



SC Higher Education Tuition Grants Commission

Providing Opportunity. Promoting Choice.

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Overview of the 2026 SC General Assembly as Related to the SC Tuition Grants Program

The South Carolina Higher Education Tuition Grants Commission submitted its 2026-2027 State Budget Request last September, requesting continuation of funding of the \$10 million increase for the Tuition Grants Program first realized in FY22. The Commission's Budget Request asked for consideration of these funds being moved from Lottery (non-recurring) to General Fund (recurring). The agency also requested approximately \$170,000 in State recurring funds for operating expenses necessary for personnel expenditures and a statewide increase in Information Technology-related fees assessed to all agencies using the shared services model for technology through the SC Department of Administration.

Governor Henry McMaster released his FY27 Executive Budget in January. The Executive Budget recommended continued funding of the recent increases for both the Tuition Grants Program and CHE's Need-Based Grant Program. The Governor's Executive Budget recommended the funding source for these funds continue to be allocations from the Lottery account. The Governor's recommended budget did not include the operational expenses requested.

On January 20, 2026, the Commission appeared before the House Ways and Means Higher Education Subcommittee to present its Budget Request. The Commission thanked the legislature for the funding provided in previous years and expressed support not only for the Governor's continued support of Tuition Grants funding, but also for the increase in funding for the State Need-Based Grant Program supporting needy students attending the state's public institutions of higher education. In its final deliberations, the House Ways and Means Committee recommended and approved the continuation of the \$10 million increase in Tuition Grants funding provided through the Lottery. The House did not include the operational expenses requested.

On February 19, 2026, the Commission presented its Budget Request to the Senate Finance Higher Education Subcommittee, once again expressing support for the Need-Based Grant Program in addition to advocating for the Tuition Grant. The Subcommittee reported favorably, and the full Senate's version of the FY27 Budget recommended the continuation of an increase of \$10 million for Tuition Grants through Lottery appropriations. The Senate included the agency's operational expenses in their version of the budget.

Since the House and Senate versions of the FY27 budget differ, a conference committee is required to resolve the differences. The conference committee met on June 4 but have not finalized the budget at this time.

In May, Governor McMaster signed the CHE Clean-Up Bill into law. Related to the Tuition Grant Program, this bill amended Section 59-143-10 of the SC Code of Laws to clarify that the enrollment percentage calculation for the Children's Endowment Fund that passes through from CHE to the Tuition Grants Commission is to be applied only to the designated amount available in the Higher Education Scholarship Grants allocation. This adjustment will result in the Tuition Grants Commission receiving approximately \$9 million less annually beginning in FY27 from this funding source. It is estimated that the Tuition Grants Commission will need to request new funding to replenish this amount during the FY30 budget cycle.