



HARRIS PASTIDES
PRESIDENT

September 30, 2011

The Honorable Nikki R. Haley
Governor of South Carolina
Office of the Governor
Post Office Box 12267
Columbia, South Carolina 29211

Dear Governor Haley:

This fall, the University of South Carolina's eight university system welcomed more than 45,000 undergraduate, graduate and professional students, of whom about 73% are residents of our state. The freshman class entering at the Columbia campus is the largest and the most qualified in our institution's history. This is a class selected from the largest, brightest and most diverse pool of high school applicants on record, in Columbia and throughout the system. We now serve more South Carolinians than ever and we are honored that students from all 50 states, Puerto Rico, and the District of Columbia, and from 113 nations are also currently enrolled in our university.

The University of South Carolina (USC) is accessible to the students of our state. USC Columbia admitted all resident applicants for Fall 2011 who had both a 1000 SAT and a 3.0 core GPA. Students who are not yet prepared for the academic rigor of USC Columbia are automatically admitted to local regional campuses and/or our bridge programs with the technical colleges across the state. By utilizing the system effectively, USC supports affordability and degree completion.

At last count, our system awards 8,700 degrees annually which represents 39% of all baccalaureate degrees awarded at public institutions in South Carolina. USC awards more baccalaureate degrees than all private institutions in South Carolina combined.

As I said in our State of the University address, our budget model is more like that of a private university today than that of a public university of yesterday, but we will remain very sensitive to the plight of students and their families who invest their precious resources in

our university. We are making this promise to them. We will never ask for a dollar more in tuition if it is not directly tied to improving the already high quality of their education. When we don't need to invest in a vital program we won't ask for the money; on the other hand, we cannot devalue the excellent educational experience that we are known for because that would devalue the promise that we have made to the newest generation of Carolinians. We will be restrained in any future tuition increases, but the quality that has become the cornerstone of our education cannot be allowed to recede.

USC has more Pell Grant recipients than other public institution in South Carolina. For USC Columbia, 23% of undergraduate students are Pell grant recipients. As the academic reputation of USC Columbia has grown, the number of Palmetto Fellows awards increased 82% from 2003 to 2009 and the dollar value of those awards increased 124%. During the same period LIFE Scholarship awards grew by 20% in number and 33% in dollar value to our students. USC Columbia has the highest first-to-second year retention rate among public institutions for LIFE and Palmetto Fellow awards.

Beginning in July, the University further enhanced transparency by making available a searchable website with expenditure transactions. Also included are links to financial statements, budget documents and other reports provided to the state each year. We were pleased to make these enhancements to accountability and transparency for South Carolinians.

Enclosed are the Fiscal Year 2012-13 budget packages for each of the USC campuses.

USC does not request additional operating funds or FTEs for the coming year. Our budget takes into consideration increased system wide enrollment, additional research grant awards, and student financial aid based on qualifying family incomes. As such, additional Federal and Other Funds authorization is built into the line item budget.

The University supports your efforts to enhance Accountability Based Funding across the higher education systems in South Carolina. At the time of this writing, the Commission on Higher Education has yet to release its comprehensive recommendations. I can tell you that the University of South Carolina would welcome changes that restored funding parity across the State's institutions of higher education. We would also welcome metrics assessing graduation rates, access and affordability, economic development and job placement, plus added accountability as objective measures of our success. Given these objectives, a loosening of the regulatory processes, and the freedom to operate in the higher education marketplace, USC can compete very well with universities across the state and across the country.

We seek your consideration for the following:

- Preserve state scholarship funding for our South Carolina residents
- Support the McNAIR Center to enhance education in our aerospace cluster

- Support additional streamlining of capital planning and human resources processes through regulatory reform to aid institutional efficiency
- Support revised funding methodology for higher education to achieve greater recognition of performance and parity amongst the State's higher education institutions
- Resist pressure to impose tuition caps and enrollment restrictions to allow us to meet the demands of the market for higher education

Funding of capital projects remains a critical priority as we strive to achieve excellence in all aspects of the institution's mission. Reducing deferred maintenance is a primary goal of the University in order to protect state resources and enhance the learning environment. The amount of deferred maintenance for the Columbia Campus as listed in the CHE 2003 Update is approximately \$150 million. A comprehensive building quality survey was completed for the Columbia Campus which indicates the actual deferred maintenance is in excess of \$500 million. A State Capital Improvement Bond bill is critical to the reduction of this backlog. Should the Capital Reserve Fund again be made available to finance deferred maintenance projects, this University would quickly put that money to use securing much needed repairs and maintenance to our education facilities.

Many of our upcoming capital projects are funded from sources other than the State General Fund. Those include the planned \$106.5 million Darla Moore School of Business; \$65 million will come from borrowing against lease payments from the U.S. Department of justice, and \$10 million is from philanthropy. We broke ground on this project on September 16, 2011, and expect this project alone to support hundreds of jobs for our state. We are grateful for your support of this project and ask your help in moving all our projects, especially those funded without general fund appropriations, through the regulatory process.

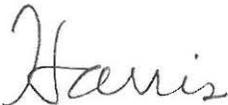
We are excited about our innovative partnership with the Greenville Hospital System that will address a critical workforce development issue and builds upon our successful twenty-year relationship with this health care delivery system. As you know, we seek no state support for this important initiative; it is made possible by a significant commitment of funds from Greenville Hospital System and through student tuition. By any measure, our state needs more physicians, particularly in primary care.

Over the next four months, the campuses of the USC System are undergoing a self examination with the goal of increasing the overall number of baccalaureate degrees awarded. We are examining ways to improve governance, structure, programming, and curriculum. This year we will be proposing to our Board of Trustees a plan to provide increased educational access at our regional campuses for South Carolinians who are placebound, or particularly impacted by our current economy, through the use of technology and on line education.

We are the state's flagship university system. We are a true system with eight institutions on twelve campuses, all dedicated to best serving the citizens of our state. All of our state and national universities provide a good education. However, few are the universities who accept a role in leading their state to higher levels of economic performance and social well being, and who can actually deliver on that promise. This is the promise of a Flagship University, carrying the flag of its State, seeing the name of its state embedded in its own name. This is the University for South Carolina, the institution who participates, innovates, and leads.

Sincerely,

Warm regards.



Harris Pastides

- c: Dr. Michael Amridis, Vice President for Academic Affairs and Provost
- Mr. Les Boles, Director, Office of State Budget, Budget and Control Board
- Ms. Leslie Brunelli, Associate Vice President for Business and Finance
- Dr. Garrison Walters, Executive Director, S. C. Commission on Higher Education
- Mr. Edward Walton, Chief Financial Officer

Agency Certification and Transmittal Sheet

Code:

Section 15H

Name:

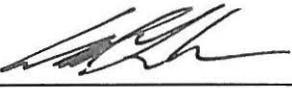
H-40 University of South Carolina Union Campus

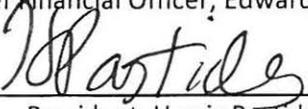
Mission Statement: The University of South Carolina Union, a regional campus of the University of South Carolina, has as its mission to provide higher education and intellectual leadership for its service area. At the heart of this mission is a teaching faculty of high quality dedicated to excellence in instruction, scholarship, public and professional service, and creative endeavor which enrich the classroom experience. USC Union offers a varied curriculum grounded in the liberal arts and focused on preparing students to continue their education in the University and throughout life. The University of South Carolina Union recruits students prepared to succeed in completing a baccalaureate-level education. While the institution does not offer remedial instruction, it is nonetheless able to admit most students who apply due to the close working relationship between students and faculty. Enrollment varies with community need, but is expected to remain at approximately 500 students. The University of South Carolina Union was established to encourage higher education in the counties of Chester, Cherokee, Fairfield, Laurens, Union, and York. The original design of the institution incorporated a flexibility that has allowed changes in institutional capability with increasing educational demands of constituents. The institution awards the Associate in Arts and Associate in Science degrees and provides for the completion of selected bachelor's degrees on campus through cooperative agreements and delivery structures with other USC System institutions. USC Union also provides general education and upper division coursework applicable to baccalaureate degree programs offered through colleges and universities nationwide. In addition to academic coursework, the mission of the campus includes non-credit courses, seminars, and workshops made available to the community for cultural enrichment and professional development. The traditions of cultural diversity and freedom of thought are valued at USC Union. In a learning environment that develops respect for racial, geographical, intellectual, and economic diversity and an awareness of individual, societal, and global responsibilities, USC Union promotes courses, activities, and attitudes which influence the life of the mind in men and women and instill in them a thirst to continue learning throughout life. USC Union emphasizes the development of the whole person and especially seeks to foster in students the disciplines essential to an educated citizenry. Core competencies, including the ability to communicate through effective writing and articulate speech; computational and quantitative mastery; creative and critical thinking; and the duties of citizenship are strategically integrated within the curriculum. Classroom experiences, student activities, and physical education programs also provide opportunities for cultural enrichment, leadership development, intellectual growth and interpersonal relationships, all contributing to a sense of self-reliance and a joy of learning.

To the Office of State Budget

This, and accompanying statements, schedules, and explanatory sheets consisting of _____ pages constitute the operating budget estimates of this agency for all proposed expenditures for the 2012-2013 fiscal year.

All statements and explanations contained in the estimates submitted herewith are true and correct to the best of my knowledge.

Signed:  Date: 9/30/2011
Chief Financial Officer, Edward Walton

Signed:  Date: 9/30/2011
President, Harris Pastides

FISCAL YEAR 2012-13 BUDGET PLAN

I. EXECUTIVE SUMMARY

A. **Agency Section/Code/Name:**
15H/H40/ University of South Carolina - Union

B. **Summary Description of Strategic or Long-Term Goals:**
Goal 1 – Create a model centered on resource self-reliance based on increasing revenues through the expansion of existing programs and development of new programs while decreasing non-instructional costs.
Goal 2 – Enhance the environment at USC Union to develop a community in which learning is valued for its economic, cultural, and social contributions to the individual and the community.
Goal 3 – Continue the transformation of the image of USC Union as a dynamic and progressive institution.

C. **2011-2012 Agency Recurring Base Appropriation:**
State \$ 570,069
Federal \$1,327,602
Other \$3,228,895

D. **Number of Budget Categories:**
3

E. **Agency-wide Vacant FTEs**
Vacant FTEs as of July 31, 2011: 4.77 out of 34.82
% Vacant 13.7 %

F. **Efficiency Measures:**
The Institutional Effectiveness Officer (IEO) coordinates the collection, assessment and dissemination of institutional research data and reporting data to the South Carolina Commission on Higher Education, the Integrated Postsecondary Education Data System and other external agencies. The IEO develops assessment guidelines for the strategic plan and appropriate assessments for general education courses. All USC campuses are converting to an Assessment Composer program that will allow for more streamlined data collection, analysis and sharing. USC Union's key measures are student achievement and retention; educational compliance; customer satisfaction; human resources, administration and finance; and facilities and technology. (See Category 4 - Measurement, Analysis, and Review of Organization Performance)

G. **Number of Provisos:**
0

IIA. OPERATING BUDGET PROGRAMS

Agency Section/Code/Name: 15H / H40 / University of South Carolina - Union

SUMMARY OF OPERATING BUDGET PROGRAMS FOR FY 2012-13

OPERATING BUDGET PROGRAMS			FUNDING					FTEs			
Title	Activity Name	Activity No.	Non-Recurring State	Recurring State	Federal	Other	Total	State	Federal	Other	Total
I.A. E&G Unrestricted	See III.C.	Various	0	570,069	0	2,740,960	3,311,029	17.60	0.00	17.22	34.82
I.B. E&G Restricted	See III.C.	Various	0	0	2,024,862	1,153,407	3,178,269	0.00	0.00	0.00	0.00
II. Auxiliary	See III.C.	Various	0	0	0	266,688	266,688	0.00	0.00	0.00	0.00
							0				0.00
							0				0.00
							0				0.00
For additional rows, place cursor in this gray box and press "Ctrl" + "b". (You need to start in this gray box for each row needed or the formulas will not copy properly.)											
TOTAL OF ALL OPERATING BUDGET PROGRAMS			0	570,069	2,024,862	4,161,055	6,755,986	17.60	0.00	17.22	34.82

IIB. CAPITAL BUDGET PRIORITIES

Agency Section/Code/Name: 15H / H40 / UNIVERSITY OF SOUTH CAROLINA UNION

SUMMARY OF CAPITAL BUDGET PRIORITIES FOR FY 2012-2013

CAPITAL BUDGET PRIORITIES					Additional State Funds	Previously Authorized State Funds	Total Other Fund Sources	Project Total
Priority No.	Project No.*	Project Name	Activity Name	Activity No.				
1	NA	Facility Upgrades	Operations & Maintenance	551	1,000,000			1,000,000
2								0
3								0
4								0
5								0
For additional rows, place cursor in this gray box and press "Ctrl" + "c". (You need to start in this gray box for each row needed or the formulas will not copy properly.)								
TOTAL OF ALL CAPITAL BUDGET PRIORITIES					1,000,000	0	0	1,000,000

*if applicable

A. Summary description of programs and how they relate to the mission of the agency:

The main educational programs that have historically been offered by USC Union address the traditional institutional mission of the regional campuses of the University of South Carolina, to “provide the first two years of a Liberal arts university education...and to confer the Associate in Arts and the Associate in Science degrees.” Thus, at present, USC Union is limited to offering the Associate in Arts and the Associate in Science degrees.

However, many students desire a much more career oriented approach. Many students are not able to relocate—due to family, employment, and/or financial obligations—to complete their baccalaureate studies. To address the needs of these students, USC Union makes additional degree programs and coursework available by partnering with other units of USC Columbia.

Palmetto Programs – Palmetto Programs offers two degree programs at USC’s Regional Campuses: the Bachelor of Liberal Studies and the BOL referred to above. These are designed to enable students with a significant number of college credits to complete a bachelor’s degree without having to travel great distances or quit or cut back employment. At maturity, Palmetto Programs will offer students “from diverse educational, socio-economic and ethnic backgrounds living in a mixture of town, small city and rural settings” the ability to take courses exclusively at the regional campus site in “smart classroom” environments and earn a baccalaureate degree from USC Columbia.

Bachelor of Science in Technology Support and Training Management (TSTM) – A degree program of the College of Hospitality, Retail, and Sport Management USC Columbia program for students at the regional campuses offered via distance education. The degree program prepares students for technical career fields, such as Database Administration, Local Area Network (LAN) Administration, Corporate Training Development, Telecommunications, and E-Commerce Consultant.

B. Budget Program Number and Name: I. Education and General A. Unrestricted

Current Funds derived from State Appropriations, Student Fees, Institutional Revenue, and Auxiliary Operations that are not restricted for specific purposes.

C. Agency Activity Number and Name:

Note: If more than one activity maps to this program; provide all activity numbers, names, and approximate funding amounts.

Activity Number	Activity Name	State Non-Recurring	State Recurring	Federal	Other	Total
547	Instruction		\$570,069		\$943,579	\$1,513,648
549	Academic Support				\$329,054	\$329,054
550	Student Services				\$396,830	\$396,830
551	Operation & Maintenance				\$712,655	\$712,655
554	Institutional Support				\$358,842	\$358,842
	TOTAL				\$2,740,960	\$3,311,029

D. Performance Measures:

The University of South Carolina Union has various performance improvement systems: satisfaction surveys from various student service areas (Orientation, Advisement, Financial Aid, and Student Life); course evaluation surveys; faculty evaluation system (peer & annual evaluation); annual EPMS evaluation; and employee satisfaction feedback delivered through the Faculty and Staff Organization welfare committees.

E. Program Interaction:

The University of South Carolina employs Malcolm Baldrige and other performance improvement tools to continuously evaluate, assess and improve management practices in order to enhance the delivery of instructional services to our system’s wide variety of students and academic disciplines. Those elements of Malcolm Baldrige criteria include 1) Senior Leadership, Governance, and Social Responsibility; 2) Strategic Planning; 3) Student, Stakeholder, and Market Focus; 4) Measurement, Analysis, and Knowledge Management; 5) Workforce Focus; 6) Process Management; and 7) Organizational Performance Results. For greater detail concerning the University’s use of these tools and strategies please refer to our FY 2010-11 Accountability Report.

F. Change Management:

The primary focus and mission of this program has not changed significantly over the past 5 years.

G. Detailed Funding Information:

FY 2012-13 Cost Estimates:	State Non-Recurring	State Recurring	Federal	Other	Total
Number of FTEs*	-	17.60	-	17.22	34.82
Personal Service	-	\$ 470,000	-	\$ 1,305,429	\$ 1,775,429
Employer Contributions	-	\$ 100,069	-	\$ 409,226	\$ 509,295
Program/Case Services	-	-	-	-	-
Pass-Through Funds	-	-	-	-	-
Other Operating Expenses	-	-	-	\$ 1,026,305	\$ 1,026,305
Total	\$ -	\$ 570,069	\$ -	\$ 2,740,960	\$ 3,311,029

* If new FTEs are needed, please complete Section G (Detailed Justification for FTEs) below.

Is this budget category or program associated with a Capital Budget Priority? Yes

If yes, state Capital Budget Priority Number and Project Name: Deferred Maintenance – only project submitted

Please List proviso numbers that relate to this budget category or programs funded by this category. NA

H. Changes to the Appropriation:

Please explain any changes, to include re-alignments and funding or FTE increases requested in this year’s appropriation, as detailed below:

Funding:

Year	State Non-Recurring	State Recurring	Federal	Other (Earmarked or Restricted)
2011-2012 Act	-	570,069	-	1,943,856
2012-2013 Act	-	570,069	-	2,740,960
Difference	-	-	-	797,104
% Difference	-	-	-	41%

Explanation of Changes:

Anticipated increase in student enrollment and overall inflation. Headcount and FTE enrollment grew by more than 30% from Fall 2008 to Fall 2011. The FY 2011 Higher Education Price Index was 2.3%. In addition, Changes in Pell awards to include year round eligibility and more family incomes within the income threshold have resulted in student financial aid increases.

I. Revenue Estimates:

Please detail Sources of revenue for this program, identified by SAP fund number if a live SCEIS agency or the STARS number if a STARS agency. If several sources remit to a single subfund that cannot be split by source and appropriation or program, provide an estimate of the revenue dedicated to this program.

SAP Fund Number	Source Name	General Fund	Other State	Earmarked	Restricted	Federal
3035	Tuition and Fees			\$2,689,178		
3035	Unrestricted Revenue			\$51,782		
1001	State General Funds	\$570,069				

If expenditures for this program are greater than known or estimated revenues and the intent is to bridge part of this shortfall by drawing down balances in agency accounts or reserves, indicate the accounts and amount of the current reserve or balance that will likely be used below. Not Applicable

Please detail the long-term sustainability of this program if cash reserves are needed to operate. Not Applicable

If there is federal fund or other fund spending authority requested above the revenue streams detailed above, please indicate the amount and explanation for each. Not Applicable

J. FTE Positions:

Please detail the number of FTE's filled (F) by the program as of June 30 of each fiscal year, and the number authorized (A) by the Appropriations Act.

FTE data is for the campus as a whole

Fiscal Year	State	Other-Earmarked or Restricted	Federal	Total	Temporary, Temporary Grant, Time -limited
2012-2013 (A)	17.60	17.22	-	34.82	
2011-2012 (A)	17.60	9.21	8.01	34.82	
2010-2011 (F)	17.14	12.90	-	30.05	17
2010-2011 (A)	17.60	15.71	1.51	34.82	
2009-2010 (F)	17.28	12.87	-	30.14	17
2009-2010 (A)	17.60	15.71	1.51	34.82	
2008-2009 (F)	17.34	8.64	-	25.98	16
2008-2009 (A)	17.60	10.93	1.29	29.82	
2007-2008 (F)	17.08	9.27	-	26.36	20
2007-2008 (A)	17.60	10.93	1.29	29.82	

K. Detailed Justification for FTEs:

(1) Justification for New FTEs: Not Applicable

(a) Justification: N/A

(b) Future Impact on Operating Expenses or Facility Requirements: N/A

(2) **Position Details:** Not Applicable

	State	Federal	Earmarked	Restricted	Total
Position Title:					
Number of FTEs	0.00	0.00	0.00	0.00	0.00
Personal Service	\$0	\$0	\$0	\$0	\$ 0
Employer Contributions	\$0	\$0	\$0	\$0	\$ 0

	State	Federal	Earmarked	Restricted	Total
Position Title:					
Number of FTEs	0.00	0.00	0.00	0.00	0.00
Personal Service	\$0	\$0	\$0	\$0	\$ 0
Employer Contributions	\$0	\$0	\$0	\$0	\$ 0

	State	Federal	Earmarked	Restricted	Total
Position Title:					
Number of FTEs	0.00	0.00	0.00	0.00	0.00
Personal Service	\$0	\$0	\$0	\$0	\$ 0
Employer Contributions	\$0	\$0	\$0	\$0	\$ 0

A. Summary description of programs and how they relate to the mission of the agency:

The main educational programs that have historically been offered by USC Union address the traditional institutional mission of the regional campuses of the University of South Carolina, to “provide the first two years of a Liberal arts university education...and to confer the Associate in Arts and the Associate in Science degrees.” Thus, at present, USC Union is limited to offering the Associate in Arts and the Associate in Science degrees.

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Bachelor of Science in Technology Support and Training Management (TSTM) – A degree program of the College of Hospitality, Retail, and Sport Management USC Columbia program for students at the regional campuses offered via distance education. The degree program prepares students for technical career fields, such as Database Administration, Local Area Network (LAN) Administration, Corporate Training Development, Telecommunications, and E-Commerce Consultant.

B. Budget Program Number and Name: I. Education and General B. Restricted

Funds primarily from gifts, grants and contracts that are designed for restricted uses, predominantly research and student scholarship aid.

C. Agency Activity Number and Name:

Note: If more than one activity maps to this program; provide all activity numbers, names, and approximate funding amounts.

Activity Number	Activity Name	State Non-Recurring	State Recurring	Federal	Other	Total
547	Instruction			\$72,895	\$252,792	\$325,687
548	Public Service			\$7,290	\$3,223	\$10,513
550	Student Services			\$230,632	\$131,373	\$362,005
552	Scholarships			\$1714,045	\$766,019	\$2,480,064
	TOTAL			\$2,024,862	\$1,153,407	\$3,178,269
	TOTAL					

D. Performance Measures:

The University of South Carolina Union has various performance improvement systems: satisfaction surveys from various student service areas (Orientation, Advisement, Financial Aid, and Student Life); course evaluation surveys; faculty evaluation system (peer & annual evaluation); annual EPMS evaluation; and employee satisfaction feedback delivered through the Faculty and Staff Organization welfare committees.

E. Program Interaction:

The University of South Carolina employs Malcolm Baldrige and other performance improvement tools to continuously evaluate, assess and improve management practices in order to enhance the delivery of instructional services to our system’s wide variety of students and academic disciplines. Those elements of Malcolm Baldrige criteria include 1) Senior Leadership, Governance, and Social Responsibility; 2) Strategic Planning; 3) Student, Stakeholder, and Market Focus; 4) Measurement, Analysis, and Knowledge Management; 5) Workforce Focus; 6) Process Management; and 7) Organizational Performance Results. For greater detail concerning the University’s use of these tools and strategies please refer to our FY 2010-11 Accountability Report.

F. Change Management:

The primary focus and mission of this program has not changed significantly over the past 5 years.

G. Detailed Funding Information:

FY 2012-13 Cost Estimates:	State Non-Recurring	State Recurring	Federal	Other	Total
Number of FTEs*	-	-	-	-	-
Personal Service	-	-	\$ 163,245	\$ 13,242	\$ 176,487
Employer Contributions	-	-	\$ 72,602	\$ 4,151	\$ 76,753
Program/Case Services	-	-	-	-	-
Pass-Through Funds	-	-	-	-	-
Other Operating Expenses	-	-	\$ 1,789,015	\$ 1,136,014	\$ 2,925,029
Total	\$ -	\$ -	\$ 2,024,862	\$ 1,153,407	\$ 3,178,269

* If new FTEs are needed, please complete Section G (Detailed Justification for FTEs) below.

Is this budget category or program associated with a Capital Budget Priority? No
 If yes, state Capital Budget Priority Number and Project Name: NA

Please List proviso numbers that relate to this budget category or programs funded by this category. NA

H. Changes to the Appropriation:

Please explain any changes, to include re-alignments and funding or FTE increases requested in this year’s appropriation, as detailed below:

Funding:

Year	State Non-Recurring	State Recurring	Federal	Other (Earmarked or Restricted)
2011-2012 Act	-	-	1,327,602	1,073,752
2012-2013 Act	-	-	2,024,862	1,153,407
Difference	-	-	697,260	79,655
% Difference	-	-	53%	7%

Explanation of Changes:

Anticipated increase in student enrollment and overall inflation. Headcount and FTE enrollment grew by more than 30% from Fall 2008 to Fall 2011. The FY 2011 Higher Education Price Index was 2.3%. In addition, Changes in Pell awards to include year round eligibility and more family incomes within the income threshold have resulted in student financial aid increases.

I. Revenue Estimates:

Please detail Sources of revenue for this program, identified by SAP fund number if a live SCEIS agency or the STARS number if a STARS agency. If several sources remit to a single subfund that cannot be split by source and appropriation or program, provide an estimate of the revenue dedicated to this program.

SAP Fund Number	Source Name	General Fund	Other State	Earmarked	Restricted	Federal
5055	Financial Aid					\$1,539,862
5055	Student Services					\$485,000
3035	Restricted Revenue			\$977,169		
3035	Tuition and Fees			\$176,238		

If expenditures for this program are greater than known or estimated revenues and the intent is to bridge part of this shortfall by drawing down balances in agency accounts or reserves, indicate the accounts and amount of the current reserve or balance that will likely be used below. Not Applicable

Please detail the long-term sustainability of this program if cash reserves are needed to operate. Not Applicable

If there is federal fund or other fund spending authority requested above the revenue streams detailed above, please indicate the amount and explanation for each. Not Applicable

J. FTE Positions:

Please detail the number of FTE's filled (F) by the program as of June 30 of each fiscal year, and the number authorized (A) by the Appropriations Act.

FTE data is for the campus as a whole

Fiscal Year	State	Other-Earmarked or Restricted	Federal	Total	Temporary, Temporary Grant, Time -limited
2012-2013 (A)	17.60	17.22	-	34.82	
2011-2012 (A)	17.60	9.21	8.01	34.82	
2010-2011 (F)	17.14	12.90	-	30.05	17
2010-2011 (A)	17.60	15.71	1.51	34.82	
2009-2010 (F)	17.28	12.87	-	30.14	17
2009-2010 (A)	17.60	15.71	1.51	34.82	
2008-2009 (F)	17.34	8.64	-	25.98	16
2008-2009 (A)	17.60	10.93	1.29	29.82	
2007-2008 (F)	17.08	9.27	-	26.36	20
2007-2008 (A)	17.60	10.93	1.29	29.82	

K. Detailed Justification for FTEs:

(1) Justification for New FTEs: Not Applicable

(a) Justification: N/A

(b) Future Impact on Operating Expenses or Facility Requirements: N/A

(2) **Position Details:** Not Applicable

	State	Federal	Earmarked	Restricted	Total
Position Title:					
Number of FTEs	0.00	0.00	0.00	0.00	0.00
Personal Service	\$0	\$0	\$0	\$0	\$ 0
Employer Contributions	\$0	\$0	\$0	\$0	\$ 0

	State	Federal	Earmarked	Restricted	Total
Position Title:					
Number of FTEs	0.00	0.00	0.00	0.00	0.00
Personal Service	\$0	\$0	\$0	\$0	\$ 0
Employer Contributions	\$0	\$0	\$0	\$0	\$ 0

	State	Federal	Earmarked	Restricted	Total
Position Title:					
Number of FTEs	0.00	0.00	0.00	0.00	0.00
Personal Service	\$0	\$0	\$0	\$0	\$ 0
Employer Contributions	\$0	\$0	\$0	\$0	\$ 0

A. Summary description of programs and how they relate to the mission of the agency:

The main educational programs that have historically been offered by USC Union address the traditional institutional mission of the regional campuses of the University of South Carolina, to “provide the first two years of a Liberal arts university education...and to confer the Associate in Arts and the Associate in Science degrees.” Thus, at present, USC Union is limited to offering the Associate in Arts and the Associate in Science degrees.

However, many students desire a much more career oriented approach. Many students are not able to relocate—due to family, employment, and/or financial obligations—to complete their baccalaureate studies. To address the needs of these students, USC Union makes additional degree programs and coursework available by partnering with other units of USC Columbia.

Palmetto Programs – Palmetto Programs offers two degree programs at USC’s Regional Campuses: the Bachelor of Liberal Studies and the BOL referred to above. These are designed to enable students with a significant number of college credits to complete a bachelor’s degree without having to travel great distances or quit or cut back employment. At maturity, Palmetto Programs will offer students “from diverse educational, socio-economic and ethnic backgrounds living in a mixture of town, small city and rural settings” the ability to take courses exclusively at the regional campus site in “smart classroom” environments and earn a baccalaureate degree from USC Columbia.

Bachelor of Science in Technology Support and Training Management (TSTM) – A degree program of the College of Hospitality, Retail, and Sport Management USC Columbia program for students at the regional campuses offered via distance education. The degree program prepares students for technical career fields, such as Database Administration, Local Area Network (LAN) Administration, Corporate Training Development, Telecommunications, and E-Commerce Consultant.

B. Budget Program Number and Name: II. Auxiliary

Revenues and costs of self-supporting enterprises that furnish services to students, faculty, and staff.

C. Agency Activity Number and Name:

Note: If more than one activity maps to this program; provide all activity numbers, names, and approximate funding amounts.

Activity Number	Activity Name	State Non-Recurring	State Recurring	Federal	Other	Total
553	Auxiliary				\$266,688	\$266,688

D. Performance Measures:

The University of South Carolina Union has various performance improvement systems: satisfaction surveys from various student service areas (Orientation, Advisement, Financial Aid, and Student Life); course evaluation surveys; faculty evaluation system (peer & annual evaluation); annual EPMS evaluation; and employee satisfaction feedback delivered through the Faculty and Staff Organization welfare committees.

E. Program Interaction:

The University of South Carolina employs Malcolm Baldrige and other performance improvement tools to continuously evaluate, assess and improve management practices in order to enhance the delivery of instructional services to our system’s wide variety of students and academic disciplines. Those elements of Malcolm Baldrige criteria include 1) Senior Leadership, Governance, and Social Responsibility; 2) Strategic Planning; 3) Student, Stakeholder, and Market Focus; 4) Measurement, Analysis, and Knowledge Management; 5) Workforce Focus; 6) Process Management; and 7) Organizational Performance Results. For greater detail concerning the University’s use of these tools and strategies please refer to our FY 2010-11 Accountability Report.

F. Change Management:

The primary focus and mission of this program has not changed significantly over the past 5 years.

G. Detailed Funding Information:

FY 2012-13 Cost Estimates:	State Non-Recurring	State Recurring	Federal	Other	Total
Number of FTEs*	-	-	-	-	-
Personal Service	-	-	-	\$ 37,076	\$ 37,076
Employer Contributions	-	-	-	\$ 11,623	\$ 11,623
Program/Case Services	-	-	-	-	-
Pass-Through Funds	-	-	-	-	-
Other Operating Expenses	-	-	-	\$ 217,989	\$ 217,989
Total	\$ -	\$ -	\$ -	\$ 266,688	\$ 266,688
* If new FTEs are needed, please complete Section G (Detailed Justification for FTEs) below.					

Is this budget category or program associated with a Capital Budget Priority? No
 If yes, state Capital Budget Priority Number and Project Name: NA

Please List proviso numbers that relate to this budget category or programs funded by this category. NA

H. Changes to the Appropriation:

Please explain any changes, to include re-alignments and funding or FTE increases requested in this year's appropriation, as detailed below:

Funding:

Year	State Non-Recurring	State Recurring	Federal	Other (Earmarked or Restricted)
2011-2012 Act	-	-	-	211,287
2012-2013 Act	-	-	-	266,688
Difference	-	-	-	55,401
% Difference	-	-	-	26%

Explanation of Changes:

Anticipated increase in student enrollment and overall inflation. Headcount and FTE enrollment grew by more than 30% from Fall 2008 to Fall 2011. The FY 2011 Higher Education Price Index was 2.3%. In addition, Changes in Pell awards to include year round eligibility and more family incomes within the income threshold have resulted in student financial aid increases

I. Revenue Estimates:

Please detail Sources of revenue for this program, identified by SAP fund number if a live SCEIS agency or the STARS number if a STARS agency. If several sources remit to a single subfund that cannot be split by source and appropriation or program, provide an estimate of the revenue dedicated to this program.

SAP Fund Number	Source Name	General Fund	Other State	Earmarked	Restricted	Federal
3035	Unrestricted Revenue			\$266,688		

If expenditures for this program are greater than known or estimated revenues and the intent is to bridge part of this shortfall by drawing down balances in agency accounts or reserves, indicate the accounts and amount of the current reserve or balance that will likely be used below. Not Applicable

Please detail the long-term sustainability of this program if cash reserves are needed to operate. Not Applicable

If there is federal fund or other fund spending authority requested above the revenue streams detailed above, please indicate the amount and explanation for each. Not Applicable

J. FTE Positions:

Please detail the number of FTE's filled (F) by the program as of June 30 of each fiscal year, and the number authorized (A) by the Appropriations Act.

FTE data is for the campus as a whole

Fiscal Year	State	Other-Earmarked or Restricted	Federal	Total	Temporary, Temporary Grant, Time -limited
2012-2013 (A)	17.60	17.22	-	34.82	
2011-2012 (A)	17.60	9.21	8.01	34.82	
2010-2011 (F)	17.14	12.90	-	30.05	17
2010-2011 (A)	17.60	15.71	1.51	34.82	
2009-2010 (F)	17.28	12.87	-	30.14	17
2009-2010 (A)	17.60	15.71	1.51	34.82	
2008-2009 (F)	17.34	8.64	-	25.98	16
2008-2009 (A)	17.60	10.93	1.29	29.82	
2007-2008 (F)	17.08	9.27	-	26.36	20
2007-2008 (A)	17.60	10.93	1.29	29.82	

K. Detailed Justification for FTEs:

(1) Justification for New FTEs: Not Applicable

(a) Justification: N/A

(b) Future Impact on Operating Expenses or Facility Requirements: N/A

(2) **Position Details:** Not Applicable

	State	Federal	Earmarked	Restricted	Total
Position Title:					
Number of FTEs	0.00	0.00	0.00	0.00	0.00
Personal Service	\$0	\$0	\$0	\$0	\$ 0
Employer Contributions	\$0	\$0	\$0	\$0	\$ 0

	State	Federal	Earmarked	Restricted	Total
Position Title:					
Number of FTEs	0.00	0.00	0.00	0.00	0.00
Personal Service	\$0	\$0	\$0	\$0	\$ 0
Employer Contributions	\$0	\$0	\$0	\$0	\$ 0

	State	Federal	Earmarked	Restricted	Total
Position Title:					
Number of FTEs	0.00	0.00	0.00	0.00	0.00
Personal Service	\$0	\$0	\$0	\$0	\$ 0
Employer Contributions	\$0	\$0	\$0	\$0	\$ 0

A. Project Name:

Facility Upgrades/Deferred Maintenance

B. Project Approval: This project is renovation and would require University Board of Trustees, CHE and Budget & Control Board Approval

C. Statement of Need:

This project is to upgrade existing facilities and perform deferred maintenance on the USC Union Campus in an effort to provide a well-maintained, healthy and safe environment, which is essential to the school's mission of "providing the first two years of a liberal arts university education". Work will include general repairs and maintenance to the Main and Central Building, and the upgrade/refurbishment/replacement of the HVAC systems serving the Central Building and Main Building. Site work and infrastructure upgrades will also be included.

D. Agency Activity Number and Name:

Note: If more than one activity maps to this project provide all activity numbers, names, and approximate funding amounts.

Activity Number	Activity Name	State Non-Recurring Funds	State Recurring Funds	Federal Funds	Other Funds	Total Funds
551	Operations and Maintenance		\$0	\$0	\$712,655	\$712,655
						\$0

E. Project Description:

Note: In addition to a basic description, include whether or not this is a capital or non-capital project. If non-capital, explain how this non-recurring appropriation will be spent on non-recurring activities.

The project is needed to provide funding for major maintenance projects on the Union Campus. Although this project will not provide any additional space, it will allow for better utilization of the current space. The Central and Main Buildings are the only academic/administrative buildings on the Union campus. These buildings serve all levels of the campus, from student services, classrooms, and administrative offices, to janitorial support and storage areas. These buildings are quickly reaching capacity. The campus actively uses interactive real-time television, smart classrooms, and distant education to alleviate some of the classroom space shortages. Operating funds were allocated in Fiscal Year 2009 to convert a traditional classroom into an additional "smart classroom". However, this did remove one traditional classroom space. Facility upgrades & deferred maintenance should be able to provide more efficient utilization of the campus buildings and possibly provide additional classroom space that is now "unusable" in its present state. By performing the needed maintenance and bringing these buildings to a more usable condition, the campus will be able to move forward with additional projects within the Master Plan.

General repairs and maintenance needed in the Main Building include newer, more secure entry doors, millwork, and painting. The repairs and maintenance to the Main Building require additional funding and work due to the historic status of the building. The upgrade/refurbishment of the HVAC in the Main Building is required because the existing unit requires continual maintenance and repair. The upgrade, refurbishment, or replacement of the Central Building HVAC unit is needed because the current system cannot adequately maintain the temperature and humidity in the building, which has led to mold growth in all areas of the building, but especially in the library. The mold has damaged much of the library's collection. A functional library is critical in meeting the needs of students & faculty.

The only alternative is to continue to operate in the existing facilities, using limited maintenance funds to address the most immediate maintenance needs in a piecemeal manner. During FY 2008, the Main Building HVAC encountered major problems and completely shutdown in May 2008. Due to the timing of the breakdown (summer heat, graduation, summer classes, etc) this created an emergency situation. Funds from the local CHE were used to replace the chiller in this unit, which has alleviated some repair problems, but reduced the local CHE's funds for other deferred maintenance/facility upgrade projects on campus. The unit still needs additional repairs and upgrades for maximum functionality. The local CHE recently provided the funding to add a much needed parking lot to our Main Building, which should alleviate some parking issues on campus. In the Central Building, the library and maintenance staff will continue to address the mold problems as best as they can to minimize the damage to the collections and the health hazards associated with mold growth. During the FY12 budget year, campus operating funds were allocated to turn a previously unused space in the Library into a

classroom/computer lab, but the remainder of the Library desperately needs to address deferred maintenance issues including, but not limited to, carpeting, wall/ceiling repairs and painting.

F. Funding

Total New Request: ___\$1,000,000___ Previously Approved Funds: _____ Expenditures to Date: _____

Identify the source(s) of funds for this appropriation (general fund, surplus, federal funding, local match, etc.):

G. Justification for additional future operating costs:

Will additional annual operating costs be absorbed into your existing budget? If so, what resources will lose funding to facilitate this? NO

If not, will additional funds be needed in the future? No

Identify the source of additional funds:

Detail the lifecycle cost of the funded project below

Year	Capital	Operating	Total	State; Non- Recurring	General; Recurring	Federal	Other (Earmarked/ Restricted)	Use of Current FTE	Additional FTEs needed
1	\$1,000,000		\$1M	\$1,000,000				0	0
2									
3									
4									
5									
6+									

A. Proviso Number

Using the renumbered 2012-13 proviso base provided on the OSB website indicate the proviso number (*If new indicate “New #1”, “New #2”, etc.*):

NO CHANGES REQUESTED

B. Appropriation

Related budget category, program, or non-recurring reques (*Leave blank if not associated with funding priority*):

C. Agency Interest

Is this proviso agency-specific, a general proviso that affects the agency, or a proviso from another agency’s section that has had consequences?

D. Action

(Indicate Keep, Amend, Delete, or Add):

E. Title

Descriptive Proviso Title:

F. Summary

Summary of Existing or New Proviso:

G. Explanation of Amendment to/or Deletion of Existing Proviso

(If request to delete proviso is due to codification, note the section of the Code of Laws where the language has been codified):

H. Explanation of how this proviso directs the expenditure or appropriation of funds, and why this direction is necessary**I. Justification**

Refer to the instructions for the correct question to answer in this space, based on the action you selected

J. Fiscal Impact (Include impact on each source of funds – state, federal, and other)**K. Text of New Proviso with Underline or Entire Existing Proviso Text with Strikeover and Underline**

(INSERT PROVISOR FROM FY 2012-13 RENUMBERED PROVISOR BASE HERE)

Federal Aid Justification

University Research Grants and Contracts as well as Student Financial Aid are not included per Section 2-65-100 (3) of the South Carolina Federal and Other Funds Oversight Act (Section 2-65-10 et seq.)

Summary

Award Title	<input type="text"/>		
CFDA Number/Title	<input type="text"/>	→ If "Other", identify:	<input type="text"/>
Award Number (Federal)	<input type="text"/>	Start Date	<input type="text"/>
		Federal Agency	<input type="text"/>
Award Number (State)	<input type="text"/>	End Date	<input type="text"/>
		Federal Subagency	<input type="text"/>
Award Period	<input type="text"/>	→ If "Other", explain:	<input type="text"/>

Financial

Total Award Amount	<input type="text"/>	Amount Available in FY 2012-13	<input type="text"/>
State Match Required?	<input type="text"/>	If "Yes", describe, and provide SAP Fund Number(s) of funding sources	<input type="text"/>
Local Match Required?	<input type="text"/>	If "Yes", describe	<input type="text"/>
Assistance Type	<input type="text"/>	If "Other", explain	<input type="text"/>
Is administrative and/or indirect cost recovery permitted? If so, explain:	<input type="text" value="Explanation would be here."/>		
Will funds be passed-through to other entities? If so, what types of entities, and how will funds be distributed?	<input type="text" value="Answer and elaboration here."/>		

Federal Aid Justification

University Research Grants and Contracts as well as Student Financial Aid are not included per Section 2-65-100 (3) of the South Carolina Federal and Other Funds Oversight Act (Section 2-65-10 et seq.)

Questions

How is the use of these funds essential to your agency's mission?

Text.

What budgetary, compliance, and programmatic obligations will the state incur (now or in the future) through the receipt of these funds?

What outcome and/or performance measures will you track and/or report on in association with this award?

Text.

What is the name and title of the individual in your agency who is responsible for the success of this program?

Text.