

AGENCY NAME:
AGENCY CODE:

University of South Carolina Columbia

H270

SECTION:

20A



Fiscal Year 2020-21 Agency Budget Plan

FORM A - BUDGET PLAN SUMMARY

**OPERATING
REQUESTS
(FORM B1)**

For FY 2020-21, my agency is (mark "X"):

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

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

For FY 2020-21, 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 2020-21, my agency is (mark "X"):

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

**PROVISOS
(FORM D)**

For FY 2020-21, 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.

	<i>Name</i>	<i>Phone</i>	<i>Email</i>
PRIMARY CONTACT:	Kelly Epting	(803)777-8411	eptingk@mailbox.sc.edu
SECONDARY CONTACT:	Kevin Russell	(803)777-0781	russelkr@mailbox.sc.edu

I have reviewed and approved the enclosed FY 2020-21 Agency Budget Plan, which is complete and accurate to the extent of my knowledge.

	<i>Agency Director</i>	<i>Board or Commission Chair</i>
SIGN/DATE:		
TYPE/PRINT NAME:	Robert L. Caslen, President	John C. von Lehe, Jr., Chairman

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

Fiscal Year 2020-21 Budget Request Executive Summary

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

BUDGET REQUESTS			FUNDING					FTES				
Priority	Request Type	Request Title	State	Federal	Earmarked	Restricted	Total	State	Federal	Earmarked	Restricted	Total
1	B1 - Recurring	Access and Affordability for In-State Students - Tuition Mitigation Funding	9,358,187				9,358,187					0.00
2	C - Capital	USC Columbia School of Medicine Relocation	35,000,000				35,000,000					0.00
3	B1 - Recurring	School of Medicine - Rural Health Initiative	2,000,000				2,000,000					0.00
4	B1 - Recurring	School of Law Library	826,000				826,000					0.00
5	C - Capital	USC Columbia Maintenance: Critical Care and Repair (1:1)	14,000,000				14,000,000					0.00
6	B1 - Recurring	USC Palmetto College - Increase Bachelor's Degrees for South Carolinians and Active Duty Military	2,000,000				2,000,000					0.00
7							0					0.00
8							0					0.00
9							0					0.00
10							0					0.00
11							0					0.00
12							0					0.00
13							0					0.00
14							0					0.00
15							0					0.00
16							0					0.00
17							0					0.00
18							0					0.00
19							0					0.00
20							0					0.00
21							0					0.00
22							0					0.00
23							0					0.00
24							0					0.00
25							0					0.00
26							0					0.00
27							0					0.00
28							0					0.00
29							0					0.00
30							0					0.00
TOTAL BUDGET REQUESTS			63,184,187	0	0	0	63,184,187	0.00	0.00	0.00	0.00	0.00

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FORM B1 – RECURRING OPERATING REQUEST

AGENCY PRIORITY	1 <i>Provide the Agency Priority Ranking from the Executive Summary.</i>
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TITLE	Access and Affordability for In-State Students – Tuition Mitigation Funding <i>Provide a brief, descriptive title for this request.</i>
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AMOUNT	General: \$9,358,187 Federal: Other: Total: \$9,358,187 <i>What is the net change in requested appropriations for FY 2019-20? This amount should correspond to the total for all funding sources on the Executive Summary.</i>
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NEW POSITIONS	0.0 <i>Please provide the total number of new positions needed for this request.</i>
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FACTORS ASSOCIATED WITH THE REQUEST	Mark “X” for all that apply:
	<input checked="" type="checkbox"/> Change in cost of providing current services to existing program audience
	<input type="checkbox"/> Change in case load/enrollment under existing program guidelines
	<input type="checkbox"/> Non-mandated change in eligibility/enrollment for existing program
	<input type="checkbox"/> Non-mandated program change in service levels or areas
	<input type="checkbox"/> Proposed establishment of a new program or initiative
	<input type="checkbox"/> Loss of federal or other external financial support for existing program
	<input type="checkbox"/> Exhaustion of fund balances previously used to support program
	<input type="checkbox"/> IT Technology/Security related
	<input type="checkbox"/> Consulted DTO during development
<input type="checkbox"/> Related to a Non-Recurring request – If so, Priority #	

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

ACCOUNTABILITY OF FUNDS	<p>This request supports multiple Goals, Strategies and Objectives contained in the annual Accountability Report, but primarily Goals 1 and 5 related to Education, Training and Human Development. This request supports objectives 1.2.1 and 2.1.1 dealing with student retention rates and student/ faculty ratios. Goal 4 related to Government and Citizens is supported, specifically objectives 4.2.1, 4.2.2 and 4.2.3 dealing with underrepresented students, full-time faculty and staff.</p> <p>The University assesses academic and administrative units annually, using Blueprints for</p>
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Academic and Service Excellence as measured against stated goals. Regular evaluation versus peer institutions is permitted through data consortia such as the Consortium for Student Retention Data Exchange, the South Universities Group Salary Study, IPEDS and the Delaware Study. Data regarding student learning and other outcomes are gathered locally and compared to national norms. Excellence is measured through regular reaffirmation of accreditation with the Southern Association of Colleges and Schools Commission on Colleges, along with program- and discipline-specific accreditation reviews. Factors associated with The University’s ability to attract, recruit, retain and educate students in today’s competitive higher education market are also detailed in the University’s annual Accountability Report.

What specific strategy, as outlined in the FY 2018-19 Strategic Planning and Performance Measurement template of agency’s accountability report, does this funding request support? How would this request advance that strategy? How would the use of these funds be evaluated?

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

What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?

JUSTIFICATION OF REQUEST
 The top legislative and budget priority for the University of South Carolina System remains passing the Higher Education Opportunity Act (HEOA). Among other important provisions, HEOA would establish two dedicated funding streams for higher education for the principle purpose of increasing access and affordability for in-state students. The first ties the growth (or decline) in institutional funding to the growth (or decline) in the General Fund, and by extension, to the state’s economy, the health of which is directly linked to a well-educated workforce. This new approach would provide predictable revenue (or proportional reductions) for colleges while allowing policymakers to maintain, but not necessarily increase, higher education spending as a share of the overall state budget. The second would dedicate a portion of new state sales tax revenue now being collected from out-of-state Internet retailers, investing at least \$125 million each year into higher education to be distributed among colleges based on their in-state enrollment. This important but modest new funding source for higher education, which does not require a tax increase or a reallocation from other important areas of state spending, represents just 25% of total annual Internet sales tax collections, less than 4% of all sales tax collections and less than 1.5% of the State’s total General Fund budget. Importantly, this new funding source would come with a new statutory requirement that colleges must freeze tuition for one year and cap tuition growth to a rate at or below inflation (as measured by the Higher Education Price Index (HEPI)) each year thereafter.

In the spirit of HEOA, and out of a genuine desire to partner with the state to freeze tuition and required fees for in-state students next year, the UofSC System is requesting a modest increase in recurring funding of at least 6.0% for FY2021, which is equivalent to early projections of growth in state appropriation act revenue next year according to internal estimates informed by preliminary conversations with legislative budget experts and other analyses. These funds would enable the System to offset a portion of the rise in basic inflationary costs it faces as well as strategic initiatives to improve access to higher

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education for students across South Carolina.

Therefore, USC Columbia respectfully requests \$9,358,187 in new recurring funds, an amount equivalent to a 6.0% increase, as is consistent with the provisions included in HEOA. Importantly, this funding would allow the University to freeze tuition and required fees for in-state residents next year by covering the following basic inflationary cost increases including state retirement (and assuming a state mandated COLA of no more than 1%):

Estimated 1% retirement for USC Columbia with SOM - \$2,833,000*

Estimated health insurance for USC Columbia with SOM - \$903,058

Estimated required cost increases for basic operations including utilities and inflation of goods and services with SOM - \$3,600,000

Possible 1% COLA pay package for USC Columbia with SOM - \$2,921,064

Total estimated inflationary and mandated cost increases - \$9,354,064*

(Estimates are preliminary and subject to change and do not include costs associated with important University excellence and/or other strategic initiatives.)

*Note: For every 1% COLA mandated by the State, the University’s net cost (after allocations) is approximately \$2.9M. If the state were to mandate a 2% COLA similar to last year, the University would respectfully amend its budget submission by requesting an additional \$2.9M in order to ensure our desired tuition freeze remains achievable. Absent appropriation of these additional funds to cover such a state mandate, the University would request flexibility from the state to limit its increase to in-state students, if any, to an amount necessary to account for the unfunded portion of mandates (to include retirement, health and/or COLA) not covered by the University’s final state appropriation.

Note: This retirement estimate represents USC-Columbia’s increased cost (including SOM) to implement year four of the state’s recent pension reform which is phasing-in an increase to the employer share of the state’s required pension contribution rate, which was 6.85% in FY2004 and will rise to 18.56% by FY2023 as required by state law.

This request is similar to the request made for FY2020 for which the state awarded more than \$18 million in new recurring funding across the entire System. With those funds available to help cover the cost of mandated increases USC Columbia was able to hold tuition growth to the lowest increase in more than 20 years at 0.6% (a rate almost 80% below inflation); the three comprehensive universities completely froze tuition growth to 0.0% as did the four Palmetto College campuses (including Online). The entire UofSC System is grateful for this support without which this tuition mitigation would not have been possible.

The State of South Carolina needs—and the HEOA provides—a comprehensive legislative package to restore state investment and create a sustainable funding model for higher education that:

- Develops a new funding model that rewards institutions for educating South Carolinians;
- Resumes reliable state investments in assets and infrastructure through capital

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bond bills or other dedicated sources;

- Removes burdensome and duplicative bureaucratic red tape;
- Increases state investment in need-based aid programs that increases opportunity for students from low-income families.

The HEOA does each of these and in doing so establishes a system that keeps tuition increases in check.

This new funding model is important because in 2000 higher education funding was 14.6% of the state budget, by 2008 it had fallen to less than 12% and, despite state revenue having increased by more than \$3.5 billion since the end of the Great Recession, funding for higher education has continued to decline, representing just 7.6% of the state budget today. In fact, the key finding of a recent Legislative Audit Council report is that since FY2001 funding for higher education has been reduced by half and that the state has underfunded higher education by a cumulative \$4 billion in statutorily required funding over that 17-year period.

Working together we began to reverse that trend last year. The progress must continue and this budget request, while modest, when coupled with the thoughtful and long-term reforms contemplated under HEOA will work in concert to advance access, affordability and excellence in public higher education across South Carolina.

The UofSC System agrees with Governor McMaster, who recently wrote: “I hope that this one-year tuition freeze will serve as the first step toward a ***comprehensive overhaul of higher education funding and tuition reform.***” The UofSC System genuinely believes that HEOA represents that reform and we look forward to working with the Governor and the General Assembly to secure its passage this legislative session.

Higher education is the key to our state’s future economic and overall prosperity. Our state needs 70,000 additional baccalaureate degree holders above current graduation rates to meet the needs of business and industry by 2030. As the state’s largest education provider, the UofSC System is meeting those needs for highly educated, in-demand and employable graduates in high need areas. With appropriate investment and partnership from the state, South Carolina can have the most cost-efficient and cost-effective higher education sector in the country.

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.

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FORM B1 – RECURRING OPERATING REQUEST

AGENCY PRIORITY	3 <i>Provide the Agency Priority Ranking from the Executive Summary.</i>
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TITLE	School of Medicine – Rural Health Initiative <i>Provide a brief, descriptive title for this request.</i>
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AMOUNT	General: \$2,000,000 Federal: Other: Total: \$2,000,000 <i>What is the net change in requested appropriations for FY 2019-20? This amount should correspond to the total for all funding sources on the Executive Summary.</i>
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NEW POSITIONS	0.0 <i>Please provide the total number of new positions needed for this request.</i>
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FACTORS ASSOCIATED WITH THE REQUEST	Mark “X” for all that apply:
	<input checked="" type="checkbox"/> Change in cost of providing current services to existing program audience
	<input type="checkbox"/> Change in case load/enrollment under existing program guidelines
	<input type="checkbox"/> Non-mandated change in eligibility/enrollment for existing program
	<input type="checkbox"/> Non-mandated program change in service levels or areas
	<input type="checkbox"/> Proposed establishment of a new program or initiative
	<input type="checkbox"/> Loss of federal or other external financial support for existing program
	<input type="checkbox"/> Exhaustion of fund balances previously used to support program
	<input type="checkbox"/> IT Technology/Security related
	<input type="checkbox"/> Consulted DTO during development
<input type="checkbox"/> Related to a Non-Recurring request – If so, Priority #	

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

ACCOUNTABILITY OF FUNDS	<p>This request supports multiple Goals, Strategies and Objectives contained in the annual Accountability Report, but primarily Goals 1 and 5 related to Education, Training and Human Development. This request supports objectives 1.2.1 and 2.1.1 dealing with student retention rates and student/ faculty ratios. Goal 4 related to Government and Citizens is supported, specifically objectives 4.2.1, 4.2.2 and 4.2.3 dealing with underrepresented students, full-time faculty and staff.</p> <p>The School of Medicine will use these funds to expand programs to educate and engage students, healthcare providers and communities through statewide partnerships in continuing the development of statewide rural and underserved provider capacity and quality of care.</p> <p>These programs include the resources for teaching programs and courses for improving</p>
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healthcare access, providing various educational and professional development support to physicians and advanced practice providers, reducing health inequities in rural communities and for the underserved.

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

The School of Medicine will use its Blueprint and its Strategic Planning goals as direction for use of these funds.

What specific strategy, as outlined in the FY 2018-19 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

Use of these funds benefits the School of Medicine - Columbia and the rural programs and communities it serves; includes operations and services it renders to communities and the student body and the faculty/administrative staff who serve them. Funds would not be allocated outside of the University but would be used internally.

What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?

JUSTIFICATION OF REQUEST

The School of Medicine needs these funds for continued partnering and developing the programmatic infrastructures needed to build collations and collaborations to address Statewide matters of healthcare capacity and quality of care in rural and underserved areas.

Operations Programming \$2,000,000

The University of South Carolina will continue to produce premiere medical education and training in our State for physicians and advance practice professionals that will serve the South Carolina citizenry with continue focus on primary care and support of rural initiatives. These additional funds will be used to expand upon the existing base of programs and resources expended in educating the healthcare team for the future of all South Carolinians.

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.

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FORM B1 – RECURRING OPERATING REQUEST

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

TITLE	School of Law Library
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Provide a brief, descriptive title for this request.

AMOUNT	General: \$826,000 Federal: Other: Total: \$826,000
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What is the net change in requested appropriations for FY 2019-20? This amount should correspond to the total for all funding sources on the Executive Summary.

NEW POSITIONS	0.0
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Please provide the total number of new positions needed for this request.

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

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

ACCOUNTABILITY OF FUNDS	This request supports multiple Goals, Strategies and Objectives contained in the annual Accountability Report, but primarily Goal 4 related to Government and Citizens is supported.
	The School of Law supports the only research law library. As the only research law library in South Carolina open to the public, the University of South Carolina Law Library serves as the <i>de facto</i> state law library.

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The law library collection serves the bench, bar, and public with its selective collection of core law titles. The lay public generally has difficulty using electronic resources without extensive training, and our experience shows that they are better able to use print resources quickly with support provided by the School of Law.

The School of Law will use its Blueprint and its Strategic Planning goals in completing its overall budget with careful attention to the Law Library for adequate funding to support its students and faculty as well as the bench, bar, and public.

What specific strategy, as outlined in the FY 2018-19 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

Use of these funds benefits the School of Law for the specific support and care of the University of South Carolina Law Library.

What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?

JUSTIFICATION OF REQUEST

As the only research law library in South Carolina open to the public, the University of South Carolina Law Library serves as the *de facto* state law library. See below estimates of the operational costs currently borne by the School of Law in serving the legal information needs of the bench, bar and public. The estimate includes collection, personnel, space, and operating costs that can be fairly attributed to the public, non-University use of the Library.

Annual Allocated Collection Costs: \$584,000
The cost estimate for the portion of the law library collection serving the bench, bar, and public is based on a selective collection of core law titles. The selected titles in the estimate form a basic collection of legal information and include few electronic information sources. The lay public generally has difficulty using electronic resources without extensive training, and our experience shows that they are better able to use print resources quickly. The allocated cost equals 52% of the annual law library budget for collections.

Annual Allocated Personnel Costs: \$316,000
The cost estimate for personnel contemplates the minimal staffing required to provide basic services to the bench, bar, and public. Library personnel purchase, process, and catalog materials used by the public and provide significant assistance to patrons attempting to locate relevant legal information. The allocated cost equals 21% of the annual law library budget for personnel.

Annual Allocated Facilities Costs: \$201,000
The allocated cost for facilities estimates that approximately 20% of the law library square footage is devoted to serving the bench, bar, and public, primarily for housing publicly used collections and for personnel offices. The estimate multiplies the allocated square footage by the amount charged to the law school by the University per square foot for facilities usage.

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	<p>Annual Allocated Operating Costs: \$69,000 Estimated operating costs include business costs such as phone service, computers and supplies.</p> <p>Total Annual Allocated Costs for Bench, Bar, and Public Usage: \$1,170,000</p> <p>Current Direct State Appropriation to Law Library: \$344,000 Additional State Appropriation Required to Reflect Cost of Public Usage: \$826,000</p> <p>The University of South Carolina will continue to produce premier legal education and training in our State for attorneys and legal practice professionals who will serve the South Carolina bench, bar, and public.</p>
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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.

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FORM B1 – RECURRING OPERATING REQUEST

AGENCY PRIORITY	6 <i>Provide the Agency Priority Ranking from the Executive Summary.</i>
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TITLE	USC Palmetto College - Increase Bachelor’s Degrees for South Carolinians and Active Duty Military <i>Provide a brief, descriptive title for this request.</i>
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AMOUNT	\$2,000,000 <i>What is the net change in requested appropriations for FY 2020-21? This amount should correspond to the total for all funding sources on the Executive Summary.</i>
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NEW POSITIONS	0.0 <i>Please provide the total number of new positions needed for this request.</i>
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FACTORS ASSOCIATED WITH THE REQUEST	Mark “X” for all that apply:
	<input checked="" type="checkbox"/> Change in cost of providing current services to existing program audience
	<input type="checkbox"/> Change in case load/enrollment under existing program guidelines
	<input type="checkbox"/> Non-mandated change in eligibility/enrollment for existing program
	<input checked="" type="checkbox"/> Non-mandated program change in service levels or areas
	<input checked="" type="checkbox"/> Proposed establishment of a new program or initiative
	<input type="checkbox"/> Loss of federal or other external financial support for existing program
	<input type="checkbox"/> Exhaustion of fund balances previously used to support program
	<input type="checkbox"/> IT Technology/Security related
	<input type="checkbox"/> Consulted DTO during development
<input type="checkbox"/> Related to a Non-Recurring request – If so, Priority # _____	

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

ACCOUNTABILITY OF FUNDS	<p>This effort supports the following objectives as reported in the USC Palmetto College Blueprint for Academic Excellence strategic planning document. The objectives include:</p> <ul style="list-style-type: none"> • Increasing Enrollment. • Increasing Retention and Graduation Rates. • Expanding Academic Offerings and Student Services. <p>The request from USC Palmetto College specifically relates to strategy 2.3 to “Prepare professional students for impactful careers, objective 2.3.1 – Increase the percentage of students passing professional exams and strategy 4.2 – Recruit and retain high-quality students.</p>
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The University’s ability to attract, recruit, retain and educate students in today’s competitive higher education market are also detailed in the University’s Annual Accountability Report.

What specific strategy, as outlined in the FY 2019-20 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
 USC Palmetto College would be the recipient of the funds. Funding for faculty, staff, and other positions would be disbursed through payroll. Funds would also be disbursed through customary state procurement methods for software, equipment, and supplies to facilitate the increased enrollment, retention and graduation efforts, and expansion of academic offerings and student services.

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
 Palmetto College is seeking additional funds to expand its programs and offerings focused on active duty military and to increase its ability to reach and recruit new students in every part of the state.

In many of USC’s online programs, out-of-state competition has driven up costs for marketing and recruiting for Palmetto College, creating difficulties in connecting South Carolina residents with USC’s programs. Beyond this, USC wishes to maintain or reduce its current tuition levels for Palmetto College programs, meaning that extracting additional revenues from tuition increases (to pay for increased marketing and recruiting efforts) presents a less palatable option for USC and Palmetto College.

Increasing educational attainment levels, especially in high-need areas of the state and with active duty military, remains a top priority for Palmetto College. Our objectives with this additional funding are principally to:

1. Expand the presence of USC Palmetto College at installations across the state to attract active duty military personnel to start and finish their degree at a reduced rate of tuition. Recent changes in pricing from larger for-profits have created a need to reduce total tuition and fees to \$250 per credit hour for the military personnel to match military reimbursement rates and match the rates of for-profit competitors. In FY 2019-20, USC reduced the active duty military rate to \$250 per credit hour, the military tuition assistance rate. This reduction eliminated out-of-pocket costs for tuition for active duty military personnel.
2. Expand and grow the Palmetto College Online degrees to allow students to complete their degrees fully online especially for those that are place-bound or military who are deployed. In order to reach every segment and population of the state, Palmetto College needs to continually enhance its offerings and offer a wider variety of online, undergraduate programs. The costs involved with new course and program development would be significant but would also allow USC to offer completely online offerings in a broad range of programs, ensuring greater access and affordability, to a high-quality USC degree for all South Carolinians.

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	<p>3. Keep tuition at an affordable price while maintaining a quality USC degree. Beyond maintaining tuition pricing at affordable levels, USC Palmetto College will, on a program-by-program basis look to reduce tuition prices, to allow one or more “lowest cost option(s)” for South Carolina residents and to better compete with for-profit competitors who have greatly reduced prices (in some cases) to compete for South Carolina residents.</p> <p>To compete with increases in competition from out-of-state entities (both for-profits and large not-for-profits), USC Palmetto College must both rapidly grow program offerings, greatly enhance its outreach and service to the military and veterans and continue to keep tuition prices at (or below) current levels.</p>
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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.

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FORM C – CAPITAL REQUEST

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

TITLE	USC Columbia School of Medicine Relocation
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Provide a brief, descriptive title for this request.

AMOUNT	\$35,000,000
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How much is requested for this project in FY 2020-21? This amount should correspond to the total for all funding sources on the Executive Summary.

CPIP PRIORITY	CPIP Plan Year 2019-2020 Priority: Plan Year 2 of 14 Overall 2 of 32 First year in which the project was included in CPIP: 2016
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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	Approvals from the University Institutional Board, CHE, JBRC and SFAA must be secured.
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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	FY21 State Appropriation of \$35,000,000 plus prior years of State proceeds (\$5,000,000 in FY19 & \$15,000,000 in FY20) would be matched with \$70,000,000 in gifts, institutional and other funds. Phase I totals \$125,000,000. Annual cost savings for maintenance, repairs and utilities, when compared to the cost of these expenses at the current location of the School of Medicine, are estimated at \$1,325,000 annually. The expected useful life of the capital improvement is in excess of 60-80 years.
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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?

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SUMMARY

The University of South Carolina is one of the Southeast’s most comprehensive health sciences teaching and research institutions with innovative, nationally recognized programs in social work, public health, pharmacy and nursing, anchored by the School of Medicine. The School of Medicine in Columbia is a national leader among U.S. medical schools in the percentage of graduates who practice primary care and is committed to meeting the health care needs of our state and improving the delivery of health care to all South Carolinians. The School of Medicine in Columbia pioneered the use of bedside ultrasound technology and is on the forefront of telemedicine. Since its founding, the USC School of Medicine in Columbia has graduated more than 3,000 physicians and is primed to meet the growing demand for primary care medical providers in our State.

The USC School of Medicine in Columbia is located in 341,000+- sq. ft. of space at the Dorn VA Center. Under a lease arrangement with the US Department of Veterans Affairs, the space is secured until 2030 at the lease rate of \$1 per year. The space is in current need of significant capital investment to make it suitable through the existing lease term. If such an investment was to be made with the expectation that the lease would be renewed, the lease rate would increase to an approximate market rate ranging from \$23 - \$26 per sq. ft. at the end of the current term. That would leave the University to make a significant capital investment now only to forego the investment in 2030 or face an unsupportable increase in annual recurring lease costs.

The estimated cost to bring the leased space to modern serviceable condition for another generation of medical students is in excess of \$220 per sq. ft. or \$75,000,000 while current annual operations and maintenance expenses of approximately \$6,000,000 are expected to exceed \$8,000,000 annually in the next ten years unless the necessary \$75,000,000 is invested in renovations. Future annual expenses exceeding \$8,000,000 for operations and maintenance coupled with expected annual lease payments in excess of \$7,800,000 plus one-time systems overhauls in excess of \$75,000,000 have led the University to consider alternative locations and financing alternatives for the School of Medicine facility in Columbia.

A modern, efficient facility, located closer to the University clinical partners in Columbia, is a more effective long-term teaching and research location and a more cost-effective facility to own and to operate when compared to the leasing alternative at the Dorn VA Center.

We would begin with a new medical teaching facility of approximately 144,000 sq. ft. +- in the first phase of a new development. The estimated cost to construct and equip this building with teaching, laboratory, office space, and parking is \$125,000,000. This first phase is projected to be completed before fall semester of 2024 with the \$35,000,000 in State of SC support in this request plus State of SC support of \$5,000,000 in FY19 and \$15,000,000 in FY20 to be matched with \$70,000,000 in gifts, institutional and other funds.

A second phase of development is planned for a science and laboratory building with an approximate 162,000 sq. ft. +- and a parking garage encompassing 700 spaces. This facility would house basic sciences for the School of Medicine and research activities for the university health sciences, plus required parking. This second phase can be completed in 2025 at an expected cost of \$160,000,000 financed with grant generated cash, gifts, and bonds.

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	<p>This multi-year two-phase project can be accomplished with known or expected resources jump-started with the additional \$35,000,000 of State support matched with \$230,000,000 from other funds generated by the University in support of education, research, and economic development.</p> <p>A medical complex of this nature will be a catalyst for jobs in the Midlands from construction (estimated 2,000 jobs) and operation (2,200-2,600 jobs) to the new jobs created through research, commercialization, start-ups and clinical services (950-1,200 jobs). In addition, it is expected to have an eventual annual economic impact of up to \$180 million with up to \$9 million generated in tax revenue.</p>
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Provide a summary of the project and explain why it is necessary. Please refer to the budget guidelines for appropriate questions and thoroughly answer all related items.

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FORM C – CAPITAL REQUEST

AGENCY PRIORITY	5 <i>Provide the Agency Priority Ranking from the Executive Summary.</i>
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TITLE	USC Columbia Maintenance: Critical Care and Repair (1:1) <i>Provide a brief, descriptive title for this request.</i>
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AMOUNT	\$14,000,000 <i>How much is requested for this project in FY 2020-21? This amount should correspond to the total for all funding sources on the Executive Summary.</i>
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CPIP PRIORITY	<p>This initiative to share maintenance expenditures is not identified in CPIP. Maintenance - Critical Care and Repair of Education and General (E&G) facilities on the USC Columbia Campus with special mention of renovation and upfit of Horry-Guignard House to serve as the USC School of Law Veteran’s Legal Clinic.</p> <p><i>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.</i></p>
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OTHER APPROVALS	<p>Approvals from the University Institutional Board, CHE, JBRC and SFAA must be secured.</p> <p><i>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.)</i></p>
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LONG-TERM PLANNING AND SUSTAINABILITY	<p>State proceeds of \$14,000,000 would be matched with \$14,000,000 in institutional and other funds for a total available funding of \$28,000,000 to address critical maintenance needs.</p> <p>USC currently expends at least \$14,000,000 from certain funding sources on an annualized average basis (on average over the last few years) for institutional maintenance for critical care and repairs of its E&G facilities. These funds when matched would be used to reduce maintenance and capital needs that are deferred due to resource constraints.</p> <p><i>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?</i></p>
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SUMMARY

The University of South Carolina is South Carolina's, and one of the Southeast's, most comprehensive teaching and research institutions with innovative, nationally recognized programs. This educational environment consists of millions of square feet of education and general space within over one hundred buildings and structures on the Columbia Campus. In addition to the education space is the necessary infrastructures maintenance such as electrical, water and utility systems and the maintenance of the grounds and systems supporting the educational space.

Maintenance is a recurring cost of ensuring the learning infrastructure is managed in a manner to maximize the educational use while maintaining a strong sense of stewardship for the assets and available resources. We are proposing a match on a 1:1 basis whereby USC Columbia would use any appropriated state funds received to address a variety of deferred or appropriate critical repair and related maintenance, and address any other critical equipment, and systems repair. Key focus is upon using funds on life safety maintenance matters, repair of building envelope, and repair and replacement of critical building systems such as HVAC, plumbing, and electrical systems to maintain an efficient and effective operation of USC Columbia's educational missions. Like most state flagship universities, USC constructed a significant number of large academic buildings in the 1960s and 1970s to respond to enormous growth in university enrollment. These facilities are now 40-50 years old and their building systems are beyond their life expectancy and require replacement to maintain water-tight, properly conditioned, safe and efficient learning environments.

Appropriated funds would only be utilized for capital renewal, maintenance, and repairs of E&G facilities and would not be used for new construction. Matching funds by the university would exclude supplemental, capital reserve, lottery, and or non-recurring state funds appropriated to USC Columbia for a specific use in the current fiscal year.

The strategic use of this 1:1 match will act as a catalyst to address:

1. Capital renewal and critical repairs
2. Maintain State University assets at a more optimal operating basis
3. Maximize existing educational space
4. Promote the expansion of jobs through the use of renovation, repair, and maintenance services companies and component manufacturers.

One project to benefit from this funding in FY2021 is the establishment of the School of Law Veteran's Clinic in the Horry-Guignard House. The School of Law began a Veterans' Legal Clinic in 2018, serving the legal needs of indigent veterans, especially in the areas of housing, employment, disability claims, and family law issues. Law students, working under the supervision of clinical faculty, provide these legal services directly to veterans and their families. Its office currently is located in the School of Law. This clinic receives clients through direct intake and by referral from other agencies serving the veteran community. The plan to house the clinic in the Horry-Guignard House is intended to improve the public visibility of the clinic, making its availability better known to potential clients, and to provide space for the clinic to partner with other veteran services providers to better ensure that clients receive access to a more complete range of available benefits and services. The house is an historic property and is one of the oldest houses in Columbia, but it currently is not occupied. Renovations are required for occupancy and to provide adequate physical accessibility for disabled veterans.

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Renovation of the interior of Horry-Guignard House, located at 1527 Senate Street, Columbia, a property on the historic register, to include upfit for technology, plumbing, ADA compliance, paint and fixtures. - \$1,500,000.

Significant E&G buildings that require capital renewal include the Swearingen Engineering Center, the Humanities Classroom Building, the Welsh Humanities Office Building, Coker Life Sciences Building, and Jones Physical Sciences 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.

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AGENCY CODE:	H270	SECTION:	20A

FORM D – PROVISIO REVISION REQUEST

NUMBER	NEW <i>Cite the proviso according to the renumbered list for FY 2020-21 (or mark “NEW”).</i>
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TITLE	Higher Education Repair and Renovation Fund <i>Provide the title from the FY 2019-20 Appropriations Act or suggest a short title for any new request.</i>
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BUDGET PROGRAM	N/A <i>Identify the associated budget program(s) by name and budget section.</i>
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RELATED BUDGET REQUEST	N/A <i>Is this request associated with a budget request you have submitted for FY 2020-21? If so, cite it here.</i>
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REQUESTED ACTION	Add <i>Choose from: Add, Delete, Amend, or Codify.</i>
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OTHER AGENCIES AFFECTED	All of the state’s 33 public colleges and universities (including technical colleges) would benefit from adoption of this proviso. <i>Which other agencies would be affected by the recommended action? How?</i>
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SUMMARY & EXPLANATION	<p>The University of South Carolina System supports the creation of a statewide dedicated “Higher Education Repair and Renovation Fund” that would provide the state’s 33 public colleges and universities a modest but predictable source of recurring state funding to be utilized for the exclusive purpose of maintaining (through repair and renovation – not new construction) college and university education related facilities. Facilities on college campuses are, in fact, state taxpayer assets that require routine maintenance and periodic repair and renovation to properly maintain. According to the Commission on Higher Education’s latest building condition survey, the state’s 33 public college and universities have a combined \$1.6 Billion of estimated “maintenance needs”. As state taxpayer assets, reliable investment by the state in support of proper upkeep of existing college and university facilities (i.e. “state”) is a wise use of state resources and will help mitigate the need for diverting a greater share of student tuition dollars from core missions to facility upkeep which is otherwise necessary in the absence of reliable state investment in college infrastructure. Since 2001, state funding dedicated to maintaining college facilities, while appreciated when provided, has been unreliable. Specifically, there has been no Capital Bond Bill for higher education since 2001 and in 7 state budgets between FY02 and FY19, there were no Capital Reserve Fund appropriations for college facilities. Creation of a dedicated state account to be managed by the Commission on Higher Education (with cooperation from the Council of College Presidents) to be funded reliably from a fund source(s) determined most appropriate by state policymakers (as an example, the HEOA legislation identifies “excess debt service” as a possible source) would help maintain important state assets while helping to mitigate the level of tuition increases otherwise necessary to fund maintenance on the state’s college and university campuses.</p>
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Note: The University of South Carolina’s five-year capital plan proactively commits funding of approximately \$118 Million in an effort to manage deferred maintenance and capital renewal projects across the USC System, of which only \$8.5 Million is currently expected to come from direct state investment.

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

FISCAL IMPACT

The fiscal impact to the state would be dependent upon how much the state invested in the fund and from what source or sources. As such, the proviso, as proposed by the USC System, is a support and encouragement of the “policy” (i.e. setting up the fund) of which USC and its System would receive a “share” based on the formula contemplated by the proviso and based on how much the state annually deposits into the fund.

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

PROPOSED PROVISOR TEXT

For the current fiscal year, there is established the Higher Education Facilities Repair and Renovation Fund to be administered by the Commission on Higher Education pursuant to the requirements of this provision. On or before October thirty-first of the current fiscal year, of the funds appropriated to the Higher Education Facilities Repair and Renovation Fund, the commission shall transfer twenty percent to the State Board for Technical and Comprehensive Education for distribution among the State's public technical colleges in a manner the board adopts and the remaining eighty percent must be distributed by the commission to each of the state's remaining public research, comprehensive and two-year branch campuses of the University of South Carolina based on a formula developed by the commission's Finance and Facilities Committee in cooperation with the Council of Presidents. At minimum, the committee and council's formula shall take into consideration an institution's total number of buildings by type, size (as measured by square footage) and age compared to the total number of buildings by type, size (as measured by square footage) and age among all public research, comprehensive and two-year branch campuses of the University of South Carolina.

The funds shall only be expended for necessary renovation, repair, and related maintenance, and other critical equipment and system repair and maintenance that are necessary for the safe and efficient operation of the institution's physical plant in its support of the institution's educational purpose. Funds shall not be used for new construction.

Paste FY 2019-20 text above, then bold and underline insertions and strikethrough deletions. For new proviso requests, enter requested text above.

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FORM D – PROVISIO REVISION REQUEST

NUMBER	NEW <i>Cite the proviso according to the renumbered list for FY 2020-21 (or mark "NEW").</i>
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TITLE	Permanent Improvement Project Thresholds <i>Provide the title from the FY 2019-20 Appropriations Act or suggest a short title for any new request.</i>
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BUDGET PROGRAM	N/A <i>Identify the associated budget program(s) by name and budget section.</i>
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RELATED BUDGET REQUEST	N/A <i>Is this request associated with a budget request you have submitted for FY 2020-21? If so, cite it here.</i>
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REQUESTED ACTION	Add <i>Choose from: Add, Delete, Amend, or Codify.</i>
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OTHER AGENCIES AFFECTED	All public colleges and universities (including technical colleges) would benefit from adoption of this proviso. <i>Which other agencies would be affected by the recommended action? How?</i>
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SUMMARY & EXPLANATION	<p>This proviso would provide colleges and universities a measure of modest but meaningful regulatory relief by increasing the state’s fixed “permanent improvement project” (PIP) dollar threshold that currently triggers the state’s multi-phased, eight-step (BOT, CHE, JBRC, and SFAA x2 (Phases 1 and 2)) approval process before execution of a college or university’s project can commence. By increasing the threshold for PIP projects from \$1M to \$5M for research universities and from \$1M to \$2M for all other public institutions of higher learning including technical colleges, smaller more routine capital and other PIPs can be undertaken in a more timely and cost effective manner, while larger more costly projects would continue to undergo the state’s multi-phased, eight-step approval process. Note that since 2011 (the last time the PIP thresholds were raised), construction prices have increased by 40% (according to the Turner Building Cost Index) resulting in an erosion of the value of the state’s current PIP threshold. Importantly, this proviso would require a college or university’s duly elected governing board to approve projects falling within these revised thresholds by public vote in open session. Additionally, projects approved pursuant to this proviso would require annual reporting to the Governor, CHE, JBRC and SFAA. Adoption of this proviso would have no fiscal impact on the General Fund or state budget, while providing institutions of higher learning meaningful process relief with proper oversight and reporting ensured.</p>
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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.

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FISCAL IMPACT	<p>Proviso does not have a negative fiscal impact. Proviso creates efficiencies for colleges and SC administration where time and resources may be spent on higher priority projects.</p>
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Provide estimates of any fiscal impacts associated with this proviso, whether for state, federal, or other funds. Explain the method of calculation.

PROPOSED PROVISOR TEXT	<p>For the current fiscal year, permanent improvement projects as defined in Title 2, Chapter 47 of the Code of Laws where the cost is at least one million dollars but no greater than five million dollars for public research universities and not greater than two million dollars for all other public institutions of higher learning are exempt from the requirements of Section 2-47-50 except that a project shall not be considered approved without an institution's governing board having first voted to approve the project in public session. Institutions shall provide a report of projects approved by their governing boards pursuant to this provision to the Chairmen of the Commission on Higher Education, the Joint Bond Review Committee, and the State Fiscal Accountability Authority by September thirtieth of the current fiscal year.</p>
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Paste FY 2019-20 text above, then bold and underline insertions and strikethrough deletions. For new proviso requests, enter requested text above.

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FORM D – PROVISIO REVISION REQUEST

NUMBER	NEW <i>Cite the proviso according to the renumbered list for FY 2020-21 (or mark “NEW”).</i>
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TITLE	Educational Fee Waivers for In-State Students – Access and Affordability <i>Provide the title from the FY 2019-20 Appropriations Act or suggest a short title for any new request.</i>
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BUDGET PROGRAM	N/A <i>Identify the associated budget program(s) by name and budget section.</i>
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RELATED BUDGET REQUEST	N/A <i>Is this request associated with a budget request you have submitted for FY 2020-21? If so, cite it here.</i>
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REQUESTED ACTION	Add <i>Choose from: Add, Delete, Amend, or Codify.</i>
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OTHER AGENCIES AFFECTED	This request benefits all colleges and universities in the state. It does not require any institution to implement the additional flexibility, so there is no adverse impact. <i>Which other agencies would be affected by the recommended action? How?</i>
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SUMMARY & EXPLANATION	Currently, code section 59-101-620 stipulates, “A public institution of higher learning may offer educational fee waivers to no more than four percent (4%) of the undergraduate student body.” This request to allow an additional four percent (4%) dedicated to low-income South Carolinians will enable higher education institutions to directly influence access and affordability in a positive way. It will allow greater support for Pell-eligible residents and those residents that just miss Pell eligibility and face growing loan debt. This institutional reinvestment will assist South Carolinians in reducing out of pocket costs, which will positively influence recruitment and retention of low-income students. As the state is considering additional investment in South Carolinians with financial need, this request allows (but does not require) higher education institutions to increase their investment and does so without directly impacting the state’s budget. <i>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.</i>
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FISCAL IMPACT	There is no fiscal impact to the state of South Carolina or the state budget. Since this request provides flexibility but is not a requirement, it allows institutions with prudent planning and fiscal management to contribute to greater access and affordability for South Carolina residents. Furthermore, this provision caps this additional waiver flexibility at two percent so that it is a finite, and not open-ended, provision. <i>Provide estimates of any fiscal impacts associated with this proviso, whether for state, federal, or other funds. Explain the method of calculation.</i>
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PROPOSED PROVISO TEXT	<p>For the current fiscal year, of the funds appropriated within this act, institutions of higher learning may offer up to, but may not exceed, an additional four percent of educational fee waivers allowed by law provided that additional waivers, if any, are limited exclusively to the benefit of undergraduate resident students whose family income is two hundred percent or less than federal poverty guidelines. Institutions utilizing this provision shall report the number and amount of additional waivers offered to undergraduate resident students to the Chairmen of the House Ways and Means Committee, House Education and Public Works Committee, Senate Finance Committee, Senate Education Committee, Commission on Higher Education and the Governor on or before December 31st of the current fiscal year.</p>
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Paste FY 2019-20 text above, then bold and underline insertions and strikethrough deletions. For new proviso requests, enter requested text above.

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

TITLE	Agency Cost Savings and General Fund Reduction Contingency Plan
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AMOUNT	<p>\$4,679,094</p> <ul style="list-style-type: none"> • Columbia \$4,046,735 • School of Medicine \$587,732 • Special Items \$44,627
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What is the General Fund 3% reduction amount (minimum based on the FY 2019-20 recurring appropriations)? This amount should correspond to the reduction spreadsheet prepared by EBO.

ASSOCIATED FTE REDUCTIONS	Further review would be necessary to determine the number of positions likely impacted by such a State appropriation reduction. Preliminary review indicates approximately thirty (30) positions would be impacted.
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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 II.A) and associated Employee Benefits (II.C. and IV.). The University’s primary mission of providing instructional services to students would be specifically impacted. However, in order to minimize the impact on instructional programs, service units (administration, libraries, law enforcement and safety, student affairs, etc.) would also be directed to reduce expenditures. Both academic and service units are funded from the University’s general fund which is comprised almost exclusively from State General Fund and student tuition and fee revenue. Three special items as identified in the State Appropriation Act would also be reduced.
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What programs or activities are supported by the General Funds identified?

SUMMARY	<p>The University would reduce expenditures for every academic (including the School of Medicine) and service unit in response to 3% reduction in State General Funds.</p> <p>Academic Units – The financial reduction within the academic units will result in vacant faculty and staff positions going unfilled. Specifically, this reduction will result in foregoing the hiring of approximately ten faculty (savings of \$1,609,759 – salary and fringe) and fifteen staff (savings of \$946,349 - salary and fringe) positions across campus. This will unfortunately increase faculty:student ratio or alternatively reduce course offerings. USC Columbia has maintained a low faculty:student ratio to ensure that students receive quality, personalized attention and support. This may impact our unique</p>
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college experience and may increase the time to graduate thereby increasing the financial impact to families. The reduction in staff across campus will impede the operations within the departments through increased workloads for the staff that remain.

Within the Evening Program, a \$33,472 decrease in recurring funds will reduce the number of temporary faculty or adjuncts, which will result in fewer course offerings or larger class sizes. These classes are offered not only during the evenings but on the weekends as well and many times include the Carolina Core classes that all students are required to take to graduate. Due to the physical plant constraints on the number of class offerings the University of South Carolina can provide throughout the day, this is a great alternative for students to take advantage of and still stay on track to graduate within four years.

School of Medicine would transfer four administrative positions (cost-savings of \$587,732– salary and fringe) associated with clinical practices and administration to key clinical partner, including three human resources positions. The School’s Human Resources Office contributes to the mission of the USC Division of Human Resources by supporting the Basic Science and Clinical Departments within the School through planning, implementing, and promoting human resources programs and practices that enhance the School’s ability to attract, develop, reward, and retain an exceptional faculty and staff. The transfer of staff will place an additional burden on remaining staff and lead to delays in the processing of time-sensitive payroll documents, as well as impede the academic units’ timeliness in resolving HR matters.

Service units including Administration and Finance, Law Enforcement and Safety, Student Affairs and Facility Services would be directed to reduce expenditures by \$1,457,154. In response to those reductions, these units would, among other things, reduce the number of student employees, cut back on marketing materials, transportation services, and eliminate research supplements. The Division of Law Enforcement and Safety would specifically have to eliminate a Campus Safety Officer program. Student Affairs would reduce participation in a National Student Engagement program. Limited and targeted reductions in force would also need to be implemented. Although further review would be necessary to determine the number of staff that would likely be impacted, such a reduction within the service units alone would probably involve at least four staff positions.

Special Items as listed in the State Appropriation Act include Law Library, Small Business Development Center and Palmetto Poison Center. These items would be reduced by a total of \$44,627.

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.

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AGENCY COST SAVINGS PLANS	<p>See summary above for expenditure reductions that would be implemented in response to a State General Funds reduction. The University continues to re-evaluate programs and services as a part of its overall effort to operate within limited resources. The University has, among other things, repurposed building space, refrained from hiring some additional faculty and staff, and reduced printing, marketing, and travel. Under the direction of the Provost, the University recently revised its strategic plan which includes reallocating \$17.8 million of existing unrestricted funds toward strategic academic objectives. This reallocation initiative is being implemented for FY18. Units are taking various measures to absorb the reduction in operating funds including, but not limited to, reducing professional development expenditures, reducing purchase of instructional materials, eliminating some class offerings and keeping positions vacant.</p>
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What measures does the agency plan to implement to reduce its costs and operating expenses by more than \$50,000? Provide a summary of the measures taken and the estimated amount of savings. How does the agency plan to repurpose the savings?

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

FORM F – REDUCING COST AND BURDEN TO BUSINESSES AND CITIZENS

TITLE	Reducing Cost and Burden to Businesses and Citizens –University of South Carolina Columbia.
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Provide a brief, descriptive title for this request.

EXPECTED SAVINGS TO BUSINESSES AND CITIZENS	The University has implemented programs and taken steps over the last several years designed to assist students in obtaining a degree in a timely manner and to minimize the overall cost of obtaining a quality education. Providing a quality workforce to the businesses within the State is a vital aspect of continuous economic development. The savings to citizens and business of the state are incalculable. The economic impact of the University on the State of South Carolina is significant, and highlights are provided further below.
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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	<p>Mark “X” for all that apply:</p> <table border="1"> <tr> <td><input type="checkbox"/></td> <td>Repeal or revision of regulations.</td> </tr> <tr> <td><input type="checkbox"/></td> <td>Reduction of agency fees or fines to businesses or citizens.</td> </tr> <tr> <td><input type="checkbox"/></td> <td>Greater efficiency in agency services or reduction in compliance burden.</td> </tr> <tr> <td><input checked="" type="checkbox"/></td> <td>Other</td> </tr> </table>	<input type="checkbox"/>	Repeal or revision of regulations.	<input type="checkbox"/>	Reduction of agency fees or fines to businesses or citizens.	<input type="checkbox"/>	Greater efficiency in agency services or reduction in compliance burden.	<input checked="" type="checkbox"/>	Other
<input type="checkbox"/>	Repeal or revision of regulations.								
<input type="checkbox"/>	Reduction of agency fees or fines to businesses or citizens.								
<input type="checkbox"/>	Greater efficiency in agency services or reduction in compliance burden.								
<input checked="" type="checkbox"/>	Other								

METHOD OF CALCULATION	<p>Highlights of a recent study found that USC:</p> <ul style="list-style-type: none"> • Has a total economic impact (all 8 campuses statewide) of approximately \$5.5 billion when measured in terms of annual state output. • Supports over 60,000 job statewide. • Returns \$219 million annually to the state in tax revenue. <p>Other findings and the complete study can be found at: http://southcarolina.edu/documents/dor_usc_impact_fd1_2017.pdf</p>
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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 only published State of South Carolina regulations USC are those contained in Chapter 119 dealing with motor vehicle registration, parking, obeying traffic signs and adhering to posted speed limits while on campus. These regulations were promulgated under the authority of Section 59-117-40 of the S.C. Code of Laws. All tuition, fees and fines are reviewed annually before being presented to the Board of Trustees for their consideration and approval. These tuition and fees are contained in the annual budget and are related to providing instructional services to enrolled students. There are a few fines contained in that schedule which all relate to parking.
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Which fees or fines does the agency intend to reduce? What was the fine or fee revenue for the previous fiscal year? What was the associated program expenditure for the previous fiscal year? What is the enabling authority for the issuance of the fee or fine?

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

REDUCTION OF REGULATION	<p>The University's regulations do not pertain to business operations. Nor do they pertain to the citizens of the State in general. The University has taken steps over the last several years to assist students in obtaining a degree in a timely manner and to minimize the overall cost of obtaining a quality education. See summarized highlights below.</p>
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Which regulations does the agency intend to amend or delete? What is the enabling authority for the regulation?

SUMMARY	<p>Palmetto College Online was designed to make Bachelor's completion degrees more accessible and affordable for in-state place bound residents. The number of programs available through Palmetto College continues to grow each year thereby reducing the need for residents to choose the more expensive "for-profit" online college. Centralizing distance learning efforts for the USC System helps contain costs associated with program startup, marketing and admissions. Over 1,200 students have graduated from Palmetto College Online and nearly 1,000 are currently enrolled.</p> <p>The "On Your Time" initiative was designed to give students a greater opportunity to complete their degrees quicker and reduce overall tuition costs and loan debt. "On Your Time" was designed, in large part, to provide for a full third term during the summer months that equates to Fall and Spring terms in relation to course offering, workforce preparations, and academic counseling. Research shows that the key driver of student debt is taking longer than 8 semesters to graduate. Since the creation of the "On Your Time" initiative, the four-year graduation rate has increased by 7 percentage points. Nearly half of USC Columbia students graduate with no debt and of those who do, it is less than the state and national average.</p> <p>System improvements include recent implementation of Banner which is an enterprise student information system. Key features include integrated admissions, financial aid, registration, and student account system processes. Banner implementation is a major customer service upgrade to the previous cumbersome and inefficient legacy system.</p>
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Provide an explanation of the proposal and its positive results on businesses or citizens. How will the request affect agency operations?