

Agency Name:

Medical University Of South Carolina

Agency Code:

H510

Section:

23



Fiscal Year FY 2026-2027

Agency Budget Plan

FORM A - BUDGET PLAN SUMMARY**OPERATING
REQUESTS****(FORM B1)**

For FY 2026-2027, my agency is (mark "X"):

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

**NON-RECURRING
REQUESTS****(FORM B2)**

For FY 2026-2027, 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 2026-2027, my agency is (mark "X"):

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

PROVISOS**(FORM D)**

For FY 2026-2027, 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>
Christine Brown	(843) 792-2864	smallsch@musc.edu
Susie Edwards	(843) 792-5400	edwardss@musc.edu

I have reviewed and approved the enclosed FY 2026-2027 Agency Budget Plan, which is complete and accurate to the extent of my knowledge.

SIGN/DATE:**TYPE/PRINT
NAME:**

<u>Agency Director</u>	<u>Board or Commission Chair</u>
David J. Cole, M.D., FACS	Charles W. Schulze, CPA

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

Agency Name:	Medical University Of South Carolina
Agency Code:	H510
Section:	23

BUDGET REQUESTS			FUNDING					FTES				
Priority	Request Type	Request Title	State	Federal	Earmarked	Restricted	Total	State	Federal	Earmarked	Restricted	Total
1	B1 - Recurring	Tuition Mitigation and Mandated Costs	20,949,502	0	0	0	20,949,502	0.00	0.00	0.00	0.00	0.00
2	C - Capital	Comprehensive Cancer Hospital	350,000,000	0	0	0	350,000,000	0.00	0.00	0.00	0.00	0.00
3	C - Capital	Campus Renewal Projects	47,000,000	0	0	0	47,000,000	0.00	0.00	0.00	0.00	0.00
4	B1 - Recurring	Additional Positions	0	0	0	0	0	0.00	4.00	307.00	0.00	311.00
5	B1 - Recurring	Federal Fund Changes: Request in Spending Authority	0	17,000,000	0	0	17,000,000	0.00	0.00	0.00	0.00	0.00
6	B1 - Recurring	Other Fund Changes: Request in Spending Authority	0	0	6,500,000	0	6,500,000	0.00	0.00	0.00	0.00	0.00
TOTALS			417,949,502	17,000,000	6,500,000	0	441,449,502	0.00	4.00	307.00	0.00	311.00

Agency Name:	Medical University Of South Carolina		
Agency Code:	H510	Section:	23

FORM B1 – RECURRING OPERATING REQUEST

AGENCY PRIORITY	1
-----------------	---

Provide the Agency Priority Ranking from the Executive Summary.

TITLE	Tuition Mitigation and Mandated Costs
-------	---------------------------------------

Provide a brief, descriptive title for this request.

AMOUNT	General: \$20,949,502 Federal: \$0 Other: \$0 Total: \$20,949,502
--------	--

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 funding request directly supports Goal 1 of the University's Accountability Report: “Preserve and optimize human life in South Carolina and beyond by effectively educating health care professionals and biomedical scientists.” By securing funding for instructional program costs, the University can maintain current in-state tuition and mandatory fees, thereby reducing the financial burden on South Carolina students and families. This approach promotes educational access and affordability, enabling students to focus more fully on their academic and clinical training. The requested funds will be incorporated into the operating budgets of the colleges and departments, and will be subject to the University’s monthly budget-to-actual monitoring process to ensure transparency and fiscal accountability. Additionally, funding for mandated costs will allow the University to concentrate its resources on advancing its educational and research mission, strengthening its ability to serve the evolving health care needs of South Carolina’s citizens. <i>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?</i>
-------------------------	---

RECIPIENTS OF FUNDS	The primary beneficiaries of this funding are the University’s six colleges, along with its employees and retirees. Most importantly, students and families across South Carolina will benefit directly, as these funds will be used to offset potential tuition increases. If fully funded, MUSC’s plan is to maintain current in-state tuition levels across all six colleges, ensuring that higher education remains accessible and affordable for South Carolinians. This commitment reflects the University’s dedication to fiscal responsibility and its role in supporting the state’s workforce and economic development. <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>
---------------------	---

	To maintain the quality and continuity of operations across MUSC’s six colleges, we respectfully request funding to address projected cost increases for Fiscal Year 2027, as calculated using the Higher Education Price Index (HEPI) methodology.
--	--

JUSTIFICATION OF REQUEST	Operating Costs: The HEPI projection of 3.7% reflects anticipated inflationary pressures across key operational categories. Based on the FY26 budget, the following increases are expected: - Contractual Services: +\$7.44 million - Supplies: +\$2.88 million - Insurance: +\$912,799 - Leases: +\$1.17 million - Utilities: +\$1.21 million - These adjustments total \$13.6 million, ensuring MUSC can sustain essential services without compromising educational delivery or operational efficiency. Personnel Costs: To support MUSC’s workforce and remain competitive in recruitment and retention, we project a 2% Cost of Living Adjustment (COLA) and a 4.6% increase in employer insurance premiums, net of state support. This results in a personnel cost increase of \$7.34 million, excluding College of Medicine faculty. Total Funding Request: The combined projected increase for FY27 is \$20.95 million, which will be incorporated into MUSC’s operating budget and monitored through the institution’s monthly budget-to-actual review process. This funding is critical to the following: - Preserve affordability for South Carolina students by avoiding tuition increases. - Maintain operational stability across MUSC’s colleges. - Support faculty and staff through competitive compensation and benefits. - Advance MUSC’s mission to educate health care professionals and biomedical scientists in service to 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:	Medical University Of South Carolina		
Agency Code:	H510	Section:	23

FORM B1 – RECURRING OPERATING REQUEST

AGENCY PRIORITY	4
-----------------	---

Provide the Agency Priority Ranking from the Executive Summary.

TITLE	Additional Positions
-------	----------------------

Provide a brief, descriptive title for this request.

AMOUNT	General: \$0 Federal: \$0 Other: \$0 Total: \$0
--------	--

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	311.00
---------------	--------

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
	☒	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
	☐	Healthy and Safe Families
	☐	Maintaining Safety, Integrity, and Security
	☐	Public Infrastructure and Economic Development
	☐	Government and Citizens

ACCOUNTABILITY OF FUNDS	This request supports the mission of MUSC of preserving and optimizing human life in South Carolina and beyond and is aligned with statewide strategies around healthy families and enhancing public well-being, and with providing learning and education for our students in health-related programs.
-------------------------	--

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	Internal beneficiaries are the University’s colleges, programs, departments, and development/fundraising strategic efforts. External beneficiaries are communities and patients in the Charleston area, State of South Carolina, and region.
---------------------	---

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?

	A total of 311 new positions, of which are 211 faculty and 100 are classified, are needed based on projected hiring needs to support new and/or expanding clinical programs and research initiatives, such as those outlined below:	
	College of Medicine	Administrative, fiscal, accounting, grant administration and programmatic support for an increased number of faculty and growth and expansion of research and clinical enterprise programs.
	College of Medicine	Clinical Providers and clinical instructors (faculty) to support

**JUSTIFICATION
OF REQUEST**

	growth of medical and surgical services across the clinical enterprise for new outreach facilities, increased demand for Telehealth activities, expansion of MUSC Health, and implementation of new clinical services.
College of Medicine	Faculty (clinical providers and researchers) to support growth of services and research programs across the college and institution in areas including cancer, cardiometabolic health, digestive diseases and disorders, neurosciences, precision medicine, pharmacology & immunology and AI.
College of Nursing	Faculty and staff to support expansion of programs, increased enrollment, and new academic partnerships currently underway. position to aid in revamping course delivery and growth to enable expansion of IT activities for online instructional delivery component; and position focused on maintenance of existing accreditation and accreditation for new programs currently under development.
College of Health Professions	Positions to support continued growth in the student body, increased number of programs and increased number of faculty; faculty and clinical education staff to support programs including of Rehabilitation of Aging Related Dysfunction, PT Hybrid Program; CVP, MHA and PA Hybrid Programs.
College of Dental Medicine	Faculty (clinical providers) to support program growth in areas such as Reconstructive and Rehabilitation Sciences (RRS). Department of Advanced Specialty Sciences (DASS); and Department of Biomedical and Community Health Services (BCHS); faculty (Dentists) to support increased expansion of clinical providers and services in Pee Dee - Florence, Marion, Little River; Orangeburg, Bluffton and Lancaster; and faculty and staff to support expansion in research programs.
College of Pharmacy	Pharmacogenomics Faculty to support growth of research programs and expansion of services in the clinical enterprise; PharmD Coordinator to support growth of programs and expansion of services in the clinical enterprise; and new research faculty recruitments to support growth of research across the College of Pharmacy.
Hollings Cancer Center (HCC)	Clinicians, research program coordinators, fiscal and accounting analysts, grant administrators and quality assurance auditors to support expansion of clinical research within HCC programs, including solid tumor, hematology, immunotherapy, pediatric oncology, and cancer prevention; additional staff to enable HCC expansion within the regional health network to support patient clinical trial access throughout the state; and NCI comprehensive designation goal and growth of clinical trials by 25% will require programmatic, leadership and staff to enable the expansion of research.

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:	Medical University Of South Carolina		
Agency Code:	H510	Section:	23

FORM B1 – RECURRING OPERATING REQUEST

AGENCY PRIORITY	5
------------------------	----------

Provide the Agency Priority Ranking from the Executive Summary.

TITLE	Federal Fund Changes: Request in Spending Authority
--------------	--

Provide a brief, descriptive title for this request.

AMOUNT	General: \$0 Federal: \$17,000,000 Other: \$0 Total: \$17,000,000
---------------	--

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:	
	☐	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:	
	☒	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 Goal 2 in MUSC’s Accountability Report – “Preserve and optimize human life in South Carolina and beyond by conducting research in the health sciences.” Receiving authority for this request will permit the colleges and departments to optimize their research daily processes and functions while enabling them to pursue advancements in research for the benefit of South Carolinians and beyond. Funds will be evaluated through the Grants and Contacts compliance process and the monthly budget to actual monitoring process.
--------------------------------	---

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	Beneficiaries are the University’s Colleges, programs, departments, administrative support areas, and the State of South Carolina by meeting the needs of South Carolinians.
----------------------------	---

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	This request to increase ‘Federal Funds’ spending authority by \$17,000,000 is due to expected moderate growth in federally funded research programs and the support for the sustainability of those programs in the colleges and cancer center.
---------------------------------	---

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:	Medical University Of South Carolina		
Agency Code:	H510	Section:	23

FORM B1 – RECURRING OPERATING REQUEST

AGENCY PRIORITY	6
-----------------	---

Provide the Agency Priority Ranking from the Executive Summary.

TITLE	Other Fund Changes: Request in Spending Authority
-------	---

Provide a brief, descriptive title for this request.

AMOUNT	General: \$0 Federal: \$0 Other: \$6,500,000 Total: \$6,500,000
--------	--

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:	
	☐	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:	
	☒	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 Goal 1 of the Accountability Report "Preserve and optimize human life in South Carolina and beyond by effectively educating health care professionals and biomedical scientists". Receiving authority for this request will permit the colleges and departments to perform daily operating processes needed to support educating health care professionals and biomedical scientists. Funds would be a part of the college operating budget evaluated through the monthly budget to actual monitoring process. 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	Beneficiaries are the University's colleges, programs, departments and administrative support areas. 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	This request to increase 'Other Funds' spending authority by \$6,500,000 is due to projected increases in clinical operations to support the growth of medical and surgical services resulting in instructional, clinical and research program growth. The majority of the request is related to healthcare operations through the colleges at MUSC Enterprise and is funded by clinical contracts from the hospitals.
--------------------------	---

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:	Medical University Of South Carolina		
Agency Code:	H510	Section:	23

FORM C – CAPITAL REQUEST

AGENCY PRIORITY	2
Provide the Agency Priority Ranking from the Executive Summary.	
TITLE	Comprehensive Cancer Hospital
Provide a brief, descriptive title for this request.	
AMOUNT	\$350,000,000
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	CPIP is not applicable to this project as this project is managed by MUSC Health.
Identify the project's CPIP plan year and priority number, along with the first year in which the project was included in the agency's CPIP. If not included in the agency's CPIP, please provide an explanation. If the project involves a request for appropriated state funding, briefly describe the agency's contingency plan in the event that state funding is not made available in the amount requested.	
OTHER APPROVALS	The MUSC Health Board of Trustees passed a binding resolution approving the project on April 11, 2025.
Additional approvals from JBRC, SFAA and HUD must also 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 MUSC Health Board of Trustees approved \$25 million in capital funds in FY2026 to support enabling work and initial design preparation for the Comprehensive Cancer Hospital. As with all major capital projects, MUSC Health engages in an extensive financial feasibility study to model the operating margin impacts and return on investment (ROI) for new initiatives. While that process is still actively underway, MUSC Health anticipates a strong ROI from this project, which it will reinvest in expanding high quality care to citizens of South Carolina. Given the scope of the project, MUSC Health would need to secure long-term financing to support the construction of the facility. The Comprehensive Cancer Hospital represents the largest component of MUSC Health's capital investment strategy over the next several years. As such, receiving State appropriations for the Comprehensive Cancer Hospital would give MUSC Health the ability to deploy operating funds and debt capacity earmarked for this project to other critical needs across the state much more rapidly. Additionally, MUSC Health will actively seek out philanthropic sources to offset the cost burden of the project. MUSC Health has engaged a world class design build firm and expects the useful life of the project to be well over 60 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?
SUMMARY	It is recognized that the Medical University of South Carolina is South Carolina's only comprehensive academic health sciences system with a purpose to preserve and optimize human life in South Carolina and beyond. MUSC Hollings Cancer Center (HCC) has been awarded a third consecutive five-year Cancer Center Support Grant from the National Cancer Institute and intends to pursue NCI designated Comprehensive Cancer Center status in the 2028 renewal cycle. Achieving Comprehensive Cancer Center status requires substantial and sustained institutional commitment, including significant clinical infrastructure; and MUSC recognizes the urgent need to expand and modernize MUSC's cancer care infrastructure to meet the growing burden of cancer care in South Carolina, one of the most cancer-affected states in the nation. The comprehensive cancer designation application requires state investment and would be the only such designation in the state. The construction of a new Comprehensive Cancer Hospital will position MUSC to achieve NCI-designated Comprehensive Cancer Center status, elevate the quality and accessibility of cancer care for all South Carolinians, and affirm MUSC's leadership in driving innovation and excellence in oncology across the state and beyond, enabling HCC to provide the highest level of cancer care to its patients in accordance with MUSC's mission and purpose. This project will enable MUSC and MUSC Health to initiate the planning and construction of a new, state-of-the-art Comprehensive Cancer Hospital in Charleston, South Carolina, which will provide next level, one-stop, patient-centric integrated inpatient and outpatient cancer services. Services will include, but are not limited to: Surgery, step-down unit, inpatient and outpatient BMT, all necessary imaging (i.e., MRI & PET scanning), pathology and laboratory, chemo and radiation therapy, pharmacy, a Phase 1 clinic, pain management, palliative care, urgent care, clinical trials and development and advancement of investigational drugs and therapies and community teaching. With the opening of the new Comprehensive Cancer Hospital in 2030, the existing Hollings Cancer Center building will be dedicated to expanded research space. This investment is crucial for South Carolina, as it facilitates the development of life-saving treatments, attracts top-tier scientists and jobs, and advances innovations to reduce the

state’s cancer burden and mortality rates. Clinical research facilities will be integrated into the new cancer hospital to provide all patients with access to the latest available cancer treatment regimens.

As South Carolina’s only NCI-designated cancer center, Hollings translates laboratory discoveries into patient care that benefits people across the state and beyond. More than 230 research members drive a \$50M+ research portfolio and lead over 200 clinical trials—many unavailable elsewhere in South Carolina. As one of just 73 NCI-designated centers nationwide, Hollings continues to draw leading cancer investigators from across the country, solidifying its role as a hub of innovation, discovery, and patient impact.

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:	Medical University Of South Carolina		
Agency Code:	H510	Section:	23

FORM C – CAPITAL REQUEST

AGENCY PRIORITY	3
-----------------	---

Provide the Agency Priority Ranking from the Executive Summary.

TITLE	Campus Renewal Projects
-------	-------------------------

Provide a brief, descriptive title for this request.

AMOUNT	\$47,000,000
--------	--------------

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	These items are not currently on the Plan Year 2026 CPIP due to project unit pricing. If we do not receive appropriated state funds to support these projects, they will be prioritized and funded as internal deferred maintenance dollars are made available through our annual budgeting process.
---------------	--

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	Future approval from Board of Trustees at the appropriate time when applicable. Includes projects where approval is not applicable based on individual project costs.
-----------------	---

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	Includes projects that will reduce water infiltration during major weather events in multiple critical University buildings, reducing mitigation expense and disruption to the education process. By repairing and improving the resilience of our buildings, we will be able to extend the life of the buildings and reduce major replacement of exterior facing. Updates to facility infrastructure will provide improved controls and energy efficiency of the campus. Additional projects are included that will repair and modernize elevators across campus in buildings where elevators are out of service, past their useful life, and need to be modernized in order to maintain access to the building.
---------------------------------------	--

What other funds have already been invested in this project (source/type, amount, timeframe)? Will other capital and/or operating funds for this project be requested in the future? If so, how much, and in which fiscal years? Has a source for those funds been identified/secured? What is the agency's expectation with regard to additional annual costs or savings associated with this capital improvement? What source of funds will be impacted by those costs or savings? What is the expected useful life of the capital improvement?

SUMMARY	Projects that relate to MEP infrastructure and exterior envelope repair. This will include replacement of fire pumps, mechanical room louvers, exterior envelope work (windows, sealing, tuck and point brick, roofing replacement and repairs), air handlers, cast iron piping, and various electrical automatic transfer switches that are no longer supported. Additional inclusion of projects that will repair and modernize elevators in several buildings where elevators are out of service, past their useful life, and need to be modernized in order to maintain access to the building.
---------	---

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:	Medical University Of South Carolina		
Agency Code:	H510	Section:	23

FORM D – PROVISO REVISION REQUEST

NUMBER	23.6
--------	------

Cite the proviso according to the renumbered list (or mark "NEW").

TITLE	Residential Rehabilitation Treatment Assessment
-------	---

Provide the title from the renumbered list or suggest a short title for any new request.

BUDGET PROGRAM	Sec. 23 - H510 - MEDICAL UNIVERSITY OF SOUTH CAROLINA
----------------	---

Identify the associated budget program(s) by name and budget section.

RELATED BUDGET REQUEST	No
------------------------	----

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	N/A
-------------------------	-----

Which other agencies would be affected by the recommended action? How?

SUMMARY & EXPLANATION	The requirements in this proviso have been fulfilled and it is 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	N/A
---------------	-----

~~**23.6.** (MUSC: Residential Rehabilitation Treatment Assessment) The MUSC Hospital Authority, in conjunction with existing service providers of alcohol and substance abuse treatment, shall assess the need in developing long-term inpatient residential rehabilitation treatment programs. The MUSC Hospital Authority shall submit a report by September 30, 2025, to the Chairman of the Senate Finance Committee and the Chairman of the House Ways and Means Committee detailing these efforts and its proposed plan.~~

**PROPOSED PROVISIO
TEXT**

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

Agency Name:	Medical University Of South Carolina		
Agency Code:	H510	Section:	23

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

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

AMOUNT	\$5,288,725
--------	-------------

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

ASSOCIATED FTE REDUCTIONS	No anticipated FTE reductions
---------------------------	-------------------------------

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

PROGRAM / ACTIVITY IMPACT	While no individual programs or activities have been earmarked for General Fund support, MUSC strategically allocates these funds to cover salaries, employee benefits, and designated special items. This approach ensures that core institutional functions remain stable and uninterrupted. In response to budgetary constraints, MUSC’s financial plan is designed to absorb reductions without compromising existing staff employment. Importantly, this strategy preserves all special items, reflecting the University’s commitment to responsible fiscal management and continuity of service to the citizens of South Carolina.
---------------------------	--

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

SUMMARY	In response to a reduction in General Fund support, MUSC will prioritize the protection of existing employees by implementing cost-saving measures across administrative and support functions. These measures include: - Restricting the replacement of nonessential vacant positions, ensuring that only critical roles are filled. - Limiting the hiring of temporary staff, thereby, reducing short-term personnel expenditures. These actions are designed to minimize disruption to core services while maintaining MUSC’s commitment to workforce stability and operational efficiency. The University remains focused on preserving its ability to deliver high-quality education, research, and health care services to the citizens of South Carolina.
---------	--

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.

	While MUSC cannot precisely quantify the cost savings at this time, the University is committed to implementing targeted strategies that promote fiscal responsibility and operational efficiency. These include: Advancing energy management initiatives and working with utility providers to reduce consumption and costs, alongside efforts to decrease the institution’s leased space footprint.
--	--

**AGENCY COST SAVINGS
PLANS**

- Renegotiating contracts where feasible to secure more favorable terms and reduce recurring expenditures.
- Evaluating and restructuring shared services across the MUSC enterprise to eliminate redundancies and leverage economies of scale.

These measures are designed to maximize the impact of existing resources, minimize disruption to core services, and ensure MUSC continues to serve the citizens of South Carolina effectively and efficiently.

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:	Medical University Of South Carolina		
Agency Code:	H510	Section:	23

FORM F – REDUCING COST AND BURDEN TO BUSINESSES AND CITIZENS

TITLE	Savings and Efficiency Improvements through Joint Procurements at MUSC
-------	--

Provide a brief, descriptive title for this request.

EXPECTED SAVINGS TO BUSINESSES AND CITIZENS	The Medical University of South Carolina and MUSC Health, guided by the OneMUSC Strategic Plan, have identified transformative opportunities to streamline operations and deliver meaningful cost savings to South Carolina taxpayers. This strategic plan, launched in 2024 to mark MUSC’s 200th anniversary, sets forth bold 20-year aspirational goals: • South Carolina will rank in the top 20 nationally for health outcomes. • MUSC will become a top 20 academic health system in the nation. To achieve these goals, MUSC is evolving through three strategic focus areas: • Empowering Healthy Communities – by expanding access to education, research, and care, and eliminating health disparities. • Driving Innovation and Health Transformation – by doubling research funding, embracing clinical trial innovation, and stimulating the state’s economy. • Reshaping the Future Workforce – by cultivating engagement, professional growth, and readiness to meet future demands. A key enabler of this transformation is the Enterprise-wide approach to service delivery and procurement. By reorganizing across institutional boundaries, MUSC and MUSC Health have reduced duplication, standardized processes, and improved service quality. In areas such as Information Technology, Risk Management, Human Resources, Internal Audit, MUSC Foundation, General Counsel, and Engineering and Facilities, shared services and coordinated procurement have proven that separate purchasing is neither financially nor operationally efficient. To fully realize these efficiencies, MUSC and MUSC Health respectfully request legislative authorization for an exemption from the State Procurement Code for Enterprise-wide procurements of goods and services in these domains. This exemption would allow the University to: • Renegotiate contracts for better terms across the enterprise, • Leverage shared services to reduce costs and improve consistency, and • Remain agile in responding to emerging opportunities and operational needs unique to a healthcare and academic institution. This flexibility is essential to sustaining MUSC’s mission to preserve and optimize human life in South Carolina and beyond, while ensuring responsible stewardship of public funds and advancing the goals of the OneMUSC Strategic Plan.
---	--

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: <table><tr><td>X</td><td>Repeal or revision of regulations.</td></tr><tr><td></td><td>Reduction of agency fees or fines to businesses or citizens.</td></tr><tr><td>X</td><td>Greater efficiency in agency services or reduction in compliance burden.</td></tr><tr><td></td><td>Other</td></tr></table>	X	Repeal or revision of regulations.		Reduction of agency fees or fines to businesses or citizens.	X	Greater efficiency in agency services or reduction in compliance burden.		Other
X	Repeal or revision of regulations.								
	Reduction of agency fees or fines to businesses or citizens.								
X	Greater efficiency in agency services or reduction in compliance burden.								
	Other								

METHOD OF CALCULATION	MUSC has identified a strategic opportunity to reduce per-transaction costs and improve procurement efficiency by leveraging Enterprise-wide purchasing of goods and services that are commonly used across the University and MUSC Health. By consolidating procurement for shared needs—such as technology, facilities, and risk management—MUSC can eliminate duplicative processes, negotiate stronger contract terms, and maximize taxpayer value through coordinated purchasing strategies. This approach aligns with the goals of the OneMUSC Strategic Plan, which emphasizes operational excellence and
-----------------------	---

REDUCTION OF FEES OR FINES	No fees or fines are associated with this request.
----------------------------	--

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	Under current provisions of the State’s Procurement Code, MUSC is unable to fully implement enterprise-wide procurement strategies that would enhance efficiency and reduce costs. These restrictions limit the University’s ability to jointly procure goods and services across its academic and clinical entities—even when such coordination would yield clear financial and operational benefits. To enable MUSC to pursue these cost-saving opportunities, we respectfully request either a targeted exemption from the State Procurement Code or a legislative amendment that would authorize enterprise-wide procurement for shared services and resources. This flexibility is essential to advancing the goals of the OneMUSC Strategic Plan, improving taxpayer value, and supporting MUSC’s mission to serve the citizens of South Carolina.
-------------------------	--

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

SUMMARY	The Medical University of South Carolina (MUSC), guided by its OneMUSC Strategic Plan, is committed to reducing internal barriers and streamlining operations across its enterprise—which includes the University and MUSC Health. This integrated approach is designed to eliminate redundancies, standardize processes, and reduce costs, all while enhancing service delivery. Currently, duplicative operations across these entities drive up expenses and limit efficiency. By aligning services and resources, MUSC aims to maximize taxpayer value and improve outcomes for the patients and communities we serve. These efforts directly support MUSC’s long-term strategic goals to: • Become a top 20 academic health system nationally, and • Help South Carolina achieve top 20 health outcomes over the next 20 years. Legislative support for enterprise-wide flexibility—particularly in procurement and shared services—will be essential to realizing these goals and ensuring responsible stewardship of public resources.
---------	---

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

AGENCY NAME:	Medical University of South Carolina		
AGENCY CODE:	H51	SECTION:	23

FORM H – TUITION MITIGATION (PROVISO 117.178)

TITLE	Tuition Mitigation Proviso 117.178
-------	------------------------------------

AMOUNT	\$20,949,502
--------	--------------

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	With input from our six colleges, the University calculates tuition mitigation annually to maintain current in-state tuition levels without increasing mandatory fees. This approach ensures affordability for South Carolina families while preserving the quality of our academic offerings. Graduate programs inherently carry higher operational costs than undergraduate programs. Despite this, the University remains committed to minimizing financial barriers for in-state students. We respectfully request an appropriation of \$20,949,502 to sustain high-quality instructional programs at the most affordable rate for South Carolinians. This funding directly supports our ability to hold tuition and fees steady, reducing the financial burden on students and families. It also helps limit student debt by decreasing the need for borrowing. Moreover, maintaining stable in-state tuition enhances access for more South Carolina residents and strengthens the University’s competitive position in attracting and retaining talent. Methodology Overview: The Medical University of South Carolina utilized the Fiscal Year 2025–26 Board-approved operating budget as the baseline to project expenses for Fiscal Year 2026–27. The Higher Education Price Index (HEPI) was applied to estimate inflationary impacts. Personnel costs were projected using a 2% cost-of-living adjustment and a 4.6% anticipated increase in insurance premiums, offset by expected funding from the State. Faculty within the College of Medicine (COM) are not included in the cost-of-living and insurance increase projections because their compensation is governed by annually renewed contractual agreements with the practice plan.
----------------------------------	--

AGENCY NAME:	Medical University of South Carolina		
AGENCY CODE:	H51	SECTION:	23

MUSC HEPI Calculation			
			FY27 Projected Increase
	FY26 Budget	HEPI	
Operating Costs			
Contractual Services	\$ 201,093,178	3.70%	\$ 7,440,448
Supplies	\$ 77,749,211	3.70%	\$ 2,876,721
Insurance	\$ 24,670,234	3.70%	\$ 912,799
Leases	\$ 31,718,272	3.70%	\$ 1,173,576
Utilities	\$ 32,574,673	3.70%	\$ 1,205,263
	\$ 367,805,568		\$ 13,608,806
Personnel Costs			
COLA (2%) and ER Premium Insurance (4.6%) wo COM Faculty - net of ~27% from State	\$ 7,340,696		\$ 7,340,696
		Total	\$ 20,949,502

For Academic Year 2024–25, the Medical University of South Carolina (MUSC) did not utilize any abatements under Proviso 11.15. Furthermore, MUSC does not anticipate the use of abatements under this proviso for Academic Years 2025–26 or 2026–27. During Academic Year 2024–25, MUSC issued \$6,921,374 in tuition waivers, primarily within the College of Graduate Studies. This figure is not expected to increase significantly in the upcoming academic years. These tuition waivers are largely offset by federally funded training grants, which do not affect the level of state appropriations.

The number of in-state and out-of-state undergraduates and graduates is as follows:

Fall 2025 Headcount	IS	IS %	OS	IS %	Grand Total
Graduate	2,067	65.58%	1,085	34.42%	3,152
Undergraduate	241	71.09%	98	28.91%	339
Grand Total	2,308	66.11%	1183	33.89%	3,491

Please provide a detailed explanation of the methods used to estimate the FY27 tuition mitigation needs as well as the number of enrolled in-state and out-of-state undergraduates. 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.

AGENCY NAME:	Medical University of South Carolina		
AGENCY CODE:	H51	SECTION:	23

COST SAVINGS

The Medical University of South Carolina (MUSC) has made significant strides in improving operational efficiency and reducing costs. Through its participation in the South Carolina Energy Office's Palmetto Energy Efficiency Retrofits (PEER) program, MUSC conducted a comprehensive assessment of its Charleston campus facilities and identified a range of energy conservation measures. These included lighting upgrades, mechanical and electrical system enhancements, and improvements to insulation and building envelopes.

MUSC financed these improvements through the state's Master Lease Program, resulting in guaranteed annual savings of nearly \$2.8 million and a projected payback period of 9.7 years.

While MUSC cannot precisely quantify the cost savings at this time, the University is committed to implementing targeted strategies that promote fiscal responsibility and operational efficiency. These include renegotiating contracts where feasible to secure more favorable terms and reduce recurring expenditures and evaluating and restructuring shared services across the MUSC enterprise to eliminate redundancies and leverage economies of scale.

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.

LOW ENROLLMENT

MUSC primarily offers masters, professional, and doctoral research degrees. We have not eliminated any undergraduate programs since FY19. The programs that we have terminated since FY19 are some research doctoral degrees (due primarily to the retirement or departure of key faculty who served as research mentors—PhD Bioinformatics; PhD Exp Pathology; PhD Biomedical Imaging). Other programs terminated since FY19 are the MS Occupational Therapy, which was terminated because the Doctorate in Occupational Therapy degree became the terminal degree. We also terminated MS Oral Health Sciences and MS Research Administration, both for lower enrollment than expected. The impact on the colleges where these programs reside has been positive in that it allows them to be more effective stewards of faculty and space resources.

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:	Medical University of South Carolina		
AGENCY CODE:	H51	SECTION:	23

Below is the University's Net Position as reflected in the Annual Comprehensive Financial Report (exclusive of GASB 68 – Pensions and GASB 75 - OPEB) as of June 30, 2025:

Amounts in thousands	2025	2024
Net investment in capital assets	299,490	247,826
Restricted		
Nonexpendable	87,869	91,804
Expendable	271,121	286,456
Unrestricted (excluding GASB 68 and 75 liabilities)	212,525	219,168
Unrestricted (including GASB 68 and 75 liabilities)	(990,034)	(994,906)
Total net position	(119,029)	(149,652)

The following are future commitments against the unrestricted \$212,525K (excluding GASB 68 and 75 liabilities):

Vendor payments	\$68M
Accrued Leave	\$37M
Facilities (new COM/CHP buildings)	\$35M
Academic commitments*	\$56M
Deferred Maintenance/Capital Renewal	\$308M
General reserve fund required (7%)	\$77M
Capital reserve fund required (3%)	<u>\$33M</u>
Total	\$614M

*Recruitment of Deans, Chairs, and Faculty and related start up packages

When an expense is incurred for a purpose for which both restricted and unrestricted resources are available, the University policy is to first apply the restricted resources, then the unrestricted resources. The Board of Trustees requires that the University has a minimum of 90 days cash on hand. The unrestricted portion represents ~ 19% of the overall \$1.1B operating budget.

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.