



# 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 2025-2026 must be approved by the Commission at the June 2024 meeting.

At this time, Commission Staff project that the Program can sustain a maximum grant of \$4,800 while also potentially increasing eligibility to additional students once again for the 2024-2025 year. This maximum grant was approved by the Commission at the March 2024 meeting.

With the impending passage of the FY25 budget, the \$10 million in additional funds for the Tuition Grants Program (\$20 million total in lottery funds) appears to be available again in the new year; however, there is once again no guarantee that this increase in lottery funds for the Tuition Grant and the recent increases to the Need-Based Grant for public colleges will be sustained going forward.

To maintain the momentum of increased funding for need-based programs for both public and private college students, it has been recommended that the Commission continue to ask for these funds as part of the budget process. No additional new funding for the Program is needed at this time.

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

- (1) Create a request for recurring general funds (State appropriations) in the requested amount. Using this approach, the Legislature will view the request as a monetary need to sustain the increased grant amount moving forward. If approved, this would create a more stable source of funding; however, if the amount is not available in recurring funds through general State appropriations, they 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 2025-2026 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.*