

AGENCY NAME:

University of South Carolina Upstate

AGENCY CODE:

H340

SECTION:

20C



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"):

- ☒ Requesting General Fund Appropriations.
☒ Requesting Federal/Other Authorization.
☐ Not requesting any changes.

NON-RECURRING REQUESTS (FORM B2)

For FY 2026-27, my agency is (mark "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"):

- ☒ Requesting funding for Capital Projects.
☐ Not requesting any changes.

PROVISOS (FORM D)

For FY 2026-27, my agency is (mark "X"):

- ☐ Requesting a new proviso and/or substantive changes to existing provisos.
☐ 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.

PRIMARY CONTACT: SECONDARY CONTACT:

<u>Name</u>	<u>Phone</u>	<u>Email</u>
Kelly Epting	803-777-8411	eptingk@mailbox.sc.edu
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.

SIGN/DATE:

Agency DirectorBoard or Commission Chair

<i>Michael Amiridis</i> 9/14/25	<i>Thad H. Westbrook</i> 9/26/25
Michael Amiridis	Thad H. Westbrook

TYPE/PRINT NAME:

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

Agency Name:	USC - Upstate
Agency Code:	H340
Section:	20C

BUDGET REQUESTS			FUNDING					FTES				
Priority	Request Type	Request Title	State	Federal	Earmarked	Restricted	Total	State	Federal	Earmarked	Restricted	Total
1	B1 - Recurring	Tuition Mitigation	4,100,000	0	0	0	4,100,000	0.00	0.00	0.00	0.00	0.00
2	B1 - Recurring	Establish the School of Engineering and Computer Science	3,500,000	0	0	0	3,500,000	14.00	0.00	0.00	0.00	14.00
3	C - Capital	Academic Health Sciences and Nursing Construction	13,500,000	0	0	0	13,500,000	0.00	0.00	0.00	0.00	0.00
4	C - Capital	School of Engineering - Academic Media Renovations	20,000,000	0	0	0	20,000,000	0.00	0.00	0.00	0.00	0.00
5	C - Capital	Deferred Maintenance Campus Wide	5,000,000	0	0	0	5,000,000	0.00	0.00	0.00	0.00	0.00
6	C - Capital	Convocation Center Construction	15,000,000	0	0	0	15,000,000	0.00	0.00	0.00	0.00	0.00
7	B1 - Recurring	Federal and Other Funds Authorization	0	4,700,000	0	0	4,700,000	0.00	0.00	0.00	0.00	0.00
8	C - Capital	Regional Hospitality and Tourism	12,000,000	0	0	0	12,000,000	0.00	0.00	0.00	0.00	0.00
TOTALS			73,100,000	4,700,000	0	0	77,800,000	14.00	0.00	0.00	0.00	14.00

Agency Name:	USC - Upstate		
Agency Code:	H340	Section:	20C

FORM B1 – RECURRING OPERATING REQUEST

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

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

AMOUNT	General: \$4,100,000 Federal: \$0 Other: \$0 Total: \$4,100,000
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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
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Please provide the total number of new positions needed for this request.

FACTORS ASSOCIATED WITH THE REQUEST	Mark “X” for all that apply:	
	X	Change in cost of providing current services to existing program audience
		Change in case load/enrollment under existing program guidelines
		Non-mandated change in eligibility/enrollment for existing program
	X	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	USC Upstate seeks increased funding to bolster its foundation and advance its 2030 strategic priorities: • Strengthening Academic Excellence • Driving Enrollment Growth • Enhancing Student Success and Completion • Deepening Community Engagement and Impact • Building a Future-Ready Institution
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These goals are vital to align Upstate’s educational mission with the region’s workforce demands and establish leadership in these efforts.

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?

USC Upstate Funding Allocation Plan

The allocated funds will be strategically invested to drive growth and development at USC Upstate, focusing on the following key areas:

1. Increase Faculty Salaries in High-Demand STEM Programs: To support the growth of STEM programs, including cybersecurity, nursing, business, and engineering, funds will be used to increase faculty salaries, ensuring continued excellence in education.
2. Add Staff to Integrate AI Across Campus: Funds will support hiring staff to implement AI in operational processes, coordinate AI initiatives on campus, and train faculty and staff on integrating AI into their work.
3. Enhance Student Support Services: Based on recommendations from the National Institute on Student Success, funds will support hiring more professional advisors and internship coordinators to strengthen student academic and career outcomes.
4. Bolster Campus Security: To prioritize student safety, funding will restore pre-COVID staffing levels by adding two police officers.
5. Implement Competitive Market-Based Compensation for Faculty and Staff: Adjusting faculty and staff salaries to align with the CUPA average for comparable comprehensive universities and market ranges, ensuring equitable pay and enhancing our ability to attract and retain top talent.

All funds will be used judiciously, adhering to state procurement guidelines for the acquisition of goods and services.

This request consists of:

1. Full-Time Faculty Salary Adjustments
 - Description: Increase full-time faculty salaries to the mid-point of the CUPA average for comprehensive universities
 - Specifications: Targeting competitive salary adjustments and increased benefits cost
 - Estimated Cost: \$1,050,000
2. Inflationary Facility and Utility Costs
 - Description: Cover increased to maintain and support additional square footage.
 - Specifications: Includes library and Health Services additions.
 - Quantity: 3 FTEs
 - Estimated Cost: \$395,000
3. Critical Faculty Hires
 - Description: Hire faculty in STEM, health services, and business fields using existing vacancies.
 - Quantity: 4.5 FTEs
 - Specifications: Transitioning focus to high-demand areas.
 - Estimated Cost: \$810,000
4. Insurance Premiums
 - Description: Estimated impacts on property and liability insurance premiums.
 - Specifications: estimated increases in South Carolina Reserve Fund and other liability insurance
 - Estimated Cost: \$80,000

RECIPIENTS OF FUNDS

5. Campus Police Staffing

- Description: Fund one new FTEs to restore campus police staffing to pre-COVID levels.
- Quantity 1 FTEs
- Estimated Cost: \$88,000

6. Staff Salary Study Implementation

- Description: Impact of the staff salaries study by USC to ensure competitive salaries and increased benefits cost
- Estimated Cost: \$817,000

7. Student Support Positions

- Description: Fund new positions to support student internships and improve graduation rates.
- Quantity 5 FTEs

- Estimated Cost: \$410,000

8. Begin process of integrating AI across Campus

- Description: hire staff and resources to implement AI in operational processes (train faculty staff and coordinate initiatives on campus)
- Quantity 2 FTEs
- Estimated Cost: \$450,000

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?

USC Upstate Funding Request

Purpose

To advance the education of in-state students, meet the workforce needs of the Upstate region, and drive transformative community impact, USC Upstate requests a \$4.1 million funding increase. This investment will allow the university to maintain tuition rates, unchanged for six years, reinforcing our commitment to affordable education, regional economic growth, and social mobility.

Background

USC Upstate is a vital contributor to South Carolina’s educational and economic landscape, with a focus on student success, diversity, and innovation:

- 84% of graduates remain in South Carolina, with 68% residing in the Upstate region, contributing over \$300 million annually to the regional economy.
- 65% of nursing graduates are employed by Spartanburg Regional and Prisma Health systems. The Mary Black College of Nursing achieved a 97% pass rate on the 2023 NCLEX and a 100% first-time pass rate in 2024.
- The USC Upstate Teaching Fellows program reached its maximum capacity of 15 Fellows, underscoring our commitment to developing educators.
- Through Movement 2030, a partnership with Spartanburg County colleges, businesses, and nonprofits, USC Upstate is driving systemic change to improve school readiness, post-secondary degree attainment, and neighborhood outcomes. Led by the Spartanburg Academic Movement (SAM), Movement 2030 has secured \$100 million, with an anticipated additional \$120 million in public and private capital over seven years.

JUSTIFICATION OF REQUEST

- USC Upstate’s diverse student body, with 40% minority representation, and its #10 ranking in Top Performers on Social Mobility (U.S. News & World Report 2024) reflect its commitment to inclusivity and access for first-generation and underrepresented students.

- The university is a leader in integrating AI and technology into its curriculum and operations, preparing students for tech-driven careers in cybersecurity, data analytics, and more.

- Sustainability initiatives, such as the Watershed Ecology Center and energy-efficient campus projects, demonstrate USC Upstate’s commitment to environmental stewardship.

Rankings (U.S. News and World Report 2024)

- #22 in Regional Colleges South
- #4 in Top Public Schools (No. 2 in South Carolina)
- #4 in Best Colleges for Veterans
- #10 in Top Performers on Social Mobility

Funding Allocation Plan

The requested \$3.8 million will be strategically allocated to support key areas of growth and development, aligning with USC Upstate’s 2030 strategic priorities:

1. Increase Faculty Salaries in High-Demand STEM Programs: Funds will support salary increases for faculty in cybersecurity, nursing, business, and engineering, ensuring excellence in these critical fields.
2. Add Staff to Integrate AI Across Campus: Funding will enable hiring staff to implement AI in operational processes, coordinate AI initiatives, and train faculty and staff on AI integration, positioning USC Upstate as a leader in tech-driven education.
3. Enhance Student Support Services: Based on recommendations from the National Institute on Student Success, funds will support hiring professional advisors and internship coordinators to strengthen student academic and career outcomes, particularly for first-generation and underrepresented students.
4. Bolster Campus Security: To prioritize student safety, funding will restore pre-COVID staffing levels by adding two police officers.
5. Implement Competitive Market-Based Compensation for Faculty and Staff: In alignment with the USC System’s Market Phase plan (Phase 3), funds will adjust faculty and staff salaries to align with the CUPA average for comparable comprehensive universities and market ranges, ensuring equitable compensation and enhancing talent recruitment and retention.
6. Expand Workforce Development and Sustainability Initiatives: Funds will strengthen partnerships with regional employers to create tailored training programs and internships in high-demand fields, while also supporting sustainability projects like energy-efficient infrastructure and the Watershed Ecology Center.

Conclusion

This \$4.1 million investment will empower USC Upstate to sustain its commitment to affordable education, drive economic and workforce development, and lead transformative initiatives like Movement 2030. By leveraging its strengths in diversity, innovation, and community engagement, USC Upstate will continue to serve as a catalyst for growth in the Upstate region and beyond.

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:	USC - Upstate		
Agency Code:	H340	Section:	20C

FORM B1 – RECURRING OPERATING REQUEST

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

TITLE	Establish the School of Engineering and Computer Science
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Provide a brief, descriptive title for this request.

AMOUNT	General: \$3,500,000 Federal: \$0 Other: \$0 Total: \$3,500,000
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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	14.00
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Please provide the total number of new positions needed for this request.

FACTORS ASSOCIATED WITH THE REQUEST	Mark “X” for all that apply:	
		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:	
	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	Greater 2030 Strategic Plan – Spartan Distinct Cornerstone Program Enhancing Areas of Academic Distinctiveness 1.1. Add new market-aligned undergraduate and graduate degree programs and other industry-related credentials. 1.1.a. Establish at least three regional and industry-aligned undergraduate engineering programs. Funds from this request will help establish the USC Upstate School of Engineering and Computer Science, which will serve as the academic home of at least three engineering programs, as well as extant computer science, data science, and cybersecurity programs and activities. The introduction of engineering programs is in
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response to data from market studies and conversations with industry leaders that indicate a strong and urgent need for more engineers in the region and across the state. Because of our location within a very high density of manufacturing companies, and because most of our students come from the upstate region of SC (and remain here after graduation), we are uniquely positioned to move the needle on that workforce need.

Use of funds would be evaluated by the number of graduates from the program, job placement rates, positive interactions and relationships with manufacturers (e.g., capstone projects, internships, scholarships, etc.), and faculty productivity (e.g., scholarship, patents, etc.).

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

Funds dedicated to salaries would go directly to faculty. Funds dedicated for equipment maintenance and software licensing would go to contractors and vendors who won bids through a competitive process (when necessary). Funds dedicated to scholarships would go to students enrolled in the specified programs who meet GPA and progress-toward-degree requirements.

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?

This request will support several initiatives related to engineering and computer science at USC Upstate. These efforts are in response to data from market studies and conversations with industry leaders, who indicate an urgent need for more engineers to support the manufacturing growth within the region and to address the critical need for cybersecurity experts. Because of our location within a very high density of manufacturing companies, and because most of our students come from the upstate region of SC and remain here after graduation, we believe USC Upstate is uniquely positioned to have a lasting positive impact on the manufacturing sector here and across the state.

Requested funds will be used to establish the School of Engineering and Computer Science (within the College of Science & Technology), fund faculty lines for engineering and computer science programs, equip classrooms and laboratories for cutting-edge teaching and research, staff a Cybersecurity Clinic, and provide student scholarships. Funds will be used for engineering faculty salaries and to hire the inaugural Director of Engineering, who will oversee implementation and operation of the first three engineering program(s) at USC Upstate. Additionally, funding will support growth of our cybersecurity program with three new faculty hires.

We request:

Salary

- Director of Engineering
- \$100,000 salary + \$40,000 fringe
- Nine new full-time engineering faculty
- \$125,000 average salary + \$50,000 fringe x 9 faculty
- Three new full-time cybersecurity faculty

JUSTIFICATION OF REQUEST

- \$110,000 salary + \$44,000 fringe x 3 faculty

Annual Amount = \$2,177,000

Hardware and software licensing

- Annual hardware investments, required as technologies change: \$100,000
- Annual institutional software licenses
- To support engineering (e.g., AutoCAD, Siemens industrial simulation software suite, MiniTab, etc.): \$150,000
- To support cybersecurity/data science teaching laboratories: \$125,000
- To support the USC Upstate Cyber Range: \$145,000

Annual Amount = \$520,000

Student scholarships

Includes tuition, room/board, and fees for twenty students

Annual amount = \$400,000

Summer Math Booster Program

Resident summer program to prepare incoming engineering students to start in Calculus I in their first semester, reducing time to degree completion

- \$25,000 salary + \$10,000 fringe
- \$50,000 summer school scholarship and housing assistance

Annual amount = \$85,000

Capstone project support

Provides materials and equipment necessary for senior engineering students to complete capstone projects with community and industry partners.

Annual amount = \$250,000

ABET accreditation fees

Annual amount = \$20,000

USC Upstate Cybersecurity Clinic

This Clinic will allow students to work as “cybersecurity analysts” to help local non-profits and small businesses harden their operations against malicious cybersecurity attacks.

- Salary for Clinic Director
- \$70,000 + \$28,000 fringe
- Salaries for student analysts
- 8 students x 160 hours x \$15/hr = \$19,200 + \$1,500 fringe
- Stipends for support staff
- \$5,000 x 4 faculty/staff members

Annual amount = \$138,700

TOTAL REQUESTED: \$3,500,000 annually

Without these funds, we will be slower to address the current and growing need for more engineers and cybersecurity professionals in the upstate region of SC. Existing vacancies are needed to support other programs at USC Upstate, and additional funding is needed to provide competitive salaries. Faculty salaries in engineering and computer science are typically higher than other STEM disciplines because of the competition with industry.

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:	USC - Upstate		
Agency Code:	H340	Section:	20C

FORM B1 – RECURRING OPERATING REQUEST

AGENCY PRIORITY	7
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Provide the Agency Priority Ranking from the Executive Summary.

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

AMOUNT	General: \$0 Federal: \$4,700,000 Other: \$0 Total: \$4,700,000
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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
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Please provide the total number of new positions needed for this request.

FACTORS ASSOCIATED WITH THE REQUEST	Mark “X” for all that apply:	
	X	Change in cost of providing current services to existing program audience
	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.
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What specific strategy, as outlined in the most recent Strategic Planning and Performance Measurement template of agency’s accountability report, does this funding request support? How would this request advance that strategy? How would the use of these funds be evaluated?

RECIPIENTS OF	Use of these funds benefits the USC Upstate student body and the faculty/administrative staff who serve them.
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FUNDS	
<i>What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?</i>	
JUSTIFICATION OF REQUEST	Upstate’s Federal Funds are comprised primarily of Student Financial Aid (mostly Pell Grants, but also work study, SEOG and Teach grants). Research Funds are the second largest Federal source and have seen recent increases as well. Preliminary figures for Fall 2025 indicate undergrad enrollment will be up for the second year in which should lead to Student Financial Aid expenditures and corresponding authorizations. Federal \$4.7M • Increased enrollment • 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
<i>Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. If new positions have been requested, explain why existing vacancies are not sufficient.</i>	

Agency Name:	USC - Upstate		
Agency Code:	H340	Section:	20C

FORM C – CAPITAL REQUEST

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

TITLE	Academic Health Sciences and Nursing Construction
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Provide a brief, descriptive title for this request.

AMOUNT	\$13,500,000
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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	Currently priority 5 in fiscal year 2028/29 on the CPIP.
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Identify the project’s CPIP plan year and priority number, along with the first year in which the project was included in the agency’s CPIP. If not included in the agency’s CPIP, please provide an explanation. If the project involves a request for appropriated state funding, briefly describe the agency’s contingency plan in the event that state funding is not made available in the amount requested.

OTHER APPROVALS	No additional approvals have been obtained externally. Project will have to go through normal State of SC approval process including Phase 1 and 2, JBRC, SFAA, etc.
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What approvals have already been obtained? Are there additional approvals that must be secured in order for the project to succeed? (Institutional board, JBRC, SFAA, etc.)

LONG-TERM PLANNING AND SUSTAINABILITY	No additional funds have been obtained externally. There will be an increase to the Facilities Management operating funds for operations, maintenance and utilities. The anticipated useful life for the mechanical equipment is a normal 15-20 year life cycle.
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What other funds have already been invested in this project (source/type, amount, timeframe)? Will other capital and/or operating funds for this project be requested in the future? If so, how much, and in which fiscal years? Has a source for those funds been identified/secured? What is the agency’s expectation with regard to additional annual costs or savings associated with this capital improvement? What source of funds will be impacted by those costs or savings? What is the expected useful life of the capital improvement?

	Construct an addition of 30,000 GSF to the current nursing building at USC Upstate. Since its founding in 1967, the Mary Black College of Nursing (MBCON) has grown fourfold, addressing the critical and growing need for skilled nurses. MBCON graduates not only meet the demand for nurses but also deliver exceptional patient care across local communities and throughout South Carolina. The U.S. Bureau of Labor Statistics projects an unprecedented 193,100 annual registered nurse (RN) openings from 2022 to 2032, with a shortfall of over half a million nurses compared to the projected supply. South Carolina faces a particularly acute challenge, with an anticipated RN vacancy rate of 11%, the 10th highest in the nation.
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SUMMARY

The population within a 30-mile radius of the Upstate campus is expected to grow by 15% in the coming years, adding approximately 115,000 residents. Additionally, the proportion of individuals aged 65 and older in this area is projected to increase from 17.6% in 2023 to 20% by 2028, further driving the demand for healthcare services.

The proposed expansion of the MBCON building will create a state-of-the-art facility to prepare nurses for this growing need, featuring:

- Modernized, innovative spaces equipped with cutting-edge technology to simulate diverse acute care environments, including medical-surgical nursing, pediatrics, labor and delivery, and intensive care training.
- Ambulatory care settings and a new simulation center with recording and observation capabilities, high-functioning equipment, and dedicated spaces for equipment storage, supplies, and debriefing.
- A realistic hospital environment with a nurse's station, medication room, and supply room to foster a professional mindset, easing students' transition from academic training to professional practice.
- New skills and simulation labs, support services, and classrooms designed to enhance student learning, preparing graduates to address both local and national nursing shortages effectively.

This expansion will empower MBCON to continue producing highly skilled nurses, meeting the region's healthcare needs with quality and compassion.

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:	USC - Upstate		
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FORM C – CAPITAL REQUEST

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

TITLE	School of Engineering - Academic Media Renovations
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Provide a brief, descriptive title for this request.

AMOUNT	\$20,000,000
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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	Currently priorities 6 and 7 in fiscal year 2028/29 on the CPIP.
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Identify the project’s CPIP plan year and priority number, along with the first year in which the project was included in the agency’s CPIP. If not included in the agency’s CPIP, please provide an explanation. If the project involves a request for appropriated state funding, briefly describe the agency’s contingency plan in the event that state funding is not made available in the amount requested.

OTHER APPROVALS	No additional approvals have been obtained externally. Project will have to go through normal State of SC approval process including Phase 1 and 2, JBRC, SFAA, etc.
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What approvals have already been obtained? Are there additional approvals that must be secured in order for the project to succeed? (Institutional board, JBRC, SFAA, etc.)

LONG-TERM PLANNING AND SUSTAINABILITY	No other additional funds have been obtained externally. There will be an increase to the Facilities Management operating funds for operations, maintenance and utilities. The anticipated useful life for the mechanical equipment is a normal 15-20-year life cycle.
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What other funds have already been invested in this project (source/type, amount, timeframe)? Will other capital and/or operating funds for this project be requested in the future? If so, how much, and in which fiscal years? Has a source for those funds been identified/secured? What is the agency’s expectation with regard to additional annual costs or savings associated with this capital improvement? What source of funds will be impacted by those costs or savings? What is the expected useful life of the capital improvement?

	To meet the growing demands of an expanding industry and prepare students for cutting-edge careers, the School of Engineering seeks funding to renovate and expand its facilities. The proposed project includes: • Renovation of 30,000 SF Interior: Modernizing an existing classroom building with outdated mechanical and electrical systems beyond their useful life. The renovation will include updated classrooms, laboratories, faculty and staff offices, restrooms, and storage spaces, as well as a complete replacement of the building’s HVAC system to ensure a comfortable and efficient learning environment. • Construction of a 3-Story, 14,000 GSF Addition: Creating new academic space tailored
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SUMMARY

to the College of Engineering's needs, including state-of-the-art classrooms, advanced laboratories, faculty and staff offices, restrooms, and storage spaces.

These improvements will provide a modern, innovative engineering program equipped to address the region's growing industrial demands. By upgrading outdated infrastructure and expanding academic facilities, the project will enhance student learning, foster cutting-edge research, and prepare graduates to excel in the engineering 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.

Agency Name:	USC - Upstate		
Agency Code:	H340	Section:	20C

FORM C – CAPITAL REQUEST

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

TITLE	Deferred Maintenance Campus Wide
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Provide a brief, descriptive title for this request.

AMOUNT	\$5,000,000
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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	Currently priority 2 in fiscal year 2025/26 on the CPIP.
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Identify the project’s CPIP plan year and priority number, along with the first year in which the project was included in the agency’s CPIP. If not included in the agency’s CPIP, please provide an explanation. If the project involves a request for appropriated state funding, briefly describe the agency’s contingency plan in the event that state funding is not made available in the amount requested.

OTHER APPROVALS	No additional approvals have been obtained externally. Project will have to go through normal State of SC approval process including Phase 1 and 2, JBRC, SFAA, etc. as needed.
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What approvals have already been obtained? Are there additional approvals that must be secured in order for the project to succeed? (Institutional board, JBRC, SFAA, etc.)

LONG-TERM PLANNING AND SUSTAINABILITY	No other additional funds have been obtained externally. The anticipated useful life for the mechanical equipment is a normal 15-20-year life cycle. Replacement and modernization of mechanical and electrical equipment generally leads to increased efficiencies, energy cost savings, and a decrease in technician labor hours.
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What other funds have already been invested in this project (source/type, amount, timeframe)? Will other capital and/or operating funds for this project be requested in the future? If so, how much, and in which fiscal years? Has a source for those funds been identified/secured? What is the agency’s expectation with regard to additional annual costs or savings associated with this capital improvement? What source of funds will be impacted by those costs or savings? What is the expected useful life of the capital improvement?

	The University of South Carolina Upstate (USC Upstate) is committed to providing a safe, functional, and conducive environment for learning, research, and community engagement. As a steward of state assets, the university recognizes that maintaining and upgrading campus infrastructure is critical to supporting its educational mission and ensuring the safety and well-being of students, faculty, staff, and visitors. However, years of limited funding have resulted in a significant backlog of deferred maintenance, posing risks to both the operational efficiency and safety of campus facilities. This narrative outlines the urgent need for deferred maintenance funds to address critical repairs, replace outdated systems, and enhance the campus infrastructure to sustain USC Upstate’s mission. Importance of Maintenance for Learning Environments and State Assets
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Maintenance is not merely a cost but an investment in the longevity of state assets and the quality of the educational experience. Well-maintained facilities are essential for fostering an environment where students can thrive academically, faculty can conduct impactful teaching and research, and staff can operate efficiently. Neglecting maintenance leads to deteriorating infrastructure, which can disrupt academic activities, compromise safety, and increase long-term costs due to emergency repairs or premature replacements. At USC Upstate, deferred maintenance funds are critical to preserving state-owned assets, ensuring compliance with safety regulations, and maintaining an environment that supports the university's mission of delivering high-quality education.

Scope of Deferred Maintenance Needs

USC Upstate faces a range of deferred maintenance challenges that require immediate attention to prevent further deterioration and costly consequences. The funds would be strategically allocated to address critical life and safety issues, as well as repairs and upgrades that directly support the educational mission. Key areas of focus include:

1. Replacement of Aging Mechanical and Electrical Systems

Many of USC Upstate's buildings rely on outdated mechanical systems, including boilers, HVAC units, and electrical systems that are nearing or have exceeded their operational lifespans. These systems are critical to maintaining comfortable and safe indoor environments for learning and working. Replacing aging boilers and HVAC systems will improve energy efficiency, reduce operational costs, and ensure reliable climate control across campus buildings. Similarly, upgrading electrical systems will mitigate risks of power failures, enhance safety, and support modern technological demands in classrooms and labs.

2. Repair and Replacement of Interior Finishes and Building Envelopes

The condition of interior finishes, such as flooring, walls, and ceilings, directly impacts the aesthetic and functional quality of learning spaces. Worn or damaged finishes can create uninviting environments and pose safety hazards. Additionally, building envelopes—roofs, windows, and exterior walls—are critical to protecting structures from weather-related damage and maintaining energy efficiency. Deferred maintenance funds would enable USC Upstate to repair or replace deteriorating roofs, seal leaking windows, and address exterior wall issues, preventing water intrusion and further structural damage.

3. Upgrades to Miscellaneous Equipment

A variety of campus equipment, including laboratory instruments, safety systems, and other critical machinery, requires repair or replacement to meet current standards. Outdated equipment can hinder academic programs, compromise safety, and lead to inefficiencies. Funding would be used to prioritize upgrades to equipment that supports both the educational mission and operational needs, ensuring that USC Upstate remains a competitive institution for students and faculty.

4. Site Improvements to Sidewalks, Roadways, and Parking Lots

The campus's external infrastructure, including sidewalks, roadways, and parking lots, is heavily utilized and subject to wear and tear. Cracked or uneven sidewalks pose tripping hazards, while deteriorating roadways and parking lots create safety risks for pedestrians and vehicles. Deferred maintenance funds would support the repair and resurfacing of these areas, improving accessibility, safety, and the overall campus experience for students, staff, and visitors.

Prioritization of Critical Life and Safety Issues

SUMMARY

USC Upstate is committed to directing deferred maintenance funds toward projects that address critical life and safety issues first. This includes ensuring compliance with fire safety codes, improving accessibility for individuals with disabilities, and mitigating hazards such as electrical faults or structural weaknesses. By prioritizing these areas, the university will safeguard the well-being of its community while maintaining compliance with state and federal regulations.

Alignment with Educational Mission

Every maintenance project funded through this initiative will be evaluated based on its impact on USC Upstate's educational mission. For example, modernized classrooms and laboratories equipped with reliable systems and updated finishes will enhance the learning experience, enabling faculty to deliver innovative instruction and students to engage in hands-on learning. Safe and accessible campus grounds will foster a welcoming environment, supporting student recruitment and retention. By addressing deferred maintenance, USC Upstate will strengthen its ability to fulfill its mission of providing transformative education and preparing graduates for success.

Long-Term Benefits of Deferred Maintenance Funding

Investing in deferred maintenance at USC Upstate will yield significant long-term benefits, including:

- **Cost Savings:** Addressing maintenance issues proactively prevents more costly emergency repairs and premature replacements.
- **Improved Safety:** Upgrading systems and infrastructure reduces risks to the campus community, ensuring a safe environment for all.
- **Enhanced Educational Quality:** Modern, functional facilities support innovative teaching and learning, attracting high-caliber students and faculty.
- **Sustainability:** Replacing outdated systems with energy-efficient alternatives reduces utility costs and supports environmental goals.
- **Asset Preservation:** Timely maintenance extends the lifespan of state-owned facilities, protecting taxpayer investments.

Conclusion

The need for deferred maintenance funds at USC Upstate is both urgent and critical to the university's mission. By addressing aging mechanical and electrical systems, repairing interior finishes and building envelopes, upgrading critical equipment, and improving site infrastructure, USC Upstate can ensure safe, functional, and inspiring spaces for its community. These investments will not only preserve state assets but also enhance the educational experience, positioning USC Upstate as a leading institution for years to come. Funding for deferred maintenance is an essential step toward sustaining the university's commitment to excellence in education and community engagement.

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:	USC - Upstate		
Agency Code:	H340	Section:	20C

FORM C – CAPITAL REQUEST

AGENCY PRIORITY	6
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Provide the Agency Priority Ranking from the Executive Summary.

TITLE	Convocation Center Construction
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Provide a brief, descriptive title for this request.

AMOUNT	\$15,000,000
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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	Currently priority 14 in fiscal year 2030/31 on the CPIP.
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Identify the project’s CPIP plan year and priority number, along with the first year in which the project was included in the agency’s CPIP. If not included in the agency’s CPIP, please provide an explanation. If the project involves a request for appropriated state funding, briefly describe the agency’s contingency plan in the event that state funding is not made available in the amount requested.

OTHER APPROVALS	No additional approvals have been obtained externally. Project will have to go through normal State of SC approval process including Phase 1 and 2, JBRC, SFAA, etc.
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What approvals have already been obtained? Are there additional approvals that must be secured in order for the project to succeed? (Institutional board, JBRC, SFAA, etc.)

LONG-TERM PLANNING AND SUSTAINABILITY	No additional funds have been obtained externally. No other capital and/or operating funds for this project will be requested in the future. This facility will be managed by a private facilities management firm utilizing revenues generated from naming rights, catering, rental, service income, concessions, box office fees, sponsorships, luxury suites, etc. to fund operations and future capital costs.
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What other funds have already been invested in this project (source/type, amount, timeframe)? Will other capital and/or operating funds for this project be requested in the future? If so, how much, and in which fiscal years? Has a source for those funds been identified/secured? What is the agency’s expectation with regard to additional annual costs or savings associated with this capital improvement? What source of funds will be impacted by those costs or savings? What is the expected useful life of the capital improvement?

	Construct new 75,000 GSF Convocation/Arena with 3,500 seat capacity for USC Upstate Division 1 Basketball as well USC Upstate Convocation and Community Events. The University of South Carolina Upstate (USC Upstate) seeks to construct a new 75,000 gross square foot (GSF) Convocation Center to address critical academic, athletic, and community needs. This state-of-the-art facility, with a seating capacity of 3,500 fixed seats and provisions for additional floor seating, will serve as a transformative hub for the university and the broader Upstate region. Addressing Academic Needs
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SUMMARY

USC Upstate currently lacks a venue large enough to accommodate major university-wide events, such as graduations and freshman convocations. The proposed Convocation Center will provide flexible, large-scale assembly spaces to host these critical academic functions, fostering a sense of community and supporting the university's growing student body. The facility will enable USC Upstate to bring together all students, faculty, and staff for significant events, enhancing the academic experience and reinforcing institutional pride.

Supporting NCAA Division I Athletics

As a member of NCAA Division I, USC Upstate requires a modern athletic facility to support its basketball programs and other sports. The current arena is the smallest in the region among Division I institutions, limiting the university's ability to compete effectively and attract top talent. The new Convocation Center, with its 3,500-seat capacity and expandable floor seating, will provide a competitive venue for Spartan athletics, elevating the program's profile, enhancing fan experiences, and supporting the growth of Division I sports at USC Upstate.

Serving the Upstate Community

Beyond academics and athletics, the Convocation Center will serve as a vital resource for the Upstate region. The facility will accommodate large-scale community events, including entertainment, local business gatherings, and regional meetings in partnership with organizations like the Spartanburg Regional Health System. By providing a modern, multi-purpose venue, the center will address the region's shortage of large event spaces, fostering economic growth and community engagement.

Meeting Growing Regional Demand

The Upstate region is experiencing significant population growth, with projections estimating a 15% increase within a 30-mile radius of the USC Upstate campus in the coming years. This growth, combined with an aging population (expected to rise from 17.6% to 20% for those 65 and older by 2028), underscores the need for a versatile facility to serve both the university and the community. The Convocation Center will position USC Upstate as a regional leader, providing a dynamic space for education, athletics, and community collaboration.

This new Convocation Center will not only address USC Upstate's immediate needs for academic and athletic spaces but also catalyze growth, strengthen community ties, and elevate the university's role as a cornerstone of the Upstate region.

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:	USC - Upstate		
Agency Code:	H340	Section:	20C

FORM C – CAPITAL REQUEST

AGENCY PRIORITY	8
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Provide the Agency Priority Ranking from the Executive Summary.

TITLE	Regional Hospitality and Tourism
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Provide a brief, descriptive title for this request.

AMOUNT	\$12,000,000
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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	4
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Identify the project’s CPIP plan year and priority number, along with the first year in which the project was included in the agency’s CPIP. If not included in the agency’s CPIP, please provide an explanation. If the project involves a request for appropriated state funding, briefly describe the agency’s contingency plan in the event that state funding is not made available in the amount requested.

OTHER APPROVALS	No additional approvals have been obtained externally. The project will have to go the through normal State of SC approval process including Phase 1 and 2, JBRC, SFAA, etc. as needed.
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What approvals have already been obtained? Are there additional approvals that must be secured in order for the project to succeed? (Institutional board, JBRC, SFAA, etc.)

LONG-TERM PLANNING AND SUSTAINABILITY	\$6 M was obtained last year and we are requesting \$12 M this year for the balance of the project. Long term, the revenues from the conference center and ensure long term enhancements.
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What other funds have already been invested in this project (source/type, amount, timeframe)? Will other capital and/or operating funds for this project be requested in the future? If so, how much, and in which fiscal years? Has a source for those funds been identified/secured? What is the agency’s expectation with regard to additional annual costs or savings associated with this capital improvement? What source of funds will be impacted by those costs or savings? What is the expected useful life of the capital improvement?

	Hospitality and Tourism Management Center Project Overview: Transform an existing event space in Spartanburg, SC, into a dual-purpose Hospitality and Tourism Management Center for USC Upstate’s undergraduate degree program, with a project budget of \$18M. The renovation focuses on mechanical and structural upgrades to support instructional classrooms, specialized labs, and a modernized conference center, enabling hands-on education and internships in recreation, tourism, and hospitality while leveraging the hotel’s operational capacity for real-world learning and revenue generation. Program Focus:
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SUMMARY

- Deliver hands-on education and internships in recreation, tourism, and hospitality.
- Utilize the facility's operational hotel for practical training and revenue generation.

Key Structural Changes:

- Interior Reconfiguration:

- o Remove non-load-bearing walls to create open-plan classrooms (1,000-2,000 sq ft) for 30-50 students, supporting flexible seating arrangements.

- o Install load-bearing or demountable partitions in labs to separate wet and dry areas, with glass panels for visibility and supervision.

- Safety and Accessibility:

- o Add ramps, widened doorways (36 inches minimum), and structural thresholds to ensure ADA-compliant accessibility.

- Specialized Lab Features:

- o Incorporate structural isolation (e.g., floating floors) to support fume hoods and lab equipment, ensuring safety and functionality.

- Conference Enhancements:

- o Reinforce ceilings to support advanced lighting and sound systems, creating a state-of-the-art venue for events and presentations.

Summary of Enhancements: This \$18M renovation will transform the Spartanburg event space into a modern Hospitality and Tourism Management Center. Structural changes enable adaptable classrooms and robust labs tailored for hands-on learning, while a modernized conference center supports events and collaboration. The facility will prioritize safety, accessibility, and innovation, integrating with the hotel's operations to provide real-world training and revenue, fostering dynamic education and research for USC Upstate students.

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:	USC - Upstate		
Agency Code:	H340	Section:	20C

FORM E – AGENCY COST SAVINGS AND GENERAL FUND REDUCTION

CONTINGENCY PLAN

TITLE	Agency Cost Savings and General Fund Reduction Contingency Plan
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AMOUNT	\$1,153,829
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What is the General Fund 3% reduction amount? This amount should correspond to the reduction spreadsheet prepared by EBO.

ASSOCIATED FTE REDUCTIONS	3.5 FTE
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How many FTEs would be reduced in association with this General Fund reduction?

PROGRAM / ACTIVITY IMPACT	Education and General Unrestricted (I.A) and associated Employee Benefits (II). The Campus’ primary mission of providing instructional services to students would be impacted. However, the campus would make every effort to minimize the impact on Instructional services. Both academic and service units are funded from the Campus’ general fund, which is comprised almost exclusively from State General Fund and student tuition and fee revenue.
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What programs or activities are supported by the General Funds identified?

SUMMARY	While a 3% cut across appropriation proposal seems equitable in theory, the funds are not distributed equitably on the front end. Upstate has less funding (appropriations) per student than other comprehensives and therefore any cuts will cause a disproportional strain operationally compared to other comprehensive institutions in the state. Upstate’s plan would reduce maintenance, professional development, books and periodicals purchases, adjunct faculty salaries and delay hiring a replacement of two full time faculty and eliminate administrative assistant positions. While the proposed decrease in funding areas is less disruptive operationally in the short term but long-term cuts will diminish our ability to serve the Upstate region and erode our effectiveness in achieving our mission. \$300,000 – Reduce Support for Campus Maintenance/Renewal Projects – USC Upstate has made efforts in recent years to do more to address its aging facilities and infrastructure. This would reduce the available funding for maintenance/renewal projects and fleet replacements and put greater burden on related systems in subsequent years. \$255,718 – Reduce adjunct faculty by 10% across academic departments. This will increase the class sizes and faculty/student ratios. \$216,958 – Hold on replacement of 2 vacant faculty position. Upstate continues to carefully manage its tenure track positions, as it seeks to offer career relevant course offerings and degree programs, in an effort to remain competitive, while providing in-demand and highly skilled workforce in the Upstate region. Any reduction in funding for faculty slots will negatively impact class size and faculty/student ratios. \$131,152 – Eliminate 2 Administrative Assistant positions. While Upstate has optimized its administrative support to Divisions, the need to cut 3% from its state appropriation
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would require a further reduction in administrative support by requiring the sharing of resources and the adding part-time assistance as needed.

\$150,000 – Reduce travel budget by 50%. Currently the Upstate travel budget has not been restored to pre-COVID levels. Any further reduction will negatively impact staff and faculty participation in professional conferences and limit their professional growth and development.

\$100,000 – Reduce books and periodicals budget. The books and periodical budgets is also operating below pre-COVID levels, and any additional reduction will impact the resources available for student use.

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

Reductions of any kind have significant impact on USC Upstate's ability to provide a high-quality education appropriate to a baccalaureate institution.

Upstate's plan would reduce the funding for maintenance projects, staff travel and development, and books and periodicals. Additionally, it would require cuts in adjunct faculty, delay hiring a replacement of two full-time faculty and the elimination of administrative assistants.

A reduction of this magnitude will impact the institution at all levels while it may be sustainable over the short-term but long-term cuts will diminish our ability to serve the Upstate region and erode our effectiveness in achieving our mission.

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:	USC - Upstate		
Agency Code:	H340	Section:	20C

FORM F – REDUCING COST AND BURDEN TO BUSINESSES AND CITIZENS

TITLE	USC Upstate Impact to the upstate of South Carolina
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Provide a brief, descriptive title for this request.

EXPECTED SAVINGS TO BUSINESSES AND CITIZENS	USC Upstate reduces costs and burdens for businesses and citizens through affordable education, workforce development, community engagement, and economic contributions. By expanding scholarships, partnerships, and innovation programs, and advocating for regulatory relief, the university can further amplify its impact. The University has implemented programs designed to assist students in obtaining a degree in a timely manner and to minimize the overall cost of obtaining a quality education.
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What is the expected savings to South Carolina’s businesses and citizens that is generated by this proposal? The savings could be related to time or money.

FACTORS ASSOCIATED WITH THE REQUEST	Mark “X” for all that apply:	
	☐	Repeal or revision of regulations.
	☐	Reduction of agency fees or fines to businesses or citizens.
	☐	Greater efficiency in agency services or reduction in compliance burden.
	☒	Other

METHOD OF CALCULATION	The University of South Carolina Upstate has a significant economic impact on South Carolina, contributing \$624.3 million annually to the state's economy, according to a 2025 study by the Darla Moore School of Business. This impact supports 4,479 jobs and generates \$226 million in labor income. These figures reflect USC Upstate's role in driving economic growth, particularly in the Upstate region, through education, workforce development, and community engagement.
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Describe the method of calculation for determining the expected cost or time savings to businesses or citizens.

REDUCTION OF FEES OR FINES	The University of South Carolina Upstate offers several fee reductions or waiver opportunities, primarily focused on tuition, application fees, and specific student categories, as outlined below based on available information: • Application Fee Waivers: - o USC Upstate waives application fees for degree-seeking transfer students who have graduated with an Associate Degree from a South Carolina technical or community college. - o Application fees are also waived for full-time, permanent USC Upstate faculty and staff (including retirees), their spouses, and dependents, as well as ROTC staff eligible for USC Faculty/Staff Tuition Assistance. - o Graduate school application fees are waived for USC Upstate alumni. - o International student application fees may be waived to support strategic recruitment efforts, as determined annually through the enrollment management process. • Tuition Reductions: - o Dual Enrollment Courses: USC Upstate may waive or charge less than the \$66 per credit hour rate for dual enrollment courses, with a 4% fee waiver capacity for resident students.
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o Senior Citizens: South Carolina resident senior citizens may enroll in classes tuition-free, subject to eligibility and space availability

o Graduate Assistants/Fellowships: Students with assistantships or fellowships may receive tuition reductions, lowering non-resident tuition to the resident rate.

o Wartime Veterans' Children: Children of wartime veterans who meet residency requirements and are 26 or younger may be admitted to USC Upstate tuition-free

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

At this time, USC Upstate does not have specific plans to amend or delete regulations under its direct authority. However, as part of our ongoing commitment to operational efficiency and compliance with state and federal mandates, we continuously review our internal policies and procedures to ensure alignment with our educational mission and regulatory requirements. Any proposed changes to regulations would be developed in accordance with the South Carolina Administrative Procedures Act (S.C. Code § 1-23-10 et seq.) and would involve coordination with the USC Board of Trustees and, where applicable, the CHE.

Which regulations does the agency intend to amend or delete? What is the enabling authority for the regulation?

SUMMARY

The University of South Carolina Upstate (USC Upstate) reduces the burden on South Carolina citizens through initiatives that enhance educational access, affordability, and career readiness while addressing local workforce and community needs. Here's how these efforts, including retention and graduation initiatives, alleviate financial, social, and economic pressures:

- **Affordable Education and Financial Support:** USC Upstate offers tuition significantly lower than the national average for baccalaureate colleges (\$11,997 in-state vs. \$29,280 national average) and provides grants and scholarships to 73% of undergraduates, with an average net price of \$13,794 after aid. Specific initiatives like completion grants for at-risk seniors, summer tuition scholarships to maintain state merit aid, and a FAFSA counselor to streamline aid applications reduce financial barriers. Free tuition for South Carolina seniors (age 60+) on a space-available basis further promotes lifelong learning without cost. Also, Upstate does not require students with homes within the 30 mile radius to live on campus thus allowing students to save on housing and meal plans.

- **Streamlined Degree Completion:** By accepting AA/AS degrees as fulfilling general education requirements and creating pathways for AAS degrees with only 30 hours of gen ed, USC Upstate reduces time and cost to graduation for transfer students. The Upstate Direct Connect program guarantees admission for students from partner two-year colleges with a 2.0 GPA, offering enhanced advising and priority registration for a smooth transition. Partnerships with Acadeum ensure course availability, preventing delays when needed courses aren't offered locally.

- **Retention and Support Programs:** USC Upstate's retention initiatives, such as professional advisors, centralized advising, and major-specific roadmaps, ensure students stay on track. Personalized graduation plans updated each semester, along with Early Alert systems and required interventions with academic coaches for academically at-risk students, minimize dropout risks. Special support for first-generation students and adult learners (SAM advisor) fosters inclusivity, while the ACHIEVE program supports unemployed or underemployed youth (ages 16–24) in completing education and finding jobs, enhancing economic mobility.

- **Workforce Development and Economic Impact:** With an annual economic impact of \$624 million, USC Upstate addresses South Carolina's workforce needs in critical areas like nursing, education, and business. Requiring experiential learning (internships, research, or study abroad) and embedding industry certifications in majors equips students with soft skills, improving employability and reducing reliance on public resources.

- **Community and Social Support:** The United Way counselor connects at-risk students to local food and housing resources, addressing basic needs to keep students enrolled. Initiatives like the Child Protection Training Center and partnerships with community organizations enhance social services, reducing strain on public systems. Peer-to-peer

academic support via CircleIn and faculty training through ACUE improve academic success, ensuring students graduate ready to contribute to society.

- Flexible Education Options: USC Upstate's Greenville campus supports adult and nontraditional learners with degree completion programs, and expanded online offerings through Palmetto College provide scheduling flexibility. These options make higher education accessible to diverse populations, reducing economic burdens by enabling quicker entry into the workforce.
- By combining affordable education, targeted retention strategies, and workforce-aligned programs, USC Upstate empowers South Carolina citizens to achieve economic stability and contribute to the state's prosperity, directly addressing financial, educational, and social burdens.

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

AGENCY NAME:			
AGENCY CODE:		SECTION:	

FORM H – TUITION MITIGATION (PROVISO 117.178)

TITLE	Tuition Mitigation Proviso 117.178
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AMOUNT	\$4,100,000
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What is the amount needed for Tuition Mitigation for FY27? 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, 2026 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 2026-27.

EXPLANATION OF
METHODOLOGY

USC Upstate receives \$8,653 per in-state student in state appropriations, below the \$10,456 average for South Carolina’s comprehensive universities, creating a \$7,353,343 funding gap. Despite this, in-state enrollment grows, and graduates bolster the Upstate region. Without county funding, USC Upstate relies on state appropriations and tuition, unchanged for six years, to cover rising costs and meet regional needs.

USC Upstate boast 91% instate enrollment with greater than 80% choosing careers in the state after graduation.

Deviation of State Appropriations from Average per In-State Student (\$10,456)

Institution	Deviation from Average (\$)
Citadel	8,653,343
Coastal	-12,500,000
CoC	-3,000,000
Francis Marion	500,000
SC State	5,000,000
USC Aiken	-4,000,000
USC Beaufort	-2,000,000
USC Upstate	-7,353,343
Winthrop	1,500,000

FY 25 State Appropriations and Enrollment for South Carolina Institutions

Institution	FY 25 Recurring Base	Fall 2024 Undergrad Enrollment	In-State Enrollment	In-State Enrollment (%)	\$ per In-State Student	Deviation from Average (\$10,456 per In-State Student)
Citadel	\$27,704,744	2,737	1,827	67%	\$15,164.00	\$8,601,280
Coastal	\$34,765,085	10,811	4,532	42%	\$7,671.00	\$-12,622,380
CoC	\$56,595,002	10,880	5,720	53%	\$9,894.00	\$-3,214,420
Francis Marion	\$35,701,237	3,692	3,382	92%	\$10,556.00	\$338,394
SC State	\$31,315,787	2,950	2,475	84%	\$12,653.00	\$5,436,710
USC Aiken	\$24,690,741	3,287	2,727	83%	\$9,054.00	\$-3,823,296
USC Beaufort	\$15,930,600	2,158	1,664	77%	\$9,574.00	\$-1,468,505
USC Upstate	\$35,287,011	4,478	4,078	91%	\$8,653.00	\$-7,353,343
Winthrop	\$37,329,627	3,969	3,429	86%	\$10,886.00	\$1,475,343
Average					\$10,456.00	

- Notes:
- **FY 25 Recurring Base:** Total state funding allocated for FY 2025.
 - **Fall 2024 Undergrad Enrollment:** Total undergraduate students enrolled in Fall 2024.
 - **In-State Enrollment:** Number of in-state undergraduate students in Fall 2024.
 - **In-State Enrollment (%):** Percentage of undergraduate students who are in-state.
 - **\$ per In-State Student:** State appropriation divided by in-state enrollment, rounded to two decimal places.
 - **Deviation from Average (\$10,456 per In-State Student):** Difference between actual appropriation and the amount calculated at the average of \$10,456 per in-state student. Positive values indicate over-funding (more than average), and negative values indicate under-funding (less than average).
 - The average state appropriation per in-state student (\$10,456) is calculated across all institutions and serves as the baseline for deviation calculations.
 - **Lander University** is not included in this table due to the unavailability of its in-state enrollment data for Fall 2024.

Impact of Inflation

Inflation drives up USC Upstate’s operational costs, including salaries and fringe, utilities, facility maintenance, instructional technology, and service contracts. With state appropriations at \$8,653 per in-state student—below the \$10,456 state average—and flat tuition for six years, the university faces a \$7,353,343 funding gap. Without county funding, USC Upstate struggles to cover rising expenses while supporting a growing student population and regional needs.

Waivers and Abatements

SC Upstate utilizes tuition waivers and abatements to attract academically and athletically talented students, creating a vibrant and diverse campus community. A key component of this strategy is the USC Upstate Promise Scholarship, which enables eligible students from Spartanburg, Greenville, Cherokee, and Union counties in South Carolina to earn a bachelor’s degree debt-free. This program enhances access to higher education and supports the economic vitality of the Upstate region by nurturing local talent successfully. We have successfully onboarded four cohorts of Promise Scholars, achieving outstanding retention and success rates.

AGENCY NAME:	
AGENCY CODE:	SECTION:

Upstate has other scholarships for valedictorians, etc. that are in addition to Promise Scholars Upstate awarded 750 scholarship waivers of various amounts in fall 2024.

USC Upstate Promise Scholarship Details:

- **Eligibility:** Available to first-time college students graduating from high schools in Spartanburg, Greenville, Cherokee, or Union counties, who also qualify for the South Carolina LIFE Scholarship.
- **Tuition Coverage:** Covers remaining tuition costs after being awarded other scholarships and grants.
- **Program Expansion:** Now includes students from Greenville, Cherokee, and Union counties, in addition to Spartanburg County.
- **Debt-Free Goal:** Aims to eliminate student loan debt, making higher education more accessible.
- **Regional Impact:** Fosters local talent to boost the Upstate region's economic growth, as highlighted by learnwithsam.org.

Additionally, USC Upstate leverages out-of-state tuition abatements to recruit high-achieving students and student-athletes, enhancing campus competitiveness and diversity through varied backgrounds. Last year, the university awarded approximately 225 scholarships per semester, valued at \$2.2 million, split nearly evenly between academic and athletic achievements. These awards generated around \$2.7 million in in-state tuition revenue (~\$6,000 per student), excluding room and board, underscoring their financial sustainability. Without these waivers, many students likely would not have enrolled. USC Upstate's student-athletes also demonstrate exceptional academic performance, achieving a 3.31 cumulative GPA in the spring semester, with 12 teams maintaining a 3.0 GPA or higher and 51 student-athletes earning a perfect 4.0. The women's cross country team led with a record-breaking 3.92 GPA. Four of our teams captured their conference championships, demonstrating excellence both in the classroom and in competition.

All SC students receiving waivers bring LIFE scholarships and other aid to the institution.



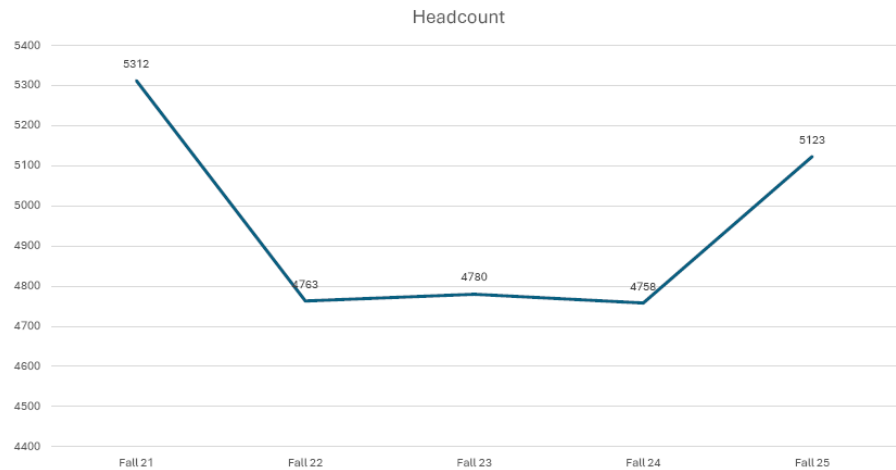
waivers.docx

Fall 2025 Unofficial Undergraduate Enrollment:

Resident: 4,367
 Non-Resident: 461
 Total: 4,828

Overall enrollment trend:

Enrollment trends



Fee waivers:

4% Fee Waiver Information: USC Upstate					
Total		Resident		NonResident	
# Students	Amount	# Students	Amount	# Students	Amount
757	1,547,776.00	623	1,390,728.00	134	157,048.00

Abatements:

FY25 totaled \$2,627,342

Please provide a detailed explanation of the methods used to estimate the FY27 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

Upstate has implemented strategic initiatives to address enrollment challenges while enhancing operational efficiency and effectiveness, with a priority on maintaining stable tuition and fees. Since FY19, Upstate introduced an 18-month assessment cycle for administrative and academic programs to reduce costs and improve operations. Notably, since 2019, Upstate has absorbed the costs of keeping tuition and fees flat without requesting additional funds beyond state tuition mitigation support. Additionally, two voluntary separation initiatives were launched to encourage early retirements, resulting in cost savings and the reallocation of funds to support new or underfunded programs. Upstate has also utilized one-time funds, grant funds, funds from fund balance and from savings to prioritize initiatives focused on boosting enrollment and retention.

Since 2019, USC Upstate has optimized its academic offerings to address low enrollment

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and enhance efficiency. The university eliminated specialized tracks in smaller programs, as these often delayed graduation due to limited course availability. Key actions include discontinuing programs at the University Center of Greenville and Sumter, closing the BMW site, and shifting some programs online. Specific consolidations unified Interdisciplinary Studies into B.A. and B.S. Track I and II, Exercise and Sport Science into a single B.S., English into a single B.A., and Exercise Science into a single M.S. The B.A. in Commercial Music was renamed Popular Music Studies, with tracks removed. These changes enhanced program delivery and reduced resource demands. USC Upstate anticipates stable to slightly increased enrollment driven by regional demand. To adapt to shifting priorities, the university implemented voluntary employee separations, consolidated tracks, and reduced expenses based on biennial academic program assessments, guided by the chancellor and executive team.



VSP Cost Estimate
2024.pdf



non academic
program review.pdf



VSP Final



Institutional
Program Review 1b.ç



Summary
Finding1.pdf



Administrative
Program Review w



APR
erRecommendations 2l

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.

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LOW ENROLLMENT	Academic Year	Programs Approved	Programs Terminated (Including Sites)	Net
	AY 2018-19	16	13	3
	AY 2019-20	4	12	-8
	AY 2020-21	14	5	9
	AY 2021-22	2	4	-2
	AY 2022-23	5	6	-1
	AY 2023-24	5	4	1
	AY 2024-25	7	4	3
	TOTAL	53	48	5
 terminated programs.docx				

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.

AGENCY NAME:	
AGENCY CODE:	SECTION:

UNOBLIGATED FUND BALANCE			FY2024	FY2025
	Academic and Operational Support		37,123,052	26,623,016
	Auxiliaries		11,260,506	12,597,762
	Total Fund Balance		48,383,558	39,220,778
	Operating Budget		69,687,869	75,133,006
	FB as a % of Operating Budget		69%	52%
	Encumbrances			
	ICPF projects		4,892,138	7,534,503
	W2000 projects		3,588,759	3,327,336
	Purchase of the George		14,000,000	
	Pay off Bookstore Bond est			2,700,000
	Total Encumbrances for var Capital Projects		22,480,897	13,561,839
	USC Upstate has approximately 6 months of operating fund balance, including auxiliary funds. Upstate is using funds to pay off debt, e.g. the George, which saved \$500 k annually in interest payments. The bookstore bond is the next debt to be paid off in 2026			

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.