



UNIVERSITY OF
SOUTH CAROLINA

2013-2014 Proposed Budget

Monday, June 17, 2013

FY2014 Budget Development

- December 14, 2012: Call for Academic Unit Blueprint development
Preliminary revenue and expenditure estimates and full mid-year review for BOT presentation in February
- January 2: General Assembly convenes
- January 8: President presents budget request to House Ways & Means
- January 30: House Ways & Means budget development
- February: Call for Service Unit Blueprint development
- February 12: House budget final
- March 13: Senate Finance Budget development
- April-May: Provost meets with all academic units
- April: President presents budget request to Senate Finance
- April 16: President meets with all direct reports
- April 29-May 3: USC internal budget development
- May 6-24: Senate budget final
- May 23: Board budget review
- May 27-31: Sine Die
- June 6: Conference Committee meets
- June 7-?: Executive Committee and Full Board considers recommended University budget
- June 17: Conference budget to Governor
- June ?: General Assembly addresses vetoes
- July 1: FY2014 Budget becomes effective

Higher Education “New Normal”

Traditional public higher education model unsustainable

- Increased competition for enrollment
- Essential net tuition revenue
- Performance funding metrics
- Resource allocation priorities and efficiencies
- Program necessity

Limits on tuition price increase

- Political and market forces

Demand remains strong but with limits

- Quality and price

Comprehensive universities in small markets with limited drawing power are under the greatest stress

USC Strategies

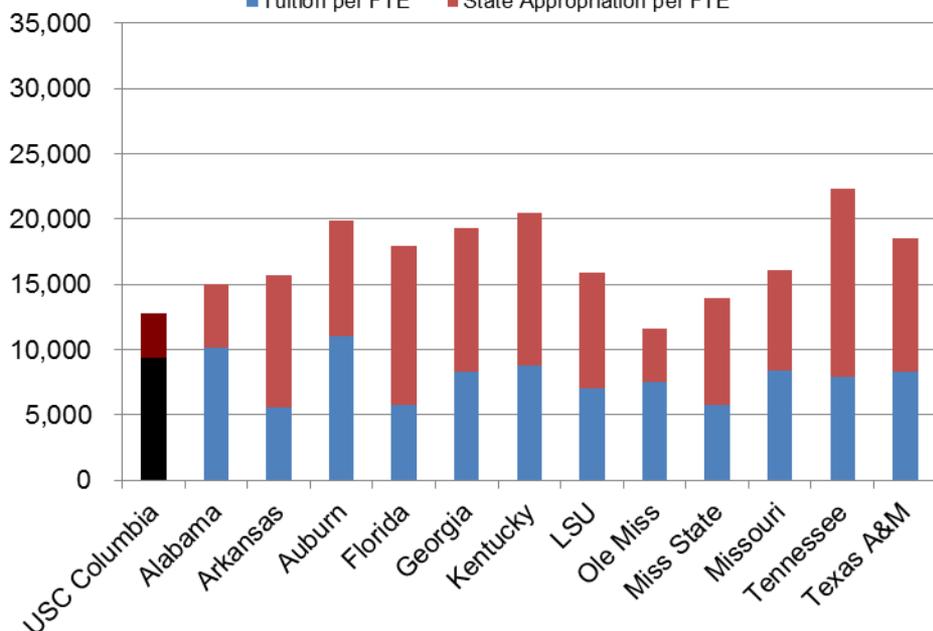
- Palmetto College
- On Your Time Graduation
- The “three-legged” financing stool
 - Tuition pricing
 - Enrollment
 - Cost containment
- Apply existing resources to priorities
- Protect state appropriations and SC Education Lottery Scholarships
- Private fundraising and development
- Contain expectations

USC Columbia Strategies – Efficiency Measures

Tuition and State Appropriations per Full Time Equivalent Student (FTE)

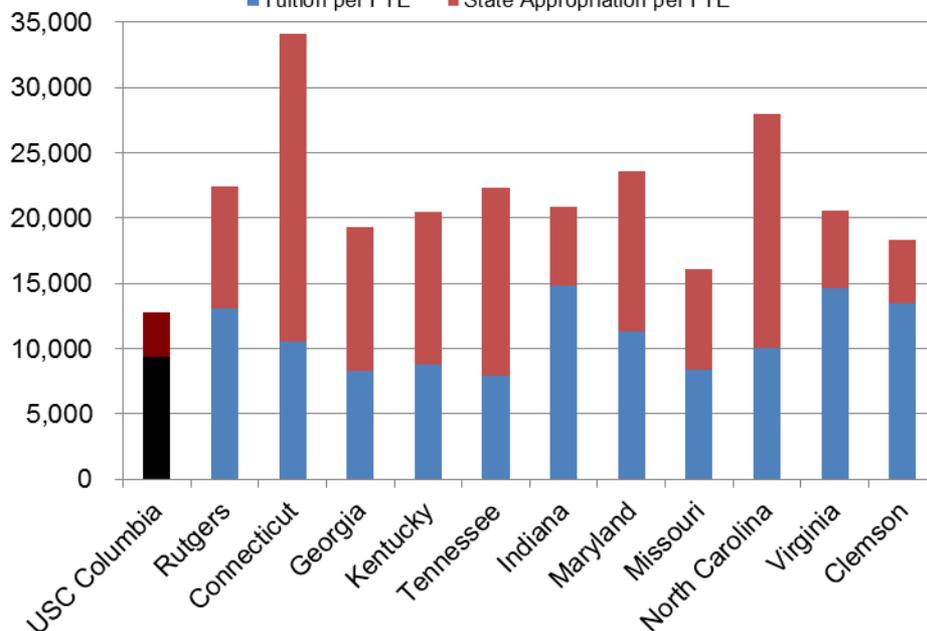
SEC Comparison

■ Tuition per FTE ■ State Appropriation per FTE



Peer & Peer Aspirant Comparison

■ Tuition per FTE ■ State Appropriation per FTE

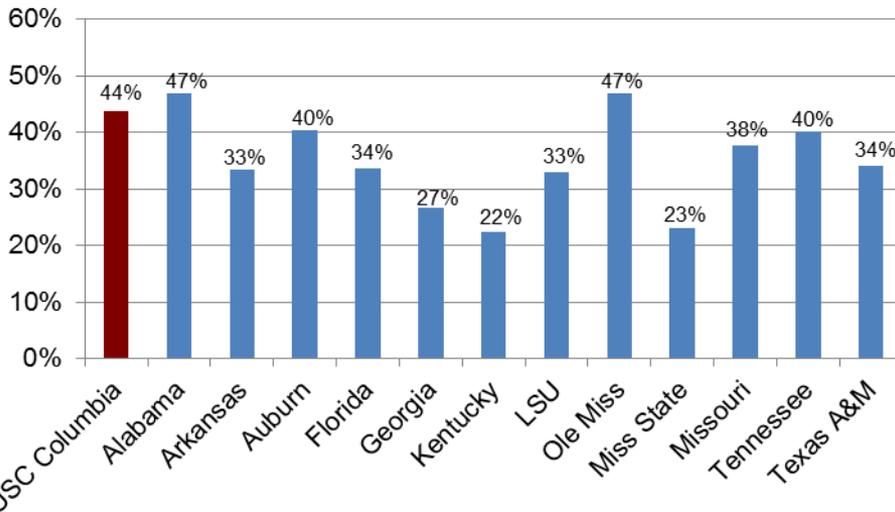


Source: Integrated Postsecondary Education Data System
– IPEDS Finance Reports FY2011

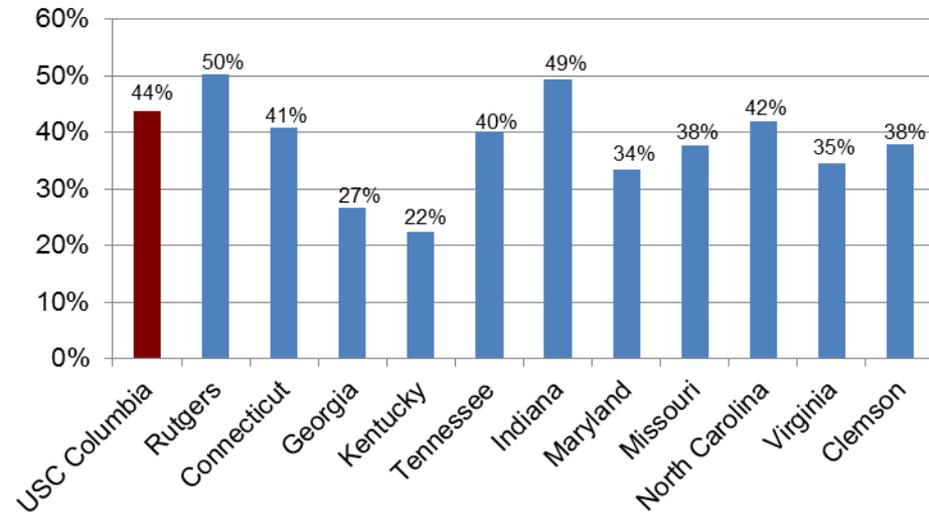
USC Columbia Strategies – Efficiency Measures

Instruction as a Percentage of Core Expenditures

SEC Comparison



Peer & Peer Aspirant Comparison

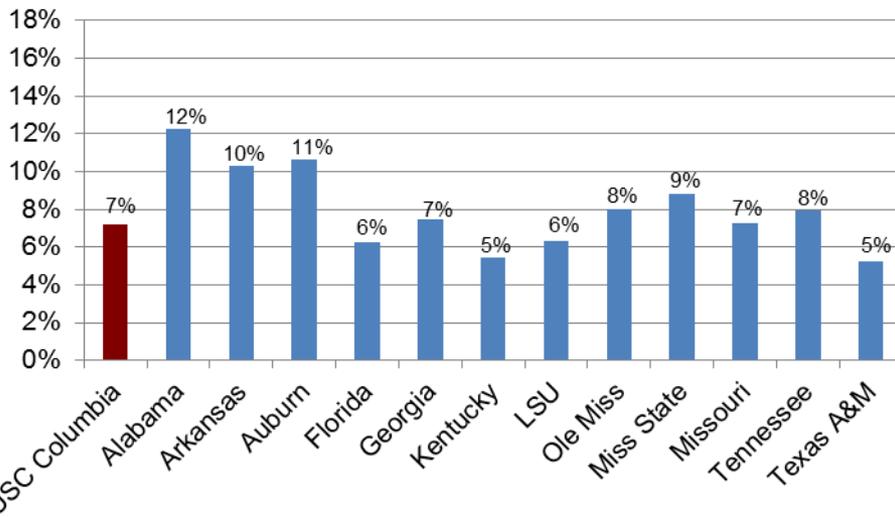


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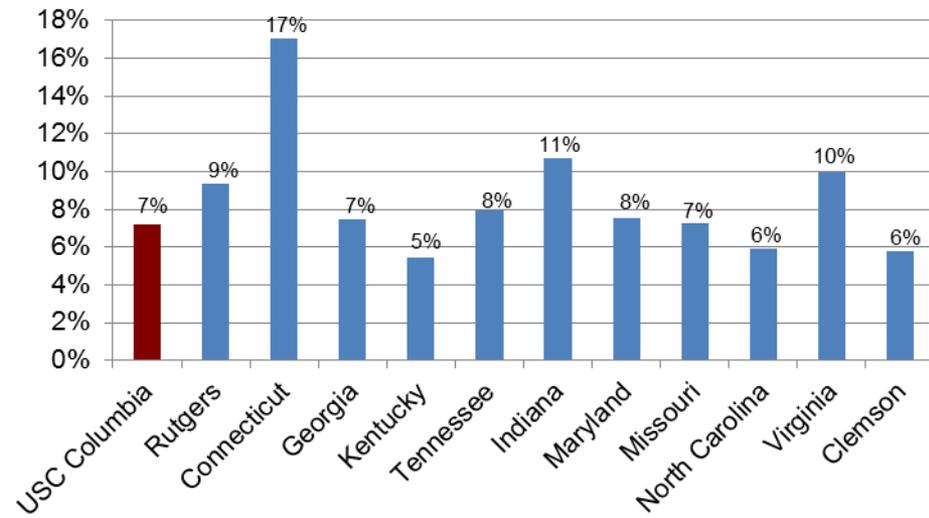
USC Columbia Strategies – Efficiency Measures

Institutional Support as a Percentage of Core Expenditures

SEC Comparison



Peer & Peer Aspirant Comparison



Source: Integrated Postsecondary Education Data System
– IPEDS Finance Reports FY2011

USC Campuses

FY2014 Recurring State Appropriations- HOUSE

| | FY2013 FINAL | FY2014 APPROPRIATIONS INCREASE | FY2014 BASE | FY2014 Estimated Employer Fringe | ADJUSTED FY2014 BASE |
|-----------------------------|-----------------------|--------------------------------------|-----------------------|-------------------------------------|-------------------------|
| USC Columbia | \$ 90,982,670 | \$ 2,415,000 | \$ 93,397,670 | \$ 1,114,478 | \$ 94,512,148 |
| USC SOM | 13,295,234 | 0 | 13,295,234 | 97,324 | 13,392,558 |
| TOTAL | 104,277,904 | 2,415,000 | 106,692,904 | 1,211,802 | 107,904,706 |
| USC Aiken | 6,223,295 | 250,000 | 6,473,295 | 72,247 | 6,545,542 |
| USC Beaufort | 1,426,167 | 1,200,000 | 2,626,167 | 13,060 | 2,639,227 |
| USC Upstate | 8,189,165 | 250,000 | 8,439,165 | 90,130 | 8,529,295 |
| USC Lancaster | 1,540,734 | 0 | 1,540,734 | 15,002 | 1,555,736 |
| USC Salkehatchie | 1,308,457 | 0 | 1,308,457 | 12,577 | 1,321,034 |
| USC Sumter | 2,446,777 | 0 | 2,446,777 | 27,132 | 2,473,909 |
| USC Union | 599,752 | 0 | 599,752 | 7,636 | 607,388 |
| USC SYSTEM TOTAL | \$ 126,012,251 | \$ 4,115,000 | \$ 130,127,251 | \$ 1,449,586 | \$ 131,576,837 |

USC Columbia received non-recurring funds of \$2,500,000 for the On Your Time Graduation Initiative, \$75,000 for the Palmetto Poison Center and \$225,000 for the School of Medicine Child Abuse Medical Response Program.

Fringe Benefit changes cost USC more than \$2.9M over all funds across the System before ACA implementation. These appropriations do not include the lobbyist cut of \$53,368 for Columbia and \$11,000 for Upstate.



USC Campuses

FY2014 Recurring State Appropriations- SENATE

| | FY2013 FINAL | FY2014 APPROPRIATIONS INCREASE | FY2014 BASE | FY2014 Estimated Pay Package & Employer Fringe | ADJUSTED FY2014 BASE |
|-----------------------------|-----------------------|--------------------------------------|-----------------------|--|-------------------------|
| USC Columbia | \$ 91,114,994 | \$ 2,911,270 | \$ 94,026,264 | \$ 2,050,856 | \$ 96,077,120 |
| USC SOM | 13,315,137 | 0 | 13,315,137 | 231,872 | 13,547,009 |
| TOTAL | 104,430,131 | 2,911,270 | 107,341,401 | 2,282,728 | 109,624,129 |
| USC Aiken | 6,232,281 | 250,000 | 6,482,281 | 137,089 | 6,619,370 |
| USC Beaufort | 1,427,614 | 1,200,000 | 2,627,614 | 27,757 | 2,655,371 |
| USC Upstate | 8,200,119 | 848,000 | 9,048,119 | 175,313 | 9,223,432 |
| USC Lancaster | 1,542,448 | 0 | 1,542,448 | 31,002 | 1,573,450 |
| USC Salkehatchie | 1,309,944 | 0 | 1,309,944 | 25,150 | 1,335,094 |
| USC Sumter | 2,450,095 | 0 | 2,450,095 | 52,437 | 2,502,532 |
| USC Union | 600,731 | 0 | 600,731 | 13,987 | 614,718 |
| USC SYSTEM TOTAL | \$ 126,193,363 | \$ 5,209,270 | \$ 131,402,633 | \$ 2,745,463 | \$ 134,148,096 |

USC Columbia received non-recurring funds of \$2,500,000 for the On Your Time Graduation Initiative and \$225,000 for the School of Medicine Child Abuse Medical Response Program. Regional campuses received \$502,750 in non-recurring parity funding. The Pay Package and Fringe Benefit changes cost USC more than \$7.6M over all funds across the System before ACA implementation.



USC Campuses FY2014 Non-Recurring Deferred Maintenance Appropriations – SENATE Only*

| | 2013/2014 |
|----------------------|--------------|
| Columbia | \$ 3,940,695 |
| School of Medicine | 588,839 |
| Columbia & SOM TOTAL | 4,529,534 |
| Aiken | 270,318 |
| Beaufort | 61,921 |
| Upstate | 355,670 |
| Lancaster | 466,902 |
| Salkehatchie | 56,817 |
| Sumter | 106,270 |
| Union | 26,056 |
| USC System TOTAL | \$ 5,873,488 |

*USC Lancaster receives \$400,000 in the House budget as non-recurring for deferred maintenance.



USC Columbia

Required Tuition & Fees per Semester for Full-time Students Proposed 2012-13 to 2013-14

| Campus | | CURRENT 2012-13 | PROPOSED 2013-14 | DOLLAR CHANGE |
|--|-----------------------------|--------------------|---------------------|------------------|
| Columbia | | | | |
| Undergraduate | | | | |
| | - Resident | 5,244 | 5,408 | 164 |
| | - Non-Resident | 13,822 | 14,264 | 442 |
| Graduate | | | | |
| | - Resident | 5,836 | 6,020 | 184 |
| | - Non-Resident | 12,298 | 12,680 | 382 |
| Law | | | | |
| | - Resident | 10,844 | 11,180 | 336 |
| | - Non-Resident | 21,699 | 22,376 | 677 |
| South Carolina College of Pharmacy | | | | |
| | Resident-Years 1, 2 & 3 | 22,450 | 23,123 | 673 |
| | Non-Resident-Years 1, 2 & 3 | 33,526 | 34,532 | 1,006 |
| | Resident-Year 4 | 19,694 | 20,284 | 590 |
| | Non-Resident-Year 4 | 29,366 | 30,248 | 882 |
| Medical School - Columbia and Greenville Campuses | | | | |
| | Resident | 16,904 | 17,749 | 845 |
| | Non-Resident | 37,910 | 39,806 | 1,896 |

Senior & Regional Campuses

Required Tuition & Fees per Semester for Full-time Students 2012-13 to 2013-14

| Campus | CURRENT 2012-13 | PROPOSED 2013-14 | DOLLAR CHANGE |
|--|--------------------|---------------------|------------------|
| USC Aiken | | | |
| Resident | 4,487 | 4,629 | 142 |
| Non-Resident | 8,865 | 9,145 | 280 |
| USC Beaufort | | | |
| Resident | 4,254 | 4,461 | 207 |
| Non-Resident | 8,953 | 9,387 | 434 |
| USC Upstate | | | |
| Resident | 4,861 | 5,014 | 153 |
| Non-Resident | 9,722 | 10,028 | 306 |
| Regional Campuses - under 75 credit hours | | | |
| Resident | 3,142 | 3,241 | 99 |
| Non-Resident | 7,579 | 7,816 | 237 |
| Regional Campuses - 75 or more credit hours | | | |
| Resident | 4,563 | 4,705 | 142 |
| Non-Resident | 8,941 | 9,221 | 280 |
| Palmetto College | | | |
| Resident | 4,563 | 4,709 | 146 |
| Non-Resident | 8,941 | 9,225 | 284 |

Housing and Meal Plans

Proposed 2012-13 to 2013-14

| Campus | CURRENT 2012-13 | PROPOSED 2013-14 | DOLLAR CHANGE |
|--|--------------------|---------------------|------------------|
| Columbia | | | |
| Traditional Housing | 2,165 | 2,275 | 110 |
| West, East, South Quad | 3,500 | 3,675 | 175 |
| Suites - Patterson | 2,950 | 3,100 | 150 |
| Ten Meal Plan | 1,214 | 1,262 | 48 |
| USC Aiken | | | |
| Housing Fees - Double | 2,230 | 2,275 | 45 |
| Ten Meal Plan | 995 | 1,040 | 45 |
| USC Upstate | | | |
| Housing - Palmetto & Magnolia House - Double | 2,250 | 2,295 | 45 |
| Palmetto & Magnolia Mandatory Meal Plan | 1,375 | 1,417 | 42 |



USC Beaufort Housing and Meal Plans are controlled and operated by the Beaufort Jasper Higher Education Commission. Rates are determined by the BJHEC.

USC Columbia – FY2014 Budget Initiatives

| Tuition Increase | | |
|--|-------------------------|-------------------------|
| Required Cost Increases | HOUSE | SENATE |
| Pay Package | 0 | 1,900,000 |
| Scholarship 4% Fee Waiver - In State Undergraduate | 562,000 | 562,000 |
| Utilities | 860,000 | 860,000 |
| Insurance Reserve - Tort, Property, Casualty | 340,000 | 340,000 |
| Total Required Cost Increases | 1,762,000 | 3,662,000 |
| | | |
| Strategic Priorities | | |
| University Infrastructure - Capital Renewal | 2,000,000 | 1,883,000 |
| Student Growth Initiatives | | |
| Faculty Replenishment - Phase IV | 3,745,000 | 1,995,000 |
| University Libraries | 360,000 | 360,000 |
| Law Enforcement and Safety | 633,000 | 600,000 |
| Total Strategic Priorities | 6,738,000 | 4,838,000 |
| | | |
| Total Tuition Increase | <u>8,500,000</u> | <u>8,500,000</u> |

USC Columbia – FY2014 Budget Initiatives

| Enrollment Increase | | |
|----------------------------------|-------------------------|-------------------------|
| | <u>HOUSE</u> | <u>SENATE</u> |
| Student Growth Initiatives | | |
| Faculty Replenishment - Phase IV | 1,255,000 | 2,505,000 |
| Faculty Salary Compression | 1,700,000 | 1,700,000 |
| University Infrastructure | | |
| Alumni Relations | 1,650,000 | 1,000,000 |
| Human Resources | 1,000,000 | 400,000 |
| Equal Employment Opportunity | 145,000 | 145,000 |
| | <u>5,750,000</u> | <u>5,750,000</u> |

USC System Campuses

- **Enrollment pressures at System Campuses.**
- **Commitment to Palmetto College.**
- **Second Cohort of Medical Students at Greenville Campus.**
- **Senior Campuses receive new recurring State parity funding.**
- **Regional Campuses receive new non-recurring State parity funding – Senate budget only.**
- **Focus on cost containment, especially in non-core operations.**

USC System Total Current Funds - SENATE

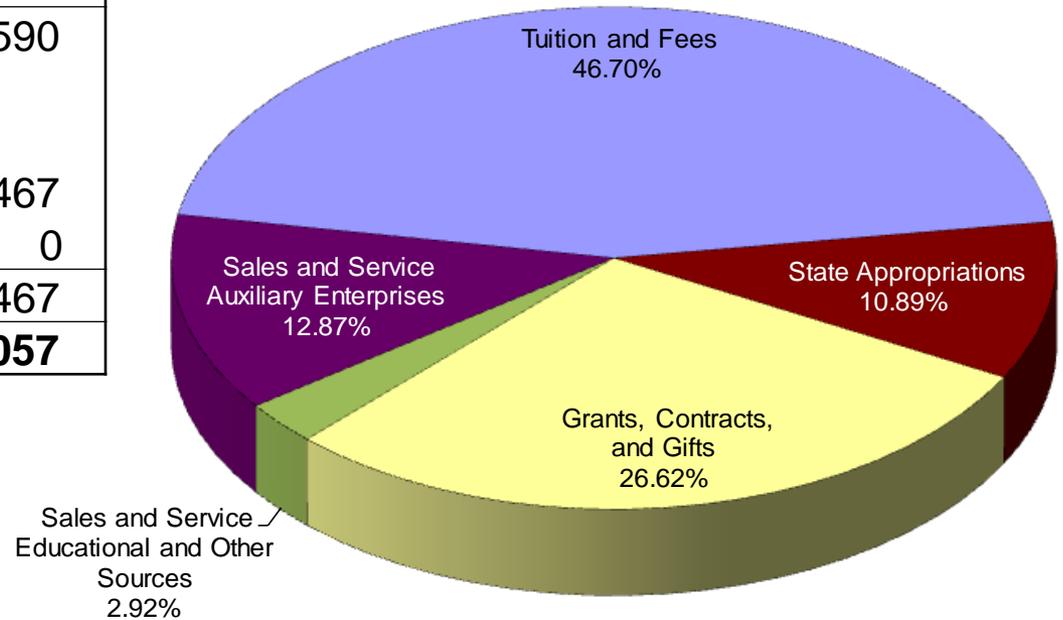
USC System Budget FY 2013-2014 Revenues

Unrestricted Funds

| | | |
|---------------------------|-----------|--------------------|
| Education & General | \$ | 806,601,520 |
| Auxiliaries | \$ | 164,575,070 |
| Unrestricted Total | \$ | 971,176,590 |

Restricted Funds

| | | |
|-------------------------|-----------|----------------------|
| Education & General | \$ | 308,068,467 |
| Auxiliaries | \$ | 0 |
| Restricted Total | \$ | 308,068,467 |
| TOTAL SOURCES | \$ | 1,279,245,057 |



Where the revenue comes from and what it covers

2013-14 Total Current Funds Revenue Budget – USC System - \$1.3 Billion

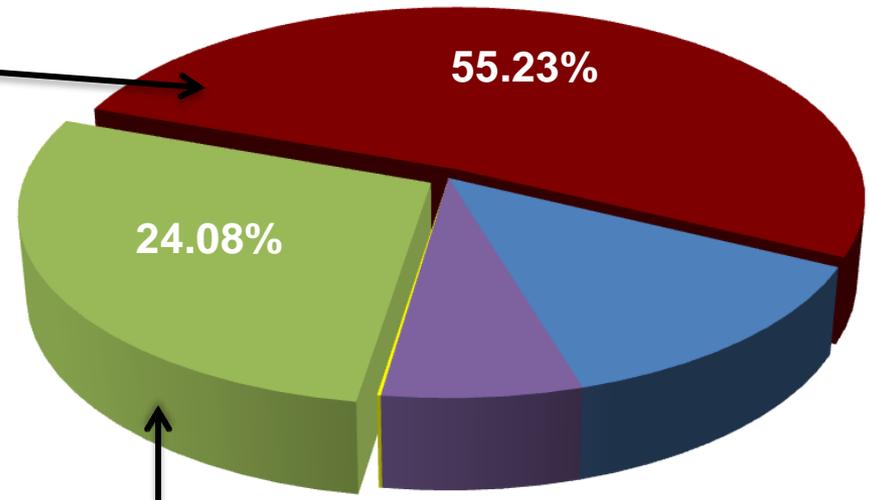
Operating Budget - "A" Funds (\$706,530,094)

Revenue comes from:

- State appropriations
- Tuition and Fees (education & general portion)
- Unrestricted Grants, Contracts & Gifts
- Sales & Services and Other Sources

Pays for:

- Instruction
- Academic Support
- Student Services
- Physical Plant
- Administrative Support
- Scholarships



Restricted Funds (\$308,068,467)

Revenue comes from:

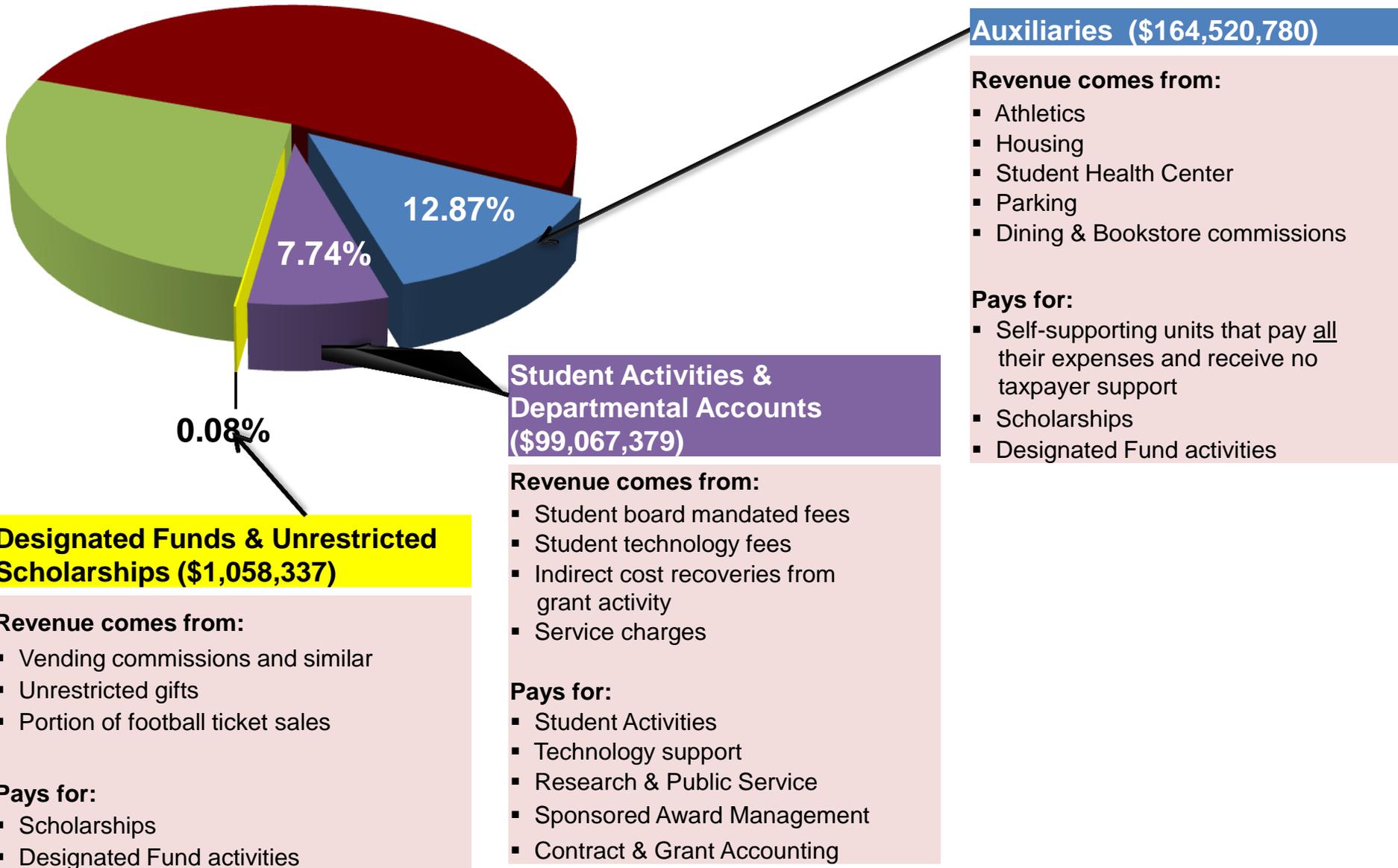
- Research Grants and Contracts
- Gifts
- Federal and State Student Financial Aid

Pays for:

- Research
- Public Service
- Scholarships

Where the revenue comes from and what it covers

2013-14 Total Current Funds Revenue Budget – USC System - \$1.3 Billion



FY2014 Budget Highlights

- State Appropriations uncertain as of June 10, 2013. Major difference is 1% pay package, deferred maintenance allocation, and changes to parity funding for USC System Campuses.
- Continuing State support for Palmetto College - \$5,000,000 in recurring funds
- New State funding for On Your Time Graduation - \$2,500,000 in non-recurring funds with an additional \$421,271 in recurring funds in the Senate budget.
- In Columbia, tuition and fee increases average 3.15% for undergraduate and graduate students.
- This increase for the resident undergraduate is \$164 per semester. For the non-resident undergraduate, the increase is \$442 per semester.
- Professional school increases are 3.1% for the School of Law, 3% for the South Carolina College of Pharmacy and 5% for the School of Medicine.
- System campus tuition and required fee increases are an average of 3.15% except for USC Beaufort. USC Beaufort increase is 4.9%.
- Non-recurring funding for deferred maintenance in the Senate budget totals \$5,873,488 across the system. These funds require an institutional match.

FY2014 Capital Budget Document

- Unlike the Total Current Funds Budget and Operating Budget, the Capital Budget time horizon exceeds one year.
- April 30 selected as the cut off to provide the document in June.
- The capital budget includes projects in progress and projects that may be initiated between May 1, 2013 and April 30, 2014.
- Document is provided, not for adoption, but presented as a compilation of materials previously provided including the CPIP, the Five-Year Plan, the Capital Renewal Plan and a summary debt report.
- The University does not begin capital projects with identified funding in place.
- The Board of Trustees will review and approve capital projects in accordance with the University and state process.



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