| | | | |
|---|---|---|---|
| **AGENCY NAME:** | **University of South Carolina** | | |
| **AGENCY CODE:** | **H270** | **SECTION:** | **20A** |

# Fiscal Year 2026-27
# Agency Budget Plan

## FORM A - BUDGET PLAN SUMMARY

| | | |
|---|---|---|
| **OPERATING REQUESTS** *(FORM B1)* | | **For FY 2026-27, my agency is (mark "X"):** |
| | X | Requesting General Fund Appropriations. |
| | X | Requesting Federal/Other Authorization. |
| | | Not requesting any changes. |

| | | |
|---|---|---|
| **NON-RECURRING REQUESTS** *(FORM B2)* | | **For FY 2026-27, my agency is (mark "X"):** |
| | X | Requesting Non-Recurring Appropriations. |
| | | Requesting Non-Recurring Federal/Other Authorization. |
| | | Not requesting any changes. |

| | | |
|---|---|---|
| **CAPITAL REQUESTS** *(FORM C)* | | **For FY 2026-27, my agency is (mark "X"):** |
| | X | Requesting funding for Capital Projects. |
| | | Not requesting any changes. |

| | | |
|---|---|---|
| **PROVISOS** *(FORM D)* | | **For FY 2026-27, my agency is (mark "X"):** |
| | X | Requesting a new proviso and/or substantive changes to existing provisos. |
| | X | Only requesting technical proviso changes (such as date references). |
| | | Not requesting any proviso changes. |

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

| | ***Name*** | ***Phone*** | ***Email*** |
|---|---|---|---|
| **PRIMARY CONTACT:** | Kelly Epting | 803-777-8411 | eptingk@mailbox.sc.edu |
| **SECONDARY CONTACT:** | Kevin Russell | 803-777-0781 | russelkr@mailbox.sc.edu |

I have reviewed and approved the enclosed FY 2026-27 Agency Budget Plan, which is complete and accurate to the extent of my knowledge.

| | ***Agency Director*** | ***Board or Commission Chair*** |
|---|---|---|
| ***SIGN/DATE:*** | Michael Amiridis 9/14/25 | Thad H. Westbrook 9/26/25 |
| ***TYPE/PRINT NAME:*** | Michael Amiridis | Thad H. Westbrook |

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

| | |
|---|---|
| Agency Name: | University Of South Carolina |
| Agency Code: | H270 |
| Section: | 20A |

| BUDGET REQUESTS | | | FUNDING | | | | | FTES | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Priority | Request Type | Request Title | State | Federal | Earmarked | Restricted | Total | State | Federal | Earmarked | Restricted | Total |
| 1 | B1 - Recurring | Tuition Mitigation | 28,000,000 | 0 | 0 | 0 | 28,000,000 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 2 | C - Capital | Pharmacy Building on Health Sciences Campus | 90,000,000 | 0 | 0 | 0 | 90,000,000 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 3 | B1 - Recurring | Medical School Expansion | 9,000,000 | 0 | 0 | 0 | 9,000,000 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 4 | B1 - Recurring | Neurological Critical Care Hospital and Neurological Rehabilitation Hospital Operations/ Capital Renewal | 25,500,000 | 0 | 0 | 0 | 25,500,000 | 100.00 | 0.00 | 0.00 | 0.00 | 100.00 |
| 5 | B1 - Recurring | Carolina Internship Program | 2,500,000 | 0 | 0 | 0 | 2,500,000 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 6 | B1 - Recurring | Center for American Civic Leadership and Public Discourse | 4,000,000 | 0 | 0 | 0 | 4,000,000 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 7 | B1 - Recurring | STEM/Health Science and Other High Demand Fields | 5,000,000 | 0 | 0 | 0 | 5,000,000 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 8 | C - Capital | USC ROTC Programs Center of Excellence | 10,000,000 | 0 | 0 | 0 | 10,000,000 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 9 | C - Capital | Maintenance Repair and Renovation | 50,000,000 | 0 | 0 | 0 | 50,000,000 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 10 | C - Capital | Information Technology Infrastructure and Security | 50,000,000 | 0 | 0 | 0 | 50,000,000 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 11 | B1 - Recurring | Brain Health Network Expansion | 1,500,000 | 0 | 0 | 0 | 1,500,000 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 12 | B1 - Recurring | USC Joseph F. Rice School of Law Programs | 1,805,000 | 0 | 0 | 0 | 1,805,000 | 5.00 | 0.00 | 0.00 | 0.00 | 5.00 |

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 13 | C - Capital | Battery Center Facility | 7,000,000 | 0 | 0 | 0 | 7,000,000 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 14 | B1 - Recurring | Artificial Intelligence Consortium | 7,000,000 | 0 | 0 | 0 | 7,000,000 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 15 | B2 - Non-Recurring | Savannah River National Laboratory Collaboration | 16,000,000 | 0 | 0 | 0 | 16,000,000 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 16 | B1 - Recurring | Federal and Other Funds Authorization | 0 | 65,000,000 | 135,000,000 | 0 | 200,000,000 | 0.00 | 0.00 | 100.00 | 0.00 | 100.00 |
| TOTALS | | | 307,305,000 | 65,000,000 | 135,000,000 | 0 | 507,305,000 | 105.00 | 0.00 | 100.00 | 0.00 | 205.00 |

| Agency Name: | University Of South Carolina | | |
|---|---|---|---|
| Agency Code: | H270 | Section: | 20A |

# FORM B1 – RECURRING OPERATING REQUEST

| | |
|---|---|
| **AGENCY PRIORITY** | **1** |

*Provide the Agency Priority Ranking from the Executive Summary.*

| | |
|---|---|
| **TITLE** | **Tuition Mitigation** |

*Provide a brief, descriptive title for this request.*

| | |
|---|---|
| **AMOUNT** | **General: $28,000,000**<br><br>**Federal: $0**<br><br>**Other: $0**<br><br>**Total: $28,000,000** |

*What is the net change in requested appropriations for FY 2026-2027? This amount should correspond to the total for all funding sources on the Executive Summary.*

| | |
|---|---|
| **NEW POSITIONS** | **0.00** |

*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**

This request supports multiple Goals, Strategies and Objectives contained in the annual Accountability Report, but primarily Goals 1 and 5 related to Education, Training and Human Development. This request supports objectives 1.2.1 and 2.1.1 dealing with student retention rates and student/ faculty ratios. Goal 4 related to Government and Citizens is supported, specifically objectives 4.2.1, 4.2.2 and 4.2.3 dealing with underrepresented students, full-time faculty and staff.

The University assesses academic and administrative units annually, using Blueprints for Academic and Service Excellence as measured against stated goals. Regular evaluation versus peer institutions is permitted through data consortia such as the Consortium for Student Retention Data Exchange, the South Universities Group Salary Study, IPEDS and the Delaware Study. Data regarding student learning and other outcomes are gathered locally and compared to national norms. Excellence is measured through regular reaffirmation of accreditation with the Southern Association of Colleges and Schools Commission on Colleges, along with program- and discipline-specific accreditation reviews. Factors associated with The University's ability to attract, recruit, retain and educate students in today's competitive higher education market are also detailed in the University's annual Accountability Report.

*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** | The University of South Carolina is requesting funds to be allocated across all academic and administrative units to offset mandated cost increases due to state budget actions on pension, health insurance and cost of living adjustments as well as increased funding to cover required inflationary costs. |

*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?*

| | |
|---|---|
| **JUSTIFICATION OF REQUEST** | The top budget priority for the University of South Carolina System is continuing to partner with the state to invest in predictable funding to mitigate against annual resident tuition increases. With this partnership, USC Columbia has held tuition flat for a record six consecutive years. Note while USC Columbia is the most affordable R1 in the state (charging almost $2,500 less per year than Clemson for in-state student tuition and required fees), Columbia receives less state funding (including for tuition mitigation) per resident undergraduate student than Columbia's peer R1 in SC (Clemson).<br><br>HEPI provides an objective estimate of inflationary pressure specific to higher education. When applying HEPI index over both state appropriations and tuition (Education and General operating funds), the University continues to experience lost purchasing power even when factoring tuition mitigation funding, for which USC is grateful. To fulfill its mission to maintain quality programs that benefit the citizens of South Carolina while managing cost increases, the University continually assesses viability of programs. As such, and considering the aforementioned factors, USC looks forward to working with the state to ensure fair, equitable and reliable state investment going forward. |

*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: | University Of South Carolina | | |
| Agency Code: | H270 | Section: | 20A |

# FORM B1 – RECURRING OPERATING REQUEST

| | |
|---|---|
| **AGENCY PRIORITY** | 3 |

*Provide the Agency Priority Ranking from the Executive Summary.*

| | |
|---|---|
| **TITLE** | **Medical School Expansion** |

*Provide a brief, descriptive title for this request.*

| | |
|---|---|
| **AMOUNT** | **General: $9,000,000**<br>**Federal: $0**<br>**Other: $0**<br>**Total: $9,000,000** |

*What is the net change in requested appropriations for FY 2026-2027? This amount should correspond to the total for all funding sources on the Executive Summary.*

| | |
|---|---|
| **NEW POSITIONS** | **0.00** |

*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 |
| X | 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 |
| X | 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**

This request supports multiple Goals, Strategies and Objectives contained in the annual Accountability Report, but primarily Goals 2 and 4 related to Healthy Families and State Infrastructure.

The University assesses academic and administrative units annually, using Blueprints for Academic and Service Excellence as measured against stated goals. Regular evaluation versus peer institutions is permitted through data consortia such as the Consortium for Student Retention Data Exchange, the South Universities Group Salary Study, IPEDS and the Delaware Study. Data regarding student learning and other outcomes are gathered locally and compared to national norms. Excellence is measured through regular reaffirmation of accreditation with the Southern Association of Colleges and Schools Commission on Colleges, along with program- and discipline-specific accreditation reviews. Factors associated with The University's ability to attract, recruit, retain and educate students in today's competitive higher education market are also detailed in the University's annual Accountability Report.

*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** | The University of South Carolina will be responsible for the administration of these funds as they pertain to the initiative outlined below. |

*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?*

| | |
|---|---|
| **JUSTIFICATION OF REQUEST** | The population of South Carolina is expected to steadily grow by nearly one-million people or twenty percent by 2040. During this period, the median age of the SC population will increase to more than 42, and nearly 25% of the population will become older than age 65 while the population of those under age 15 will contract to less than 17%. These changes will create great pressure on healthcare delivery in South Carolina. (Source: SC RFA Office Population Estimates and Projections)<br><br>To educate and train the professionals required to meet the healthcare demands of that population change, the University of South Carolina Schools of Medicine intend to incrementally grow their class sizes up to 25% overall with this incremental growth beginning in fiscal year 2025-26. This growth is necessary to meet the certainty of the increased demands for geriatric care, chronic disease management for an aging population, and the growth in normal medical services required by a growing population.<br><br>This request will allow the University of South Carolina Schools of Medicine in Columbia and in Greenville to partner with the State of South Carolina to expand its teaching and training capabilities and produce the medical professionals needed to support this population growth. |

*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: | University Of South Carolina | | |
|---|---|---|---|
| Agency Code: | H270 | Section: | 20A |

# FORM B1 – RECURRING OPERATING REQUEST

| | |
|---|---|
| **AGENCY PRIORITY** | **4** |

*Provide the Agency Priority Ranking from the Executive Summary.*

| | |
|---|---|
| **TITLE** | **Neurological Critical Care Hospital and Neurological Rehabilitation Hospital Operations/ Capital Renewal** |

*Provide a brief, descriptive title for this request.*

| | |
|---|---|
| **AMOUNT** | **General: $25,500,000**<br><br>**Federal: $0**<br><br>**Other: $0**<br><br>**Total: $25,500,000** |

*What is the net change in requested appropriations for FY 2026-2027? This amount should correspond to the total for all funding sources on the Executive Summary.*

| | |
|---|---|
| **NEW POSITIONS** | **100.00** |

*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 |
| X | 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:**

| | |
|---|---|
| | Education, Training, and Human Development |
| X | Healthy and Safe Families |
| | Maintaining Safety, Integrity, and Security |
| | Public Infrastructure and Economic Development |
| | Government and Citizens |

**ACCOUNTABILITY OF FUNDS**

This request supports multiple Goals, Strategies and Objectives contained in the annual Accountability Report, but primarily Goals 2 and 4 related to Healthy Families and State Infrastructure.

The University assesses academic and administrative units annually, using Blueprints for Academic and Service Excellence as measured against stated goals. Regular evaluation versus peer institutions is permitted through data consortia such as the Consortium for Student Retention Data Exchange, the South Universities Group Salary Study, IPEDS and the Delaware Study. Data regarding student learning and other outcomes are gathered locally and compared to national norms. Excellence is measured through regular reaffirmation of accreditation with the Southern Association of Colleges and Schools Commission on Colleges, along with program- and discipline-specific accreditation reviews. Factors associated with The University's ability to attract, recruit, retain and educate students in today's competitive higher education market are also detailed in the University's annual Accountability Report.

*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**

The University of South Carolina will be responsible for the administration of these funds as they pertain to the initiative outlined below.

*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?*

**JUSTIFICATION OF REQUEST**

USC thanks the State of South Carolina for its strong support of the state's first neurological hospital — including $350 million in capital funds and an initial $4.5 million in recurring support. This landmark investment will establish a center of excellence in neurological critical care and rehabilitation, addressing a longstanding gap in access to timely, high-quality care for South Carolinians.

While planning and construction is underway, securing additional recurring funding now is essential to plan and launch sustainable operations. These funds would support key leadership, medical, and support staff roles, as well as early-phase operating costs and capital renewal.

This is a generational opportunity to reshape healthcare in South Carolina. Early investment in readiness ensures we can fully leverage the state's capital commitment and deliver lasting impact for patients, providers, and the state's health system.

About the project:

South Carolina, with a population of five million, faces significant challenges from chronic medical conditions and neurological diseases, leading to extensive care needs. The cost and delay of out-of-state care are prohibitive. This operating request seeks recurring capital funding for an 80-bed neurological critical-care hospital and a 32-bed rehabilitation hospital.

The Journal of the American Medical Association highlights the increasing burden of noncommunicable neurological disorders in the US, with South Carolina identified as part of the "stroke belt" with high stroke and dementia mortality rates. The current neurological care options in the state are limited, forcing residents to seek care outside the state, which delays early diagnosis and treatment, leading to extended hospital stays and significant financial burdens.

A neurological center of excellence located in Columbia will utilize advanced technologies like robotics, AI, and telemedicine. An affiliate rehabilitation facility will reduce the need for out-of-state transfers after surgical care.

The University of South Carolina is prepared to offer its management expertise and its 50 years of experience in the hospital, clinical, research and medical education realm to bring these necessary facilities to the State's capital city. The direct annual return on investment to the State's economy in terms of the significant capital outlay would be the combined earnings reinvested by the hospitals plus the state income-taxes paid by the employees or approximately $32 million or an annual ROI of 10% beginning in year 3. The current recurring investment required for research and capital renewal are being spent by South Carolinians, insurers, and the Department of Health and Human Services today in the form of added patient travel costs and healthcare costs paid for care delivered outside South Carolina.

Objectives:

• Establish a Neurological Critical-Care Hospital in Columbia, SC.

• Develop a Neurological Rehabilitation Hospital in conjunction with the critical care hospital.

• Recruit top physicians and clinical support.

• Improve access to timely diagnosis and treatment.

• Leverage advanced technologies to enhance patient care.

• Conduct large-scale clinical research.

Timely access to critical care improves outcomes and reduces costs. A local center of excellence will provide immediate, high-quality care, reducing the burden on patients and the healthcare system.

Financial Projections:

• Capital and start-up costs: $350 million.

• Annual costs include hiring of hospital executive leadership, physicians, support staff, and non-personnel operating costs with additional funding for capital renewal.

• At combined annual 80% utilization rate, the hospitals can financially break even after two years.

*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: | University Of South Carolina | | |
| Agency Code: | H270 | Section: | 20A |

# FORM B1 – RECURRING OPERATING REQUEST

| | |
|---|---|
| **AGENCY PRIORITY** | 5 |

*Provide the Agency Priority Ranking from the Executive Summary.*

| | |
|---|---|
| **TITLE** | **Carolina Internship Program** |

*Provide a brief, descriptive title for this request.*

| | |
|---|---|
| **AMOUNT** | **General: $2,500,000**<br><br>**Federal: $0**<br><br>**Other: $0**<br><br>**Total: $2,500,000** |

*What is the net change in requested appropriations for FY 2026-2027? This amount should correspond to the total for all funding sources on the Executive Summary.*

| | |
|---|---|
| **NEW POSITIONS** | **0.00** |

*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**

This request supports multiple Goals, Strategies and Objectives contained in the annual Accountability Report, but primarily Goals 1 and 5 related to Education, Training and Human Development.

The University assesses academic and administrative units annually, using Blueprints for Academic and Service Excellence as measured against stated goals. Regular evaluation versus peer institutions is permitted through data consortia such as the Consortium for Student Retention Data Exchange, the South Universities Group Salary Study, IPEDS and the Delaware Study. Data regarding student learning and other outcomes are gathered locally and compared to national norms. Excellence is measured through regular reaffirmation of accreditation with the Southern Association of Colleges and Schools Commission on Colleges, along with program- and discipline-specific accreditation reviews. Factors associated with The University's ability to attract, recruit, retain and educate students in today's competitive higher education market are also detailed in the University's annual Accountability Report.

*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** | The University of South Carolina is requesting funds to be allocated across all academic and administrative units to offset mandated cost increases due to state budget actions on pension, health insurance and cost of living adjustments as well as increased funding to cover required inflationary costs. |

*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?*

| | |
|---|---|
| **JUSTIFICATION OF REQUEST** | The University requests an increase of $2,500,000 in recurring funding to fully support the President's Carolina Internship Program. Historically funded at $4,500,000 annually through lottery appropriations, the program was shifted to the recurring general fund in FY2026, with a reduced appropriation of $2,000,000. This request restores the program to its original funding level. For reference, Clemson University received $4,000,000 in recurring funds for a similar initiative. |

*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: | University Of South Carolina | | |
| Agency Code: | H270 | Section: | 20A |

# FORM B1 – RECURRING OPERATING REQUEST

| | |
|---|---|
| **AGENCY PRIORITY** | **6** |
| | *Provide the Agency Priority Ranking from the Executive Summary.* |
| **TITLE** | **Center for American Civic Leadership and Public Discourse** |
| | *Provide a brief, descriptive title for this request.* |
| **AMOUNT** | **General: $4,000,000**<br><br>**Federal: $0**<br><br>**Other: $0**<br><br>**Total: $4,000,000** |
| | *What is the net change in requested appropriations for FY 2026-2027? This amount should correspond to the total for all funding sources on the Executive Summary.* |
| **NEW POSITIONS** | **0.00** |
| | *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**

This request supports multiple Goals, Strategies and Objectives contained in the annual Accountability Report, but primarily Goals 1 and 5 related to Education, Training and Human Development. Goal 4 related to Government and Citizens is supported.

The University assesses academic and administrative units annually, using Blueprints for Academic and Service Excellence as measured against stated goals. Regular evaluation versus peer institutions is permitted through data consortia such as the Consortium for Student Retention Data Exchange, the South Universities Group Salary Study, IPEDS and the Delaware Study. Data regarding student learning and other outcomes are gathered locally and compared to national norms. Excellence is measured through regular reaffirmation of accreditation with the Southern Association of Colleges and Schools Commission on Colleges, along with program- and discipline-specific accreditation reviews. Factors associated with The University's ability to attract, recruit, retain and educate students in today's competitive higher education market are also detailed in the University's annual Accountability Report.

*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** | The University of South Carolina will be responsible for the administration of these funds as they pertain to the initiative outlined below. |

*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?*

| | |
|---|---|
| **JUSTIFICATION OF REQUEST** | Launched in FY2026 with institutional support, this Center advances civic education, respectful dialogue, and leadership development across South Carolina. Recurring funding will sustain personnel, statewide programs, and public engagement efforts.<br><br>This request fulfills commitments to the Governor and CHE and is key to establishing USC as a national leader in civic leadership and democratic discourse. |

*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: | University Of South Carolina | | |
|---|---|---|---|
| Agency Code: | H270 | Section: | 20A |

# FORM B1 – RECURRING OPERATING REQUEST

| AGENCY PRIORITY | 7 |
|---|---|
| | *Provide the Agency Priority Ranking from the Executive Summary.* |
| **TITLE** | **STEM/Health Science and Other High Demand Fields** |
| | *Provide a brief, descriptive title for this request.* |
| **AMOUNT** | **General: $5,000,000**<br>**Federal: $0**<br>**Other: $0**<br>**Total: $5,000,000** |
| | *What is the net change in requested appropriations for FY 2026-2027? This amount should correspond to the total for all funding sources on the Executive Summary.* |
| **NEW POSITIONS** | **0.00** |
| | *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**

This request supports multiple Goals, Strategies and Objectives contained in the annual Accountability Report, but primarily Goals 1 and 5 related to Education, Training and Human Development.

The University assesses academic and administrative units annually, using Blueprints for Academic and Service Excellence as measured against stated goals. Regular evaluation versus peer institutions is permitted through data consortia such as the Consortium for Student Retention Data Exchange, the South Universities Group Salary Study, IPEDS and the Delaware Study. Data regarding student learning and other outcomes are gathered locally and compared to national norms. Excellence is measured through regular reaffirmation of accreditation with the Southern Association of Colleges and Schools Commission on Colleges, along with program- and discipline-specific accreditation reviews. Factors associated with The University's ability to attract, recruit, retain and educate students in today's competitive higher education market are also detailed in the University's annual Accountability Report.

*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** | The University of South Carolina is requesting funds to be allocated across all academic and administrative units to offset mandated cost increases due to state budget actions on pension, health insurance and cost of living adjustments as well as increased funding to cover required inflationary costs. |

*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?*

| | |
|---|---|
| **JUSTIFICATION OF REQUEST** | USC is grateful for the state's $7 million recurring investment in STEM and other high-demand fields, which has been vital to expanding student readiness for high-impact careers across South Carolina. Building on this momentum, the University requests additional funding to deepen impact in three critical areas:<br><br>• Faculty recruitment and retention: Peer institutions — particularly out-of-state — continue to recruit top-performing instructional and research faculty. Competitive compensation is essential to retain the high-caliber educators who inspire and mentor students in STEM and other technical fields.<br><br>• Modern equipment and technology: High-demand disciplines require current lab tools, simulation platforms, and maintenance-intensive technology. Students must train with industry-standard equipment to graduate workforce-ready and competitive.<br><br>• Student success and academic support: Many students entering STEM and other high demand programs face gaps in foundational knowledge. Expanded academic support helps close those gaps, increasing retention and producing more career-ready graduates in areas of critical need. With additional investment, USC can scale these successful efforts and further strengthen the talent pipeline for South Carolina's economy. |

*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: | University Of South Carolina | | |
|---|---|---|---|
| Agency Code: | H270 | Section: | 20A |

# FORM B1 – RECURRING OPERATING REQUEST

| AGENCY PRIORITY | 11 |
|---|---|

*Provide the Agency Priority Ranking from the Executive Summary.*

| TITLE | Brain Health Network Expansion |
|---|---|

*Provide a brief, descriptive title for this request.*

| AMOUNT | General: $1,500,000<br>Federal: $0<br>Other: $0<br>Total: $1,500,000 |
|---|---|

*What is the net change in requested appropriations for FY 2026-2027? This amount should correspond to the total for all funding sources on the Executive Summary.*

| NEW POSITIONS | 0.00 |
|---|---|

*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 |
| X | 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 |
| X | 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**

This request supports multiple Goals, Strategies and Objectives contained in the annual Accountability Report, but primarily Goals 2 and 4 related to Healthy Families and State Infrastructure.

The University assesses academic and administrative units annually, using Blueprints for Academic and Service Excellence as measured against stated goals. Regular evaluation versus peer institutions is permitted through data consortia such as the Consortium for Student Retention Data Exchange, the South Universities Group Salary Study, IPEDS and the Delaware Study. Data regarding student learning and other outcomes are gathered locally and compared to national norms. Excellence is measured through regular reaffirmation of accreditation with the Southern Association of Colleges and Schools Commission on Colleges, along with program- and discipline-specific accreditation reviews. Factors associated with The University's ability to attract, recruit, retain and educate students in today's competitive higher education market are also detailed in the University's annual Accountability Report.

*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** | The University of South Carolina will be responsible for the administration of these funds as they pertain to the initiative outlined below. |

*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?*

| | |
|---|---|
| **JUSTIFICATION OF REQUEST** | The University of South Carolina seeks an additional $1.5M in recurring funding to strengthen and expand the USC Brain Health Network, a statewide hub-and-spoke model designed to improve diagnosis, care coordination, and treatment for brain health conditions—including traumatic brain injury, dementia, ADHD, and stroke—especially in rural and underserved areas.<br><br>Additional investment would expand Alzheimer's disease and dementia care to general neurological practice, including epilepsy, headaches, movement disorders, etc. This same increase also would allow for the expansion of more clinics in rural and underserved areas of South Carolina.<br><br>This funding builds upon the $5M previously received. It aligns with USC's investment in its new Neurological Surgery Hospital and Rehabilitation Center, which will serve as a clinical and research hub for advanced neurological care in 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: | University Of South Carolina | | |
| Agency Code: | H270 | Section: | 20A |

# FORM B1 – RECURRING OPERATING REQUEST

| | |
|---|---|
| **AGENCY PRIORITY** | **12** |

*Provide the Agency Priority Ranking from the Executive Summary.*

| | |
|---|---|
| **TITLE** | **USC Joseph F. Rice School of Law Programs** |

*Provide a brief, descriptive title for this request.*

| | |
|---|---|
| **AMOUNT** | **General: $1,805,000**<br><br>**Federal: $0**<br><br>**Other: $0**<br><br>**Total: $1,805,000** |

*What is the net change in requested appropriations for FY 2026-2027? This amount should correspond to the total for all funding sources on the Executive Summary.*

| | |
|---|---|
| **NEW POSITIONS** | **5.00** |

*Please provide the total number of new positions needed for this request.*

**FACTORS ASSOCIATED WITH THE REQUEST**

| Mark "X" for all that apply: | |
|---|---|
| | 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 |
| X | 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 |
| X | 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**

This request supports several strategic priorities identified in USC's Strategic Priorities Report, primarily the priorities of:

• Reimagining the Student Experience and Advancing Post-Graduate Success, and

• Increasing Research and Scholarship to Drive Community and Economic Impact.

The requests advance the signature initiatives listed below.

- **Support Student Excellence:** Strengthen student support services and infrastructure including academic and career advising and student wellness to improve retention and graduation.
- **Elevate Research Focus Areas**: Build from current institutional strengths and impact to identify a targeted set of research focus areas.
- **Support Research Faculty and Scholars**: Recruit and retain research-active faculty by supporting faculty to be successful in their scholarly endeavors.

The University assesses academic units annually using Blueprints for Academic and Service Excellence, measuring progress against stated goals. Regular evaluation versus peer institutions is permitted through data consortia such as the Consortium for Student Retention Data Exchange, the South Universities Group Salary Study, IPEDS, and the Delaware Study. Factors associated with the University's ability to attract, recruit, retain, and educate students in today's competitive higher education market are also detailed in the University's annual Accountability Report.

*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**

The University of South Carolina Joseph F. Rice School of Law will be responsible for the administration of these funds.

*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?*

**JUSTIFICATION OF REQUEST**

- **South Carolina Alternative Dispute Resolution (ADR) in the Workplace Initiative: $350,000**

This Initiative will seek to inform employers, employees, and advocates on the latest techniques and tools involved in alternative dispute resolution. The Initiative will therefore focus on economic growth for the state. The Initiative will engage in active programs on training in these areas, as well as research and study the dynamic and changing contours of conflict in the workplace. The Initiative will also aim to provide high-quality research opportunities for students, thereby helping to prepare them for potential future work in state policy-making and in roles as advocates and third-party neutrals, ultimately contributing to the reduction of workplace conflict in the state.

- **Artificial Intelligence (AI) Faculty: $400,000**

The AI professor will educate Carolina law students on the proper use of AI, consistent with ethical obligations and new court rules governing its use. Funds will also be required for software applications to achieve the same.

- **JD Wintermester program: $250,000**

To enrich the academic experience and professional readiness of our students, the School of Law plans to expand our Wintermester program. This intensive, week-long program will offer a selection of short, skills-based courses for first-year and upper-level law students. Courses will be taught by experienced practicing attorneys, judges, and legal academics, with a focus on practical lawyering skills and career development. The program is designed to support compliance with the ABA's proposed revision to its accreditation standards.

- **Public Safety Executive Leadership (PSEL) Scholarships: $130,000**

The Joseph F. Rice School of Law offers a groundbreaking hybrid program in public safety leadership that combines online and campus-based learning to provide an exceptional educational experience. The curriculum, developed and taught by experts in law, criminology, and criminal justice, leverages effective adult-learning principles to communicate evidence-based knowledge, skills, and attitudes. This program is specifically designed to advance public safety practices.

Within authorized state guidelines, these funds would support five South Carolina public safety officials in the Public Safety Executive Leadership Program who could not afford to enroll without scholarship assistance.

- **Executive Credential in Police Leadership (ECPL) and training throughout the state: $675,000**

The Excellence in Policing & Public Safety (EPPS) Program is designed to collaboratively advance the practice of policing in South Carolina, enhancing public safety outcomes, and strengthening leadership and management practices at state, local, and tribal agencies. We empower police practitioners with research-based knowledge and operational skills, delivered through unique training and professional development programs that are built specifically around effective adult learning principles and that emphasize highly engaged, interactive learning. The Executive Credential in Police Leadership (ECPL), which consists of 240 hours of instruction provided across eight months, covers topics identified by South Carolina police leaders as critical to public safety agencies, both organizationally and in service to their communities. These topics include civil rights, organizational change management, evidence-based policing, collaborative communications, and effective leadership and management, etc. The Police Training & Technical Assistance Workshops encompass a litany of agency-requested topics, including artificial intelligence in police operations, leadership and management practices, evidence-based crime prevention strategies, and officer wellness and cognitive behavioral theory. Highly qualified EPPS instructors work with agencies across the state to identify specific needs and public safety trends, then host or deliver on-site, customized training.

*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: | University Of South Carolina | | |
|---|---|---|---|
| Agency Code: | H270 | Section: | 20A |

# FORM B1 – RECURRING OPERATING REQUEST

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|---|---|
| **AGENCY PRIORITY** | **14** |
| | *Provide the Agency Priority Ranking from the Executive Summary.* |
| **TITLE** | **Artificial Intelligence Consortium** |
| | *Provide a brief, descriptive title for this request.* |
| **AMOUNT** | **General: $7,000,000**<br>**Federal: $0**<br>**Other: $0**<br>**Total: $7,000,000** |
| | *What is the net change in requested appropriations for FY 2026-2027? This amount should correspond to the total for all funding sources on the Executive Summary.* |
| **NEW POSITIONS** | **0.00** |
| | *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**

This request supports multiple Goals, Strategies and Objectives contained in the annual Accountability Report, but primarily Goals 1 and 5 related to Education, Training and Human Development. Goal 4 related to Government and Citizens is supported.

The University assesses academic and administrative units annually, using Blueprints for Academic and Service Excellence as measured against stated goals. Regular evaluation versus peer institutions is permitted through data consortia such as the Consortium for Student Retention Data Exchange, the South Universities Group Salary Study, IPEDS and the Delaware Study. Data regarding student learning and other outcomes are gathered locally and compared to national norms. Excellence is measured through regular reaffirmation of accreditation with the Southern Association of Colleges and Schools Commission on Colleges, along with program- and discipline-specific accreditation reviews. Factors associated with The University's ability to attract, recruit, retain and educate students in today's competitive higher education market are also detailed in the University's annual Accountability Report.

*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** | The University of South Carolina will be responsible for the administration of these funds as they pertain to the initiative outlined below. |

*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?*

| | |
|---|---|
| **JUSTIFICATION OF REQUEST** | As South Carolina's flagship R1 institution, the University of South Carolina is well positioned to lead statewide efforts in artificial intelligence (AI) advancement. We propose initial funding to support the development of a collaborative AI consortium that brings together universities, government agencies, private sector partners, and NGOs in alignment with emerging legislative priorities and the ongoing work of the S.C. House Committee on Artificial Intelligence, Cybersecurity, and Cyber Crimes.<br><br>This preliminary investment would enable USC to begin catalyzing AI initiatives in key areas such as energy, healthcare, K-12 AI literacy, STEM education, and statewide AI coordination, while remaining adaptable to further guidance and direction resulting from upcoming discussions with the SC House.<br><br>USC's established centers of excellence and ongoing leadership in AI innovation make it a natural anchor for this effort. With support from the Board, we can move forward strategically while staying responsive to statewide goals, ensuring South Carolina is prepared to benefit fully from the transformative potential of AI. |

*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: | University Of South Carolina | | |
| Agency Code: | H270 | Section: | 20A |

# FORM B1 – RECURRING OPERATING REQUEST

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|---|---|
| **AGENCY PRIORITY** | **16** |

*Provide the Agency Priority Ranking from the Executive Summary.*

| | |
|---|---|
| **TITLE** | **Federal and Other Funds Authorization** |

*Provide a brief, descriptive title for this request.*

| | |
|---|---|
| **AMOUNT** | **General: $0**<br><br>**Federal: $65,000,000**<br><br>**Other: $135,000,000**<br><br>**Total: $200,000,000** |

*What is the net change in requested appropriations for FY 2026-2027? This amount should correspond to the total for all funding sources on the Executive Summary.*

| | |
|---|---|
| **NEW POSITIONS** | **100.00** |

*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 |
| X | 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** | This request is to increase spending authorization for Education and General Other Earmarked Funds, which are generated by the University and provide support for Education, Training, and Human Development as well as Public Infrastructure and Economic Development. |

*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** | Use of these funds benefits the USC Columbia student body and the faculty/administrative staff who serve them. |

| | |
|---|---|
| **FUNDS** | |

*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?*

**JUSTIFICATION OF REQUEST**

USC Columbia is requesting an increase to its spending authority for Other Earmarked Funds based on a projection of E&G Unrestricted and Restricted revenues. Contributing factors to the increase include the following:

FY26's request

E&G $15m

Auxiliary $25m

Federal $50m

School of Medicine Greenville $10m

• Increased enrollment (Fall 2024,2025)

• SEC revenue growth and regulation changes

• Increased activity in research

• Increased Pell grants

• Rising mandatory costs such as:

• State mandate and/or market salary increases

• Employee fringe benefits including retirement and health insurance

• Property and liability insurance

• Cost of materials, travel and facilities maintenance costs

• Utility costs

FY27's request

E&G $35m

Auxiliary $50m

Federal $15m

• Increased enrollment (Fall 2024,2025,2026)

• SEC revenue growth and regulation changes

• Increased activity in research

• Increased Pell grants

• Rising mandatory costs such as:

• State mandate and/or market salary increases

• Employee fringe benefits including retirement and health insurance

• Property and liability insurance

• Cost of materials, travel and facilities maintenance costs

• Utility costs

This request is associated with enrollment growth, the corresponding increase in demand for Auxiliary services and increasing fringe benefits rates (health and retirement)

Continued delivery of Auxiliary services to the student body including Housing, Health Services, Food Services, Bookstores and Parking based on enrollment growth and demand for services. Continued growth in revenue and expenditures for the Athletic department. Continue ability to pay employer benefits for faculty and staff.

Allowance for enrollment growth, anticipated employer benefits increases, and comprehensive Auxiliary services all have a direct impact on an institution's ability to recruit, attract, retain and educate students in today's competitive higher education market. Factors associated with each of these are detailed in the University's annual Accountability Report.

*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: | University Of South Carolina | | |
| Agency Code: | H270 | Section: | 20A |

# FORM B2 – NON-RECURRING OPERATING REQUEST

| | |
|---|---|
| **AGENCY PRIORITY** | 15 |

*Provide the Agency Priority Ranking from the Executive Summary.*

| | |
|---|---|
| **TITLE** | Savannah River National Laboratory Collaboration |

*Provide a brief, descriptive title for this request.*

| | |
|---|---|
| **AMOUNT** | $16,000,000 |

*What is the net change in requested appropriations for FY 2026-2027? This amount should correspond to the total for all funding sources on the Executive Summary.*

**FACTORS ASSOCIATED WITH THE REQUEST**

**Mark "X" for all that apply:**

| | |
|---|---|
| | 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 |
| | Consulted DTO during development |
| | HR/Personnel Related |
| X | Request for Non-Recurring Appropriations |
| | Request for Federal/Other Authorization to spend existing funding |
| | Related to a 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**

This request supports multiple Goals, Strategies and Objectives contained in the annual Accountability Report, but primarily Goals 1 and 5 related to Education, Training and Human Development. Goal 4 related to Government and Citizens is supported.

The University assesses academic and administrative units annually, using Blueprints for Academic and Service Excellence as measured against stated goals. Regular evaluation versus peer institutions is permitted through data consortia such as the Consortium for Student Retention Data Exchange, the South Universities Group Salary Study, IPEDS and the Delaware Study. Data regarding student learning and other outcomes are gathered locally and compared to national norms. Excellence is measured through regular reaffirmation of accreditation with the Southern Association of Colleges and Schools Commission on Colleges, along with program- and discipline-specific accreditation reviews. Factors associated with The University's ability to attract, recruit, retain and educate students in today's competitive higher education market are also detailed in the University's annual Accountability Report.

*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**

The University of South Carolina will be responsible for the administration of these funds as they pertain to the initiative outlined below.

*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?*

| | |
|---|---|
| **JUSTIFICATION OF REQUEST** | Higher education is central to South Carolina's long-term prosperity. To meet the needs of business and industry, our state requires 70,000 additional baccalaureate degree holders by 2030. As the state's largest provider of higher education, the University of South Carolina System is leading this effort—producing graduates in high-demand fields while working with Clemson University and South Carolina State University to strengthen our state's talent pipeline. A key example is our partnership with the Savannah River National Laboratory (SRNL). Together with Clemson and SCSU, the State's initial investment is positioning South Carolina to compete nationally for research funding, fuel workforce development, and attract industry.<br><br>With USC's initial share to date, we provided stipends for domestic graduate students, launched undergraduate research programs to prepare the next generation of scientists; secured new faculty in key research areas; and established the National Laboratories Office, including a full-time program manager, who organized the first SRNL University Partnerships Day with more than 145 students, DOE officials, and SRNL scientists. The Office will lead continued workforce development and collaborative research. For instance, the Office supported SRNL in winning a $20M federal award for a university/industry consortium to advance fusion energy research, development, and education. USC has also committed resources to laboratory upgrades and equipment for nuclear engineering and chemistry, cybersecurity, and grid energy storage. These investments are already producing results and demonstrating strong returns on the state's commitment.<br><br>With an additional $40M installment—to be shared again among USC ($16M), Clemson ($16M), and SCSU ($8M)—we can scale this statewide partnership, secure major federal funding, and ensure South Carolina leads the nation in research, innovation, and workforce development. |

*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: | University Of South Carolina | | |
| Agency Code: | H270 | Section: | 20A |

# FORM C – CAPITAL REQUEST

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|---|---|
| **AGENCY PRIORITY** | 2 |
| | *Provide the Agency Priority Ranking from the Executive Summary.* |
| **TITLE** | Pharmacy Building on Health Sciences Campus |
| | *Provide a brief, descriptive title for this request.* |
| **AMOUNT** | $90,000,000 |
| | *How much is requested for this project in FY 2026-2027? This amount should correspond to the total for all funding sources on the Executive Summary.* |
| **CPIP PRIORITY** | Plan Year 2027, Plan Year Priority 1 |
| | *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** | Approvals from the University Institutional Board, CHE, JBRC and SFAA must be secured. |
| | *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** | The University is grateful to the State for its partnership in the Health Sciences Campus through its commitment of previous appropriations. With this project, the University recognizes its role in supporting the healthcare needs in the State of South Carolina where more than half its medical graduates remain in the Palmetto state and serve rural and underserved areas more than any school in the country. The expected useful life of the capital improvement is in excess of 60-80 years. |
| | *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?* |
| | The University of South Carolina appreciates the General Assembly's visionary investments in the BullStreet District, which are transforming the area into a flagship Health Sciences Campus. With $280 million allocated to the new School of Medicine and $350 million to the neurosurgical and rehabilitation hospitals, the foundation is firmly established as a nationally recognized hub for health education, research, and clinical care.<br><br>The University now proposes the development of a dedicated facility for the College of Pharmacy within this growing Health Sciences campus. Moving the professional school from the Coker Life Sciences building will free 46,144 sq ft of classroom and laboratory space for repurposing and renovation into undergraduate teaching space needed for the STEM field of biology on the Columbia Campus and allow for supporting infrastructure— |

such as parking—to ensure accessibility and operational efficiency across the Health Sciences Campus.

**SUMMARY**

Moving the professional school to the health campus provides for further consolidation there and proximity to our healthcare providers. Proximity and further integration of teaching with training will provide improved practical experiences for our students. These improved experiences will better provide students the necessary comprehensive knowledge required to readily enter the professional workforce.

*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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|---|---|---|---|
| Agency Name: | University Of South Carolina | | |
| Agency Code: | H270 | Section: | 20A |

# FORM C – CAPITAL REQUEST

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|---|---|
| **AGENCY PRIORITY** | 8 |
| | *Provide the Agency Priority Ranking from the Executive Summary.* |
| **TITLE** | USC ROTC Programs Center of Excellence |
| | *Provide a brief, descriptive title for this request.* |
| **AMOUNT** | $10,000,000 |
| | *How much is requested for this project in FY 2026-2027? This amount should correspond to the total for all funding sources on the Executive Summary.* |
| **CPIP PRIORITY** | Plan Year 2027, Plan Year Priority 5 |
| | *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** | Approvals from the University Institutional Board, CHE, JBRC and SFAA must be secured. |
| | *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** | The project has already received $10 million in federal support through the U.S. Department of Housing and Urban Development. An additional $10 million in federal funding is anticipated in FY26. This request represents the final $10 million needed to complete the $32.5 million project. |
| | *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?* |
| | The University of South Carolina is requesting $10 million in state funding to support the construction of a new 60,000 square foot ROTC Center of Excellence. This facility will serve as a central hub for USC's nationally recognized ROTC programs, helping meet the growing needs of over 2,000 military-affiliated students.<br><br>The University has already received $10 million in federal support through the U.S. Department of Housing and Urban Development it can use towards this project. An additional $10 million in federal funding to the University is anticipated in FY26. This request represents the final $10 million needed to complete the up to $60 million project.<br><br>By supporting this request, the State of South Carolina will help USC enhance training |

**SUMMARY**

and academic spaces, improve military student services, and solidify its standing as a national leader in military education. The center will be the only facility of its kind in the Southeast.

The current ROTC facility, constructed in 1946, spent much of its lifetime as a Naval Reserve Center. Prior to 2006, all three ROTC programs were housed in different buildings across campus before consolidating into one central location. By having all three programs located in a centralized location, the programs can offer 90% of ROTC classes within the current facility, with all classrooms at full capacity. The programs, which have all seen significant growth over the last 15 years, have reached a plateau in which the only possible solution for growth would be to offer more class sections, which could lead to scheduling conflicts.

The university is one of the few schools in the country to boast two flight simulators, a necessity to prepare Navy and Air Force Cadets and Midshipmen for flight school. The simulators, which were made possible by the generous contributions of ROTC alumni, require a securable space, resulting in reduction of multi-purpose space that was previously used to accommodate other purposes. In addition to dedicated space for flight simulators, it is also necessary that the students have adequate exercise space to train and perform physical fitness tests. Due to time schedules and military specific exercises, preexisting fitness facilities on campus can either not accommodate early hour use times or permit necessary exercises to be performed due loud noise and potential impact to flooring. By including a state-of-the-art fitness space for ROTC programs, Cadets and Midshipmen will have access to the equipment and training space they need to ensure proper performance in required testing.

There is a growing need for an enhanced physical presence to welcome military-affiliated students to campus and ensure they are receiving the support and resources they need to succeed.

*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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|---|---|---|---|
| Agency Name: | University Of South Carolina | | |
| Agency Code: | H270 | Section: | 20A |

# FORM C – CAPITAL REQUEST

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|---|---|
| **AGENCY PRIORITY** | 9 |

*Provide the Agency Priority Ranking from the Executive Summary.*

| | |
|---|---|
| **TITLE** | Maintenance Repair and Renovation |

*Provide a brief, descriptive title for this request.*

| | |
|---|---|
| **AMOUNT** | $50,000,000 |

*How much is requested for this project in FY 2026-2027? This amount should correspond to the total for all funding sources on the Executive Summary.*

| | |
|---|---|
| **CPIP PRIORITY** | Not included in CPIP. |

*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.*

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| **OTHER APPROVALS** | Approvals from the University Institutional Board, CHE, JBRC and SFAA must be secured. |

*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.)*

| | |
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| **LONG-TERM PLANNING AND SUSTAINABILITY** | The university spends approximately $20 million of ICPF/Maintenance Reserve annually on maintenance and capital renewal. |

*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?*

| | |
|---|---|
| | USC Columbia, with a 224-year-old campus and extensive facilities, requires ongoing investment to maintain safe, modern, and functional spaces for learning and research. This request supports urgent needs, including life safety upgrades, system replacements, and renovation of academic spaces.<br><br>A strategic investment in MRR helps prevent costly failures, sustain academic continuity, and protect the long-term value of state-owned infrastructure. |

**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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|---|---|---|---|
| Agency Name: | University Of South Carolina | | |
| Agency Code: | H270 | Section: | 20A |

# FORM C – CAPITAL REQUEST

**AGENCY PRIORITY**

10

*Provide the Agency Priority Ranking from the Executive Summary.*

**TITLE**

Information Technology Infrastructure and Security

*Provide a brief, descriptive title for this request.*

**AMOUNT**

$50,000,000

*How much is requested for this project in FY 2026-2027? This amount should correspond to the total for all funding sources on the Executive Summary.*

**CPIP PRIORITY**

Not included in CPIP. The CrowdStrike outage in July 2024 highlighted the vulnerabilities in IT infrastructure worldwide. Universities and state agencies face similar threats. USC's IT infrastructure, network, and data center are outdated and vulnerable, necessitating one-time funding to enhance security and accessibility for students, faculty, and staff.

*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**

Approvals from the University Institutional Board, CHE, JBRC and SFAA must be secured.

*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**

The university spends approximately $20 million of ICPF/Maintenance Reserve annually on maintenance and capital renewal. Of these funds, most are spent on buildings, but a portion is also spent on information technology.

*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?*

The July 2024 CrowdStrike outage exposed global vulnerabilities in IT systems. As South Carolina's flagship research university, USC must modernize its aging infrastructure to protect academic operations, research, and data. This one-time investment will support a multi-year modernization plan to:

o Upgrade core IT systems, including networks and data centers, for improved reliability and scalability.

o Strengthen cybersecurity to defend against evolving threats.

| SUMMARY | o Modernize classroom technologies to support hybrid learning and digital collaboration.<br><br>o Expand connectivity across campus to ensure equitable access to digital resources.<br><br>o Build internal IT capacity through workforce development and training.<br><br>This initiative will enhance USC's digital resilience, support innovation, and align with South Carolina's goals for economic growth and workforce readiness. |
|---|---|

*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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|---|---|---|---|
| Agency Name: | University Of South Carolina | | |
| Agency Code: | H270 | Section: | 20A |

# FORM C – CAPITAL REQUEST

| | |
|---|---|
| **AGENCY PRIORITY** | 13 |
| | *Provide the Agency Priority Ranking from the Executive Summary.* |
| **TITLE** | Battery Center Facility |
| | *Provide a brief, descriptive title for this request.* |
| **AMOUNT** | $7,000,000 |
| | *How much is requested for this project in FY 2026-2027? This amount should correspond to the total for all funding sources on the Executive Summary.* |
| **CPIP PRIORITY** | Not in CPIP |
| | *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** | Approvals from the University Institutional Board, CHE, JBRC and SFAA must be secured. |
| | *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** | The university spends approximately $20 million of ICPF/Maintenance Reserve annually on maintenance and capital renewal. Of these funds, most are spent on buildings, but a portion is also spent on utility plants. Improvements to utility and energy plants create operational savings due to newer equipment being more efficient. While it is impossible to accurately predict savings prior to design and specification of replacement systems, anticipated savings of 10% is reasonable. Equipment and infrastructure funded by this project should have an expected useful life of 25 years. |
| | *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?* |
| | More than $10 billion in electric vehicle and battery-related investments have been announced in South Carolina over the past 18 months, creating at least 10,000 new jobs — many in rural and under-resourced areas. With continued momentum following the Governor's 2023 Energy Summit and the launch of PowerSC, the state is positioned to lead the emerging "battery belt."<br><br>To fully capitalize on this growth, South Carolina must expand its intellectual infrastructure. The Carolina Institute for Battery Innovation (CIBI) will train South Carolinians and attract top talent to fill workforce needs in science, engineering, and advanced manufacturing. USC is uniquely positioned to lead CIBI, with deep expertise in battery research, relevant academic programs, and statewide accessibility. |

| SUMMARY | A $7 million investment in a dedicated facility will accelerate this effort, positioning South Carolina as a national leader in battery innovation and creating high-tech, high-wage opportunities that strengthen the state's economy |
|---|---|

*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: | University Of South Carolina | | |
|---|---|---|---|
| Agency Code: | H270 | Section: | 20A |

# FORM D – PROVISO REVISION REQUEST

| | |
|---|---|
| **NUMBER** | 117.194 |
| | *Cite the proviso according to the renumbered list (or mark "NEW").* |
| **TITLE** | Educational Fee Waivers for In-State students – Access and Affordability |
| | *Provide the title from the renumbered list or suggest a short title for any new request.* |
| **BUDGET PROGRAM** | 117 |
| | *Identify the associated budget program(s) by name and budget section.* |
| **RELATED BUDGET REQUEST** | |
| | *Is this request associated with a budget request you have submitted for FY 2026-2027? If so, cite it here.* |
| **REQUESTED ACTION** | Amend |
| | *Choose from: Add, Delete, Amend, or Codify.* |
| **OTHER AGENCIES AFFECTED** | This request benefits all colleges and universities in the state. It does not require any institution to implement the additional flexibility, so there is no adverse impact. |
| | *Which other agencies would be affected by the recommended action? How?* |
| **SUMMARY & EXPLANATION** | Currently, code section 59-101-620 stipulates, "A public institution of higher learning may offer educational fee waivers to no more than four percent (4%) of the undergraduate student body." This provision has not been updated in 18 years.<br><br>As such, USC respectfully requests institutions be allowed the discretion (but not mandate) to increase the waiver limitation by "up to an additional 4 percent" provided that the additional limit is dedicated exclusively to the benefit of SC in-state students.<br><br>As the state is considering additional investment in South Carolinians with financial need, this request allows (but does not require) higher education institutions to increase their own institutional investment without requiring an appropriation from the state budget.<br><br>As noted above, this state imposed limitation on institutional student awards has not been increased since 2005 (18 years). |

*Summarize the existing proviso. If requesting a new proviso, describe the current state of affairs without it. Explain the need for your requested action. For deletion requests due to recent codification, please identify SC Code section where language now appears.*

| | |
|---|---|
| **FISCAL IMPACT** | There is no fiscal impact to the state of South Carolina or the state budget. Since this request provides flexibility but is not a requirement, it allows institutions with prudent planning and fiscal management to contribute to greater access and affordability for South Carolina residents. Furthermore, this provision caps this additional waiver flexibility at an additional four percent (eight percent total) so that it is a finite, not open-ended, provision.<br><br>As noted, this state imposed limitation on institutional student awards has not been increased since 2005 (18 years). |

*Provide estimates of any fiscal impacts associated with this proviso, whether for state, federal, or other funds. Explain the method of calculation.*

| | |
|---|---|
| **PROPOSED PROVISO TEXT** | 117.194<br><br>"For the current fiscal year, institutions of higher learning may offer up to, but may not exceed, an additional four percent of educational fee waivers, provided that additional waivers, if any, are limited exclusively to the benefit of undergraduate South Carolina in-state students."<br><br>As noted, this state imposed limitation on institutional student awards has not been increased since 2005 (18 years).<br><br>No change in language, just emphasizing the importance USC's support of renewing this proviso. |

*Paste existing text above, then bold and underline insertions and strikethrough deletions. For new proviso requests, enter requested text above.*

| | | | |
|---|---|---|---|
| Agency Name: | University Of South Carolina | | |
| Agency Code: | H270 | Section: | 20A |

# FORM D – PROVISO REVISION REQUEST

| | |
|---|---|
| **NUMBER** | 117.204 |
| | *Cite the proviso according to the renumbered list (or mark "NEW").* |
| **TITLE** | USC: Interim Neurological and Critical Care Hospital Board |
| | *Provide the title from the renumbered list or suggest a short title for any new request.* |
| **BUDGET PROGRAM** | 117 |
| | *Identify the associated budget program(s) by name and budget section.* |
| **RELATED BUDGET REQUEST** | |
| | *Is this request associated with a budget request you have submitted for FY 2026-2027? If so, cite it here.* |
| **REQUESTED ACTION** | Amend |
| | *Choose from: Add, Delete, Amend, or Codify.* |
| **OTHER AGENCIES AFFECTED** | **None.** |
| | *Which other agencies would be affected by the recommended action? How?* |
| **SUMMARY & EXPLANATION** | **No change requested. Just emphasizing USC's value of the regulatory relief contained within the proviso and desire to continue.** |

*Summarize the existing proviso. If requesting a new proviso, describe the current state of affairs without it. Explain the need for your requested action. For deletion requests due to recent codification, please identify SC Code section where language now appears.*

| FISCAL IMPACT | There is no fiscal impact to the state of South Carolina or the state budget. |
|---|---|

*Provide estimates of any fiscal impacts associated with this proviso, whether for state, federal, or other funds. Explain the method of calculation.*

**PROPOSED PROVISO TEXT**

117.204. (GP: Interim Neurological and Critical Care Hospital Board) (A) With the funds appropriated to the Department of Health and Human Services for Neurological Critical Care and Rehabilitation Services in South Carolina, there is created the Interim Neurological and Critical Care Hospital Board at the University of South Carolina. The Department of Health and Human Services is authorized to transfer no more than an additional $200,000,000 of agency funds to the University of South Carolina for the same purposes. The board shall consist of the following members and shall serve at the pleasure of the appointing official:

(1) two members appointed by the Chairman of Senate Finance Committee, one of which may be a member of the University of South Carolina Board of Trustees;

(2) one member appointed by the President of the Senate, who may be a senior level employee of the University of South Carolina with knowledge of the medical field;

(3) two members appointed by the Chairman of the House Ways and Means Committee, one of which may be a member of the University of South Carolina Board of Trustees;

(4) one member appointed by the Speaker of the House, who may have a background in hospital management or administration and may not be an employee or member of the Board of Trustees of the University of South Carolina; and

(5) one member appointed by the Governor, who may have a background in hospital management or administration and may not be an employee or member of the Board of Trustees of the University of South Carolina nor a former employee or member of the Board of Trustees of the University of South Carolina.

(B) The Chairman of the Interim Board shall be one of the members appointed by the Chairman of the Senate Finance Committee, the President of the Senate, the Chairman of the House Ways and Means Committee, or the Speaker of the House to be elected by the board.

(C) The board shall be administratively supported by the University of South Carolina.

(D) The University of South Carolina is authorized to undertake permanent improvements necessary for Neurological Critical Care and Rehabilitation Services. Further, the funds appropriated for this purpose may be carried forward and expended for the necessary permanent improvements. The funds must be accounted for separately, and the university shall report semiannually to the Chairman of the Joint Bond Review Committee on the amount of funding carried forward, the amount remaining to be expended, the overall status of the project, and any other information requested by the committee.

No change requested. Just emphasizing USC's value of the regulatory relief contained within the proviso and desire to continue.

*Paste existing text above, then bold and underline insertions and strikethrough deletions. For new proviso requests, enter requested text above.*

| Agency Name: | University Of South Carolina | | |
|---|---|---|---|
| Agency Code: | H270 | Section: | 20A |

# FORM D – PROVISO REVISION REQUEST

| | |
|---|---|
| **NUMBER** | 20.6 |
| | *Cite the proviso according to the renumbered list (or mark "NEW").* |
| **TITLE** | USC: Permanent Improvement Projects |
| | *Provide the title from the renumbered list or suggest a short title for any new request.* |
| **BUDGET PROGRAM** | 20 |
| | *Identify the associated budget program(s) by name and budget section.* |
| **RELATED BUDGET REQUEST** | |
| | *Is this request associated with a budget request you have submitted for FY 2026-2027? If so, cite it here.* |
| **REQUESTED ACTION** | Delete |
| | *Choose from: Add, Delete, Amend, or Codify.* |
| **OTHER AGENCIES AFFECTED** | None |
| | *Which other agencies would be affected by the recommended action? How?* |
| **SUMMARY & EXPLANATION** | Proviso no longer needed. |

*Summarize the existing proviso. If requesting a new proviso, describe the current state of affairs without it. Explain the need for your requested action. For deletion requests due to recent codification, please identify SC Code section where language now appears.*

| | |
|---|---|
| **FISCAL IMPACT** | There is no fiscal impact to the state of South Carolina or the state budget. |

*Provide estimates of any fiscal impacts associated with this proviso, whether for state, federal, or other funds. Explain the method of calculation.*

| | |
|---|---|
| **PROPOSED PROVISO TEXT** | ~~20.6. (USC: Permanent Improvement Projects) Of the funds appropriated in Act 239 of 2022, Section 118.19, Item (18)(b) to the University of South Carolina, the remaining $5,800,000 shall be redirected to be used by the University for permanent improvement projects.~~ |

*Paste existing text above, then bold and underline insertions and strikethrough deletions. For new proviso requests, enter requested text above.*

| | | | |
|---|---|---|---|
| Agency Name: | University Of South Carolina | | |
| Agency Code: | H270 | Section: | 20A |

# FORM D – PROVISO REVISION REQUEST

| | |
|---|---|
| **NUMBER** | 20.7 |
| | *Cite the proviso according to the renumbered list (or mark "NEW").* |
| **TITLE** | USC: Harper/Elliott Honors College |
| | *Provide the title from the renumbered list or suggest a short title for any new request.* |
| **BUDGET PROGRAM** | 20 |
| | *Identify the associated budget program(s) by name and budget section.* |
| **RELATED BUDGET REQUEST** | |
| | *Is this request associated with a budget request you have submitted for FY 2026-2027? If so, cite it here.* |
| **REQUESTED ACTION** | Delete |
| | *Choose from: Add, Delete, Amend, or Codify.* |
| **OTHER AGENCIES AFFECTED** | None |
| | *Which other agencies would be affected by the recommended action? How?* |
| **SUMMARY & EXPLANATION** | Proviso no longer needed. |

*Summarize the existing proviso. If requesting a new proviso, describe the current state of affairs without it. Explain the need for your requested action. For deletion requests due to recent codification, please identify SC Code section where language now appears.*

| | |
|---|---|
| **FISCAL IMPACT** | There is no fiscal impact to the state of South Carolina or the state budget. |

*Provide estimates of any fiscal impacts associated with this proviso, whether for state, federal, or other funds. Explain the method of calculation.*

| | |
|---|---|
| **PROPOSED PROVISO TEXT** | ~~20.7. (USC: Harper/Elliott Honors College) Capital Reserve Fund appropriations to the University of South Carolina in Section 1(11) of Act 285 of 2016 for construction of Education and General (E&G) space in the addition to the Honors College dormitory may instead be redirected by the university towards necessary renovations and repairs of E&G space in the Harper/Elliott Honors College located on the historic Horseshoe of campus.~~ |

*Paste existing text above, then bold and underline insertions and strikethrough deletions. For new proviso requests, enter requested text above.*

| Agency Name: | University Of South Carolina | | |
|---|---|---|---|
| Agency Code: | H270 | Section: | 20A |

# FORM D – PROVISO REVISION REQUEST

| | |
|---|---|
| **NUMBER** | 20.9 |
| | *Cite the proviso according to the renumbered list (or mark "NEW").* |
| **TITLE** | USC: Substance Abuse Prevention |
| | *Provide the title from the renumbered list or suggest a short title for any new request.* |
| **BUDGET PROGRAM** | 20 |
| | *Identify the associated budget program(s) by name and budget section.* |
| **RELATED BUDGET REQUEST** | |
| | *Is this request associated with a budget request you have submitted for FY 2026-2027? If so, cite it here.* |
| **REQUESTED ACTION** | Delete |
| | *Choose from: Add, Delete, Amend, or Codify.* |
| **OTHER AGENCIES AFFECTED** | None |
| | *Which other agencies would be affected by the recommended action? How?* |
| **SUMMARY & EXPLANATION** | Proviso no longer needed. |

*Summarize the existing proviso. If requesting a new proviso, describe the current state of affairs without it. Explain the need for your requested action. For deletion requests due to recent codification, please identify SC Code section where language now appears.*

**FISCAL IMPACT**

There is no fiscal impact to the state of South Carolina or the state budget.

*Provide estimates of any fiscal impacts associated with this proviso, whether for state, federal, or other funds. Explain the method of calculation.*

**PROPOSED PROVISO TEXT**

~~20.9. (USC: Substance Abuse Prevention) Of the funds appropriated to the University of South Carolina for the current fiscal year, the University's Division of Student Health and Well-Being, Office of Substance Abuse Prevention and Education is encouraged to apply for applicable local, state, and/or federal grant funding intended to support the creation and ongoing maintenance of a pilot program across the eight-campus University system that is designed to increase the availability of, and provide more ready access to, over-the-counter opioid reversal medications, such as naloxone, through non-traditional distribution mechanisms including, but not limited to, harm reduction vending machines. In implementing the pilot program, the University shall examine best practices deployed by other states including, but not limited to, Georgia, Louisianna, and Oklahoma. In addition, implementation shall be in accordance with applicable local, state, and/or federal laws and regulations and access to the opioid reversal medications distributed as a direct result of this provision shall be at no cost to the end user/consumer. The University annually shall report metrics related to the utilization and effectiveness of this provision, including associated costs and funding sources to support the pilot program, to the Chairmen of the Senate Finance Committee, the House Ways and Means Committee, the House Medical, Military, Public and Municipal Affairs Committee, and the Senate Medical Affairs Committee on or before May thirty-first of each year. A copy of the report shall be forwarded to the South Carolina Department of Alcohol and Other Drug Abuse Services. Notwithstanding the requirements of this provision, nothing herein shall create an unfunded mandate on the University, and the creation and ongoing maintenance of this pilot program is dependent on the successful awarding of local, state and/or federal grant funding in an amount sufficient to support the program. Unexpended funds shall be reinvested in this program for the following fiscal year.~~

*Paste existing text above, then bold and underline insertions and strikethrough deletions. For new proviso requests, enter requested text above.*

| | | | |
|---|---|---|---|
| Agency Name: | University Of South Carolina | | |
| Agency Code: | H270 | Section: | 20A |

# FORM D – PROVISO REVISION REQUEST

| | |
|---|---|
| **NUMBER** | New |
| | *Cite the proviso according to the renumbered list (or mark "NEW").* |
| **TITLE** | Indirect Cost Recovery (IDC) Threshold Increase for Teaching and Training |
| | *Provide the title from the renumbered list or suggest a short title for any new request.* |
| **BUDGET PROGRAM** | 20 |
| | *Identify the associated budget program(s) by name and budget section.* |
| **RELATED BUDGET REQUEST** | |
| | *Is this request associated with a budget request you have submitted for FY 2026-2027? If so, cite it here.* |
| **REQUESTED ACTION** | Add |
| | *Choose from: Add, Delete, Amend, or Codify.* |
| **OTHER AGENCIES AFFECTED** | Higher Ed institutions that receive teaching and training grants. |
| | *Which other agencies would be affected by the recommended action? How?* |
| **SUMMARY & EXPLANATION** | 1) Indirect Cost Recovery (IDC) Threshold Increase for Teaching and Training Grants<br><br>The USC System supports suspension of the statute that collects indirect cost recovery awarded to universities for teaching and training grants. Currently, the state collects IDC earned on teaching and training grants awarded to colleges and universities (a requirement that is largely unique to S.C.) and that has not been updated by the state since 1999.<br><br>Request: Implement the proviso to allow colleges to retain their teaching and training IDCs to reinvest those funds in the Universities' vital programs. |

*Summarize the existing proviso. If requesting a new proviso, describe the current state of affairs without it. Explain the need for your requested action. For deletion requests due to recent codification, please identify SC Code section where language now appears.*

| | |
|---|---|
| **FISCAL IMPACT** | The estimated impact to the State related to USC is approximately $350,000. (Using prior year awards for calculation.) We would not anticipate the impact from additional colleges to be substantially higher and thus the statewide impact, in the aggregate should be modest while the import to individual colleges will be substantial. |

*Provide estimates of any fiscal impacts associated with this proviso, whether for state, federal, or other funds. Explain the method of calculation.*

| | |
|---|---|
| **PROPOSED PROVISO TEXT** | Proviso [XX.XX]: Indirect Cost Recovery Threshold Increase for Teaching and Training Grants<br><br>Effective immediately, the collection of indirect cost recovery (IDC) from teaching and training grants awarded to universities and colleges in South Carolina is suspended. This suspension shall apply to all grants that fall under the teaching and training categories, allowing these institutions to retain IDC funds that were previously collected by the state. The purpose of this provision is to enable universities and colleges to reinvest these funds into their critical programs and initiatives.<br><br>This proviso acknowledges that the current IDC collection statute, last updated in 1999, imposes a unique and outdated requirement on South Carolina's institutions of higher education. By suspending this requirement, institutions are better positioned to enhance their educational and training programs. |

*Paste existing text above, then bold and underline insertions and strikethrough deletions. For new proviso requests, enter requested text above.*

| | | | |
|---|---|---|---|
| Agency Name: | University Of South Carolina | | |
| Agency Code: | H270 | Section: | 20A |

# FORM D – PROVISO REVISION REQUEST

| | |
|---|---|
| **NUMBER** | New |
| | *Cite the proviso according to the renumbered list (or mark "NEW").* |
| **TITLE** | State's Lottery Investment in Access and Affordability – USC Colleges of Medicine – In-State Student Scholarship Support |
| | *Provide the title from the renumbered list or suggest a short title for any new request.* |
| **BUDGET PROGRAM** | 3 |
| | *Identify the associated budget program(s) by name and budget section.* |
| **RELATED BUDGET REQUEST** | |
| | *Is this request associated with a budget request you have submitted for FY 2026-2027? If so, cite it here.* |
| **REQUESTED ACTION** | Add |
| | *Choose from: Add, Delete, Amend, or Codify.* |
| **OTHER AGENCIES AFFECTED** | None |
| | *Which other agencies would be affected by the recommended action? How?* |
| **SUMMARY & EXPLANATION** | The USC System proposes scholarship assistance for SC in-state residents wishing to seek a medical degree at USC's medical colleges – Columbia and Greenville - by providing these residents with financial scholarship assistance. To help alleviate the state's physician shortage, these scholarships exclusively for the benefit of South Carolina resident students would enhance recruitment and alleviate the out-migration of high-achieving South Carolina students to out-of-state schools. In doing so, USC can recruit, enroll, and retain qualified residents by providing accessible and affordable medical education opportunities for all, especially in underserved areas of our state. Resident medical students educated in our state are more likely to remain in the state and USC medical graduates are more likely to practice in underserved communities. Note: According to the latest national rankings, both USC's medical schools rank in the Top 10 in placing graduates in underserved areas (Columbia #5 and Greenville #7).<br><br>Request: $3,500,000 allocation to be utilized by USC's colleges of medicine for the exclusive benefit of supporting medical education costs of SC in-state residents. |

*Summarize the existing proviso. If requesting a new proviso, describe the current state of affairs without it. Explain the need for your requested action. For deletion requests due to recent codification, please identify SC Code section where language now appears.*

| | |
|---|---|
| **FISCAL IMPACT** | $3,500,000 lottery funds |

*Provide estimates of any fiscal impacts associated with this proviso, whether for state, federal, or other funds. Explain the method of calculation.*

| | |
|---|---|
| **PROPOSED PROVISO TEXT** | Proviso [XX.XX]: Scholarship Assistance for SC In-State Medical Students<br><br>From funds appropriated to the University of South Carolina System, an allocation of $3,500,000 shall be provided exclusively to the USC Colleges of Medicine in Columbia and Greenville. These funds are to be utilized for the purpose of providing financial scholarship assistance to South Carolina resident students pursuing a medical degree at these institutions. |

*Paste existing text above, then bold and underline insertions and strikethrough deletions. For new proviso requests, enter requested text above.*

| | | | |
|---|---|---|---|
| Agency Name: | University Of South Carolina | | |
| Agency Code: | H270 | Section: | 20A |

# FORM D – PROVISO REVISION REQUEST

| | |
|---|---|
| **NUMBER** | New |
| | *Cite the proviso according to the renumbered list (or mark "NEW").* |
| **TITLE** | SC TEACHER Advisory Council |
| | *Provide the title from the renumbered list or suggest a short title for any new request.* |
| **BUDGET PROGRAM** | 20 |
| | *Identify the associated budget program(s) by name and budget section.* |
| **RELATED BUDGET REQUEST** | |
| | *Is this request associated with a budget request you have submitted for FY 2026-2027? If so, cite it here.* |
| **REQUESTED ACTION** | Add |
| | *Choose from: Add, Delete, Amend, or Codify.* |
| **OTHER AGENCIES AFFECTED** | N/A |
| | *Which other agencies would be affected by the recommended action? How?* |
| **SUMMARY & EXPLANATION** | 1) SC TEACHER Advisory Council – From funds appropriated to SC Teacher, an Advisory Committee shall be appointed to study and recommend policy changes to enhance the teaching workforce. Members shall include the Governor or his designee, the Superintendent of Education or their designee, the Dean of the College of Education at USC or their designee, the Chairs of Senate Education Committee or their designee, the Chair of House Education or their designee. SC Teacher shall serve as staff to the Advisory Committee and shall report annually to the Governor and General Assembly.<br><br>Request: No dollars requested. Implement a proviso to establish Advisory Committee. |

*Summarize the existing proviso. If requesting a new proviso, describe the current state of affairs without it. Explain the need for your requested action. For deletion requests due to recent codification, please identify SC Code section where language now appears.*

| | |
|---|---|
| **FISCAL IMPACT** | None |

*Provide estimates of any fiscal impacts associated with this proviso, whether for state, federal, or other funds. Explain the method of calculation.*

| | |
|---|---|
| **PROPOSED PROVISO TEXT** | Proviso 20.10: SC Teacher Advisory Council– From funds appropriated to SC Teacher, an Advisory Committee shall be appointed to study and recommend policy changes to enhance the teaching workforce. Members shall include the Governor or his designee, the Superintendent of Education or their designee, the Dean of the College of Education at USC or their designee, the Chairs of Senate Education Committee or their designee, the Chair of House Education or their designee. SC Teacher shall serve as staff to the Advisory Committee and shall report annually to the Governor and General Assembly. |

*Paste existing text above, then bold and underline insertions and strikethrough deletions. For new proviso requests, enter requested text above.*

| | | | |
|---|---|---|---|
| Agency Name: | University Of South Carolina | | |
| Agency Code: | H270 | Section: | 20A |

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

| | |
|---|---|
| **TITLE** | Agency Cost Savings and General Fund Reduction Contingency Plan |

| | |
|---|---|
| **AMOUNT** | $9,776,609 |

*What is the General Fund 3% reduction amount? This amount should correspond to the reduction spreadsheet prepared by EBO.*

| | |
|---|---|
| **ASSOCIATED FTE REDUCTIONS** | Further review would be necessary to determine the number of positions likely impacted by such a State appropriation reduction. Preliminary review indicates approximately thirty (30) positions would be impacted. |

*How many FTEs would be reduced in association with this General Fund reduction?*

| | |
|---|---|
| **PROGRAM / ACTIVITY IMPACT** | Education and General Unrestricted (I.A and II.A) and associated Employee Benefits (II.C. and IV.). The University's primary mission of providing instructional services to students would be specifically impacted. However, in order to minimize the impact on instructional programs, service units (administration, libraries, law enforcement and safety, student affairs, etc.) would also be directed to reduce expenditures. Both academic and service units are funded from the University's general fund which is comprised almost exclusively from State General Fund and student tuition and fee revenue. Three special items as identified in the State Appropriation Act would also be reduced. |

*What programs or activities are supported by the General Funds identified?*

**SUMMARY**

The University would reduce expenditures for every academic (including the School of Medicine) and service unit in response to 3% reduction in State General Funds.

Academic Units – The financial reduction within the academic units will result in vacant faculty and staff positions going unfilled. Specifically, this reduction will result in foregoing the hiring of approximately ten faculty (savings of $3,458,753 – salary and fringe) and fifteen staff (savings of $2,033,341 - salary and fringe) positions across campus. This will unfortunately increase faculty:student ratio or alternatively reduce course offerings. USC Columbia has maintained a low faculty:student ratio to ensure that students receive quality, personalized attention and support. This may impact our unique college experience and may increase the time to graduate thereby increasing the financial impact to families. The reduction in staff across campus will impede the operations within the departments through increased workloads for the staff that remain.

Within the Evening Program, a $71,921 decrease in recurring funds will reduce the number of temporary faculty or adjuncts, which will result in fewer course offerings or larger class sizes. These classes are offered not only during the evenings but on the weekends as well and many times include the Carolina Core classes that all students are required to take to graduate. Due to the physical plant constraints on the number of class offerings the University of South Carolina can provide throughout the day, this is a great alternative for students to take advantage of and still stay on track to graduate within four years.

School of Medicine would transfer four administrative positions (cost-savings of $973,087– salary and fringe) associated with clinical practices and administration to key clinical partner, including three human resources positions. The School's Human Resources Office contributes to the mission of the USC Division of Human Resources by supporting the Basic Science and Clinical Departments within the School through planning, implementing, and promoting human resources programs and practices that enhance the School's ability to attract, develop, reward, and retain an exceptional faculty and staff. The transfer of staff will place an additional burden on remaining staff and lead to delays in the processing of time-sensitive payroll documents, as well as impede the academic units' timeliness in resolving HR matters.

Service units including Administration and Finance, Law Enforcement and Safety, Student Affairs and Facility Services would be directed to reduce expenditures by $3,130,864. In response to those reductions, these units would, among other things, reduce the number of student employees, cut back on marketing materials, transportation services, and eliminate research supplements. The Division of Law Enforcement and Safety would specifically have to eliminate a Campus Safety Officer program. Student Affairs would reduce participation in a National Student Engagement program. Limited and targeted reductions in force would also need to be implemented. Although further review would be necessary to determine the number of staff that would likely be impacted, such a reduction within the service units alone would probably involve at least four staff positions.

Special Items as listed in the State Appropriation Act include Law Library, Small Business Development Center and Palmetto Poison Center. These items would be reduced by a total of $108,643.

*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**

See summary above for expenditure reductions that would be implemented in response to a State General Funds reduction. The University continues to re-evaluate programs and services as a part of its overall effort to operate within limited resources and will continue taking various measures to absorb the reduction in operating funds as well as combat the impacts of inflation.

*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: | University Of South Carolina | | |
| Agency Code: | H270 | Section: | 20A |

# FORM F – REDUCING COST AND BURDEN TO BUSINESSES AND CITIZENS

| | |
|---|---|
| **TITLE** | Reducing Cost and Burden to Businesses and Citizens –University of South Carolina Columbia.<br>*Provide a brief, descriptive title for this request.* |
| **EXPECTED SAVINGS TO BUSINESSES AND CITIZENS** | The University has implemented programs and taken steps over the last several years designed to assist students in obtaining a degree in a timely manner and to minimize the overall cost of obtaining a quality education. Providing a quality workforce to the businesses within the State is a vital aspect of continuous economic development. The savings to citizens and business of the state are incalculable. The economic impact of the University on the State of South Carolina is significant and highlights are provided further below.<br>*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:**<br>[ ] Repeal or revision of regulations.<br>[ ] Reduction of agency fees or fines to businesses or citizens.<br>[ ] Greater efficiency in agency services or reduction in compliance burden.<br>[X] Other |
| **METHOD OF CALCULATION** | Highlights of a recent study found that USC:<br>• Has a total economic impact (all 8 campuses statewide) of approximately $6.2 billion when measured in terms of annual state output.<br>• Supports over 60,000 jobs statewide.<br>• Returns $202 million annually to the state in tax revenue.<br>Other findings and the complete study can be found at:<br>https://www.sc.edu/uofsc/image...<br>*Describe the method of calculation for determining the expected cost or time savings to businesses or citizens.* |
| **REDUCTION OF FEES OR FINES** | The only published State of South Carolina regulations USC are those contained in Chapter 119 dealing with motor vehicle registration, parking, obeying traffic signs and adhering to posted speed limits while on campus. These regulations were promulgated under the authority of Section 59-117-40 of the S.C. Code of Laws. All tuition, fees and fines are reviewed annually before being presented to the Board of Trustees for their consideration and approval. These tuition and fees are contained in the annual budget and are related to providing instructional services to enrolled students. There are a few fines contained in that schedule which all relate to parking.<br>*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** | The University's regulations do not pertain to business operations. Nor do they pertain to the citizens of the State in general. The University has taken steps over the last several years to assist students in obtaining a degree in a timely manner and to minimize the overall cost of obtaining a quality education. See summarized highlights below.<br>*Which regulations does the agency intend to amend or delete? What is the enabling authority for the regulation?* |
| | New Aid Program for Top 10%: A new affordability initiative to cover tuition and academic fees on any system campus for in-state students graduating in the top 10 percent of |

their high class and whose family's annual household income is below the state average.

Gamecock Guarantee: Since 2008 this covenant program has offered financial and academic assistance to the financially-neediest SC students enrolled.

USC Access Grant: Designed to help lower middle-income families who do not qualify federal grants such as the Pell Grant.

Forever to Thee Fund: Designed to cover one-time emergency expenses for students. Those expenses threaten the ability of the student to remain enrolled.

USC Institutional Grant: Designed to assist financially-needy students with charges on their bill for which they have no means to pay.

**SUMMARY**

Palmetto College Online was designed to make Bachelor's completion degrees more accessible and affordable for in-state place bound residents. The number of programs available through Palmetto College continues to grow each year thereby reducing the need for residents to choose the more expensive "for-profit" online college. Centralizing distance learning efforts for the USC System helps contain costs associated with program startup, marketing and admissions. Over 1,200 students have graduated from Palmetto College Online and nearly 1,000 are currently enrolled.

The "On Your Time" initiative was designed to give students a greater opportunity to complete their degrees quicker and reduce overall tuition costs and loan debt. "On You Time" was designed, in large part, to provide for a full third term during the summer months that equates to Fall and Spring terms in relation to course offering, workforce preparations, and academic counseling. Research shows that the key driver of student debt is taking longer than 8 semesters to graduate. Since the creation of the "On Your Time" initiative, the four-year graduation rate has increased by 7 percentage points. Nearly half of USC Columbia students graduate with no debt and of those who do, it is less than the state and national average.

Lastly, due in part to the State's recent investment in tuition mitigation funding, The University of South Carolina system has frozen tuition in each of the last six years.

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

| AGENCY NAME: | University of South Carolina | | |
| --- | --- | --- | --- |
| AGENCY CODE: | H270 | SECTION: | 20A |

# FORM H – TUITION MITIGATION (PROVISO 117.187)

| TITLE | **Tuition Mitigation Proviso 117.187** |
| --- | --- |

| AMOUNT | **$28,000,000** |
| --- | --- |
| | *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**

USC is appreciative of tuition mitigation to reduce some cost pressures and keep tuition low for our in-state students. HEPI provides an objective estimate of inflationary pressure specific to higher education. When applying HEPI index over both state appropriations and tuition (Education and General operating funds), the University continues to experience lost purchasing power even when factoring tuition mitigation funding (see table in "Cost Savings" section of Form H below). To fulfill its mission to maintain quality programs that benefit the citizens of South Carolina while managing cost increases, the University continually assesses viability of programs (see "Low Enrollment" section of Form H below as well as addendum for more information). As such, and considering the aforementioned factors, USC looks forward to working with the state for continued fair, equitable and reliable state investment going forward.

With investment from the governor and legislature, USC Columbia has held tuition and required fees for in-state students at the same level for a record seven straight years, as follows:

| Academic Year | Tuition and Required Fees |
| --- | --- |
| 2018-19 | $12,616 |
| 2019-20 | $12,688 |
| 2020-21 | $12,688 |
| 2021-22 | $12,688 |
| 2022-23 | $12,688 |
| 2023-24 | $12,688 |
| 2024-25 | $12,688 |
| 2025-26 | $12,688* |

*Note: Adjusted for inflation, the real cost of the in-state tuition sticker price of $12,688 is actually <u>*down*</u> by 29% since 2019. It is also important to note that the average South Carolinian attending USC Columbia pays substantially less than the listed tuition and fee price of $12,688 thanks to a combination of university, state, federal and other financial aid at approximately $6,229 per year, or more than 50% less than the published tuition noted above.

For context, it is important to note that USC Columbia is the state's least expensive public R1 research institution – charging almost $2,500 less per year for in-state tuition and required fees than South Carolina's other major public R1, Clemson.

FY27 Tuition Mitigation Calculation – USC Columbia

Out of USC's mutually shared desired with the governor and legislature to keep tuition for in-state students at the same level ($12,688) for the 8th straight year, USC Columbia respectfully requests continued tuition mitigation support from the governor and legislature for FY27 calculated as follows:

FY26 Projected Expenses: $1.916B
Less Adjustments (-)
*Self-Supporting Auxiliaries: ($266.4M)
*Restricted/Research: ($414.5M)
*Adjustment for Professional Schools: ($193.5M)
*Adjustment for Non-resident Tuition: ($265.3M)

FY26 Projected Expenses (Adjusted): $776.7M

FY26 Adjusted Expenses x HEPI (1.037): $805.4M = FY27 projected expenses

(A) FY27 projected expenses (adjusted): $805.4M
(B) FY26 projected expenses (adjusted): $776.7M

(A)– (B) = FY27 Tuition Mitigation: $28.7M*

*Note: USC Columbia's official request rounds this tuition mitigation calculation ***down*** to the nearest million. As such, USC Columbia's official request for tuition mitigation funding for FY27 is:

***$28,000,000***

The Difference between "Fee Waivers" and "Abatements" and the Importance of Both

Fee Waivers

Fee waivers are statutorily authorized by SC state law allowing colleges to provide institutional financial aid/scholarships to students. Unlike abatements (more on abatements below), a waiver is actual cash that must be funded (and budgeted) by institutions. Note: In SC, fee waivers are statutorily limited to the equivalent of 4% of the prior year's undergraduate tuition revenue for both resident and non-resident students.

It is important to note that 99.6% of USC Columbia's fee waivers are provided to **in-state** students as follows:

In-state fee waivers: $15,975,840
Out-of-state fee waivers: $68,295
TOTAL (FY24): $16,044,135*

*Awarded to 5,443 undergrad students.

It should also be noted that the majority of the funding is for the resident Institutional Scholarship Programs, the Gamecock Guarantee program, the USC Institutional Grant program, and the USC Access Grant program.

Abatements

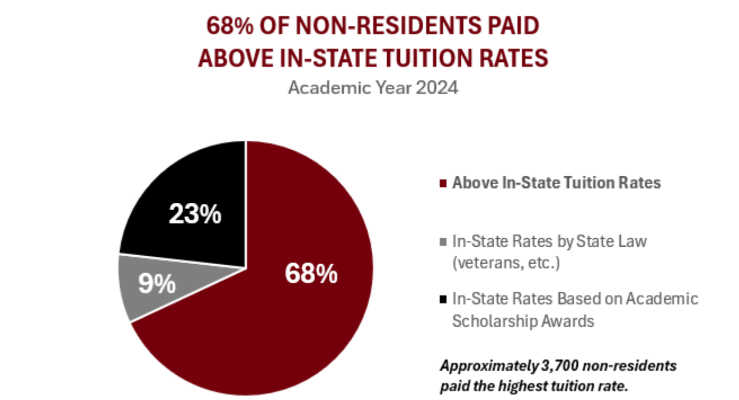
The use of tuition abatements (discounts off of full price) to attract non-resident students is standard practice among U.S. higher education institutions that wish to attract academically talented students to their schools.

Price points are market-sensitive, meaning that setting them too high would result in high-performing students attending college elsewhere. Non-resident students do not displace South Carolina students. Every South Carolina student that meets admissions criteria is admitted.

In-state residents benefit from the contributions of non-resident students:

- Non-residents provide $8 million per year in scholarships for South Carolina residents.
- Non-residents provide about $8 million more in debt service per year than South Carolina resident students.
- Only non-resident students support debt service on athletic projects financed through bonds. In-state students are spared this expense as a result.

Total Non-resident abatements for Academic Year 2024-2025 $139,928,314.
Abatements are tuition discounting - a tool used to attract customers in the free market of higher education. These are not cash payments to students.




USC Columbia: Prioritizing in-state students and serving more than ever before

USC Columbia is educating more South Carolina residents than in any time in its 224-year history, as follows:

| AGENCY NAME: | University of South Carolina | | |
|---|---|---|---|
| AGENCY CODE: | H270 | SECTION: | 20A |

Unofficial Fall 2025 Undergraduate Enrollment

| | |
|---|---|
| In-state: | 17,812* |
| Out-of-state: | 13,927 |
| Total: | 31,739 |

*Based on the latest available data, USC's Columbia's 56% SC resident undergraduate population is in-line with the state's other similar R1 institution. In raw numbers, based on the latest available data, USC Columbia is educating almost 20% more South Carolinians than the next largest institution.

$

*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**

USC Columbia is ranked the best value R1 public research institution in SC by US News and World Report and is listed among the most efficient universities in the nation. As a system, USC offers one of the most cost-effective pathways to a bachelor's degree in the state.

As noted above, USC Columbia has frozen tuition for in-state students for seven straight years. Adjusted for inflation, the real cost of in-state tuition is down by 29% since 2019.

With an intentional focus on greater access and affordability for South Carolinians from all backgrounds, and with support from the governor and legislature, USC Columbia has more than doubled the number of students receiving state need-based financial assistance since 2021, as follows:

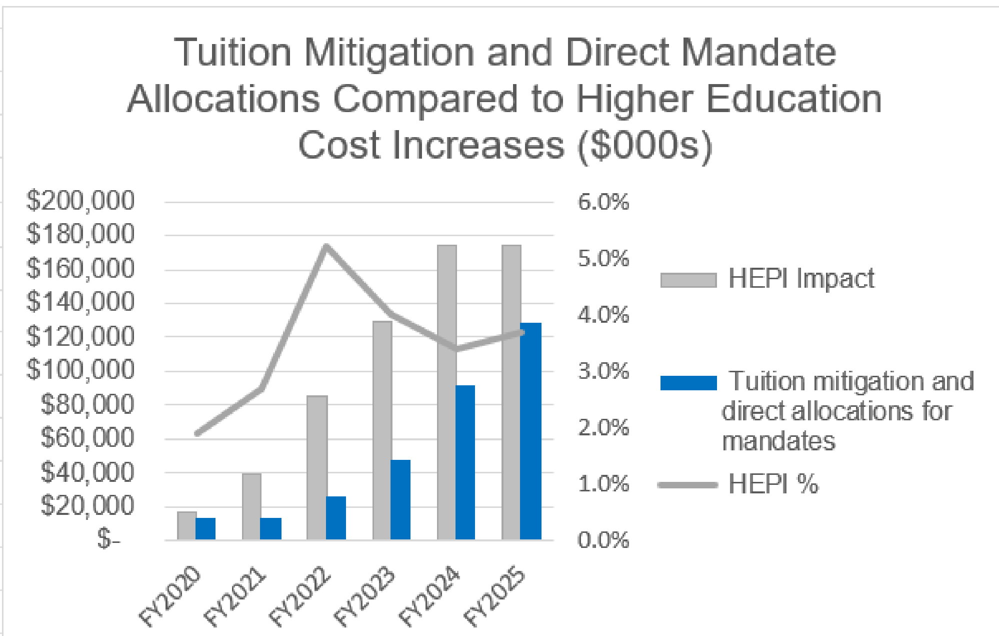
| | 2021 | 2025 |
|---|---|---|
| State Need Aid – # of Students: | 2,000 | 4,500* |
| State Need Aid – Avg. Award: | $2,000 | $3,500** |

*Students from all 46 SC counties receive state need-based aid at USC Columbia

**$3,500 is the current maximum award permitted by SC/CHE

As a result of USC's focus on affordability, nearly 50% of USC Columbia's students graduate with zero ($0) debt.

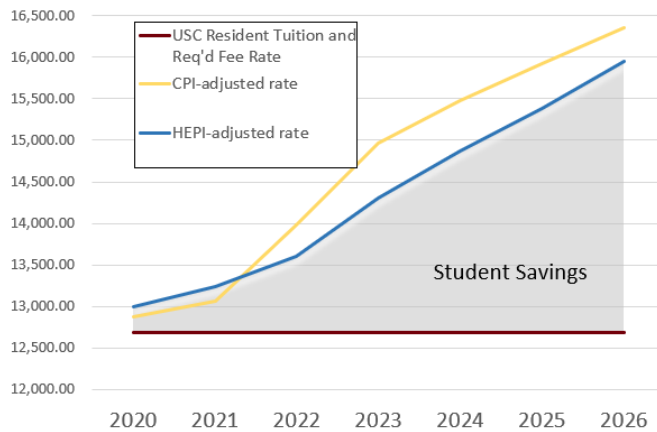
As noted above regarding USC Columbia's strategic use of abatements, revenue from out-of-state students positively impacts the bottom-line for in-state students, representing the single largest source of university revenue (32%), with state appropriations comprising the smallest share of revenue (15%). Specifically, out-of-state students support nearly $8 million per year in scholarships for in-state students and contributed more than $8 million per year towards debt service not otherwise borne by resident students or taxpayers. Note a WSJ article titled "Sorry, Harvard. Everyone wants to Go to College in the South Now" highlights USC Columbia's value and attractiveness to out-of-state students including reference to the important role universities – and students from out-of-state – play in a vibrant local economy: wsj.com




HEPI provides an objective estimate of inflationary pressures specific to Higher Education. This graph applies the index to USC's total education and general budget (excluding Auxiliaries) since 2020, providing an approximation of cumulative *lost purchasing power.*

USC has managed this gap with a) State appropriations for tuition mitigation and direct allocations and b) cost-saving measures such as forced efficiencies and reprioritization. From 2017 to 2023, USC internally cut and reallocated $48M to support growth and high need areas. This internal cut averted what could have been the equivalent of a 16% tuition increase.

As inflationary pressures impact faculty and staff hiring as well as cost of goods and services, the University will continue to employ sound budgeting principles and operate efficiently to educate South Carolina residents.




This chart provides a comparison of the resident undergraduate tuition rates to what rates could have reached under HEPI and CPI.

With support from the state and the University's efficient cost containment* during this period of historic inflation, USC has provided education to SC citizens at the same rate for a record 7 consecutive years.

The University will continue to assess less healthy programs for termination and expand programs contributing to South Carolina workforce needs. Faculty and staff productivity and resources will continue to be optimized. Funds will be reallocated and mission critical initiatives prioritized for highest and best use in educating South Carolinians.

*In 2023, USC examined how the Columbia campus' administrative costs compared to three groups: other public colleges in South Carolina, the 14-member SEC conference schools and public member institutions of the American Association of Universities. The study found that:
• On a per-student basis, USC's **administrative costs fell below all three benchmark groups** for three consecutive years (2020-22).
• USC Columbia is, on average, more **administratively efficient than all three benchmark groups**.
In addition to this cost analysis, USC has created a new Office of Organizational Excellence and Effectiveness focused on improving experiences for students and employees, with an eye toward optimizing both the delivery of services and the effective use of resources.

The university implemented a series of strategic budget decisions cutting $47.8 million as outlined below. While difficult, this necessary process involved close collaboration between the administration, faculty, and staff to ensure the reductions protected the institution's core mission of education, research, and public service.

Of the $43.5 million strategically reallocated, $17 million was set aside specifically for the Health Science Campus. Through this funding, the first $100 million accumulated was designated to cover capital expenses for the campus, aligning with the state's increasing focus on healthcare education and innovation. The continued use of the $17 million recurring funds are designated for the future campus maintenance, utilities and capital renewal.

By aligning its internal funding with state priorities, the university demonstrated its commitment to long-term growth and ensuring continued excellence in health sciences and other critical fields. Combined with the state's investment, USC's strategic savings have enabled the Health Science Campus to be built entirely debt free.

**DETAIL ON $48 MILLION IN USC UNIT CUTS FOR REALLOCATION/REPURPOSING**

| | ($000s) |
|---|---|
| **University budget reduction programs - recurring** | |
| Excellence initiative | 17,000 |
| Efficiency initiative | 10,800 |
| President's Reserves | 20,000 |
| **Total initiative cut to units for reallocation** | **47,800** |
| *(reductions taken across the board for all units except for President's reserves assessed on academic units through responsibility centered management cost pool principles based on proportional size of colleges)* | |
| | |
| **Reallocation of recurring dollars** | |
| Health Sciences Campus (first $100M designated to capital project; subsequent collection of annual dollars for future Campus maintenance, utilities, and capital renewal) | 17,000 |
| University Libraries | 865 |
| Faculty hiring programs | 4,950 |
| IT infrastructure | 600 |
| Organizational effectiveness | 860 |
| Student Affairs | 1,009 |
| Support units compensation programs | 2,624 |
| Internal audit | 116 |
| Title IX | 210 |
| Provost office | 92 |
| Research | 345 |
| Faculty hiring programs (to be executed) | 14,780 |
| **Total initiative cut to units for reallocation** | **43,451** |
| | |
| **Remaining reserves to be allocated over time** | **4,349** |

*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.*

| Agency Name: | University of South Carolina | | |
|---|---|---|---|
| Agency Code: | H270 | Section: | 20A |

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| **Low Enrollment** | **Program review occurs**:<br>• 3 -5 years following the launch of a new academic program<br>• Compares the actual enrollment and financial support of new programs to original program projections<br>**Institutions review program results and assign a rating:**<br>• Healthy (meeting projections)<br>• Becoming Healthy (not meeting projections but is expected to do so soon)<br>• Becoming Unhealthy (not meeting projections and trending in wrong direction<br>• or Unhealthy (not meeting projections)<br>Programs deemed unhealthy or becoming healthy/unhealthy in Year 3 are reviewed for an additional two years.<br>USC also participates in CHE's Program Productivity Review Process.<br><br>See attached for specific programs.<br><br>Resources from programs that are eliminated are invested in new programs that align with market demands. |

*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** | Reserves in ($000s)<br>State-$0.00; Federal-$0.00; Other-$752,130<br>Institutional Breakdown:<br>Academic $185,757 & Operational $389,176; Auxiliaries $75,101; Professional Schools $102,096<br><br>Balances reflect all deposits and investments under the control of the State Treasurer for investing and excludes endowment funds that are not invested by the State Treasurer.<br><br>Essentially all the University's unrestricted net position/reserves have been internally designated for core missions such as instruction, research, and associated programs and initiatives that enhance these areas. Additional funds are used for capital projects that align with the University's highest priorities, including capital renewal.<br><br>Appropriate levels of fund balance are unique to each institution and the pressure of outside forces. GFOA suggests at a minimum two months, while also considering each government entity's own unique circumstances. For USC, we strive to maintain 3-6 months of fund balance to mitigate risks within our operating budget. USC is currently at 6 months or 50% of its operating budget.<br><br>Good budget discipline in concert with student market strength supports consistent operating results. The USC System has maintained an operating margin of least 3% over the past five years. Our financial discipline has earned the System the AA+/Aa2 credit rating, and raters note USC's sound financial management. USC has been awarded the Certification of Achievement for Excellence in Financial Reporting for 14 consecutive years. |

| AGENCY NAME: | University of South Carolina | | |
|---|---|---|---|
| AGENCY CODE: | H270 | SECTION: | 20A |

*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.*