



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:	
January 8:	General Assembly convenes
January 30:	President presents budget request to House Ways & Means
February:	House Ways & Means budget development
February 12:	Call for Service Unit Blueprint development
March 13:	House budget final
April-May:	Senate Finance Budget development
April:	Provost meets with all academic units
April 16:	President presents budget request to Senate Finance
April 29-May 3:	President meets with all direct reports
May 6-24:	USC internal budget development
May 23:	Senate budget final
May 27-31:	Board budget review
June 6:	Sine Die
June 7-?:	Conference Committee meets Executive Committee and Full Board considers recommended
June 17:	University budget
June ?:	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

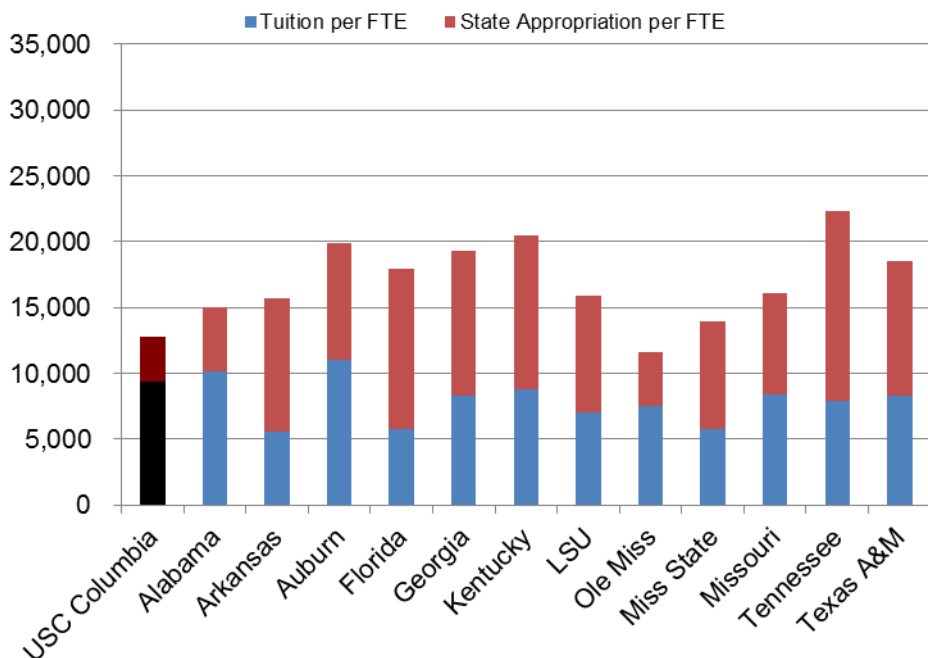
# USC Strategies

- 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

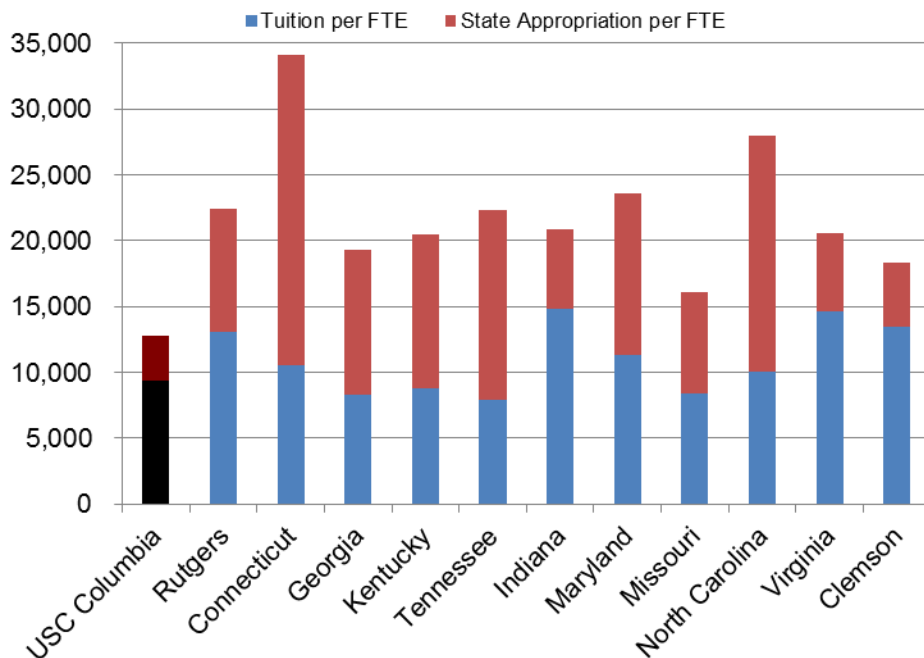
# USC Columbia Strategies – Efficiency Measures

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

### SEC Comparison



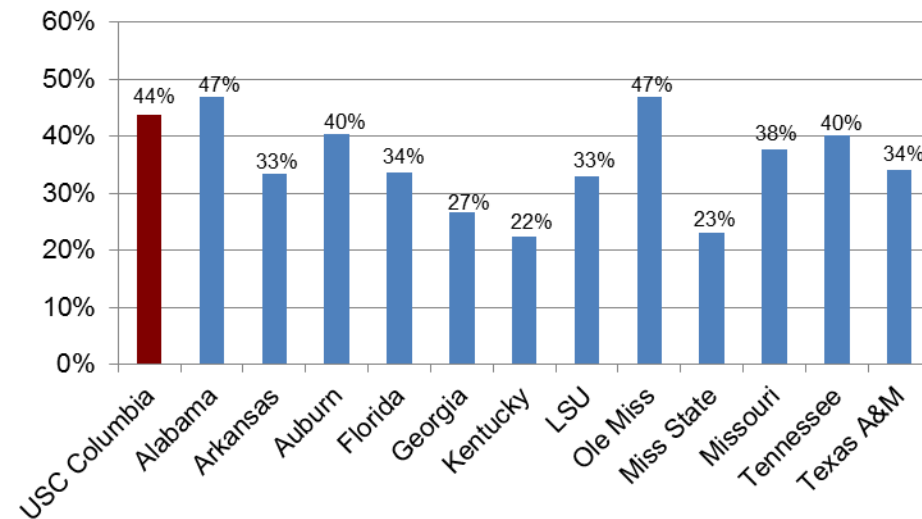
### Peer & Peer Aspirant Comparison



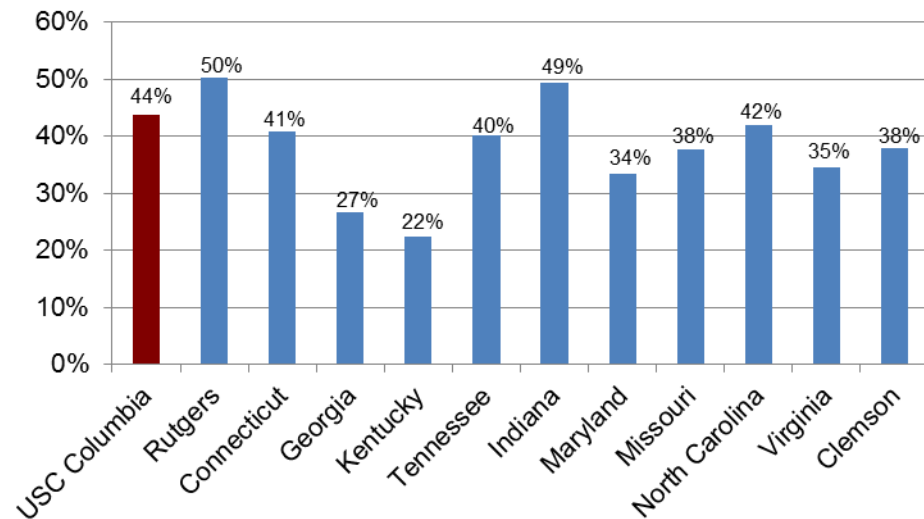
# USC Columbia Strategies – Efficiency Measures

## Instruction as a Percentage of Core Expenditures

**SEC Comparison**



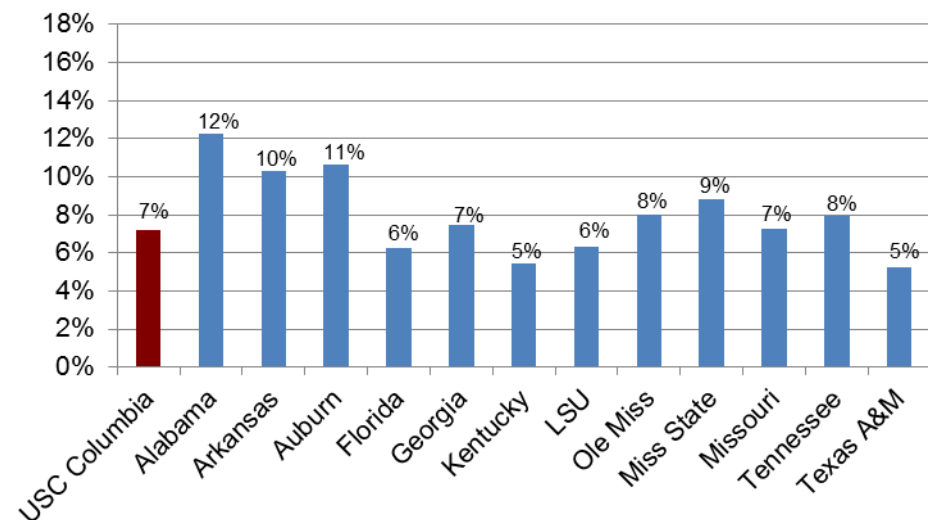
**Peer & Peer Aspirant Comparison**



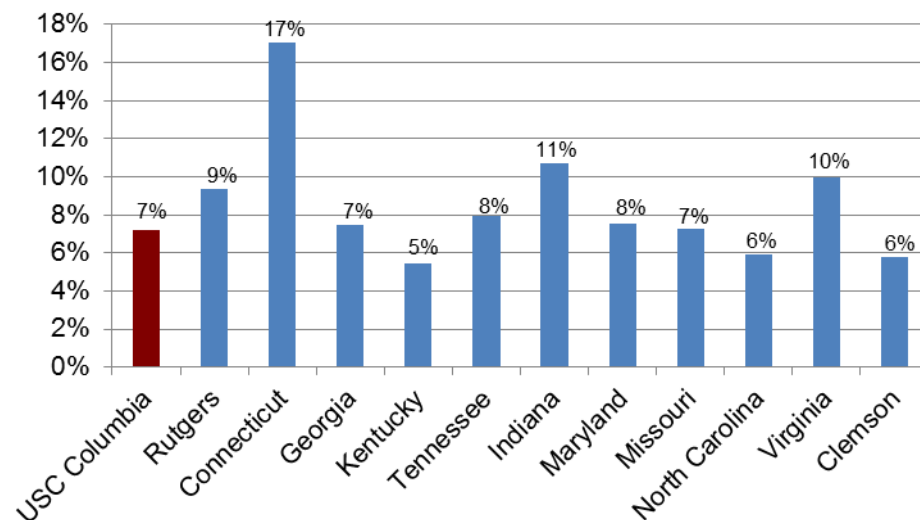
# USC Columbia Strategies – Efficiency Measures

## Institutional Support as a Percentage of Core Expenditures

### SEC Comparison



### Peer & Peer Aspirant Comparison



# 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
<b>TOTAL</b>	<b>104,277,904</b>	<b>2,415,000</b>	<b>106,692,904</b>	<b>1,211,802</b>	<b>107,904,706</b>
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
<b>USC SYSTEM TOTAL</b>	<b>\$ 126,012,251</b>	<b>\$ 4,115,000</b>	<b>\$ 130,127,251</b>	<b>\$ 1,449,586</b>	<b>\$ 131,576,837</b>

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.



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# 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
<b>TOTAL</b>	<b>104,430,131</b>	<b>2,911,270</b>	<b>107,341,401</b>	<b>2,282,728</b>	<b>109,624,129</b>
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
<b>USC SYSTEM TOTAL</b>	<b>\$ 126,193,363</b>	<b>\$ 5,209,270</b>	<b>\$ 131,402,633</b>	<b>\$ 2,745,463</b>	<b>\$ 134,148,096</b>

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.



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# 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.



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# 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
<b>Columbia</b>				
	<b>Undergraduate</b>			
	- Resident	5,244	5,408	164
	- Non-Resident	13,822	14,264	442
	<b>Graduate</b>			
	- Resident	5,836	6,020	184
	- Non-Resident	12,298	12,680	382
	<b>Law</b>			
	- Resident	10,844	11,180	336
	- Non-Resident	21,699	22,376	677
<b>South Carolina College of Pharmacy</b>				
	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
<b>Medical School - Columbia and Greenville Campuses</b>				
	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
<b>USC Aiken</b>				
	Resident	4,487	4,629	142
	Non-Resident	8,865	9,145	280
<b>USC Beaufort</b>				
	Resident	4,254	4,461	207
	Non-Resident	8,953	9,387	434
<b>USC Upstate</b>				
	Resident	4,861	5,014	153
	Non-Resident	9,722	10,028	306
<b>Regional Campuses - under 75 credit hours</b>				
	Resident	3,142	3,241	99
	Non-Resident	7,579	7,816	237
<b>Regional Campuses - 75 or more credit hours</b>				
	Resident	4,563	4,705	142
	Non-Resident	8,941	9,221	280
<b>Palmetto College</b>				
	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
<b>Columbia</b>			
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
<b>USC Aiken</b>			
Housing Fees - Double	2,230	2,275	45
Ten Meal Plan	995	1,040	45
<b>USC Upstate</b>			
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
<b>Total Required Cost Increases</b>	<b>1,762,000</b>	<b>3,662,000</b>
<b>Strategic Priorities</b>		
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
<b>Total Strategic Priorities</b>	<b>6,738,000</b>	<b>4,838,000</b>
<b>Total Tuition Increase</b>	<b><u>8,500,000</u></b>	<b><u>8,500,000</u></b>



# USC Columbia – FY2014 Budget Initiatives

Enrollment Increase		
	HOUSE	SENATE
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
<b>Total Enrollment Increase</b>	<b>5,750,000</b>	<b>5,750,000</b>

# 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

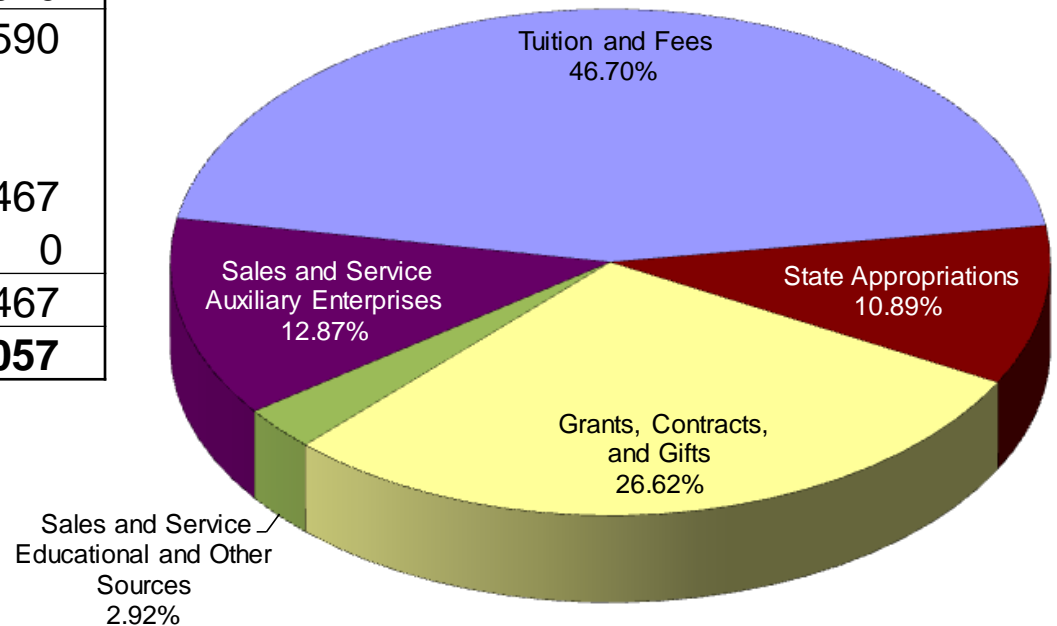
## USC System Budget FY 2013-2014 Revenues

### 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
<b>TOTAL SOURCES</b>	<b>\$</b>	<b>1,279,245,057</b>



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# Where the revenue comes from and what it covers

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

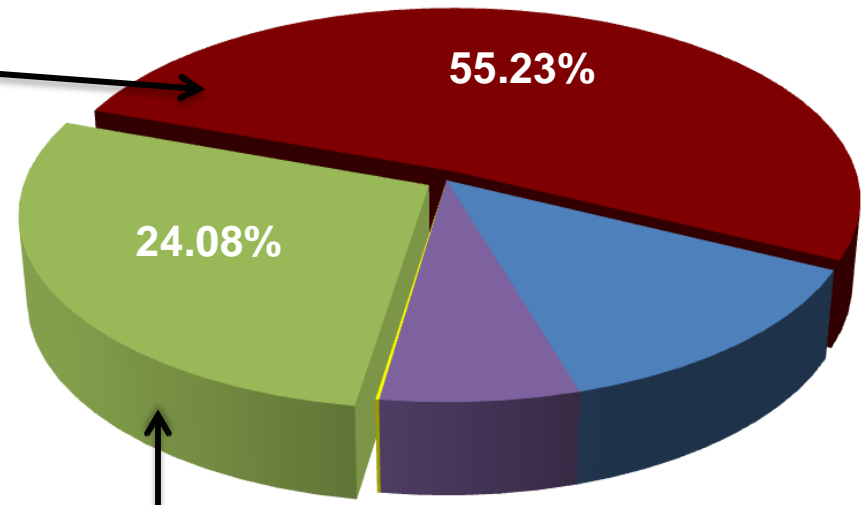
## Operating Budget - “A” Funds (\$706,530,094)

### 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:

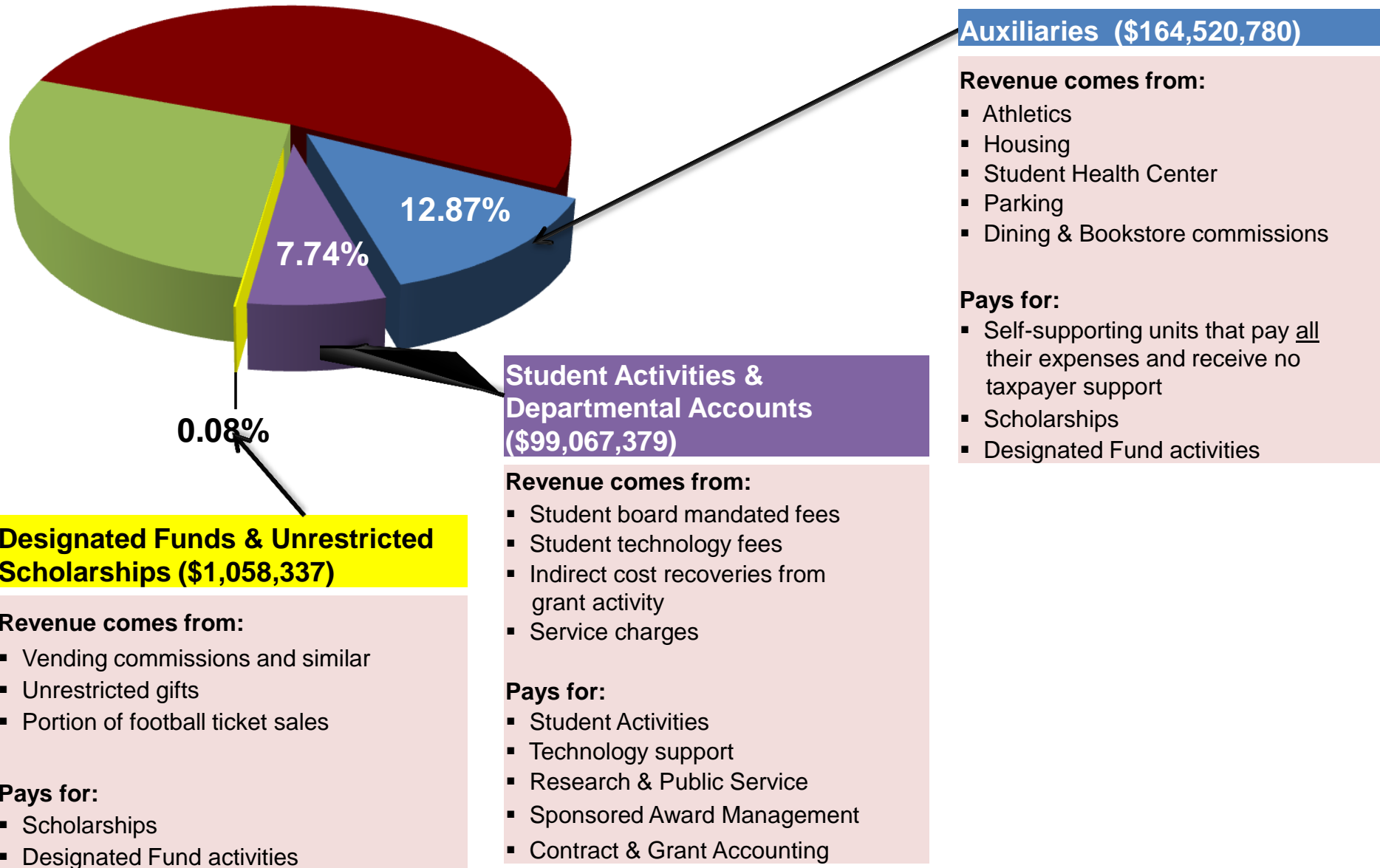
- Research Grants and Contracts
- Gifts
- Federal and State Student Financial Aid

### 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 CIP, 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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