

From: Soura, Christian
To: WALKER III, TREY <TWALKER@mailbox.sc.edu>
Baker, Josh <JoshBaker@gov.sc.gov>
Date: 6/24/2013 9:41:49 AM
Subject: RE: FY2014 Conference Budget - USC Impact

Thanks – I'll let you know when we have a verdict. Sen. Gregory weighed-in on the 2-year campuses...

CLS

Christian L. Soura
Deputy Chief of Staff

(803) 543-0792
ChristianSoura@gov.sc.gov

From: WALKER III, TREY [mailto:TWALKER@mailbox.sc.edu]
Sent: Monday, June 24, 2013 9:40 AM
To: Soura, Christian; Baker, Josh
Subject: Fwd: FY2014 Conference Budget - USC Impact

Did I send this to yall? Thought it might be helpful.

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Trey Walker
Director, State Relations
University of South Carolina
803-777-2553 office
803-206-0847 mobile
Twalker@sc.edu

Sent Via iPhone.

Begin forwarded message:

From: "STONE, AMY" <ASTONE@mailbox.sc.edu>
Date: June 20, 2013, 1:53:30 PM EDT
To: "bubbafernell@embarqmail.com" <bubbafernell@embarqmail.com>, "C. Dorn Smith III (dorn@smithfieldfarms.net)" <dorn@smithfieldfarms.net>, "C. Edward Floyd" <mlstokes@carolinahospital.com>, "Charles H. Williams (chwilliams@williamsattys.com)" <chwilliams@williamsattys.com>, "CHUCK@CHUCKALLEN.NET" <CHUCK@CHUCKALLEN.NET>, Eddie Brown <actioneddie47@yahoo.com>, "Eugene P. Warr Jr. (genewarr@yahoo.com)" <genewarr@yahoo.com>, "Hubert F. Mobley (hugh@mobleyrx.com)" <hugh@mobleyrx.com>, "J. Egerton Burroughs" <egertonb@burroughsproperties.net>, "John C. von Lehe Jr. (john.vonlehe@nelsonmullins.com)" <john.vonlehe@nelsonmullins.com>, "Leah Bess Moody (lbmatty@comporium.net)" <lbmatty@comporium.net>, "mackwhittlejr@aol.com" <mackwhittlejr@aol.com>, "Mark W. Buyck Jr. (mwbuyck@willcoxlaw.com)" <mwbuyck@willcoxlaw.com>, "Mitchell M. Zais (sbuff@ed.sc.gov)" <sbuff@ed.sc.gov>, "mloadholt@motleyrice.com" <mloadholt@motleyrice.com>, "STONE, AMY" <ASTONE@mailbox.sc.edu>, "Thad Westbrook (thad.westbrook@nelsonmullins.com)" <thad.westbrook@nelsonmullins.com>, "Thomas C. Cofield (tommy@cofieldlaw.com)" <tommy@cofieldlaw.com>, "Toney J. Lister (tlist@lflaw.com)" <tlist@lflaw.com>, "Wes W. Jones Jr. (wjones@jsplaw.net)" <wjones@jsplaw.net>, "HUBBARD, WILLIAM" <william.hubbard@nelsonmullins.com>

Cc: "PASTIDES, HARRIS" <PASTIDES@mailbox.sc.edu>, "WALTON, ED" <WALTONE@mailbox.sc.edu>, "BRUNELLI, LESLIE" <LGBRUNEL@mailbox.sc.edu>
Subject: FW: FY2014 Conference Budget - USC Impact

Leslie Brunelli has provided the attachment and information below regarding the 2013/14 budget.

Attached is a final summary of the Conference Committee Appropriations bill that was adopted this week. Harry Bell has prepared the attached based on a review of the final bill. We expect the General Assembly to return again on Wednesday, June 26 to address the Governor's vetoes if necessary.

The Budget Office will be preparing the final BOT Budget Document for printing this week and next. I expect that we'll have the document delivered the first week of July.

I have summarized the five tabs in the attached workbook below:

Tab 1 – Campuses – Summary

This tab provides the current base state appropriation by campus including the current CRF funds for FY13 for deferred maintenance.

The yellow box is the Conference budget appropriation, followed by the annual change up or down. New recurring funds for Columbia include the annualization of the \$2,115,000 for Palmetto College, \$75,000 for the Palmetto Poison Center and \$300,000 for the Small Business Development Center. The parity allocations for Aiken, Beaufort and Upstate are also included, with Upstate receiving the higher Senate version at \$848,200 versus the \$250,000 allocated in the House budget. Columbia's non-recurring funds include the \$2,500,000 for the On Your Time initiative and \$225,000 for the Child Abuse/Neglect initiative at the School of Medicine. This item was funded with \$250K in non-recurring funds for the current year. The four regional campuses receive non-recurring parity funding totaling \$502,750. The small amount of parity funding in the Senate budget that was recurring for the Sumter campus was moved to non-recurring. USC Lancaster receives \$400,000 for deferred maintenance from non-recurring funds. All campuses receive deferred maintenance funding from lottery proceeds.

Tab 2 – Full impact

Recurring and non-recurring funds are detailed, including the change to EIA funding for the Columbia campus.

Tab 3 – SC Higher Education

This tab provides a summary of all institution changes starting with the FY13 base budget.

Total new recurring funding to higher education equals \$15,434,200. The USC System receives \$4,788,200 of this amount – 31%. Non-recurring proviso and CRF allocations to higher education total \$38,216,444. The USC System receives \$3,627,750 – 9.5% of the total. The Technical Colleges receive the majority of these funds - \$19,538,694 – more than 51%. The deferred maintenance funding from the lottery totals \$23,159,883. There are several directed projects from this pool as well as an amount split by formula.

Total allocated new funding to higher education is \$76,810,527.

(Does not take into account non-recurring funding received in FY2013)

Tab 4 – Lottery

The technology funds allocated to the non-research institutions appear to be intact, but a portion of the funding source is from the excess of unclaimed prizes, which can vary each year. Deferred maintenance is also funded with excess lottery collections. (see tab 6) USC Aiken has a project singled out for lottery funding should proceeds exceed \$18M+. This project, the Science Center Building Repair is funded at \$575,000.

Tab 5 – Health Impact Estimate

Health insurance will increase again on January 1, 2014. We expect that the USC System will receive

some funding to cover the additional cost – typically we receive approximately 30% of the need. The retirement contribution for both the employee and employer will increase on July 1, 2013.

Tab 6 – Deferred Maintenance & Projects

This tab provides an estimate of the allocation of the deferred maintenance pool funded by the lottery proceeds. The allocation to all institutions is based on an estimate that was used in the Senate Finance Committee. Also included are the specific projects funded including the USC Aiken Science Center. CHE will administer these funds. All requires 1:1 Match.

Tab 7 – Federal and Other Funds

For the USC System, the appropriations bill increased Federal funds as requested. Based on HW&M Staff recommendation, the Other funds was not increased for the USC System, and only for MUSC and AHEC in all of higher education. HW&M Staff insists that the Other Funds are higher than necessary in the budget when compared to actual CAFR expenditures instead of unadjusted ledger budget. This is a significant change in reporting. Based on FY2012 and expected FY2013 CAFR expenditures, our authorization is sufficient, but we will continue to watch this closely.

In the provisos, the parity funding proviso was deleted. The proviso requiring USC Columbia and USC Upstate to return a portion of funding to the state for lobbyist activity was deleted. The 80 point grading scale proviso was deleted.

If you have any questions about this material, please let me know.

Thanks,
Leslie