

**South Carolina Commission on Higher Education
Committee on Access & Equity and Student Services**

**Minutes of the Meeting
Virtual Meeting
June 4, 2020
2:30 p.m.**

Committee Members Present

Mr. Paul Batson, Chair
Dr. Bettie Rose Horne, Assistant Chair
Mr. Jim Battle
Dr. Mark A. Smith

Guests Present

Mr. Ray Jones, SC Student Loan Corporation
Ms. Reinell Thomas-Myers, SC State University

Staff Members Present

Dr. Rusty Monhollon
Dr. Karen Woodfaulk
Dr. Jennifer Almeda
Ms. Laura Belcher
Ms. Lorinda Copeland
Mr. Kevin Glears
Dr. Gerrick Hampton
Ms. Kathryn Harris
Mr. Jesse Kimbrough
Mr. Frank Myers
Ms. Colette Reamer
Mr. Austin Ridge
Ms. Laverne Sanders
Ms. Leslie Williams

1. Introductions and Approval of Minutes

Chairman Paul Batson called the meeting to order. Ms. Laverne Sanders introduced the guests in attendance and confirmed that the meeting was held in accordance with the Freedom of Information Act.

A **motion** was made (Horne), **seconded** (Smith), and **carried** to approve the minutes of May 7, 2020.

2. Consideration of SC Student Loan Corporation FY2020-2021

Dr. Karen Woodfaulk provided an overview of the SC Teachers Loan Program. She explained that the SC General Assembly designated the SC Student Loan Corporation as administrator of the South Carolina Teachers Loan Program, a program established by the Education Improvement Act (EIA) of 1984 to assist students who wished to become certified teachers in the state, in geographic or subject areas of critical need.

Dr. Woodfaulk stated that the proposed budget request is in the amount \$540,000. She explained that the budget requests are contingent upon SC General Assembly approval. Dr. Woodfaulk noted that there is no increase in the budget for personnel costs. She explained the contractual

fees and the general operating expenses will remain unchanged from FY2019-20. However, the FY20-21 budget request includes a decrease in servicing fees.

Mr. Ray Jones, Vice President of Loan Programs, SC Student Loan Corporation, stated that the budget will remain the same as the previous year. He stated the Corporation saw a reduction in student borrowing in FY2019-2020.

Dr. Woodfaulk provided the staff recommendation for the SC Student Loan Corporation's FY2020-21 proposed budget in the amount of \$540,000. She said staff also recommends that the SC Student Loan Corporation continue to explore ways to provide guidance and information about loan forgiveness and repayment options to SC Teachers Loan Program borrowers. Dr. Woodfaulk further stated that the budget recommendation is contingent upon the approval and conditions set forth by the SC General Assembly for FY2020-21.

Chairman Batson commented that it is admirable to see the budget request without an increase in funding. He asked if staff would anticipate revisiting the budget request after the approval of the FY2020-2021 budget. Dr. Woodfaulk replied that staff would have to reconsider this budget and any other budget funded through state appropriations if the General Assembly approves changes to the FY2020-21 budget.

Commissioner Mark Smith stated some of the traditional, evening and adult programs are scheduled within an 18-week period, and a portion of non-traditional students in these programs are ineligible to attend college using state financial aid. Dr. Woodfaulk stated that many of the programs that were previously established are based on the traditional method of attendance. She said most of the changes that staff would like to make are in statute or in regulation. Dr. Woodfaulk stated staff is reviewing changes to the traditional method of attendance to allow for more flexibility to meet the scholarship eligibility requirements. Dr. Woodfaulk stated any changes to the statute or regulations would be presented to the Committee for review and approval.

Mr. Jones added that the responsibility for administering the SC Teachers Loan Program as well as the federal loan programs is placed more on the financial aid offices at the higher education institutions. Mr. Jones explained that the SC Teachers Loan requires recipients to attend college at least half time and must be making academic progress. He stated the SC Teachers Loan is available if students meet the regulatory requirements.

Chairman Batson asked Dr. Woodfaulk to follow up with Commissioner Smith regarding his question.

The Committee **moved** (Horne), **seconded** (Smith) and **carried** to approve the FY2020-21 Administrative Budget Request for the SC Teachers Loan Program

3. SC Program for the Recruitment and Retention of Minority Teachers (SC-PRRMT) Quarterly Report (Quarter 3)

Dr. Woodfaulk presented the SC-PRRMT Quarter 3 Report. She explained that at the beginning of Spring 2020, 73 students were retained from Fall 2019 and six of the participants graduated in the 2019 Fall term. She stated there were nine new students during Spring 2020, and a total of 82 participants enrolled during Spring 2020. Dr. Woodfaulk reported that based on suggestions from

the Committee on Access & Equity and Student Services, Superintendent Molly Spearman again provided a letter of support to the school superintendents.

Ms. Reinell Thomas-Myers, Program Manager, SC-PRRMT stated that in addition to the six graduates reported by Dr. Woodfaulk, the SC-PRRMT program also had four students to graduate virtually which made a total of ten graduates in Fall 2020. She said the students in the SC-PRRMT pipeline did not have as many problems with adjusting to the change to online instruction due to COVID-19, because 50% of SC-PRRMT students were already attending classes online. She stated that recruitment, however, ceased on May 15, 2020 due to the COVID-19 pandemic. She stated SC-PRRMT staff are using innovative ways to recruit, including contacting students from the attendance lists by phone and through emails. She stated presently she has recruited two students for the summer and three for fall 2020. Ms. Thomas-Myers reported that she will continue to move forward with recruiting during the pandemic. Chairman Batson asked Ms. Thomas-Myers what she considered the program would look like in the fall and winter given the present challenges. Ms. Thomas-Myers replied there will probably not be a large increase of participants in the fall and winter, but she is hopeful that the participants numbers will remain in the high eighties, and that the program will not lose any students.

The Committee **moved** (Horne), **seconded** (Battle) and **carried** to approve the SC-PRRMT Quarter 3 Report.

4. SC State Approving Agency Update (SAA)

Dr. Woodfaulk provided an overview of the SC State Approving Agency (SAA). She explained that each state has an SAA that is designated by the governor of that state. Dr. Woodfaulk stated that the SAA has been located at the Commission for approximately 20 years. She said each SAA must approve programs at educational institutions and training establishments for enrolled veterans, their dependents, or covered individuals to receive Veterans Affairs (VA) educational benefits.

Mr. Frank Myers also provided an overview of the SAA. He stated each year the SAA enters into a Cooperative Agreement with the VA. Mr. Myers stated the agreement outlines the requirements and the performance measures that must be completed by the SAA. Mr. Myers explained that the SAA is evaluated on an annual basis by the Joint Peer Review Group (JPRG). He described the three ratings that can be assigned to an SAA. Mr. Myers stated that the three ratings are Satisfactory, Minimally Satisfactory and Unsatisfactory. Mr. Myers further stated that each year the S.C. SAA has received a Satisfactory rating.

Mr. Myers stated that the VA received information regarding schools that encouraged veterans to apply for a loan to pay for their tuition and fees. He explained that under Post 9/11, Chapters 31 and 33, the VA pays the tuition and fees) directly to the post secondary institutions on behalf of the VA students.

Effective August 1, 2019, and as part of the Veterans Benefits and Transition Act of 2018, section 3679(e) of Title 38, United States Code was amended. Educational Institutions are required to sign a school compliance form to confirm their agreement with the section 3679(e).

The school compliance form confirms that an educational institution will not impose any penalty, including the assessment of late fees, the denial of access to classes, libraries, or other

institutional facilities, or impose any restrictions that will require VA students to borrow additional funds due to their inability to meet his or her financial obligations to the institution as a result to the delayed disbursement of funding from The Department of Veterans Affairs under Chapter 31 and 33.

Mr. Myers explained that a new guidance published by the VA (Title 38 U.S. Code Section 3679(e)), effective May 8, 2020 clarified that it is illegal for educational institutions to utilize misleading and false advertising in attempts to recruit veterans and eligible family members. Mr. Myers described that these misrepresentations include false claims about job placement rates, accreditation, and post-graduation earnings.

Mr. Myers provided the VA tuition rates for FY2017-2020. He stated each year tuition rates have increased. Mr. Myers further stated that the Post 9/11 Chapter 33 tuition and fees rate for the academic year 2020-2021 is \$24,162.79. He also stated that the VA will pay eligible VA students' tuition and fees at the aforesaid rate beginning August 1, 2020.

Mr. Myers provided the VA Federal FY2018-2020 active educational institutions and training establishments in the state. He reported that in FY2018, there were 253 active educational institutions and training establishments, and in FY2019, there were 241 active educational institutions and training establishments that resulted in a slight decrease of eight facilities. Mr. Myers further reported that in FY2020, there are 250 educational institutions and training establishments which resulted in a slight increase of nine facilities.

Mr. Myers stated that there were 2,695 program approvals in FY2020. He stated that program approvals will fluctuate as institutions add and delete programs from year to year.

Mr. Myers reported the program revisions at the educational institutions and training establishments for the following years of 2018, 2019, and as of April 30, 2020. Mr. Myers noted in FY2018, there were 407 revisions, in FY2019, there were 485 revisions, and FY2020 yielded 780 revisions thus far. He further reported that all educational institutions are required to submit program revisions to the SAA staff for review and concurrence.

Mr. Myers stated in FY 2019, 11,004 South Carolina Veterans, Selected Reserves and Dependents received VA educational benefits. He further stated that in FY2020 10,851 received VA educational benefits. He also noted that in FY 2020, there are slight decreases in students receiving VA educational benefits with the exception of the Chapter 35 recipients (dependents of a veteran) having an increase.

Mr. Myers provided the number of assigned compliance surveys conducted at the educational institutions and training establishments for the academic years of 2018, 2019 and 2020. He stated there were 37 assigned compliance surveys in 2018, and 31 compliance surveys in 2019 and 2020.

Mr. Myers stated that the overpayments from the compliance surveys conducted in 2018 totaled \$19,182.17. He further stated in 2019, the overpayments totaled \$19,267.62. Mr. Myers noted that as of April 30, 2020, the overpayments are in the amount of \$112,560.70. He reported that several educational institutions contributed to these large amounts of the overpayments. Mr. Myers stated that there is a pending VA investigation at one educational institution as a result of the significant amount of the VA overpayments for tuition and fees. Chairman Batson asked who performs the investigation. Mr. Myers replied that the VA offices in Washington, D.C. conducts the investigation. Mr. Myers stated that the SAA reports the number of overpayments to the VA,

and in turn, the VA determines if there an investigation will be conducted at the educational institution or training establishment.

Commissioner Horne asked about separating the schools that are abusing the GI Bill approval to offer veterans education and training. Mr. Myers replied that the VA assigns to the SAA risk-based and targeted risk-based surveys that help to identify institutions that are not adhering to approval requirements. Mr. Myers commented that if the VA determines that these identified institutions continue to fail to adhere to the approval requirements, the institutions will not be allowed to continue to offer veterans education and training for payment from the VA.

Commissioner Horne stated that she would like to know the percentage of the for-profit schools that have overpayments. Mr. Myers replied that he would provide the requested information.

Mr. Myers provided information on how the COVID-19 pandemic has impacted the educational institutions, training establishments, veterans, and eligible recipients of VA Educational Benefits. He reported that due to COVID-19 related circumstances, Senate Bill 3503 - Public Law No: 116-128 was introduced to Congress on March 16, 2020 and was signed into law on March 21, 2020 by the president. This bill authorizes the VA to continue to provide educational assistance, to include monthly housing stipends or subsistence allowances, through December 21, 2020 for programs that have been converted to distance learning due to an emergency or health-related situation.

Mr. Myers described the financial impact on VA students. He explained that VA students who are certified in residence programs/courses receive a monthly housing stipend based upon the institutions' zip code/locality. VA students who are certified above half-time enrollment for online programs/courses receive a monthly housing stipend that is based upon a national average determined by the VA.

Mr. Myers provided the impact of on-the-job training establishments/employers. He stated Apprenticeship and on-the-job training establishments that convert training programs from residence to online modality can continue to provide training to veterans in approved programs with hours counted toward journeyman status. Mr. Myers stated VA students will continue to receive their VA education benefits. He also stated that employers that have closed their operation due to the COVID-19 pandemic and do not have the ability to covert residence training to an online modality cannot certify VA students for VA education benefits.

Mr. Myers stated that as the nation continues to deal with the COVID-19 pandemic and institutions and training establishments continue to adjust and adapt, if enrollment revisions to the initial enrollment certifications (residence to online) occur, VA School Certifying Officials were instructed to report changes in the veteran's status to the VA within 30 days from the date in which the revision occurred. In compliance with Senate Bill 3503, the VA instructed School Certifying Officials at the institutions and training establishments not to submit changes in status program/course delivery that would affect veteran students and those eligible to receive VA education benefits. Mr. commented that Senate Bill 3503 allowed VA students to continue to receive their VA education benefits without a break in payment.

Mr. Myers also stated that veterans and eligible recipients of VA education benefits who pursue resident courses converted to an online modality solely due to the COVID-19 pandemic will continue to receive the monthly housing allowance rate for resident training. Mr. Myers noted that Senate Bill 3503 only authorizes this special authority from March 1, 2020, to December 21, 2020.

Chairman Batson commented that he appreciated Mr. Myers' presentation on Veterans Education information. He stated that it is troubling to see the decrease in funding for the recipients.

5. Other Business and Adjournment

There being no additional items before the Committee, Chairman Batson requested a motion for adjournment. A **motion** (Smith) was made, **seconded** (Batson), and **carried** to adjourn the meeting at 3:30 p.m.