

AGENCY NAME:	Winthrop University		
AGENCY CODE:	H470	SECTION:	21



Fiscal Year 2025-26 Agency Budget Plan

FORM A - BUDGET PLAN SUMMARY

OPERATING REQUESTS (FORM B1)	For FY 2025-26, my agency is (mark "X"): <input checked="" type="checkbox"/> Requesting General Fund Appropriations. <input type="checkbox"/> Requesting Federal/Other Authorization. <input type="checkbox"/> Not requesting any changes.
NON-RECURRING REQUESTS (FORM B2)	For FY 2025-26, 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 2025-26, 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 2025-26, 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>
PRIMARY CONTACT:	Kevin Butler	(803) 232-3924	butlerk@winthrop.edu
SECONDARY CONTACT:	Jennifer Lewis	(803) 232-3924	lewis@winthrop.edu

I have reviewed and approved the enclosed FY 2025-26 Agency Budget Plan, which is complete and accurate to the extent of my knowledge.

	<u>Agency Director</u>	<u>Board or Commission Chair</u>
SIGN/DATE:	9/27/2024	
TYPE/PRINT NAME:	Edward Serna	<i>Edward Serna</i>

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

Agency Name:	Winthrop University
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BUDGET REQUESTS			FUNDING					FTES				
Priority	Request Type	Request Title	State	Federal	Earmarked	Restricted	Total	State	Federal	Earmarked	Restricted	Total
1	B1 - Recurring	Tuition Mitigation	2,312,033	0	0	0	2,312,033	0.00	0.00	0.00	0.00	0.00
2	C - Capital	Administrative Building Renovation	15,750,000	0	0	0	15,750,000	0.00	0.00	0.00	0.00	0.00
3	C - Capital	Academic Renovations & New Strategic Academic Programs	13,400,000	0	0	0	13,400,000	0.00	0.00	0.00	0.00	0.00
4	B1 - Recurring	New Academic Programs Fund	750,000	0	0	0	750,000	4.00	0.00	0.00	0.00	4.00
5	C - Capital	Campus Deferred Maintenance & Capital Renewal	4,100,000	0	0	0	4,100,000	0.00	0.00	0.00	0.00	0.00
TOTALS			36,312,033	0	0	0	36,312,033	4.00	0.00	0.00	0.00	4.00

Agency Name:	Winthrop University		
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FORM B1 – RECURRING OPERATING REQUEST

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

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

AMOUNT	<p>General: \$2,312,033</p> <p>Federal: \$0</p> <p>Other: \$0</p> <p>Total: \$2,312,033</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
	X	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>Tuition Mitigation is directly aligned with the following institutional goals:</p> <p>2.2.1. Maintain the Graduation Rate of first-time, full-time freshmen cohorts who earned a baccalaureate degree at Winthrop within six years</p> <p>2.2.1. Maintain the Graduation Rate of first-time, full-time freshmen cohorts who earned a baccalaureate degree at Winthrop within six years</p> <p>3.1.1. Maintain student satisfaction with support services.</p> <p>3.2.1. Increase Retention Rate of the first time, full-time freshmen cohort who were enrolled as of the retention census date in previous fall.</p> <p>5.2.1 Maintain the expenditures on facilities.</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?

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RECIPIENTS OF FUNDS	<p>In general, these funds would be distributed to a variety of areas affected by inflationary impacts. Funds would be allocated through the budget process to cover the increased cost of salaries, materials and supplies, general operating services, insurance, utilities, travel, and software and major institutional contracts just to maintain our current offerings.</p>
<p><i>What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?</i></p>	
JUSTIFICATION OF REQUEST	<p>Winthrop University has already reduced its staffing and operational costs to bare-bones for non-student facing areas. Without compensatory funding, Winthrop would need to begin to cut in instructional and student service areas.</p> <p>Between FY19 and FY23, the University reduced its operating expenses by approximately \$10.2M.</p> <p>Effective for the 2024-25 academic year, Winthrop dropped its undergraduate tuition rates by 8%, resulting in a reduction of \$1.2M in revenue for FY25. To offset this reduction in revenue, the University defunded 23 positions in FY25, which reduced expenses by \$1.5M.</p> <p>Despite significant expense reductions, the University experienced an increase in in-state undergraduate student enrollment in FY23 and FY24, made possible by HERF funding, and continued this upward trend through to FY25 due to increased institutional merit-based scholarships and new leadership championing successful strategic plan initiatives.</p>
<p><i>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.</i></p>	

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FORM B1 – RECURRING OPERATING REQUEST

AGENCY PRIORITY	4
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Provide the Agency Priority Ranking from the Executive Summary.

TITLE	New Academic Programs Fund
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Provide a brief, descriptive title for this request.

AMOUNT	General: \$750,000 Federal: \$0 Other: \$0 Total: \$750,000
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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	4.00
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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 type="checkbox"/>	Change in cost of providing current services to existing program audience
	<input 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 checked="" 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 checked="" type="checkbox"/>	Exhaustion of fund balances previously used to support program
	<input type="checkbox"/>	IT Technology/Security related
	<input checked="" 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>These funds would be directly aligned with the institution’s following goals:</p> <ul style="list-style-type: none">• Increase the total headcount enrollment.• Increase the percentage of students from underrepresented race/ethnicities.
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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?

	These funds would be used to launch new academic programs. Specifically, they
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RECIPIENTS OF FUNDS	<p>would fund faculty, staff and operations of new academic programs.</p>
<p><i>What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?</i></p>	
JUSTIFICATION OF REQUEST	<p>The cost to launch new academic programs can be substantial, particularly for smaller higher education institutions. It can take 4-6 years for a new program to breakeven, depending on the discipline. In many instances, a program may need to be accredited before accepting any enrollment. This requires the institution to hire a faculty member for at least half of a year to shepherd the accreditation process.</p> <p>Once the curriculum is approved and the program listed, enrollment typically builds in a stair-step manner year-over-year, with some attrition. The enrollment needs to build to get to a point where tuition and fee revenue from the program can cover the fixed costs associated with the program. Even if one does not consider the additional cost to the institution for each incremental student, it can take several years to reach break-even.</p> <p>The concept is to have a pool of funds available to launch new programs. As tuition and fees from the new programs build, it will offload the burden on new program funds such that the institution can launch more new programs.</p> <p>Winthrop University is located in one of the fastest growing regions in the nation. New high schools are being built to accommodate this growth, which signals more college-bound students in the near future. The growth also means new industry locating to the region. Winthrop must adapt to ensure its programs are relevant for a workforce that can help move the economic development of South Carolina forward.</p>
<p><i>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.</i></p>	

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FORM C – CAPITAL REQUEST

AGENCY PRIORITY	<div>2</div> <div>Provide the Agency Priority Ranking from the Executive Summary.</div>
TITLE	<div>Administrative Building Renovation</div> <div>Provide a brief, descriptive title for this request.</div>
AMOUNT	<div>\$15,750,000</div> <div>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.</div>
CPIP PRIORITY	<div>June 2024 CPIP submittal priority 2, plan year 2026</div> <div>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.</div>
OTHER APPROVALS	<div>Institutional Board of Trustees, Office of State Engineer (OSE), State Historic Preservation Office (SHPO), JBRC, SFAA</div> <div>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.)</div>
LONG-TERM PLANNING AND SUSTAINABILITY	<div>Submitted a phase 1 project request using for \$100,000 from June 2023 \$2.5mil MRR funding to start phase 1 planning, however the project request was denied by Capital Budget Office. Winthrop will resubmit phase 1 request for \$500,000 from \$6mil June 2024 legislative MRR allocation.</div> <div>No additional operating funds will be requested to support this project as this is a renovation of an existing facility.</div> <div>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?</div>
	<div>Convert Winthrop’s founding structure, built in 1895 and with a sister building at Clemson, to be a student services hub for the campus. Re-envisioning this historic building to be a one stop location for student services on campus that are currently spread on and off campus in multiple locations. Bringing them into one central building by relocating administrative functions to other buildings and making this iconic building the core of campus student service. Develop a one stop location where multiple departments with similar student engagement functions can work together to serve students (Register, Financial Aid, Student Financial Services, Cashiers etc). Collocate other students support services to be adjacent to the one stop so that all student services are housed in one building location. Maintain the President and Provost office inside the Administrative Building to be embedded with this new student services hub.</div> <div>General building renovation reconfigure/renovate interior spaces. Bathroom renovation and upgrades for ADA access. Elevator cab and controls replacement. Replace aging systems - mechanical (fancoils, controls, motors/pumps, heat exchanger, valves and piping), electrical systems (lighting switchgear, sub panels and wiring). IT wiring, WiFi</div>

<div>SUMMARY</div>	<div>upgrade and fire alarm upgrade. Auditorium renovation (seating, flooring, lighting, AV, stage lighting & sound). Building interior finishes and fixtures. Building envelope repairs.</div>
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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.

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FORM C – CAPITAL REQUEST

AGENCY PRIORITY	<div>3</div> <div>Provide the Agency Priority Ranking from the Executive Summary.</div>
TITLE	<div>Academic Renovations & New Strategic Academic Programs</div> <div>Provide a brief, descriptive title for this request.</div>
AMOUNT	<div>\$13,400,000</div> <div>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.</div>
CPIP PRIORITY	<div><ul style="list-style-type: none">Rutledge HVAC - June 2024 CPIP submittal priority 3 plan year 2026Campus WiFi - June 2024 CPIP submittal priority 2 plan year 2025Strategic Academic Programs - June 2024 CPIP submittal priority 6 plan year 2025</div> <div>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.</div>
OTHER APPROVALS	<div>Institutional Board of Trustees, Office of State Engineer (OSE), State Historic Preservation Office (SHPO), JBRC, & SFAA</div> <div>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.)</div>
LONG-TERM PLANNING AND SUSTAINABILITY	<div>The following funds have been invested in these projects:<ul style="list-style-type: none">Rutledge HVAC repairs \$500k allocated for the Legislative FY25 Maintenance, renovation & repair funding.Campus WiFi upgrades existing project \$3,356,000 (H47-9594) - \$2,356,000 E&G (State funding MRR allocated in FY22 and FY25) and \$1,000,000 auxiliary (Institutional funded). These existing projects should be complete January 2025.Campus classroom AV upgrades \$2,855,000 from Institutional funds. This existing project work started summer 2023 and will be complete May 2025.</div> <div>No additional operating funds will be requested to support this project as this is a renovation of an existing facility.</div> <div>Without this funding for these projects, Winthrop will be challenged to remain competitive in the marketplace. To attract students and faculty, adequate HVAC and up-to-date technology is critical. Further, in the long-run, Winthrop will continue to spend more money to reactively repair breaking systems and inadequately patch outdated infrastructure. This cycle negatively impacts budget opportunities long-term, interrupts quality student delivery, and decreases student enrollment potential.</div> <div>Currently, Winthrop has already reduced its staffing and operational costs to bare-bones for non-student facing areas. The University would need to begin to cut expenses in instructional and student service areas to free funds to address these deficiencies.</div> <div>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?</div>

SUMMARY

1. Rutledge building mechanical and HVAC renovation - \$8,400,000

The Rutledge building was built in 1906 as the campus Carnegie Library. The building was then renovated in the late 1980's to be used for fine art studio, shop and gallery spaces. The existing building HVAC system is past its functional life which makes it challenging to maintain adequate cooling, heating and ventilation and thus impacting student learning. This project will renovate/replace the two existing air handler units, individual room VAV (variable air volume) boxes, pumps, motor, controls plus exhaust fans. The project also includes renovation of the existing bathroom to improve accessibility.

2. Classroom technology upgrades and building WiFi – \$2,500,000

Over the last two years the campus has worked to upgrade the WiFi in campus buildings to improve student connectivity especially as the campus has migrated to a laptop campus. These upgrades have not only occurred in classrooms but also residence halls (institutionally funded). This project will include new wireless access points, wiring, fiber optic cable and data closet equipment upgrades.

In conjunction with the WiFi upgrades the campus has been upgrading classroom technology to improve the teaching experience using Institution funds. This project will continue the work already completed by upgrading classroom teaching technology. Work to include new AV wiring, projector & projector screens or monitors, classroom furniture, plus other audio/visual technology to improve classroom teaching.

3. Strategic academic programs – \$2,500,000

The campus is implementing its new Strategic Plan and finalizing its Academic Master Plan. Both plans look at new academic programs plus the re-envisioning of some existing programs to improve Winthrop's mission of preparing South Carolina students for the work force and meeting South Carolina business's needs. These funds would be used to renovate facilities in support of these academic programs.

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.

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FORM C – CAPITAL REQUEST

AGENCY PRIORITY	5
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Provide the Agency Priority Ranking from the Executive Summary.

TITLE	Campus Deferred Maintenance & Capital Renewal
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Provide a brief, descriptive title for this request.

AMOUNT	\$4,100,000
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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	<ul style="list-style-type: none">• Campus Deferred Maintenance - June 2024 CPIP submittal priority 4 plan year 2025• Campus IT Upgrades - June 2024 CPIP submittal priority 3 plan year 2025• Fire Alarm Replacement Phase 2 - June 2024 CPIP submittal priority 4 plan year 2026
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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	Institutional Board of Trustees, Office of State Engineer (OSE), State Historic Preservation Office (SHPO), JBRC, & 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	<p>The State has allocated funds for Maintenance, Renovation and Repair ("MRR") for the last 4 years:</p> <ul style="list-style-type: none">• \$9.2M in FY22• \$6 in FY23• \$2.5M in FY24• \$6M in FY25 <p>These funds have been used to repair roofs, install critical technology upgrades, repair essential fire alarms systems, renovate aged or damaged spaces, repair breaking HVAC systems, and address water management issues.</p> <p>Without this funding to proactively maintain systems and properly replace outdated infrastructure, Winthrop will continue to spend more money to reactively repair breaking systems and repetitively patch outdated infrastructure. This cycle negatively impacts budget opportunities long-term, interrupts quality student delivery, and decreases student enrollment potential.</p> <p>Currently, Winthrop has already reduced its staffing and operational costs to bare-bones for non-student facing areas. The University would need to begin to cut expenses in instructional and student service areas to free funds to address MRR.</p>
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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?

	<p>This project combines two projects:</p> <p>1. Deferred maintenance & IT projects - \$2,000,000</p> <p>This projects will continue the work underway through the previous 4 years of Maintenance Renovation and Repair funds to reduce campus deferred</p>
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maintenance, make needed facilities repairs, provide funds for minor renovations and upgrade campus technology.

2. Fire Alarm replacement phase 2 – \$2,000,000

To upgrade remaining buildings fire alarms to an addressable alarm system that reports to Campus Police in an emergency. Work to include system design, installation, demolition of old systems, new fiber optics to connect the system to campus police for monitoring. The existing phase1 project three buildings have been completed to date, one is in construction and two more are in design. This phase 2 project will address Dacus Library and Dalton hall (if they are not covered under phase 1), Joynes Hall, Music, Stewart House, and Facilities Management

SUMMARY

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.

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

TITLE	Agency Cost Savings and General Fund Reduction Contingency Plan
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AMOUNT	\$1,087,258
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What is the General Fund 3% reduction amount? This amount should correspond to the reduction spreadsheet prepared by EBO.

ASSOCIATED FTE REDUCTIONS	Winthrop would avoid further reductions to its permanent FTE.
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How many FTEs would be reduced in association with this General Fund reduction?

PROGRAM / ACTIVITY IMPACT	<p>An additional reduction of \$1.087M would severely deter the positive progress that Winthrop has achieved.</p> <p>Winthrop University has already reduced its staffing and operational costs to bare-bones for non-student facing areas. The institution would need to begin to cut in instructional and student service areas.</p> <p>In general, the University would first look for reductions in temporary employees. The majority of temporary employees are interim faculty and staffing for student services, such as tutors, and campus life operations. This would result fewer course offerings, significant negative impacts to student success and the quality of the student collegiate experience. All of these would be detrimental to progress Winthrop has made with regard to its reemergence.</p>
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What programs or activities are supported by the General Funds identified?

SUMMARY	<p>Winthrop reduced its undergraduate tuition rates by 8% beginning with the 2024-25 academic year, resulting in a reduction of \$1.2M in revenue for FY25. To offset this reduction in revenue, the University defunded 23 positions in FY25, to reduce expenses by \$1.5M.</p> <p>Between FY19 and FY23, the University reduced its operating costs by approximately \$10.2M.</p> <p>Despite significant expense cutting, the University experienced an increase in in-state undergraduate student enrollment in FY23 and FY24, made possible by HERF funding, and continued this upward trend through to FY25 due to increased institutional merit-based scholarships and new leadership championing successful strategic plan initiatives.</p> <p>Funding reductions would impede the positive progress that Winthrop has made and impair student experience and faculty retention.</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.

<div> <div>AGENCY COST SAVINGS PLANS</div> </div>	<div> <p>Winthrop University has created a Budget Committee to help guide an open and inclusive institutional budget process. Not only does the Committee play a key role to help identify areas in which to reduce costs during contraction periods, it also provides critical recommendation for areas in which the institution needs to invest during period of growth.</p> <p>In addition to the creation of a Budget Committee, the University has added and enhanced internal controls surrounding the budget monitoring process in order to contain costs and spend appropriately.</p> <p>Winthrop is governed by a Board of Trustees charged with the financial success of the institution. The Finance Committee of the Board plays and important role in the resource allocation process, ensuring justified and reasonable budgets. Any savings realized through cost savings plans would need to be approved by the Board before the University could strategically expend them.</p> </div>
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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?

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FORM F – REDUCING COST AND BURDEN TO BUSINESSES AND CITIZENS

TITLE

Winthrop University Initiatives to Affordable Education

Provide a brief, descriptive title for this request.

EXPECTED SAVINGS TO BUSINESSES AND CITIZENS

The University expects to save the citizens of South Carolina more than \$11.2M annually.

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:

☐

Repeal or revision of regulations.

☒

Reduction of agency fees or fines to businesses or citizens.

☒

Greater efficiency in agency services or reduction in compliance burden.

☒

Other

METHOD OF CALCULATION

The reduced and waived tuition and fees were based on actual and projected enrollment for these courses and student populations. The savings to the communities are estimated.

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

REDUCTION OF FEES OR FINES

Winthrop reduced its undergraduate tuition rates by 8% beginning with the 2024-25 academic year, for a total of \$1.2M in FY24 in reduced fees. Winthrop provides reduced tuition to local teachers seeking higher level credentials and educational experiences. Winthrop waives tuition for Veterans and their dependents as well as for Senior Citizens. The reductions, discounts and waivers were more than \$4M in FY24. In addition, the University has steadily increased its institutional aid. The total institutional aid provided to in-state students was approximately \$5M in FY24.

Further, Winthrop provides use of buildings and land to the community for free or at significantly reduced rates. The conservative value of this for FY24 is \$1M.

In FY23, an economic impact study was conducted and found that Winthrop:

Generated over \$200 million in new economic activity for York County.

Contributed to job growth by supporting nearly 2,500 jobs, many of those found in retail, housing and dining.

Added more than \$33 million in new economic activity from its students.

Attracted visitors to campus who supplied \$14 million to county businesses through purchase of food, gas and hotels.

Supported activity generating nearly \$5 million in local and state tax revenues.

Produced well-prepared graduates for positions in a variety of workforce settings.

As the second largest four-year institution in the Charlotte metro area, Winthrop’s operating expenses were nearly \$129 million in fiscal year 2023. The total economic impact generated was approximately 60 percent larger at \$205 million in York County, S.C., alone, demonstrating the key role Winthrop plays in local economic development, workforce development, tourism and tax revenue.

These are relatively conservative estimates. They do not account for the local spending that would be lost in the absence of Winthrop, instead capturing only new economic activity generated as a result of Winthrop’s presence, demonstrating the key role Winthrop plays in local economic development, workforce development, tourism and tax revenue.

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

N/A

SUMMARY

Winthrop University has reduced cost and burden to business and citizens through the following:

- Waived tuition and fees for undergraduate programs and has discounted many programs targeted at local teacher development,
- Waived tuition for Veterans and their dependents,
- Waived tuition for Senior Citizens,
- Increased institutional aid,
- Partners with the City of Rock Hill for use of Winthrop's athletic fields for local sporting and community events,
- Small Business Development Center as a free resource to citizens,
- Center for Career Development and Internships for students and alumni (60,000 alumni),
- Provides free building & land access to many cultural and artistic performances,

Winthrop students, faculty and staff provide tens of thousands of volunteer hours to the events in the surrounding communities.

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

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FORM H – TUITION MITIGATION (PROVISO 117.187)

TITLE	Tuition Mitigation Proviso 117.187
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AMOUNT	\$2,312,033
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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.

EXPLANATION OF METHODOLOGY	<p>The analysis that Winthrop University is using to determine the financial impact related to holding its tuition rates constant consists of studying fundamental areas of cost impact. The first area of impact looked at the effect of inflation and market influences on salaries and wage. This analysis does not include Auxiliary-funded positions and is net of any State support. In general, these impacts align closely with the rate of the Higher Education Price Index (HEPI). The latest Commonfund report in August 2024 forecasts HEPI for this year to be 3.40%.</p> <p>The second area of analysis involved a review of year-over-year increases in non-personnel costs. To the greatest extent practicable, the analysis attempted to focus solely on price impacts and activity related to growth. While conducting this study, we found that there was a clear division of these costs into two separate areas of impact: one where the cost for goods and services appear to generally increase in line with the HEPI; and a third impact area where the amounts of annual escalations in price are trending significantly higher than the HEPI. The costs in the third areas of impact include institutional software, contracts and subscriptions, insurance, utilities, and information technology equipment. Through detailed analysis, we determined that the costs in this areas had increases that were definable and certain.</p> <p>The analysis then studied tuition revenues generated from South Carolina students. In order to maintain its current level of operations, Winthrop would need to increase its in-state tuition rate by HEPI, plus an amount needed to cover the costs that increase higher than the HEPI. The table below illustrates this calculation.</p> <p>HEPI 3.4% INCREASE FOR IN STATE FY26 TUITION</p> <table><tr><td>Fall/Spring On Campus</td><td>1,433,891</td></tr><tr><td>Fall/Spring Online</td><td>87,608</td></tr><tr><td>Summer On Campus & Online</td><td>119,837</td></tr><tr><td></td><td><u>1,641,336</u></td></tr></table>	Fall/Spring On Campus	1,433,891	Fall/Spring Online	87,608	Summer On Campus & Online	119,837		<u>1,641,336</u>
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	INCREASE IN OPERATION EXPENSES OVER HEPI 3.4%	
	Technology Supplies and Software	147,004
	Academic Support Subscriptions	81,585
	IT Equipment	142,546
	Insurance	76,440
	Electricity	197,963
	Water	25,159
		670,697
	Total	2,312,033
	Please note the following:	
	<p>The methodology does not include Winthrop’s increase in institutional, merit-based scholarships from FY2024 to FY2026 of approximately \$3M per annum or the portion of General Increase above the State Appropriation.</p> <p>Also, the institution recently reduced tuition for its undergraduate programs by 8%. This will result in a reduction of approximately \$1.2M for FY2025.</p> <p>Finally, we are experiencing increases in benefits of more than 2%, which tends to be higher than year-over-year general increases on average.</p> <p>None of these cost impacts are included in our calculations. Winthrop will observe future guidance on Tuition Mitigation to determine whether these increases are appropriate to include in future requests.</p>	

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	Between FY19 and FY23, the University reduced its operating costs by approximately \$10.2M.
	In addition, Winthrop reduced its undergraduate tuition rates by 8% beginning with the 2024-25 academic year, resulting in a reduction of \$1.2M in revenue for FY25. To offset this reduction in revenue, the University defunded 23 positions in FY25, to reduce expenses by \$1.5M. The methodology to determine the cost of tuition mitigate does not include the impacts of the voluntary tuition reduction in our calculations. The University already adapted its budgeting procedures to provide for this reduction.

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

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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.

LOW ENROLLMENT	<p>The University is not expecting to have a decline in in-state undergraduate student enrollment. Instead, the University experienced an increase in in-state undergraduate student enrollment in FY23 and FY24, made possible by HERF funding, and continued this upward trend through to FY25 due to increased institutional merit-based scholarships and new leadership championing successful strategic plan initiatives.</p> <p>Winthrop has strategically terminated or consolidated some programs resulting in insignificant impact to enrollment. These programs have included the following:</p> <ul style="list-style-type: none"> • BA in Economics • BS in Biology with concentration in 7-12 Teacher Certification, since most students prefer a different Biology concentration and path • Concentrations in BS in Business Administration have been consolidated to a concentration in Management to decrease courses with low offerings, increase faculty focus, and simplify the student's path to completion • BA in History with concentration in 7-12 Teacher Education
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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.

UNOBLIGATED FUND BALANCE	<p>Total Fund Balance (net of GASB Adjustments) for FY2024 is \$25.4M of which \$500,000 is permanently restricted and \$2.13M is restricted for specific purpose, and \$22.7M is unrestricted. The Board has outstanding obligations against the unrestricted balance totaling \$9.7M. This leaves approximately \$13M in unobligated, unrestricted net position (fund balance). Management believes that 25% of operating expenses is the minimum for available fund balance. Currently, the available fund balance-to-operating expenses is 10%.</p>
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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.