

EXECUTIVE SUMMARY

The University of South Carolina's budget process is a comprehensive planning effort representative of the vision of the University to provide research, teaching, and service for the citizens of the State of South Carolina. The process involves participation beginning at the department level and reaching out to all campuses as we develop budgets which will reflect the investments identified to significantly enhance our academic reputation, benefit our students and contribute to the economic and societal health of our state.

USC COLUMBIA

State Appropriations For the first time since the 2008 fiscal year, higher education institutions in South Carolina did not receive mid-year budget cuts in FY 2011. To begin the FY2012 fiscal year, base appropriations will be reduced approximately 6%. USC Columbia will also receive a targeted cut for lobbyist activity totaling \$53,368. Total reductions for USC Columbia and the School of Medicine are \$6,114,472. Total base state reductions since FY2008 are approximately \$92.6M – a 50% decline.

Each campus will receive a non-recurring allocation from the State Capital Reserve Funding for deferred maintenance. The total deferred maintenance allocation is \$11,070,052 for Columbia and the School of Medicine.

Federal Stimulus funding, part of the State Fiscal Stabilization Fund Program in the American Recovery and Reinvestment Act (A.R.R.A), was exhausted in the 2010 and 2011 fiscal years.

Pay Package For FY2012, there is no state pay package. There is an expected increase in employer contributions for health insurance as of January 1, 2012 and an increase to the employer contribution for the South Carolina Retirement System as of July 1, 2011. The six month cost of the employer increase will be funded by the tuition increase and units will be expected to cover the balance in FY2012 should the actual increase exceed projections and the annualized cost will be examined in the FY2013 budget development process. At this time there is no expected increase for worker's compensation and unemployment insurance. Due to the insolvency of the South Carolina unemployment fund, increases in the future are expected.

Columbia Tuition and Fee Increase

- Full-Time Resident Undergraduate: Tuition and Fees increase of \$191 per semester
- Full-Time Resident Graduate: Tuition and Fees increase of \$213 per semester
- Full-Time Resident Medical Student: Tuition and Fees increase of \$936 per semester
- Full-Time Resident Law Student: Tuition and Fees increase of \$395 per semester

Budget Priorities The student tuition and fee increases allow USC to cover the state budget cut, required cost increases for fringe benefits and the 4% fee waiver. Additionally the University will provide inflationary funding for library materials and invest in key student affairs initiatives to service the larger student population and provide funds to increase student academic support and career placement. New funds from enrollment growth will be used to support academic initiatives including the second part of faculty replenishment and provide funding for salary enhancement for faculty and staff. The debt service will be increased as a board mandated fee inside tuition to provide additional funds to support campus facilities.

Impact of Enrollment The Fall 2011 freshman class is projected to be approximately the same size as the prior year, but an increase over the senior class that graduated in May. Additional transfer students are expected. Total headcount undergraduate enrollment in Fall 2010 was 21,383, a 4.34% increase over the prior year. Total Columbia and School of Medicine headcount enrollment was 29,597.

Total Projected Change in USC Columbia "A" Funds Operating Budget (Does not include the School of Medicine)

USC Columbia Operating Budget	Approved FY11 Budget - July 1, 2010	Projected FY11 Actual June 30, 2011	Proposed FY12 Budget July 1, 2011*	Percent Change FY2011 to FY2012
Resources	\$ 538,065,932	\$ 576,295,796	\$ 620,673,222	7.70%
Expenditures	\$ 443,065,932	\$ 456,295,796	\$ 500,673,222	9.72%

NOTE: "A" Fund carryforward not budgeted until August 2011, amount not included in FY12 Expenditure Budget

USC SENIOR AND REGIONAL CAMPUSES

State Appropriations To begin the FY2012 fiscal year, base appropriations will be reduced approximately 6% - with varying percentages at USC Beaufort with an 8% cut and at USC Upstate with a 5% cut. USC Upstate will also lose \$11,000 for lobbyist activity. All seven campuses will continue to receive funding for technology from the South Carolina Education Lottery although the total available is contingent on increased unclaimed prizes. Federal Stimulus Funding for the system campuses is exhausted.

Tuition and Fee Increase

	Proposed Full-Time Resident Undergraduate Tuition and Required Fees per Semester	Dollar Increase (per semester) FY2011 to FY2012
USC Aiken	\$4,350	\$ 163
USC Beaufort	\$4,029	\$ 151
USC Upstate	\$4,713	\$ 177
USC Regional Campuses		
-under 75 Hours	\$3,046	\$ 114
-75 or more credit hours	\$4,426	\$ 163

USC SYSTEM

The USC Columbia total current funds budget comprises 75% of the total USC system budget. In FY 2012 for the Columbia campus, tuition and fees account for 44.6% of the total budget with state appropriations providing 9.1% of funds. Unadjusted for inflation, base state funding is at the 1984 level. Just ten years ago, in FY 2002, tuition and fees were 23.3% of the budget and state appropriations were 38.9% of current funds.

USC SYSTEM									
Inflation Factors			TOTAL CURRENT FUNDS			TOTAL FALL	TCF Revenues per FTE		
HEPI		Cumulative HEPI	FY	Nominal	Real	FTE	Nominal	Real	
	1.00000	1.000000	2001	656,191,151	656,191,151	27,915	23,507	23,507	
4.10%	1.04100	1.041000	2002	666,136,867	639,900,929	28,373	23,478	22,553	
4.90%	1.04900	1.092009	2003	731,232,815	669,621,601	30,585	23,908	21,894	
4.10%	1.04100	1.136781	2004	761,461,734	669,840,090	31,288	24,337	21,409	
2.90%	1.02900	1.169748	2005	818,193,590	699,461,397	32,005	25,565	21,855	
4.60%	1.04600	1.223556	2006	893,937,602	730,605,940	33,253	26,883	21,971	
3.60%	1.03600	1.267604	2007	969,205,064	764,595,808	34,052	28,463	22,454	
5.00%	1.05000	1.330985	2008	1,053,787,718	791,735,415	35,178	29,956	22,507	
3.40%	1.03400	1.376238	2009	1,089,603,288	791,725,814	36,372	29,957	21,767	
3.60%	1.03600	1.425783	2010*	1,167,171,003	818,617,707	37,965	30,743	21,562	
2.30%	1.02300	1.458576	Budget 2011*	1,125,137,838	771,394,861	39,592	28,418	19,484	
0.90%	1.00900	1.471703	Budget 2012	1,204,229,173	818,255,605				

*FY2010 and FY2011 Budgets include Federal Stimulus - State Fiscal Stabilization Funds

10 Year Change (\$)	510,979,852	162,426,556	11,219	4,940	(3,070)
10 Year Change(%)	77.87%	24.75%	36.00%	30.79%	-8.27%

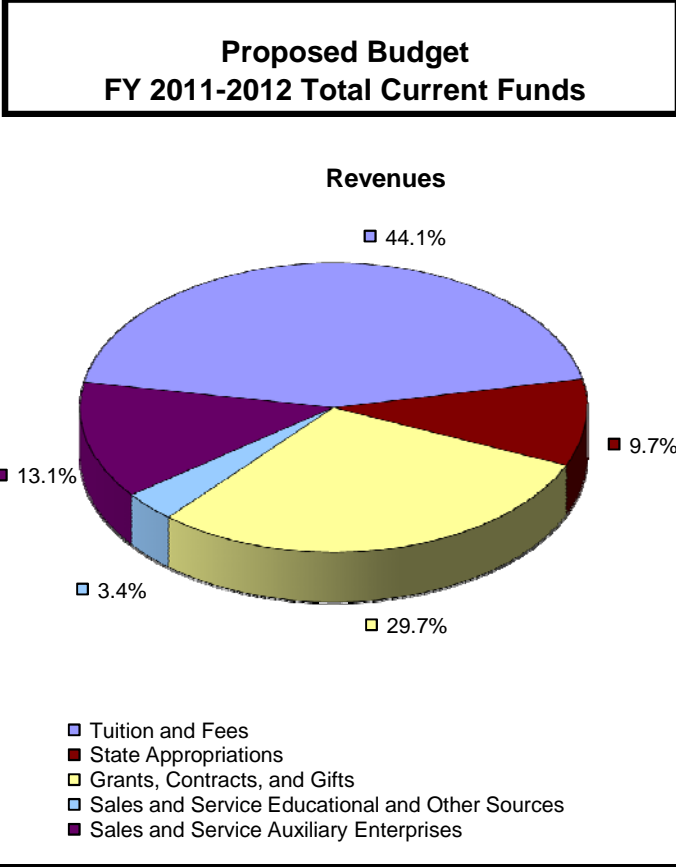
The USC System Total Current Funds Budget in FY2011 and FY2012 are the equivalent of the 2005 budget when adjusted for inflation. Total Current Funds have increased by \$511M in ten years. When adjusted for inflation, the growth is approximately \$162M. USC System FTE have increased by more than 11,000 students – growth of 36%. Total Current Funds expenditures per FTE student have decreased by 8% in ten years when adjusted for inflation.

The "A" Funds Operating Budgets for the system campus total \$623,431,212, 51.8% of the total current funds budget. These are the funds used to operate the campuses and exclude auxiliaries, grants and other non-operating funds.

University of South Carolina System

Proposed Budget FY 2011-2012 Revenues	
Unrestricted Funds	
E & G	\$ 707,513,770
Auxiliaries	\$ 157,708,489
Unrestricted Total	\$ 865,222,259
Restricted Funds	
E & G	\$ 339,006,914
Auxiliaries	\$ -
Restricted Total	\$ 339,006,914
TOTAL SOURCES	\$ 1,204,229,173

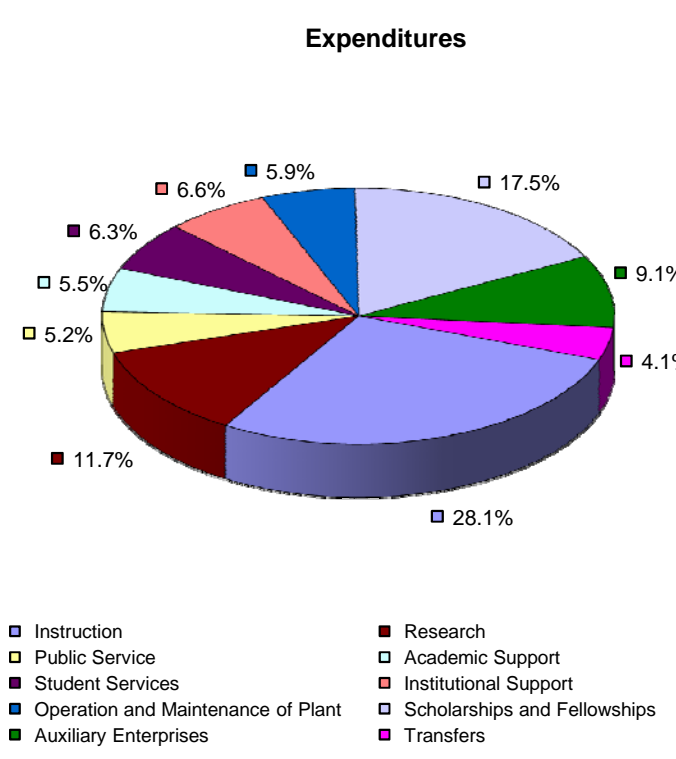
Proposed Budget FY 2011-2012 Expenditures	
Unrestricted Funds	
E & G	\$ 772,460,433
Auxiliaries	\$ 111,720,508
Unrestricted Total	\$ 884,180,941
Restricted Funds	
E & G	\$ 339,006,914
Auxiliaries	\$ -
Restricted Total	339,006,914
TOTAL USES	\$ 1,223,187,855



Fall 2010 Headcount Enrollment	
<small>Includes undergraduate, graduate and professional students</small>	
USC Columbia	29,597
USC Aiken	3,254
USC Beaufort	1,754
USC Upstate	5,492
USC Lancaster	1,588
USC Salkehatchie	1,150
USC Sumter	1,192
USC Union	530
TOTAL	44,557

FTE Positions - October 2010	
Classified (authorized)	3,690.50
Unclassified (authorized)	2,491.73
TOTAL	6,182.23

Faculty Data:	
Number of FTE Faculty	2,748
Number of Full Time Faculty	2,078
Number of Part Time Faculty	1,037
Number of Tenured Faculty	1,401
Tenure Ratio (%) Full Time	67%
% of Faculty Holding Terminal Degree	54%



USC System - "A" Fund State Appropriations Estimated Change for FY 2012		APPROPRIATIONS ACT	
		APPROPRIATIONS BILL	CRF FUNDING FOR DEFERRED MAINTENANCE (NON RECURRING)
USC Columbia			
	Base Budget Cut	(5,262,081)	
	Lobbyist Cut	(53,368)	
	Governor's Vetoes Sustained	0	0
	CRF Deferred Maintenance		7,930,490
School of Medicine			
	Base Budget Cut	(799,023)	
	Lobbyist Cut	0	
	Governor's Vetoes Sustained	0	0
	CRF Deferred Maintenance		1,185,015
Greenville School of Medicine			
	Base Budget Cut	0	
	Lobbyist Cut	0	
	Governor's Vetoes Sustained	0	0
	CRF Deferred Maintenance		0
USC Aiken			
	Base Budget Cut	(372,445)	
	Governor's Vetoes Sustained	0	0
	CRF Deferred Maintenance		560,133
USC Beaufort			
	Base Budget Cut	(116,932)	
	Lobbyist Cut	0	
	Governor's Vetoes Sustained	0	0
	CRF Deferred Maintenance		131,893
USC Upstate			
	Base Budget Cut	(404,671)	
	Lobbyist Cut	(11,000)	
	Governor's Vetoes Sustained	0	0
	CRF Deferred Maintenance		730,319
USC Lancaster			
	Base Budget Cut	(92,576)	
	Lobbyist Cut	0	
	Governor's Vetoes Sustained	0	0
	CRF Deferred Maintenance		139,228
USC Salkehatchie			
	Base Budget Cut	(78,886)	
	Lobbyist Cut	0	
	Governor's Vetoes Sustained	0	0
	CRF Deferred Maintenance		118,639
USC Sumter			
	Base Budget Cut	(146,627)	
	Lobbyist Cut	0	
	Governor's Vetoes Sustained	0	0
	CRF Deferred Maintenance		220,518
USC Union			
	Base Budget Cut	(35,784)	
	Lobbyist Cut	0	
	Governor's Vetoes Sustained	0	0
	CRF Deferred Maintenance		53,817
TOTAL CHANGE IN STATE FUNDS		(7,373,393)	11,070,052
		TOTAL	3,696,659
	Base Budget Cut	(7,309,025)	
	Lobbyist Cut	(64,368)	
	Governor's Vetoes Sustained	0	
	CRF Deferred Maintenance	11,070,052	
	Total	3,696,659	

Note: No pay package or health insurance increase allocated in the Appropriations Act, however there may be some funding available for the health insurance increase that is effective January 1, 2012. There is no additional funding to cover the increase in the employer contribution to the South Carolina Retirement System. State funding current as of June 17, 2011.

USC System State Appropriations Reductions - Since FY2008

BASE BUDGET CUT

	Base State Funds 2007/2008	Base Cut FY2009	Base Cut FY2009	Base State Funds 2008/2009
Columbia	160,807,695	(4,301,711)	-2.68%	156,505,984
School of Medicine	22,964,744	(614,322)	-2.68%	22,350,422
Columbia & SOM TOTAL	183,772,439	(4,916,033)	-2.68%	178,856,406
Aiken	11,196,080	(357,141)	-3.19%	10,838,939
Beaufort	2,875,328	(317,489)	-11.04%	2,557,839
Upstate	14,658,165	(539,609)	-3.68%	14,118,556
Lancaster	2,770,893	(79,392)	-2.87%	2,691,501
Salkehatchie	2,375,512	(70,319)	-2.96%	2,305,193
Sumter	4,408,690	(126,654)	-2.87%	4,282,036
Union	1,070,688	(25,752)	-2.41%	1,044,936
USC System TOTAL	223,127,795	(6,432,389)	-2.88%	216,695,406

SEPTEMBER 2008 BUDGET CUT - FY09

	Base State Funds 2008/2009	Pay Package FY2009	Revised FY2008/2009 Base	September 3% Cut FY2009	September 3% Cut FY2009	ADJUSTED FY2008/2009
Columbia	156,505,984	1,512,990	158,018,974	(5,053,571)	-3.20%	152,965,403
School of Medicine	22,350,422	196,610	22,547,032	(363,409)	-1.61%	22,183,623
Columbia & SOM TOTAL	178,856,406	1,709,600	180,566,006	(5,416,980)	-3.00%	175,149,026
Aiken	10,838,939	107,018	10,945,957	(328,379)	-3.00%	10,617,578
Beaufort	2,557,839	21,622	2,579,461	(77,384)	-3.00%	2,502,077
Upstate	14,118,556	136,312	14,254,868	(427,646)	-3.00%	13,827,222
Lancaster	2,691,501	25,817	2,717,318	(81,520)	-3.00%	2,635,798
Salkehatchie	2,305,193	20,655	2,325,848	(69,775)	-3.00%	2,256,073
Sumter	4,282,036	42,440	4,324,476	(129,734)	-3.00%	4,194,742
Union	1,044,936	10,130	1,055,066	(31,652)	-3.00%	1,023,414
USC System TOTAL	216,695,406	2,073,594	218,769,000	(6,563,070)	-3.00%	212,205,930

OCTOBER 2008 BUDGET CUT - FY09

	ADJUSTED FY2008/2009	October Cut FY2009	October Cut FY2009	ADJUSTED FY2008/2009
Columbia	152,965,403	(18,492,954)	-12.09%	134,472,449
School of Medicine	22,183,623	(2,996,099)	-13.51%	19,187,524
Columbia & SOM TOTAL	175,149,026	(21,489,053)	-12.27%	153,659,973
Aiken	10,617,578	(1,276,128)	-12.02%	9,341,450
Beaufort	2,502,077	(294,470)	-11.77%	2,207,607
Upstate	13,827,222	(1,661,895)	-12.02%	12,165,327
Lancaster	2,635,798	(310,207)	-11.77%	2,325,591
Salkehatchie	2,256,073	(271,158)	-12.02%	1,984,915
Sumter	4,194,742	(510,288)	-12.16%	3,684,454
Union	1,023,414	(125,563)	-12.27%	897,851
USC System TOTAL	212,205,930	(25,938,762)	-12.22%	186,267,168

SUM OF H5300 CUT - FY09

	TOTAL REDUCTIONS IN H. 5300	PERCENTAGE FY09 ONLY
Columbia	(23,546,525)	-14.90%
School of Medicine	(3,359,508)	-14.90%
Columbia & SOM TOTAL	(26,906,033)	-14.90%
Aiken	(1,604,507)	-14.66%
Beaufort	(371,854)	-14.42%
Upstate	(2,089,541)	-14.66%
Lancaster	(391,727)	-14.42%
Salkehatchie	(340,933)	-14.66%
Sumter	(640,022)	-14.80%
Union	(157,215)	-14.90%
USC System TOTAL	(32,501,832)	-14.86%

DECEMBER 2008 BUDGET CUT - FY09

	ADJUSTED FY2008/2009	December Cut 7%	ADJUSTED FY2008/2009
Columbia	134,472,449	(9,413,071)	125,059,378
School of Medicine	19,187,524	(1,343,127)	17,844,397
Columbia & SOM TOTAL	153,659,973	(10,756,198)	142,903,775
Aiken	9,341,450	(653,902)	8,687,548
Beaufort	2,207,607	(154,532)	2,053,075
Upstate	12,165,327	(851,573)	11,313,754
Lancaster	2,325,591	(162,791)	2,162,800
Salkehatchie	1,984,915	(138,944)	1,845,971
Sumter	3,684,454	(257,912)	3,426,542
Union	897,851	(62,850)	835,001
USC System TOTAL	186,267,168	(13,038,702)	173,228,466

MARCH 2009 BUDGET CUT - FY09

	ADJUSTED FY2008/2009	March Cut 2%	ADJUSTED FY2008/2009
Columbia	125,059,378	(2,501,188)	122,558,190
School of Medicine	17,844,397	(356,888)	17,487,509
Columbia & SOM TOTAL	142,903,775	(2,858,076)	140,045,699
Aiken	8,687,548	(173,751)	8,513,797
Beaufort	2,053,075	(41,062)	2,012,013
Upstate	11,313,754	(226,275)	11,087,479
Lancaster	2,162,800	(43,256)	2,119,544
Salkehatchie	1,845,971	(36,919)	1,809,052
Sumter	3,426,542	(68,531)	3,358,011
Union	835,001	(16,700)	818,301
USC System TOTAL	173,228,466	(3,464,570)	169,763,896

SEPTEMBER 2009 BUDGET CUT - FY10

	Base State Funds 2009/2010	September 4.04%	Revised State Funds 2009/2010
Columbia	122,689,193	(4,953,324)	117,735,869
School of Medicine	18,287,509	(738,321)	17,549,188
Columbia & SOM TOTAL	140,976,702	(5,691,645)	135,285,057
Aiken	8,525,690	(344,207)	8,181,483
Beaufort	2,012,013	(81,231)	1,930,782
Upstate	11,121,224	(448,997)	10,672,227
Lancaster	2,122,687	(85,699)	2,036,988
Salkehatchie	1,809,052	(73,037)	1,736,015
Sumter	3,358,011	(135,573)	3,222,438
Union	818,301	(33,037)	785,264
USC System TOTAL	170,743,680	(6,893,426)	163,850,254

DECEMBER 2009 BUDGET CUT - FY10

	Revised State Funds 2009/2010	DECEMBER 5.00%	Revised State Funds 2009/2010
Columbia	117,735,869	(5,886,794)	111,849,075
School of Medicine	17,549,188	(877,459)	16,671,729
Columbia & SOM TOTAL	135,285,057	(6,764,253)	128,520,804
Aiken	8,181,483	(409,074)	7,772,409
Beaufort	1,930,782	(96,539)	1,834,243
Upstate	10,672,227	(533,611)	10,138,616
Lancaster	2,036,988	(101,849)	1,935,139
Salkehatchie	1,736,015	(86,801)	1,649,214
Sumter	3,222,438	(161,122)	3,061,316
Union	785,264	(39,263)	746,001
USC System TOTAL	163,850,254	(8,192,512)	155,657,742

FY2011 BASE CUT - LEGISLATIVE APPROPRIATIONS BILL

	Revised State Funds 2009/2010	BASE CUT 21.00%	ESTIMATED BASE 2010/2011
Columbia	111,849,075	(23,488,306)	88,360,769
School of Medicine	16,671,729	(3,501,063)	13,170,666
Columbia & SOM TOTAL	128,520,804	(26,989,369)	101,531,435
Aiken	7,772,409	(1,632,206)	6,140,203
Beaufort	1,834,243	(385,191)	1,449,052
Upstate	10,138,616	(2,129,109)	8,009,507
Lancaster	1,935,139	(406,379)	1,528,760
Salkehatchie	1,649,214	(346,335)	1,302,879
Sumter	3,061,316	(642,876)	2,418,440
Union	746,001	(156,660)	589,341
USC System TOTAL	155,657,742	(32,688,125)	122,969,617

FY2011 BASE CUT - GOVERNOR'S VETOES SUSTAINED*

	ESTIMATED BASE 2010/2011	VETOES SUSTAINED	ESTIMATED BASE 2010/2011
Columbia	88,360,769	(1,623,719)	86,737,050
School of Medicine	13,170,666	0	13,170,666
Columbia & SOM TOTAL	101,531,435	(1,623,719)	99,907,716
Aiken	6,140,203	0	6,140,203
Beaufort	1,449,052	0	1,449,052
Upstate	8,009,507	0	8,009,507
Lancaster	1,528,760	0	1,528,760
Salkehatchie	1,302,879	0	1,302,879
Sumter	2,418,440	0	2,418,440
Union	589,341	0	589,341
USC System TOTAL	122,969,617	(1,623,719)	121,345,898

FY2011 BASE PLUS EMPLOYER CONTRIBUTION

	ESTIMATED BASE 2010/2011	EMPLOYER CONTRIBUTION	Revised State Funds 2010/2011
Columbia	86,737,050	964,290	87,701,340
School of Medicine	13,170,666	146,388	13,317,054
Columbia & SOM TOTAL	99,907,716	1,110,678	101,018,394
Aiken	6,140,203	67,208	6,207,411
Beaufort	1,449,052	12,594	1,461,646
Upstate	8,009,507	83,920	8,093,427
Lancaster	1,528,760	14,175	1,542,935
Salkehatchie	1,302,879	11,880	1,314,759
Sumter	2,418,440	25,345	2,443,785
Union	589,341	7,057	596,398
USC System TOTAL	121,345,898	1,332,857	122,678,755

FY2012 BASE CUT - Legislative Appropriations Bill

Pending Conference Committee and Governor's Action - Current as of June 17, 2011

	FINAL 2010/2011	LEGISLATIVE BUDGET	PROPOSED 2011/2012	PROPOSED PERCENTAGE
Columbia	87,701,340	(5,315,449)	82,385,891	-6.06%
School of Medicine	13,317,054	(799,023)	12,518,031	-6.00%
Columbia & SOM TOTAL	101,018,394	(6,114,472)	94,903,922	-6.05%
Aiken	6,207,411	(372,445)	5,834,966	-6.00%
Beaufort	1,461,646	(116,932)	1,344,714	-8.00%
Upstate	8,093,427	(415,671)	7,677,756	-5.14%
Lancaster	1,542,935	(92,576)	1,450,359	-6.00%
Salkehatchie	1,314,759	(78,886)	1,235,873	-6.00%
Sumter	2,443,785	(146,627)	2,297,158	-6.00%
Union	596,398	(35,784)	560,614	-6.00%
USC System TOTAL	122,678,755	(7,373,393)	115,305,362	-6.01%

TOTAL CUTS SINCE FY2008	TOTAL REDUCTIONS SINCE FY2008	PERCENTAGE REDUCTION
Columbia	(81,030,087)	-50.39%
School of Medicine	(11,589,711)	-50.47%
Columbia & SOM TOTAL	(92,619,798)	-50.40%
Aiken	(5,547,233)	-49.55%
Beaufort	(1,564,830)	-54.42%
Upstate	(7,234,386)	-49.35%
Lancaster	(1,363,669)	-49.21%
Salkehatchie	(1,172,174)	-49.34%
Sumter	(2,179,317)	-49.43%
Union	(527,261)	-49.25%
USC System TOTAL	(112,208,668)	-50.29%