committee meeting.

Dr. Horne asked if the delinquency is removed from the student's credit report when students come into compliance with their student repayments. Mr. Simon stated if the delinquency is resolved, the loan would be reported in good standing at that point and time. Dr. Woodfaulk stated that CHE staff was concerned about adherence to Fair Debt Collection practices and assurances and any aggressive collections tactics. Dr. Woodfaulk stated that all borrowers should have the opportunity to request that their loan status be reviewed. Mr. Simon stated that SCSLC will have a process in place to ensure that everyone is treated fairly and that those who have the possibility of meeting the service requirement will have their loan cancelled.

3. FY2017-18 Annual Report and Consideration of the FY2019-20 EIA Appropriations Request for the SC Program for the Appropriations Request for the SC Program for the Recruitment and Retention of Minority Teachers (SC-PRRMT) at SC State University *(For Approval)*

Ms. Reinell Thomas-Myers, Program Manager for SC Program for the Recruitment and Retention of Minority Teachers (SC-PRRMT), provided the enrollment figures for Fall 2014 – Spring 2018. She stated the average forgivable loan for Fall 2017 was \$2,944. Ms. Thomas-Myers reported that there was a total of 80 students at the end of Spring 2018 and the average forgivable loan was \$4,095 for Spring 2018. The total disbursed amount was \$162,118. As of May 2018, there were 229 students placed which represents 88% of SC-PRRMT's graduates.

Ms. Thomas- Myers explained that for academic year 2017-2018, 88% of the students achieved 3.0 or above. She stated 25 students achieved 3.75-4.00; 30 students received 3.50 -3.74 and 15 students achieved 3.0-3.49. Ms. Myers said the program continues to encourage students to further their education after receiving their degree.

Ms. Thomas-Myers stated that combined sites offer in person and online classes to help reduce the administrative cost of the program. She explained that some of the recruited students are taking classes with neighboring cohorts. Ms. Myers explained that as a recommendation from the Committee on Access & Equity and Student Services, Superintendent Molly Spearman provided a support letter to the district superintendents around the state about SC-PRRMT which has resulted in increased interest in the program.

Ms. Thomas-Myers stated that SC-PRRMT will continue with the current sites. She said the projected new sites for 2018-19 are Colleton, Hampton One and Two, Jasper, Lexington, Newberry, Aiken, Edgefield and Saluda school districts. Ms. Thomas-Myers said the projected new sites for 2019-20 are Abbeville, Laurens, McCormick, Kershaw, Sumter, Chester, Lancaster, Union, York, Anderson, Cherokee, Greenville, and Oconee school districts.

Commissioner Munns asked if there had been a follow up to Beaufort County School District decision to decline an invitation for a recruitment visit from SC-PRRMT. Ms. Thomas-Myers stated that she has not contacted Beaufort County School District's Superintendent but that she has plans to follow-up with the District Superintendent.

Ms. Thomas-Myers reported that SC-PRRMT budget request for FY2019-20 is \$339,482. She said the request includes \$15,000 for administrative cost.

Commissioner Munns **motioned** to approve SC-PRRMT's budget request in the amount of \$339,482. Commissioner Horne **seconded**. The motion **carried**.

4. **SC State Approving Agency (SAA) Update** (*For Information, No Action Necessary*)

Mr. Frank Myers provided an overview of the SC Commission on Higher Education State Approving Agency. He stated that the SAA office is responsible for reviewing, approving, disapproving and monitoring education and training programs within SC that participate in the Department of Veterans Affairs' GI Bill Education Benefits Program. Mr. Myers stated that each federal fiscal year, the SAA enters into a contractual agreement with the Department of Veterans Affairs Central Office (DVACO) located in Washington, DC, to evaluate educational, vocational and training institutions/establishments. Mr. Myers further stated that in addition to the contractual agreement with DVACO, the SAA must adhere to the business plan's targeted goals by submitting approval actions from the educational institutions and training establishments to the Department of Veterans with an accuracy rate of not less than 90%. Failure to adhere to the 90% targeted goal could potentially result in a less than satisfactory rating for the SAA contractual year.

Mr. Myers explained that SC SAA staff reviews all the on-the-job training (OJT) and apprenticeships enrollment applications for accuracy to minimize delays when they are mailed to the Department of Veterans Affairs for final processing. He stated that OJT programs in SC range from six months to two years and apprenticeship programs ranges from two to five years. Mr. Myers stated that eligible veterans can use the OJT program as another avenue to receive their GI Bill Educational Benefits.

Mr. Myers explained that SAA staff have assigned regions in the state; upper, central and lower. Mr. Myers provided the Post 9/11 GI Bill Tuition Rates for academic years 2015 – 2018. He explained the Compliance Survey financial breakdowns of over and under payments. Mr. Myers stated that the Compliance Survey financial error with the over and under payments at the education institutions are due to nonreporting or late reporting to the Department of Veteran Affairs. He stated the education institutions are supposed to inform the Veteran Affairs Office if the veteran's credit hours increased or decreased. He stated that this is how veterans are paid for their GI Bill. SC SAA staff findings are that some institutions are not informing Veteran Affairs of the increase or decrease of the veteran credit hours. The change in enrollment status should be reported within 30 days to the Department of Veteran Affairs. Commissioner Horne asked if there is a penalty for institutions not reporting an increase or decrease in credit

hours of veterans who are receiving GI Bill benefits. Mr. Myers stated that there is a penalty. He said that if the institution is not complying with the Department of Veterans Affairs regulations, it could potentially be, suspended or the approval could be withdrawn. Commissioner Horne asked if this was an issue isolated to a few institutions. Mr. Myers stated that was an issue mainly with the public institutions primarily due to a shortage of staff. Dr. Woodfaulk stated that a list of the institutions that are not complying would be provided to the Committee members.

Mr. Myers stated that changes to the monthly housing allowance are anticipated after August 1, 2018. He stated that the veterans will be paid a housing allowance based on the teaching site/campus zip code where students attend majority of their classes.

A **motion** (Battle) was made, seconded (Munns), and **carried** to adjourn the meeting at 11:00 a.m.

Respectfully Submitted
Laverne Sanders