

Agency Name: USC - Sumter Campus

Agency Code: H390

Section:

20G



Fiscal Year FY 2021-2022

Agency Budget Plan

FORM A - BUDGET PLAN SUMMARY

**OPERATING
REQUESTS**
(FORM B1)

For FY 2021-2022, my agency is (mark "X"):	
<input checked="" type="checkbox"/>	Requesting General Fund Appropriations.
<input checked="" type="checkbox"/>	Requesting Federal/Other Authorization.
<input type="checkbox"/>	Not requesting any changes.

**NON-RECURRING
REQUESTS**
(FORM B2)

For FY 2021-2022, my agency is (mark "X"):	
<input type="checkbox"/>	Requesting Non-Recurring Appropriations.
<input type="checkbox"/>	Requesting Non-Recurring Federal/Other Authorization.
<input checked="" type="checkbox"/>	Not requesting any changes.

**CAPITAL
REQUESTS**
(FORM C)

For FY 2021-2022, my agency is (mark "X"):	
<input checked="" type="checkbox"/>	Requesting funding for Capital Projects.
<input type="checkbox"/>	Not requesting any changes.

PROVISOS
(FORM D)

For FY 2021-2022, my agency is (mark "X"):	
<input type="checkbox"/>	Requesting a new proviso and/or substantive changes to existing provisos.
<input type="checkbox"/>	Only requesting technical proviso changes (such as date references).
<input checked="" type="checkbox"/>	Not requesting any proviso changes.

Please identify your agency's preferred contacts for this year's budget process.

	<i>Name</i>	<i>Phone</i>	<i>Email</i>
PRIMARY CONTACT:	Kelly Epting	(803) 777-8411	eptingk@mailbox.sc.edu
SECONDARY CONTACT:	Kevin Russell	(803) 777-0781	russelkr@email.sc.edu

I have reviewed and approved the enclosed FY 2021-2022 Agency Budget Plan, which is complete and accurate to the extent of my knowledge.

	<i>Agency Director</i>	<i>Board or Commission Chair</i>
SIGN/DATE:		
TYPE/PRINT NAME:	Robert L. Caslen, Jr.	C. Dorn Smith III

This form must be signed by the agency head -- not a delegate.

Agency Name:	USC - Sumter Campus
Agency Code:	H390
Section:	20G

BUDGET REQUESTS			FUNDING					FTES				
Priority	Request Type	Request Title	State	Federal	Earmarked	Restricted	Total	State	Federal	Earmarked	Restricted	Total
1	B1 - Recurring	Access and Affordability for In-State Students – Tuition Mitigation Funding	101,630	0	0	0	101,630	0.00	0.00	0.00	0.00	0.00
2	B1 - Recurring	Federal Funds Authorization – USC Sumter	0	500,000	0	0	500,000	0.00	0.00	0.00	0.00	0.00
3	C - Capital	USC Sumter Campus Facility Renovations and Upgrades (CPIP)	7,750,000	0	0	0	7,750,000	0.00	0.00	0.00	0.00	0.00
TOTALS			7,851,630	500,000	0	0	8,351,630	0.00	0.00	0.00	0.00	0.00

Agency Name:	USC - Sumter Campus		
Agency Code:	H390	Section:	20G

FORM B1 – RECURRING OPERATING REQUEST

AGENCY PRIORITY	1
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Provide the Agency Priority Ranking from the Executive Summary.

TITLE	Access and Affordability for In-State Students – Tuition Mitigation Funding
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Provide a brief, descriptive title for this request.

AMOUNT	<p>General: \$101,630</p> <p>Federal: \$0</p> <p>Other: \$0</p> <p>Total: \$101,630</p>
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What is the net change in requested appropriations for FY 2021-2022? This amount should correspond to the total for all funding sources on the Executive Summary.

NEW POSITIONS	0.00
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Please provide the total number of new positions needed for this request.

FACTORS ASSOCIATED WITH THE REQUEST	Mark "X" for all that apply:	
	<input checked="" type="checkbox"/>	Change in cost of providing current services to existing program audience
	<input checked="" type="checkbox"/>	Change in case load/enrollment under existing program guidelines
	<input checked="" type="checkbox"/>	Non-mandated change in eligibility/enrollment for existing program
	<input type="checkbox"/>	Non-mandated program change in service levels or areas
	<input type="checkbox"/>	Proposed establishment of a new program or initiative
	<input type="checkbox"/>	Loss of federal or other external financial support for existing program
	<input type="checkbox"/>	Exhaustion of fund balances previously used to support program
	<input type="checkbox"/>	IT Technology/Security related
	<input type="checkbox"/>	Consulted DTO during development
<input type="checkbox"/>	Related to a Non-Recurring request – If so, Priority #	

STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES	Mark "X" for primary applicable Statewide Enterprise Strategic Objective:	
	<input checked="" type="checkbox"/>	Education, Training, and Human Development
	<input type="checkbox"/>	Healthy and Safe Families
	<input type="checkbox"/>	Maintaining Safety, Integrity, and Security
	<input type="checkbox"/>	Public Infrastructure and Economic Development
<input type="checkbox"/>	Government and Citizens	

ACCOUNTABILITY OF FUNDS	<p>This effort supports the following objectives as reported in the USC Palmetto College campuses' State Accountability report:</p> <p>Objective:</p> <p>1.1 Increase Enrollment</p> <p>1.2 Increase Retention Efforts</p> <p>2.1 Expand offerings and support services</p> <p>Excellence is measured through regular reaffirmation of accreditation with Southern Association of Colleges and Schools Commission on Colleges, along with program and discipline specific accreditation reviews. Factors associated with the University's ability to attract, retain and educate students in today's competitive higher education market are also detailed in the University's annual Accountability Report.</p>
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What specific strategy, as outlined in the most recent Strategic Planning and Performance Measurement template of agency's accountability report, does this funding request support? How would this request advance that strategy? How would the use of these funds be evaluated?

RECIPIENTS OF FUNDS

Funding for faculty, staff and other positions would be disbursed through the employee payroll. Funds would also be disbursed through customary state procurement for software, equipment and supplies to facilitate the increased student recruitment, retention and completion.

What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?

The top legislative and budget priority for the University of South Carolina System remains partnering with the state to invest in funding to mitigate tuition through passage of legislation such as the Higher Education Opportunity Act (HEOA). Among other important provisions, HEOA would establish two dedicated funding streams for higher education for the principle purpose of increasing access and affordability for in-state students. This new approach would provide predictable revenue for colleges while allowing policymakers to maintain, higher education spending as a share of the overall state budget. HEOA's important but modest new funding sources for higher education, which does not require a tax increase or a reallocation from other important areas of state spending to provide. Importantly, HEOA would come with a new statutory requirement that colleges must freeze tuition for one year and cap tuition growth to a rate at or below inflation (as measured by the Higher Education Price Index (HEPI)) each year thereafter. The University of South Carolina system has frozen tuition in FY21 despite the impact of COVID-19.

In the spirit of HEOA, and out of a genuine desire to partner with the state to freeze tuition and required fees for in-state students next year, the UofSC System is requesting a modest increase in recurring funding as outlined below. These funds would enable the System to offset a portion of the rise in basic inflationary costs it faces as well as strategic initiatives to improve access to higher education for students across South Carolina.

Therefore, USC Sumter respectfully requests \$101,630 in new recurring funds. Importantly, this funding would allow the University to freeze tuition and required fees for in-state residents next year by covering the following basic inflationary cost increases including state mandated cost increases:

Estimated 1% Retirement increase - \$48,000*

Estimated Health Insurance increase - \$32,930

Estimated required cost increases for basic operations including utilities and inflation of goods and services - \$20,700

Total estimated inflationary and mandated cost increases - \$101,630

*Note: Absent appropriation of these additional funds to cover such a state mandate, the University would request flexibility from the state to limit its increase to in-state students, if any, to an amount necessary to account for the unfunded portion of mandates (to include retirement, health and/or COLA) not covered by the University's final state appropriation.

Note: This retirement estimate represents USC Palmetto College's increased cost to implement year four of the state's recent pension reform which is phasing-in an increase to the employer share of the state's required pension contribution rate, which was 6.85% in FY2004 and will rise to 18.56% by FY2023 as required by state law.

This request is similar to the request made for FY2020 for which the state awarded more than \$18 million in new recurring funding across the entire System. With those funds available to help cover the cost of mandated increases USC Columbia was able to hold tuition growth to the lowest increase in more than 20 years at 0.6% (a rate almost 80% below inflation); the three comprehensive universities completely froze tuition growth to 0.0% as did the four Palmetto College campuses (including Online). The entire UofSC System is grateful for this support without which this tuition mitigation would not have been possible.

The State of South Carolina needs—and the HEOA provides—a comprehensive legislative package to restore state investment and create a sustainable funding model for higher education that:

- Develops a new funding model that rewards institutions for educating South Carolinians;
- Resumes reliable state investments in assets and infrastructure through capital bond bills or other dedicated sources;
- Removes burdensome and duplicative bureaucratic red tape;
- Increases state investment in need-based aid programs that increases opportunity for students from low-income families.

JUSTIFICATION OF REQUEST

The HEOA does each of these and in doing so establishes a system that keeps tuition increases in check.

This new funding model is important because in 2000 higher education funding was 14.6% of the state budget, by 2008 it had fallen to less than 12% and, despite state revenue having increased by more than \$3.5 billion since the end of the Great Recession, funding for higher education has continued to decline, representing just 7.6% of the state budget today. In fact, the key finding of a recent Legislative Audit Council report is that since FY2001 funding for higher education has been reduced by half and that the state has underfunded higher education by a cumulative \$4 billion in statutorily required funding over that 17-year period.

Working together we began to reverse this trend over the two years. The progress must continue and this budget request, while modest, when coupled with the thoughtful and long-term reforms contemplated under HEOA will work in concert to advance access, affordability and excellence in public higher education across South Carolina.

The UofSC System agrees with Governor McMaster, who wrote last year: "I hope that this one-year tuition freeze will serve as the first step toward a **comprehensive overhaul of higher education funding and tuition reform.**" The UofSC System genuinely believes that HEOA represents that reform and we look forward to working with the Governor and the General Assembly to secure its passage this legislative session.

Higher education is the key to our state's future economic and overall prosperity. Our state needs 70,000 additional baccalaureate degree holders above current graduation rates to meet the needs of business and industry by 2030. As the state's largest education provider, the UofSC System is meeting those needs for highly educated, in-demand and employable graduates in high need areas. With appropriate investment and partnership from the state, South Carolina can have the most cost-efficient and cost-effective higher education sector in the country.

Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. If new positions have been requested, explain why existing vacancies are not sufficient.

Agency Name:	USC - Sumter Campus		
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FORM B1 – RECURRING OPERATING REQUEST

AGENCY PRIORITY	2
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Provide the Agency Priority Ranking from the Executive Summary.

TITLE	Federal Funds Authorization – USC Sumter
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Provide a brief, descriptive title for this request.

AMOUNT	<p>General: \$0</p> <p>Federal: \$500,000</p> <p>Other: \$0</p> <p>Total: \$500,000</p>
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What is the net change in requested appropriations for FY 2021-2022? This amount should correspond to the total for all funding sources on the Executive Summary.

NEW POSITIONS	0.00
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Please provide the total number of new positions needed for this request.

FACTORS ASSOCIATED WITH THE REQUEST	Mark "X" for all that apply:	
	<input type="checkbox"/>	Change in cost of providing current services to existing program audience
	<input checked="" type="checkbox"/>	Change in case load/enrollment under existing program guidelines
	<input checked="" type="checkbox"/>	Non-mandated change in eligibility/enrollment for existing program
	<input type="checkbox"/>	Non-mandated program change in service levels or areas
	<input type="checkbox"/>	Proposed establishment of a new program or initiative
	<input type="checkbox"/>	Loss of federal or other external financial support for existing program
	<input type="checkbox"/>	Exhaustion of fund balances previously used to support program
	<input type="checkbox"/>	IT Technology/Security related
	<input type="checkbox"/>	Consulted DTO during development
<input type="checkbox"/>	Related to a Non-Recurring request – If so, Priority #	

STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES	Mark "X" for primary applicable Statewide Enterprise Strategic Objective:	
	<input checked="" type="checkbox"/>	Education, Training, and Human Development
	<input type="checkbox"/>	Healthy and Safe Families
	<input type="checkbox"/>	Maintaining Safety, Integrity, and Security
	<input type="checkbox"/>	Public Infrastructure and Economic Development
<input type="checkbox"/>	Government and Citizens	

ACCOUNTABILITY OF FUNDS	<p>This request is for a change in federal spending authorization for funds which are generated by the University in support of Education and Research. These funds provide support for the University's objectives as outlined in the Accountability Report.</p>
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What specific strategy, as outlined in the most recent Strategic Planning and Performance Measurement template of agency's accountability report, does this funding request support? How would this request advance that strategy? How would the use of these funds be evaluated?

RECIPIENTS OF	<p>Use of these funds benefits the University of South Carolina Sumter student body and the faculty/administrative staff who serve them. Funds would not be allocated outside of the University, but would be used internally.</p>
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FUNDS

What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?

JUSTIFICATION OF REQUEST

USC Sumter has experienced continuous growth in enrollment. As such, the Federal Funds authorization request to increase is linked to enrollment growth and associated Federal Student Financial aid. Sumter is currently tracking for 23.49% growth for Fall FY2020.

Sumter works diligently to ensure that potential and current students have access to all available financial aid possible. The absence of sufficient Federal Funds Authorization would impede Sumter's ability to receive and expend Federal Research Grant funds and the ability of Sumter students to obtain Federal Financial Aid assistance.

Sumter had to increase Federal Authorization during FY19 by \$200,000. Total Federal expenditures have increased about 8.5% over the last 5 years.

Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. If new positions have been requested, explain why existing vacancies are not sufficient.

Agency Name:	USC - Sumter Campus		
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FORM C – CAPITAL REQUEST

AGENCY PRIORITY	3
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Provide the Agency Priority Ranking from the Executive Summary.

TITLE	USC Sumter Campus Facility Renovations and Upgrades (CPIP)
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Provide a brief, descriptive title for this request.

AMOUNT	\$7,750,000
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How much is requested for this project in FY 2021-2022? This amount should correspond to the total for all funding sources on the Executive Summary.

CPIP PRIORITY	USC Sumter: FY2021-2022. Priority Plan Year 2 of 2. Overall 6 of 9. This is initial submission. If state funding is not approved, funds will be obtained from Capital reserves.
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Identify the project's CPIP plan year and priority number, along with the first year in which the project was included in the agency's CPIP. If not included in the agency's CPIP, please provide an explanation. If the project involves a request for appropriated state funding, briefly describe the agency's contingency plan in the event that state funding is not made available in the amount requested.

OTHER APPROVALS	Approvals from the University Institutional Board, CHE, JBRC and SFAA must be secured.
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What approvals have already been obtained? Are there additional approvals that must be secured in order for the project to succeed? (Institutional board, JBRC, SFAA, etc.)

LONG-TERM PLANNING AND SUSTAINABILITY	USC Sumter will maintain any upgrades and renovations with existing maintenance and operating funds.
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What other funds have already been invested in this project (source/type, amount, timeframe)? Will other capital and/or operating funds for this project be requested in the future? If so, how much, and in which fiscal years? Has a source for those funds been identified/secured? What is the agency's expectation with regard to additional annual costs or savings associated with this capital improvement? What source of funds will be impacted by those costs or savings? What is the expected useful life of the capital improvement?

LONG-TERM PLANNING AND SUSTAINABILITY	<p>Athletics Facility: \$7,000,000 Total Cost The USC Sumter Fire Ants athletics teams have expanded in recent years and are significant for recruitment. As new sports have been added, USC Sumter has outgrown the current athletic facilities both for practice, competition and administration. The indoor basketball court is decades old and unsafe for competitive basketball. This project will replace the current facilities with an updated facility that will meet the current needs and allow programs to expand.</p> <p>Softball field: \$750,000 The USC Sumter Fire Ants Softball team has expanded in recent years and has become significant for athletic recruitment. Currently, the team does not have a competition quality playing field. The practice field is inadequate and unsafe. This project will replace the current practice field that will meet the practice needs and competition needs of the softball team.</p>
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SUMMARY

Provide a summary of the project and explain why it is necessary. Please refer to the budget guidelines for appropriate questions and thoroughly answer all related items.

Agency Name:	USC - Sumter Campus		
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FORM E – AGENCY COST SAVINGS AND GENERAL FUND REDUCTION CONTINGENCY PLAN

TITLE	Agency Cost Savings and General Fund Reduction Contingency Plan
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AMOUNT	\$117,550
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What is the General Fund 3% reduction amount? This amount should correspond to the reduction spreadsheet prepared by EBO.

ASSOCIATED FTE REDUCTIONS	0 FTE
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How many FTEs would be reduced in association with this General Fund reduction?

PROGRAM / ACTIVITY IMPACT	<p>Academic Support, Student Services, Institutional Support, and Operation of Maintenance and Plant would be impacted.</p> <p>To accomplish a 3% reduction in general funds, each campus would reduce part-time temporary personnel and fringe. In many instances, these positions are held by student employees that are relying on the income to assist with college expenses. In addition, these students are learning valuable workplace skills as well as provided a much need service to the institution.</p> <p>The Palmetto College Campuses rely heavily on adjunct faculty to teach courses. Each campus would evaluate where they could reduce the use of adjunct faculty and rely heavily on course overloads for FTE faculty.</p> <p>Most the campus' part-time temporary staff are employed by the Facilities/Physical Plant department. A reduction would decrease available manpower for maintenance needs and general physical plant upkeep.</p> <p>Part-time temporary staff in other areas would be impacted. These include Business Office, Student Affairs, and Academic Affairs. A reduction in these areas would lessen the amount of services provided to our students and increase the workload on existing FTE staff.</p>
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What programs or activities are supported by the General Funds identified?

SUMMARY	<p>Education and General (1.A) and associated Employee Benefits (II).</p> <p>The Campuses primary mission of providing instructional services to students would be impacted. Both Academic and Service units are funded from the Campus' general fund which is comprised almost exclusively from State general fund, student tuition and fee revenue.</p> <p>Each Palmetto College Campus would be reduced at the following rates:</p> <p>Sumter: \$117,550</p>
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Please provide a detailed summary of service delivery impact caused by a reduction in General Fund Appropriations and provide the method of calculation for anticipated reductions. Agencies should prioritize reduction in expenditures that have the least significant impact on service delivery.

AGENCY COST SAVINGS PLANS

As a matter of practice, Palmetto College campuses have reorganized personnel and reduced salary and fringe costs when positions become open to improve business processes, cut costs and become more efficient. Palmetto College campuses continue to evaluate opportunities in order to eliminate duplication.

Proposed and realized savings will be repurposed into the overall mission of Palmetto College with the goal of improving accessibility, affordability and the academic opportunities for students, student success while enhancing student activities.

What measures does the agency plan to implement to reduce its costs and operating expenses by more than \$50,000? Provide a summary of the measures taken and the estimated amount of savings. How does the agency plan to repurpose the savings?

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FORM F – REDUCING COST AND BURDEN TO BUSINESSES AND CITIZENS

TITLE	Reducing Cost and Burden to Businesses and Citizens –University of South Carolina Palmetto College.
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Provide a brief, descriptive title for this request.

EXPECTED SAVINGS TO BUSINESSES AND CITIZENS	The University has implemented programs and taken steps over the last several years designed to assist students in obtaining a degree in a timely manner and to minimize the overall cost of obtaining a quality education. Providing a quality workforce to the businesses within the State is a vital aspect of continuous economic development. The savings to citizens and business of the state are incalculable. The economic impact of the University on the State of South Carolina is significant, and highlights are provided further below.
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What is the expected savings to South Carolina's businesses and citizens that is generated by this proposal? The savings could be related to time or money.

FACTORS ASSOCIATED WITH THE REQUEST	Mark "X" for all that apply:
	<input type="checkbox"/> Repeal or revision of regulations.
	<input type="checkbox"/> Reduction of agency fees or fines to businesses or citizens.
	<input type="checkbox"/> Greater efficiency in agency services or reduction in compliance burden.
	<input checked="" type="checkbox"/> Other

METHOD OF CALCULATION	<p>Highlights of a recent study found that USC:</p> <ul style="list-style-type: none"> • Has a total economic impact (all 8 campuses statewide) of approximately \$5.5 billion when measured in terms of annual state output. • Supports over 60,000 job statewide. • Returns \$219 million annually to the state in tax revenue. <p>Other findings and the complete study can be found at:</p> <p>http://southcarolina.edu/docum...</p>
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Describe the method of calculation for determining the expected cost or time savings to businesses or citizens.

REDUCTION OF FEES OR FINES	The only published State of South Carolina regulations USC has, are those contained in Chapter 119 dealing with motor vehicle registration, parking, obeying traffic signs and adhering to posted speed limits while on campus. These regulations were promulgated under the authority of Section 59-117-40 of the S.C. Code of Laws. All tuition, fees and fines are reviewed annually before being presented to the Board of Trustees for their consideration and approval. These tuition and fees are contained in the annual budget and are related to providing instructional services to enrolled students. There are a few fines contained in that schedule which all relate to parking.
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Which fees or fines does the agency intend to reduce? What was the fine or fee revenue for the previous fiscal year? What was the associated program expenditure for the previous fiscal year? What is the enabling authority for the issuance of the fee or fine?

REDUCTION OF REGULATION	The University's regulations do not pertain to business operations. Nor do they pertain to the citizens of the State in general. The University has taken steps over the last several years to assist students in obtaining a degree in a timely manner and to minimize the overall cost of obtaining a quality education. See summarized highlights below.
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Which regulations does the agency intend to amend or delete? What is the enabling authority for the regulation?

	<p>Palmetto College Online was designed to make Bachelor's completion degrees more accessible and affordable for in-state place bound residents. The number of programs available through Palmetto College continues to grow each year thereby reducing the need for residents to choose the more expensive "for-profit" online college. Centralizing distance learning efforts for the USC System helps contain costs associated with program startup, marketing and admissions. Over 1,200 students have graduated from Palmetto College Online and nearly 1,000 are currently enrolled.</p> <p>Palmetto College applied for and received a \$500,000 United States Department of Agriculture – Rural Utilities Services grant to update and enhance its distance learning network. The funding has allowed Palmetto College to modernize, enhance, and improve</p>
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its distance learning network to deliver Palmetto College distance education courses with better quality and more reliability. By improving the technology through the use of federal grant funds, Palmetto College can reach more students while lessening the financial burden on the citizens of South Carolina.

SUMMARY

Provide an explanation of the proposal and its positive results on businesses or citizens. How will the request affect agency operations?