



SC Higher Education Tuition Grants Commission

Providing Opportunity. Promoting Choice.

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State Budget Request for Funding of the South Carolina Tuition Grants Program

Each Fall, the South Carolina Higher Education Tuition Grants Commission must submit its Budget Request to the Executive Budget Office to be used by the Governor's Office, the House, and the Senate for funding in the next fiscal year. Because the Commission will not meet again before this request is submitted, the Budget Request for funding for the South Carolina Tuition Grants Program for 2027-2028 must be approved by the Commission at the June 2026 meeting.

At this time, Commission Staff project that the Program can sustain a maximum grant of \$5,000 for the 2026-2027 year. This maximum grant was approved by the Commission at the March 2026 meeting. Currently, no new funding for the Program is needed to maintain this award amount for 2027-2028, as the agency works to spend down carryover funds from several years of Lottery and Children's Endowment disbursements received late in the academic year. Requests related to the agency's operating expenses will be determined by Executive Management and added to any Program-related requests.

The Tuition Grants Commission expects to once again be allocated a total of \$20 million in lottery funds, in addition to \$27.5 million in recurring funds for the Program. As noted in prior years, there is no guarantee that the recent increase in lottery funds for the Tuition Grant and CHE's Need-Based Grant for public colleges will be sustained going forward.

There are two different approaches the Commission can take when asking the General Assembly to maintain current funding for the Program:

- (1) Create a request for recurring general funds (State appropriations) in the requested amount. If approved, this would create a more stable source of funding; however, this request has not been approved during recent budget cycles. If the requested amount is not available in recurring funds through general State appropriations, legislators could opt to provide the funding once again through Lottery allocations.
- (2) Create an annual request for non-recurring funds in the requested amount as Lottery appropriations. According to Jake Scoggins, Senior Budget Analyst for Senate Finance, programs relying on Lottery appropriations should technically be asking for funds in this manner each year since they are considered non-recurring annual allocations. Some agencies currently take this approach while others do not. Since the Tuition Grants Commission began receiving a portion of its Program funding through Lottery allocations, it has always been considered a "given" that the Program would continue to receive a base amount in Lottery funding, although theoretically this pot of money is supposed to be treated with zero-based budget principles in mind.

The South Carolina Tuition Grants Commission needs to approve a Budget Request for 2027-2028 for Tuition Grants Program funding, determining both the amount and the source (recurring or non-recurring) of the request. A vote of the Commission is required.