



SC Higher Education Tuition Grants Commission

Providing Opportunity. Promoting Choice.

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REVIEW OF LEGISLATIVE OVERSIGHT PROCESS AND REPORT

The Government Efficiency and Legislative Overview Committee of the South Carolina House of Representatives recently concluded its formal review of the South Carolina Higher Education Tuition Grants Commission as part of the state's recurring oversight cycle. On January 29, 2026, the full committee approved the subcommittee's final report of the agency. On January 30, Executive Director Stevens notified all college presidents of the review's conclusion and provided access to the full study report and the video presentation of the report presented by Subcommittee Chair, Representative Tim McGinnis.

The review was thorough and required substantial documentation, presentations, and follow-up responses from staff. While it was a significant lift for a small agency, our interactions with Committee members and staff were professional, respectful, and constructive.

Overall Outcome

- No findings of operational fault, mismanagement, or compliance deficiencies were noted.
- Findings and recommendations were policy-oriented and focused primarily on statutory structure, long-term funding trends, and broader higher education considerations.
- The report affirms the Commission's mission, statewide reach, and fiscal stewardship.

The Committee recognized the agency's ability to operate effectively with a lean staffing structure while maintaining program integrity and responsiveness.

Key Themes Identified

The report highlights several broader policy areas:

- The declining purchasing power of Tuition Grants relative to rising tuition costs.
- The structure and allocation of Children's Education Endowment funding under Section 59-143 of the SC Code of Laws.
- The relationship between need-based grants and merit-based scholarships.
- Outreach opportunities to expand awareness among adult and non-traditional students.
- The importance of periodic strategic plan updates.

Several recommendations are directed to the General Assembly and do not require agency action at this time.

Agency Action Items

Three recommendations require direct follow-through by the Commission:

1. Strategic Marketing Plan

Develop a formal marketing strategy to better inform adult learners, working professionals, and other non-traditional students of the Tuition Grant Program and its eligibility requirements.

Status: Planning efforts are scheduled to begin next week.

2. Strategic Plan Review Cycle

Formally review and update the agency's strategic plan on a 3–5 year cycle.

***Status:** Agency staff plans to present an updated strategic plan for review at the June 2026 Commission Meeting.

3. Clarification of Section 59-143 of the SC Code of Laws

Work with the General Assembly to clarify statutory language governing allocation of Higher Education Scholarship Grant funds.

****Status:** Agency leadership worked with Subcommittee Chair Tim McGinnis, legislative staff, and Dr. Jeff Perez at the Commission on Higher Education on a comprehensive review of the Statute, recommending amended language to clarify the intent of the Children's Education Endowment funding allocations. Amendment language has been presented and has passed the appropriate legislative committee.

Conclusion

The Legislative Oversight review affirms that the Commission is operating in accordance with statutory intent, demonstrates strong fiscal responsibility, and continues to effectively serve students.

While the process required significant staff engagement, the outcome confirms the agency's integrity, operational effectiveness, and alignment with legislative purpose.

***Strategic Plan Update and Timeline**

The agency's current Strategic Plan was adopted in 2020. The plan provides an overview of the agency's mission, vision, and agency operations, in addition to defining the agency's service constituency. The Plan goes on to outline eight goals for future program success. In short, these goals are:

1. Continue to focus on, and improve, effective and efficient processing of grant applications and awarding process.
2. Streamline and modernize student-related application processes
3. Build upon prior legislative advocacy efforts, building relationships with legislators and ensuring Program information is adequately communicated
4. Sustain the agency's reputation for fiscal efficiency in operations
5. Advocate for increases in funding for the Tuition Grant Program
6. Advocate for increases in funding for the State's other financial aid programs, particularly need-based grants
7. Continuing fiscal stewardship of taxpayer dollars
8. Strengthen the agency's Information Security posture, ensuring all sensitive and confidential PII is always protected to the best of the agency's ability

Over the past 5+ years, the Commission has continued to process and award grants efficiently and accurately, modernized key student-facing processes, strengthened legislative communication, maintained exceptional fiscal stewardship, advocated consistently for increased program funding, and reinforced the agency's security posture.

Importantly, this work was accomplished during a period that included the COVID-19 pandemic, unprecedented changes in financial aid systems, and the retirement of two long-standing agency

employees. Despite these transitions and challenges, staff ensured uninterrupted program administration and continued service to students statewide. Their professionalism, institutional knowledge, and steady commitment to the agency's mission should be applauded.

While the current Plan has been fully implemented, the next strategic cycle should place greater emphasis on forward-looking initiatives that foster program growth and enhanced access.

In the coming months, staff will begin developing an updated Strategic Plan that will:

1. Re-examine award methodology to ensure funds are reaching students with the greatest financial need;
2. Explore opportunities to responsibly grow the population of Tuition Grant recipients, particularly among adult learners and other "non-completers";
3. Continue strengthening operational excellence while identifying strategic opportunities for program expansion.

As part of this process, we intend to engage the financial aid community directly. At an upcoming training meeting, we will invite financial aid administrators to share their perspectives on emerging student needs and what they believe should be reflected in the Commission's next strategic framework. Their frontline experience will be vital as we shape a plan that is both practical and aspirational.

An updated Strategic Plan will be presented to the Commission for review and approval once this collaborative process is complete.

****Update on H.4738 Amendment Related to Tuition Grant Funding**

During the Legislative Oversight process, agency leadership identified ambiguity in Section 59-143 of the South Carolina Code governing the allocation of funds from the Children's Education Endowment Fund for Higher Education Scholarship Grants.

The statute's intent is clear that an enrollment-based percentage is to be applied to the amount made available under the Higher Education Scholarship Grants allocation of the Children's Education Endowment Fund, and that amount is to be transferred to the Tuition Grants Commission annually.

However, due to longstanding statutory ambiguity and structural complexity, that percentage has been applied to a much larger amount including Lottery allocations for the need-based grant program administered by the Commission on Higher Education, rather than the \$24 million specifically associated with the Endowment allocation.

After bringing the discrepancy to the attention of Oversight staff, the Tuition Grants Commission worked collaboratively with the Commission on Higher Education and members of the General Assembly to clarify the language and ensure the statute is implemented as originally intended.

The amendment clearly specifies the following:

1. The enrollment percentage is applied only to the Higher Education Scholarship Grants allocation under Section 59-143-10.
2. The calculated amount is then transferred from the need-based grant portion of the allocation to the South Carolina Tuition Grants Commission for Tuition Grants.
3. The remaining allocation supports Palmetto Fellows Scholarships and CHE's Need-Based Grant for public institutions.

This clarification ensures statutory compliance, strengthens fiscal transparency, and prevents future misinterpretation.

Fiscal Impact

As a result of correcting the calculation methodology, the Tuition Grants Commission will receive approximately \$9 million less annually beginning in FY27 from this funding source.

It is important to note that this correction aligns the allocation with statutory intent, the agency proactively identified the issue, and the General Assembly requested collaboration to clean up the language, and that work has been completed.

Long-Term Financial Planning

In anticipation of this adjustment, the agency conducted a comprehensive 10-year enrollment and budget projection.

Based on current enrollment trends and available carryforward funds, the Commission can maintain the current maximum award amount for the next several fiscal years.

Beginning in FY30, after nearly a decade of not having to request new funding for the Tuition Grants Program, the agency will need to request approximately \$12 million in additional General Fund and/or Lottery support to fully fund eligible students at current award levels.

If the General Assembly does not approve additional funding at that time, the Commission may face the difficult decision of reducing grant awards across all recipients in order to remain within available appropriations.

While the amended language results in a reduction in future funding, the Commission has:

1. Identified and resolved a statutory ambiguity,
2. Strengthened compliance with legislative intent,
3. Worked collaboratively with CHE and legislative partners,
4. Developed a responsible long-term financial plan, and
5. Preserved award stability for students in the near term.