



**Fiscal Year FY 2025-2026**

**Agency Budget Plan**

**FORM A - BUDGET PLAN SUMMARY**

**OPERATING  
REQUESTS**

**(FORM B1)**

For FY 2025-2026, my agency is (mark "X"):

- |                                     |   |
|-------------------------------------|---|
| <input checked="" type="checkbox"/> | Requesting General Fund Appropriations. |
| <input checked="" type="checkbox"/> | Requesting Federal/Other Authorization. |
| <input type="checkbox"/>            | Not requesting any changes.             |

**NON-RECURRING  
REQUESTS**

**(FORM B2)**

For FY 2025-2026, my agency is (mark "X"):

- |                                     |   |
|-------------------------------------|---|
| <input type="checkbox"/>            | Requesting Non-Recurring Appropriations.              |
| <input type="checkbox"/>            | Requesting Non-Recurring Federal/Other Authorization. |
| <input checked="" type="checkbox"/> | Not requesting any changes.                           |

**CAPITAL  
REQUESTS**

**(FORM C)**

For FY 2025-2026, my agency is (mark "X"):

- |                                     |  |
|-------------------------------------|--|
| <input checked="" type="checkbox"/> | Requesting funding for Capital Projects. |
| <input type="checkbox"/>            | Not requesting any changes.              |

**PROVISOS**

**(FORM D)**



For FY 2025-2026, my agency is (mark "X"):

- |                                     |   |
|-------------------------------------|---|
| <input type="checkbox"/>            | Requesting a new proviso and/or substantive changes to existing provisos. |
| <input type="checkbox"/>            | Only requesting technical proviso changes (such as date references).      |
| <input checked="" type="checkbox"/> | Not requesting any proviso changes.                                       |

Please identify your agency's preferred contacts for this year's budget process.

	<u>Name</u>	<u>Phone</u>	<u>Email</u>
<b>PRIMARY CONTACT:</b>	Alan M. West, VP for Finance & Administration/CFO	(843) 349-2227	awest@coastal.edu
<b>SECONDARY CONTACT:</b>	Michael T. Benson, University President	(843) 349-2001	mbenson@coastal.edu

I have reviewed and approved the enclosed FY 2025-2026 Agency Budget Plan, which is complete and accurate to the extent of my knowledge.

	<u>Agency Director</u>	<u>Board or Commission Chair</u>
<b>SIGN/DATE:</b>		
<b>TYPE/PRINT NAME:</b>	Michael T. Benson, University President	H. Delan Stevens, Board of Trustees Chairman

*This form must be signed by the agency head – not a delegate.*

Agency Name:	Coastal Carolina University
Agency Code:	H170
Section:	16

BUDGET REQUESTS			FUNDING					FTES				
Priority	Request Type	Request Title	State	Federal	Earmarked	Restricted	Total	State	Federal	Earmarked	Restricted	Total
1	B1 - Recurring	Tuition Mitigation Funding	3,524,432	0	0	0	3,524,432	0.00	0.00	0.00	0.00	0.00
2	B1 - Recurring	Authorization Increase for Other Funds	0	0	31,000,000	0	31,000,000	0.00	0.00	0.00	0.00	0.00
3	C - Capital	Wheelwright Auditorium Renovation	6,800,000	0	0	0	6,800,000	0.00	0.00	0.00	0.00	0.00
TOTALS			10,324,432	0	31,000,000	0	41,324,432	0.00	0.00	0.00	0.00	0.00

Agency Name:	Coastal Carolina University		
Agency Code:	H170	Section:	16

FORM B1 – RECURRING OPERATING REQUEST

AGENCY PRIORITY	1
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Provide the Agency Priority Ranking from the Executive Summary.

TITLE	Tuition Mitigation Funding
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Provide a brief, descriptive title for this request.

AMOUNT	<p>General: \$3,524,432</p> <p>Federal: \$0</p> <p>Other: \$0</p> <p>Total: \$3,524,432</p>
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What is the net change in requested appropriations for FY 2025-2026? This amount should correspond to the total for all funding sources on the Executive Summary.

NEW POSITIONS	0.00
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Please provide the total number of new positions needed for this request.

FACTORS ASSOCIATED WITH THE REQUEST	Mark “X” for all that apply:	
	X	Change in cost of providing current services to existing program audience
		Change in case load/enrollment under existing program guidelines
		Non-mandated change in eligibility/enrollment for existing program
		Non-mandated program change in service levels or areas
		Proposed establishment of a new program or initiative
		Loss of federal or other external financial support for existing program
		Exhaustion of fund balances previously used to support program
		IT Technology/Security related
		HR/Personnel Related
		Consulted DTO during development
		Related to a Non-Recurring request – If so, Priority #

STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES	Mark “X” for primary applicable Statewide Enterprise Strategic Objective:	
	X	Education, Training, and Human Development
		Healthy and Safe Families
		Maintaining Safety, Integrity, and Security
		Public Infrastructure and Economic Development
		Government and Citizens

ACCOUNTABILITY OF FUNDS	<p>Strategy 1.2 Student Excellence - Promote an educational environment that engages students to develop knowledge, learn and apply skills, and act as responsible, healthy and productive citizens with a global perspective. CCU is committed to ensuring a supportive, high-quality learning environment that produces skilled graduates who are well-prepared to enter the workforce.</p> <p>Strategy 1.3 An Engaged Faculty and Staff - Foster a community of engaged and qualified faculty and staff by providing them with resources, opportunities for professional development, recognition of their contributions and successes, and personal enrichment. CCU is devoted to supporting its faculty and staff who comprise the expertise, professionalism, and positive attitude that make it possible for the University and its students to thrive.</p> <p>Strategy 2.2 Financial Stability and Infrastructure - Support University excellence by ensuring appropriate resources and infrastructure for its long-term viability with a strong focus on fiscal accountability, transparency, planning, fundraising and innovative outreach activities. Managing University resources in a fiscally sustainable and transparent manner is crucial to the success of Coastal Carolina University.</p>
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What specific strategy, as outlined in the most recent Strategic Planning and Performance Measurement template of agency’s accountability report, does this funding request support? How would this request advance that strategy? How would the use of these funds be evaluated?

RECIPIENTS OF FUNDS	<p>Funds to mitigate tuition increases for in-state students would primarily be utilized to support and retain qualified faculty and staff and provide them the resources needed to successfully engage and support our students to become productive, educated contributors and future leaders of the S.C. workforce.</p>
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What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would

## JUSTIFICATION OF REQUEST

Coastal Carolina University is committed to keeping higher education affordable for our South Carolina students. In an effort to mitigate tuition increases for S.C. residents, while continuing to ensure a safe and accessible educational experience for all students, Coastal Carolina University requests an increase of \$3,524,432 in recurring, general funds appropriations. The University Board of Trustees has frozen tuition for in-state students for five consecutive years and held tuition flat for out-of-state students this academic year, as well. Meanwhile, costs to the University are continuously rising. Additional support in the form of recurring appropriations to help cover the rising costs of salaries, retirement, and health insurance, as well as inflationary impacts to our budget, would ensure that the University continues to be successful in its strategic endeavors.

The most current projected HEPI increase of 3.4% was used to quantify this request. Based on the FY2025 budget and assuming no new programs or expansion of existing academic programs in FY2026, a 3.4% increase in expenditures, allocated only to our in-state student population, would cost the University an additional \$3,524,432. Federal and auxiliary expense increases are excluded.

	<b>FY2025 Budget</b>	<b>FY2026 Projection</b>
<b>Expenditures</b>		
Salaries and Fringe	\$ 196,729,045	\$ 203,417,833
Student Aid	\$ 12,559,447	\$ 12,986,468
Services and Supplies	\$ 55,410,775	\$ 57,294,741
Utilities	\$ 9,126,781	\$ 9,437,092
Depreciation	\$ 25,878,648	\$ 26,758,522
Debt Service	\$ 5,023,473	\$ 5,194,271
<b>TOTAL EXPENDITURES</b>	<b>\$ 304,728,169</b>	<b>\$ 315,088,927</b>

<b>Increase in Expenses from Budget FY2025 to Projection FY2026</b>	<b>\$ 10,360,758</b>
Less: Increase in Auxiliary Expenses	\$ (953,669)
Less: Increase in Federal Expenses	\$ (713,374)
Less: Increased expenses applied to out-of-state students (Pursuant to Proviso 117.154)	\$ (5,169,283)
<b>Tuition Mitigation Request</b>	<b>\$ 3,524,432</b>

### FY 2026 Assumptions

- HEPI applied at current projection of 3.4%

The University is thankful for the State's commitment to higher education. We respectfully request for continued financial support in the form of recurring appropriations to mitigate tuition increases so that higher education remains accessible and affordable to the citizens of South Carolina.

*Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. If new positions have been requested, explain why existing vacancies are not sufficient.*

Agency Name:	Coastal Carolina University		
Agency Code:	H170	Section:	16

**FORM B1 – RECURRING OPERATING REQUEST**

AGENCY PRIORITY	2
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Provide the Agency Priority Ranking from the Executive Summary.

TITLE	Authorization Increase for Other Funds
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Provide a brief, descriptive title for this request.

AMOUNT	<p>General: \$0</p> <p>Federal: \$0</p> <p>Other: \$31,000,000</p> <p>Total: \$31,000,000</p>
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What is the net change in requested appropriations for FY 2025-2026? This amount should correspond to the total for all funding sources on the Executive Summary.

NEW POSITIONS	0.00
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Please provide the total number of new positions needed for this request.

FACTORS ASSOCIATED WITH THE REQUEST	Mark “X” for all that apply:	
	<input checked="" type="checkbox"/>	Change in cost of providing current services to existing program audience
	<input checked="" type="checkbox"/>	Change in case load/enrollment under existing program guidelines
	<input type="checkbox"/>	Non-mandated change in eligibility/enrollment for existing program
	<input type="checkbox"/>	Non-mandated program change in service levels or areas
	<input type="checkbox"/>	Proposed establishment of a new program or initiative
	<input type="checkbox"/>	Loss of federal or other external financial support for existing program
	<input type="checkbox"/>	Exhaustion of fund balances previously used to support program
	<input type="checkbox"/>	IT Technology/Security related
	<input type="checkbox"/>	HR/Personnel Related
	<input type="checkbox"/>	Consulted DTO during development
	<input type="checkbox"/>	Related to a Non-Recurring request – If so, Priority #

STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES	Mark “X” for primary applicable Statewide Enterprise Strategic Objective:	
	<input checked="" type="checkbox"/>	Education, Training, and Human Development
	<input type="checkbox"/>	Healthy and Safe Families
	<input type="checkbox"/>	Maintaining Safety, Integrity, and Security
	<input type="checkbox"/>	Public Infrastructure and Economic Development
	<input type="checkbox"/>	Government and Citizens

ACCOUNTABILITY OF FUNDS	<p>Strategy 1.2 - Student Excellence - Promote an educational environment that engages students to develop knowledge, learn and apply skills, and act as responsible, healthy and productive citizens with a global perspective. CCU is committed to ensuring a supportive, high-quality learning environment that produces skilled graduates who are well-prepared to enter the workforce.</p> <p>Strategy 1.3 - An Engaged Faculty and Staff - Foster a community of engaged and qualified faculty and staff by providing them with resources, opportunities for professional development, recognition of their contributions and successes, and personal enrichment. CCU is devoted to supporting its faculty and staff who comprise the expertise, professionalism, and positive attitude that makes it possible for the University and its students to thrive.</p> <p>Strategy 2.2 - Financial Stability and Infrastructure Support - University excellence by ensuring appropriate resources and infrastructure for its long-term viability with a strong focus on fiscal accountability, transparency, planning, fundraising and innovative outreach activities. Managing University resources in a fiscally sustainable and transparent manner is crucial to the success of Coastal Carolina University.</p>
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What specific strategy, as outlined in the most recent Strategic Planning and Performance Measurement template of agency’s accountability report, does this funding request support? How would this request advance that strategy? How would the use of these funds be evaluated?

RECIPIENTS OF FUNDS	<p>The requested budget increase will provide funding to support increased personnel and operating expenses. All funds will be disbursed following university policies and in accordance with state procurement guidelines.</p>
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What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would

## JUSTIFICATION OF REQUEST

Coastal Carolina University is requesting an increase in its spending authority to cover rising costs such as employee cost of living adjustments, fringe benefits including retirement and health insurance, as well as other operating cost increases due to inflation. In addition to rising costs, FTE enrollment has increased every year since 2020; a total increase of 9.6% over the last four years. Consequently, expenditures to appropriately support the expanded student body have increased; namely instructional, academic support, student services and institutional support expenses. Additionally, student demand for on-campus housing has increased so drastically that a 5-year lease has been secured for FY 2024 through FY 2028, which expands housing capacity by 396 beds.

Therefore, Coastal Carolina University respectfully requests increased spending authority in the amount of \$31,000,000 to cover rising costs, as well as, recruit and retain qualified faculty and staff to provide the best educational and residential experience we can offer so that retention rates and graduation rates continue to increase each year.

This request is cost neutral for the state.

*Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. If new positions have been requested, explain why existing vacancies are not sufficient.*

Agency Name:	Coastal Carolina University		
Agency Code:	H170	Section:	16

FORM C – CAPITAL REQUEST

AGENCY PRIORITY	3
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Provide the Agency Priority Ranking from the Executive Summary.

TITLE	Wheelwright Auditorium Renovation
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Provide a brief, descriptive title for this request.

AMOUNT	\$6,800,000
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How much is requested for this project in FY FY 2025-2026? This amount should correspond to the total for all funding sources on the Executive Summary.

CPIP PRIORITY	This project is priority 5 of 7 in year 2 (2025-2026) on the University's 2024 CPIP submission. The project was first submitted in the 2022 CPIP.
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Identify the project's CPIP plan year and priority number, along with the first year in which the project was included in the agency's CPIP. If not included in the agency's CPIP, please provide an explanation. If the project involves a request for appropriated state funding, briefly describe the agency's contingency plan in the event that state funding is not made available in the amount requested.

OTHER APPROVALS	The project must be approved by the University Board of Trustees, JBRC and SFAA.
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What approvals have already been obtained? Are there additional approvals that must be secured in order for the project to succeed? (Institutional board, JBRC, SFAA, etc.)

LONG-TERM PLANNING AND SUSTAINABILITY	If state funding is not available, the University will identify other funding sources to perform necessary renovations to Wheelwright Auditorium. Performing these renovations will not increase operating costs. In fact, the annualized budget impact could be reduced once a more energy-efficient system is installed.
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What other funds have already been invested in this project (source/type, amount, timeframe)? Will other capital and/or operating funds for this project be requested in the future? If so, how much, and in which fiscal years? Has a source for those funds been identified/secured? What is the agency's expectation with regard to additional annual costs or savings associated with this capital improvement? What source of funds will be impacted by those costs or savings? What is the expected useful life of the capital improvement?

SUMMARY	<p>Wheelwright Auditorium was built in 1979 and the HVAC equipment is original to the building, therefore, the 45-year-old equipment is in need of replacement. Seven air-handling units would be replaced, along with variable air volume terminals, including required plumbing, mechanical and electrical services and direct digital controls. Wheelwright Auditorium underwent its most recent interior renovation in 1999. Twenty-five years of heavy utilization necessitates an interior refresh in addition to the HVAC system replacement. The list of renovations includes replacement of auditorium seating, lighting, carpeting and wall covering, and refurbishment of dressing rooms, the teal room, and the green room.</p> <p>Wheelwright Auditorium hosts the major productions of CCU's Cultural Arts Program, as well as many other events, including student orientation. Being the largest performing arts venue on campus, it is heavily utilized and requires cooling and heating system upgrades, as well as an interior refresh.</p>
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*Provide a summary of the project and explain why it is necessary. Please refer to the budget guidelines for appropriate questions and thoroughly answer all related items.*



Agency Name:	Coastal Carolina University		
Agency Code:	H170	Section:	16

**FORM E – AGENCY COST SAVINGS AND GENERAL FUND REDUCTION CONTINGENCY PLAN**

<b>TITLE</b>	CCU Cost Savings and General Funds Reduction Contingency Plan
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<b>AMOUNT</b>	\$1,019,746
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*What is the General Fund 3% reduction amount? This amount should correspond to the reduction spreadsheet prepared by EBO.*

<b>ASSOCIATED FTE REDUCTIONS</b>	N/A
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*How many FTEs would be reduced in association with this General Fund reduction?*

<b>PROGRAM / ACTIVITY IMPACT</b>	<p>General Funds are utilized to pay faculty and staff salaries and benefits at Coastal Carolina University, however, student experience and safety are of highest priority. If there is any chance that student services would be decreased or safety concerns are identified as a result of reduced state funding, Other Funds would be identified to compensate for the loss in General Funds. Every effort will be made to ensure that a quality educational experience for our students is maintained, as well as all other strategic initiatives upheld.</p>
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*What programs or activities are supported by the General Funds identified?*

<b>SUMMARY</b>	<p>Coastal Carolina University’s highest priority is our students and their families. We will make every effort to ensure that the quality of services we provide meets their expectations. Therefore, if a reduction in General Fund appropriations occurred, the University would strategically identify cuts that would have the most minimal impact on the student experience and safety. Reducing costs through delayed hiring of temporary employees during slow periods would result in the least significant impact on our students. Also, the University would review all open positions and delay filling open positions considered to have the least effect on continued university operations. If deemed necessary, the University would look to other operating funds to compensate for the loss of recurring General Funds.</p>
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*Please provide a detailed summary of service delivery impact caused by a reduction in General Fund Appropriations and provide the method of calculation for anticipated reductions. Agencies should prioritize reduction in expenditures that have the least significant impact on service delivery.*

## AGENCY COST SAVINGS PLANS

The University defeased \$34 million in General Obligation Bonds, providing an average interest savings of **\$646,000** per year until fiscal year 2030. Savings from fiscal year 2024 through fiscal year 2030 total **\$4,522,000**.

Refunding Revenue Bonds were issued to refund the balance of outstanding Higher Education Revenue Bonds. Refinancing the bonds resulted in average interest savings of **\$224,000** per year until fiscal year 2040. Savings from fiscal year 2024 through fiscal year 2040 total **\$3,808,000**.

The installation of a Central Cooling Plant has reduced HVAC tonnage by 30%, thereby reducing demand charges by an average of **\$477,000** per year over the last five years.

The University negotiated a more economical rate with its natural gas supplier resulting in annual savings estimated at **\$200,000** per year.

Beginning in fiscal year 2024, the University extended its computer replacement cycle by one year, reducing technology costs on average by **\$235,000** per year.

Coastal Carolina University has implemented a Lean business approach to enhance service quality and reduce costs by analyzing processes and finding ways to improve them. The foundational keystones of our new CCU**Reach** Strategic Plan are *driving efficiency and sustainability*. In alignment with the keystones, current business processes are being examined, and positive change is being implemented that streamlines tasks, reduces resource needs, eliminates waste, and controls costs. Positive outcomes include cost reductions and cost avoidance that hedge against the impacts of inflation and offset tuition increases, improved service to constituents as a result of streamlined administrative processes, and improved productivity and employee morale.

Current major campus projects include modernizing our Travel and P-Card processes. We are in the evaluation phase of the project, garnering campus feedback on current challenges and offering a proposed solution. Campus feedback indicates promising outcomes to move towards a new technology solution with potential savings of 6,500+ hours per year and the ability to redirect those efforts to more strategic efforts.

*What measures does the agency plan to implement to reduce its costs and operating expenses by more than \$50,000? Provide a summary of the measures taken and the estimated amount of savings. How does the agency plan to repurpose the savings?*

Agency Name:	Coastal Carolina University		
Agency Code:	H170	Section:	16

FORM F – REDUCING COST AND BURDEN TO BUSINESSES AND CITIZENS

TITLE	Tuition and Fee Savings to Students
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Provide a brief, descriptive title for this request.

EXPECTED SAVINGS TO BUSINESSES AND CITIZENS	Coastal Carolina University understands the importance of keeping tuition and fees affordable for our students. For the fifth consecutive year,the Board of Trustees made the commitment to hold in-state tuition flat for 2024-2025. Further, out-of-state tuition remained flat for 2024-2025, as well. The overall average cost of attending Coastal Carolina University increased 2.3% and 1.3% for an in-state and out-of-state student, respectively, in 2024-2025.
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What is the expected savings to South Carolina’s businesses and citizens that is generated by this proposal? The savings could be related to time or money.

FACTORS ASSOCIATED WITH THE REQUEST	Mark “X” for all that apply:
	<input type="checkbox"/> Repeal or revision of regulations.
	<input checked="" type="checkbox"/> Reduction of agency fees or fines to businesses or citizens.
	<input checked="" type="checkbox"/> Greater efficiency in agency services or reduction in compliance burden.
	<input type="checkbox"/> Other

METHOD OF CALCULATION	Rate Comparison per Semester	2023-2024		2024-2025		\$ Change		% Change	
		Full Time In-State	Full Time Out-of-State	Full Time In-State	Full Time Out-of-State	Full Time In-State	Full Time Out-of-State	Full Time In-State	Full Time Out-of-State
	Total Undergraduate Tuition & Fees	\$5,820	\$14,814	\$5,820	\$14,814	\$0	\$0	0.0%	0.0%
	Housing Double Occupancy	\$3,535	\$3,535	\$3,660	\$3,660	\$125	\$125	3.5%	3.5%
	Unlimited Meal Plan	\$2,450	\$2,450	\$2,600	\$2,600	\$150	\$150	6.1%	6.1%
	Average Tuition, Room & Board	\$11,805	\$20,799	\$12,080	\$21,074	\$275	\$275	2.3%	1.3%

Describe the method of calculation for determining the expected cost or time savings to businesses or citizens.

REDUCTION OF FEES OR FINES	<p>New promotional rates were approved by the University Board of Trustees beginning in 2023-2024 allow more students access to affordable higher education opportunities, and encourage former CCU students to return for degree completion.</p> <p>The <b>Active-Duty Tuition Rate</b> allows part-time students to pay \$250 per credit hour and full-time students to pay \$3,750 per semester, equating to <b>36% less than full-time in-state tuition</b>. The discounted tuition rate is for undergraduate students serving on active duty, as a member of the National Guard or as a reservist.</p> <p><b>CCU Complete</b> is for SC residents who hold college credits from institutions other than CCU and are seeking degree completion. Eligible courses are offered through CCU’s online completion program for a <b>flat \$100 special tuition rate</b>.</p> <p>The <b>CCU/Technical System Graduate Tuition Partnership Program</b> offers SC Technical College personnel the opportunity to register for graduate level coursework at a special discount of <b>40% less than in-state graduate tuition</b>. This discount mirrors the discounts currently offered to Horry County School District personnel who are pursuing graduate degrees at the University.</p> <p>The <b>Former CCU Student Rate</b> applies to former students with at least 15 hours earned, in good academic standing, but short of an undergraduate degree. Eligible courses are offered through CCU’s online completion program for a <b>flat \$100 special tuition rate</b>.</p> <p>The <b>eRate</b> promotion is available to students enrolled in an undergraduate online degree or an undergraduate online degree completion program. Tuition charges are equivalent to <b>in-state tuition</b> regardless of domicile.</p>
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Which fees or fines does the agency intend to reduce? What was the fine or fee revenue for the previous fiscal year? What was the associated program expenditure for the previous fiscal year? What is the enabling authority for the issuance of the fee or fine?

REDUCTION OF REGULATION	Coastal Carolina University is grateful for the regulatory relief that Bill S. 314 (Act No. 214) provides. We are excited about the many efficiencies it creates in streamlining the establishment and approval of permanent improvement projects.
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Which regulations does the agency intend to amend or delete? What is the enabling authority for the regulation?

Coastal Carolina University is continuously evaluating processes and practices to enhance efficiencies where possible, so that tuition and fees can remain affordable for our students. Freezing tuition and offering promotional tuition rates for academic year 2024-2025 demonstrates our commitment to provide affordable higher education opportunities to the citizens of South Carolina. Coastal Carolina University's in-state tuition is 5% below the average rate charged among South Carolina four-year public universities with a similar mission.

SUMMARY

*Provide an explanation of the proposal and its positive results on businesses or citizens. How will the request affect agency operations?*

<b>AGENCY NAME:</b>	Coastal Carolina University		
<b>AGENCY CODE:</b>	H170	<b>SECTION:</b>	16

**FORM H – TUITION MITIGATION (PROVISO 117.187)**

<b>TITLE</b>	<b>Tuition Mitigation Proviso 117.187</b>
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<b>AMOUNT</b>	\$3,524,432
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*What is the amount needed for Tuition Mitigation for FY26? This amount should correspond to the priority 1 recurring budget request. Tuition Mitigation should ONLY include the state funding necessary to continue existing operations on July 1, 2025, with no in-state undergraduate tuition or mandatory fee increases. Tuition Mitigation should not include any new programs or expansion of existing academic programs that may be contemplated for Fiscal Year 2025-26.*

<b>EXPLANATION OF METHODOLOGY</b>	The most current projected HEPI increase of 3.4% was used to quantify this request. Based on the FY2025 budget and assuming no additional hires and no new programs or expansion of existing academic programs in FY2026, a 3.4% increase in expenditures would cost the University an additional \$3,524,432. This excludes the increased expenses applied to our out-of-state student population, as well as federal and auxiliary expense increases.		
		<b>FY 2025 Budget</b>	<b>FY 2026 Projection</b>
	<b>Expenditures</b>		
	Salaries and Fringe	\$196,729,045	\$203,417,833
	Student Aid	\$12,559,447	\$12,986,468
	Services and Supplies	\$55,410,775	\$57,294,741
	Utilities	\$9,126,781	\$9,437,092
	Depreciation	\$25,878,648	\$26,758,522
	Debt Service	\$5,023,473	\$5,194,271
	<b>TOTAL EXPENDITURES</b>	<b>\$304,728,169</b>	<b>\$315,088,927</b>
	<b>Expense Increase from FY2025 to FY2026</b>		\$10,360,758
	Less: Increase in Auxiliary Expenses		\$(953,669)
	Less: Increase in Federal Expenses		\$(713,374)
	Less: Increased expenses applied to out-of-state students (Pursuant to proviso 117.154)		<u>\$(5,169,283)</u>
	<b>Tuition Mitigation Request</b>		<b>\$3,524,432</b>
	<b>FY 2026 Assumptions</b>		
	◦ HEPI applied at current projection of 3.4%		

<b>AGENCY NAME:</b>	<b>Coastal Carolina University</b>		
<b>AGENCY CODE:</b>	<b>H170</b>	<b>SECTION:</b>	<b>16</b>

To provide a second scenario, assuming a 2% general increase for classified and unclassified positions, no pension rate increase, a health insurance rate increases of 8% in calendar year 2026, and a 3.4% increase in other expenditures, an approximate \$6.8 million increase in expenses in FY 2026 would result. This excludes the increased expenses applied to our out-of-state student population, as well as federal and auxiliary expense increases.

	<b>FY 2025 Budget</b>	<b>FY 2026 Projection</b>
<b>Expenditures</b>		
Salaries and Fringe	\$196,729,045	\$201,446,696
Student Aid	\$12,559,447	\$12,986,468
Services and Supplies	\$55,410,775	\$57,294,741
Utilities	\$9,126,781	\$9,437,092
Depreciation	\$25,878,648	\$26,758,522
Debt Service	\$5,023,473	\$5,194,271
<b>TOTAL EXPENDITURES</b>	<b>\$304,728,169</b>	<b>\$313,117,790</b>

<b>Expense Increase from FY2025 to FY2026</b>	\$8,389,621
Less: Increase in Auxiliary Expenses	\$(926,191)
Less: Increase in Federal Expenses	\$(696,653)
Less: Increased expenses applied to out-of-state students	\$(4,023,526)
<b>FY 2026 Expense Increase</b>	<b>\$2,743,251</b>

#### **FY 2026 Assumptions**

- Salary and Fringe expenses reflect a 2% COLA (allocated uniformly); no pension rate increase; 6 months @ 11.8% plus 6 months @ 8% health insurance rate increase (4-year average increase)
- HEPI applied at current projection of 3.4% to all other expense categories

In general, **each one percent** increase in mandated personnel expenses has the following impact on the University's budget:

<b>State-Mandated Increases:</b>	<b>Amount</b>
State General Base Pay Increase	\$1,313,097
Fringe on State General Base Pay Increase	\$446,452
Pension Rate Increase	\$1,330,206
Health Insurance Rate Increase	\$121,066

The University follows statutory requirements to provide tuition and fee waivers to students who qualify for:

- Academic Common Market – (SC R. 62-609)
- Sister State Agreement – (59-112-70(B))
- Free Tuition for Children of Veterans/Firemen/Law Enforcement - (SC 59-111-20 and SC 59-111-110)
- Senior Citizen Waiver – (SC 59-111-320)

Additionally, educational fee waivers are offered to up to 4% of our in-state, undergraduate student

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body, pursuant to SC 59-101-620. Out-of-state rates are also abated for qualifying students on scholarship, pursuant to SC 59-112-70. FY 2026 projections for state mandated waivers and institutional waivers and abatements are as follows:

	<b>FY 2026 Projection</b>
<b>State Mandated Waivers</b>	
Academic Common Market Waiver (SC R. 62-609)	\$7,754,864
Sister State Agreements (SC 59-112-70(B))	\$257,250
Free Tuition for Children of Veterans/Firemen/Law Enforcement (SC 59-111-20 and SC 59-111-110)	\$3,305,296
Senior Citizen Waiver	\$309,248
<b>Total State Mandated Waivers</b>	<b>\$11,626,658</b>
<b>Institutional Waivers and Abatements</b>	
Educational In-State Student Fee Waivers (SC 59-101-620)	\$9,563,070
<b>Undergraduate Out-of-State Abatements (SC 59-112-70)</b>	
Educational Out-of-State Abatements	\$31,887,183
Athletic Out-of-State Abatements	\$3,950,083
<b>Total Institutional Waivers and Abatements</b>	<b>\$45,400,336</b>

*Please provide a detailed explanation of the methods used to estimate the FY26 tuition mitigation needs. What standard inflation factor is being used (HEPI, CPI, etc.)? What base budget items is the inflation factor applied to? What is the impact of tuition waivers and abatements, including the amount of foregone revenue, and its impact on the need for additional state funding.*

## COST SAVINGS

- In FY 2020, the University defeased \$34 million in General Obligation Bonds providing interest savings of \$6,463,825 over 10 years (FY 2021-2030).
- In FY 2022, Refunding Revenue Bonds were issued to refund the balance of outstanding Higher Education Revenue Bonds. Refinancing the bonds resulted in cashflow savings of \$4,252,724 over 18 years (FY 2023-2040).
- In FY 2024, the University extended its computer replacement cycle by one year, reducing technology costs on average by \$235,000 per year.
- The installation and subsequent expansions of the University's Central Energy Plant has reduced HVAC tonnage by roughly 30%, thereby reducing demand charges by an average of \$423,000 annually since FY 2018.
- The University negotiated a more economical rate with its natural gas supplier resulting in average savings of \$130,000 annually since FY 2018.
- The University initiated a Remote Work & Flexible Scheduling Program in FY 2024. Improving employee retention at the institution was a key driver behind the development of the program. Employee exit data clearly demonstrates the value of this program. Retaining employees has a significant cost benefit to the institution through cost avoidance (e.g. lost productivity, recruitment efforts, advertising open positions, relocation, overtime/temporary salary adjustments, training, administrative effort). When applying a conservative cost of turnover percentage of 30% to the current average salary for classified personnel for FY2024, the estimated

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	<p>cost of turnover savings was \$128,479. It is anticipated this type of analysis will be conducted annually with similar cost savings likely.</p> <p>◦ In the Spring of 2024, Coastal Carolina University implemented a Lean business approach to enhance service quality and reduce costs by analyzing processes and finding ways to improve them. The foundational keystones of our new CCU<b>Reach</b> Strategic Plan are <i>driving efficiency and sustainability</i>. In alignment with the keystones, current business processes are being examined, and positive change is being implemented that streamlines tasks, reduces resource needs, eliminates waste, and controls costs. Positive outcomes include cost reductions and cost avoidance that hedge against the impacts of inflation and offset tuition increases, improved service to constituents because of streamlined administrative processes, and improved productivity and employee morale.</p> <p>Current major campus projects include modernizing our travel card and procurement card processes. We are in the evaluation phase of the project, garnering campus feedback on current challenges and offering a proposed solution. Campus feedback indicates promising outcomes to move towards a new technology solution with potential savings of 6,500+ hours per year, equating to approximately \$246,000 annually, and the ability to redirect labor hours to more strategic efforts.</p>
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*Provide a detailed analysis of any cost savings measures taken since FY19 to offset undergraduate tuition and fee increases and attach quantifiable documentation. Please include documentation of actions taken by the board of trustees or board of visitors or by administration. Attach any cost savings studies that have been undertaken and provide an explanation of actions taken to implement these studies. Provide future quantifiable cost savings plans and expectations for implementation.*

<b>LOW ENROLLMENT</b>	<b><u>Eliminated Undergraduate Programs</u></b>
	<b>Musical Theatre, B.A. – Fall 2018</b>
	Rationale: The program transitioned all its programs to a Bachelor of Fine Arts in Theatre, including a concentration in Musical Theatre. The Musical Theatre B.A. was terminated as part of that reorganization.
	<b>Gerontology, UG Certificate – Summer 2022</b>
	Rationale: This program was terminated due to low enrollment.
	<b>Applied Ethics, UG Certificate – Fall 2022</b>
	Rationale: This program was terminated due to low enrollment.
	<b>Public Health, B.S. specialization: Pre-Health Professions – Fall 2022</b>
	Rationale: The department implemented a pre-health professions minor, which was available to its majors, and students in other majors as well. This specialization was terminated, and students directed to the minor.
	<b>Sociology, B.A. specializations: Criminology, Health and Aging, Social Justice, General – Fall 2023</b>
	Rationale: The department implemented minors in each of these areas. Interested students in any major, including Sociology majors and students in the new Criminal Justice major, can take a minor. This increases the accessibility of these areas of study.



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	<p><b>American Studies, UG Certificate – Fall 2024</b></p> <p>Rationale: This program was terminated due to low enrollment.</p>
	<p><b>Public Health, B.S. specializations: Community Health, Dietetics, Health Administration, Health Literacy – Fall 2024</b></p> <p>Rationale: During AY 2022-2023, the Public Health program underwent accreditation review by the Council on Education for Public Health (CEPH) and was successful. However, the accrediting body recommended that the program remove the concentrations.</p>

*Provide a list of any undergraduate programs, academic or other, that have been reduced or eliminated since FY19. Please document the reasons for the reduction or elimination. If the institution has, or is expected to have, a decline in in-state undergraduate student enrollment, provide analysis on how the institution will ensure the corresponding reduction in tuition will not lead to requests for additional state funding.*

<b>UNOBLIGATED FUND BALANCE</b>	The University's Unrestricted Balance as of June 30, 2024, was \$74,929,711.	
		<b>FY2024</b>
	E&G and Auxiliary (Institutional) Funds (General Assembly Restricted)	\$71,178,170
	State Scholarship and Grant Funds (General Assembly Restricted)	\$31,936
	Federal Scholarship and Grant Funds (Federal Government Restricted)	\$76,369
	Other Funds Primarily from Component Units for Program and Scholarship Support (Donor Restricted)	\$3,643,236
	<b>Unrestricted Fund Balance</b>	<b>\$74,929,711</b>
	Unrestricted Fund Balance as a % of University's Budget	18%
	Government Finance Officers Association (GFOA) recommends, as a minimum, that governmental agencies maintain an unrestricted budgetary fund balance of no less than 60 days of the operating budget. CCU's unrestricted fund balance would fund budgeted operations for 65 days, which allows the University to meet ongoing operating demands until its largest sources of revenue, student tuition and housing rents, are collected for the Fall semester.	

*Provide the institution's unobligated fund balance for the most recently completed fiscal year. Attach documentation showing this balance disaggregated to identify amounts that are restricted in their use by external authorities (General Assembly, Federal Government, donors, etc.) and those that are not subject to such restrictions. Provide an explanation of the amount the institution considers to be an appropriate unrestricted fund balance as a percentage of its operating budget and the percentage of the institution's operating budget that the fund balance represents.*

**Coastal Carolina University**  
**Institutional Waivers and Abatements FY 2026 Projection Detail**

<b>Educational In-State Waivers</b>	<b>FY 2026 Projection</b>
Band Participation Award	\$ 58,324
CCU Palmetto Scholarship	\$ 321,502
CCU/Clyburn Scholarship Match	\$ 9,792
CCU-Horry Georgetown Bridge Scholarship	\$ 9,170
Chanticleer Grant	\$ 406,489
Coastal Scholar Award	\$ 1,221,264
Coastal Transfer Scholar Award	\$ 1,182,467
Congaree Foundation Scholarship	\$ 5,274
Dean's Excellence Scholarship	\$ 49,671
Extreme Financial Need Award	\$ 18,967
HTC Honors Scholarship	\$ 451,656
Music Performance Award	\$ 37,484
Palmetto Boys State Scholarship	\$ 3,873
Palmetto Girls State Scholarship	\$ 3,873
PGA Golf Management Program Trustee Scholarship	\$ 6,920
PGA Golf Management Program University Scholarship	\$ 29,829
PGA Golf Management Program Wall Scholarship	\$ 4,685
Phi Theta Kappa Scholarship	\$ 39,745
Presidential Scholarship	\$ 1,337,836
President's ROTC Scholarship	\$ 612
President's Scholar Award	\$ 1,550,136
Provost's Scholarship	\$ 2,012,149
South Carolina Scholars Award	\$ 4,274
Teal Scholar Award	\$ 586,898
Theatre Performance Award	\$ 11,819
Trustee's Persistence Award	\$ 139,230
Visual & Performing Arts Scholarship	\$ 46,910
Visual Arts Performance Award	\$ 12,220
<b>Total Educational In-State Waivers</b>	<b>\$ 9,563,070</b>

<b>Educational Out-of-State Abatements</b>	<b>FY 2026 Projection</b>
Bronze Award Abatement	\$ 1,218,028
Chanticleer Grant Abatement	\$ 1,222,383
Foreign Program Abatement	\$ 133,425
Fraternity Sorority Leadership Abatement	\$ 20,386
Institutional Abatement	\$ 96,589
Music Performance Award Abatement	\$ 22,737
President's ROTC Abatement	\$ 8,654
Theatre Performance Award Abatement	\$ 36,753
University Scholar Award Abatement	\$ 29,117,236
Visual Arts Award Abatement	\$ 10,993
<b>Total Educational Out-of-State Abatements</b>	<b>\$ 31,887,183</b>

<b>Athletic Out-of-State Abatements</b>	<b>FY 2026 Projection</b>
Athletic Out-of-State Abatement	\$ 3,950,083