

AGENCY NAME:	Francis Marion University		
AGENCY CODE:	H180	SECTION:	17



Fiscal Year 2020-21 Agency Budget Plan

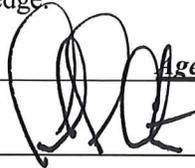
FORM A - BUDGET PLAN SUMMARY

OPERATING REQUESTS (FORM B1)	For FY 2020-21, my agency is (mark "X"): <input checked="" type="checkbox"/> Requesting General Fund Appropriations. <input type="checkbox"/> Requesting Federal/Other Authorization. <input type="checkbox"/> Not requesting any changes.
NON-RECURRING REQUESTS (FORM B2)	For FY 2020-21, 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 2020-21, 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 2020-21, 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.

	<u>Name</u>	<u>Phone</u>	<u>Email</u>
PRIMARY CONTACT:	Darryl Bridges	843.661.1110	dbridges@fmarion.edu
SECONDARY CONTACT:	Thomas Welch	843.661.1136	rwelch@fmarion.edu

I have reviewed and approved the enclosed FY 2020-21 Agency Budget Plan, which is complete and accurate to the extent of my knowledge.

	<u>Agency Director</u>	<u>Board or Commission Chair</u>
SIGN/DATE:		
TYPE/PRINT NAME:	L Fred Carter	Robert E. Lee

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

Fiscal Year 2020-21 Budget Request Executive Summary

Agency Code: H180
 Agency Name: Francis Marion University
 Section: 17

BUDGET REQUESTS			FUNDING					FTES				
Priority	Request Type	Request Title	State	Federal	Earmarked	Restricted	Total	State	Federal	Earmarked	Restricted	Total
1	B1 - Recurring	University Tuition Mitigation	1,800,000				1,800,000	5.00				5.00
2	C - Capital	Deferred Maintenance	7,500,000				7,500,000					0.00
3	C - Capital	School of Education / School of Business Building	23,850,000				23,850,000					0.00
4							0					0.00
5							0					0.00
6							0					0.00
7							0					0.00
8							0					0.00
9							0					0.00
10							0					0.00
11							0					0.00
12							0					0.00
13							0					0.00
14							0					0.00
15							0					0.00
16							0					0.00
17							0					0.00
18							0					0.00
19							0					0.00
20							0					0.00
21							0					0.00
22							0					0.00
23							0					0.00
24							0					0.00
25							0					0.00
26							0					0.00
27							0					0.00
28							0					0.00
29							0					0.00
30							0					0.00
TOTAL BUDGET REQUESTS			33,150,000	0	0	0	33,150,000	5.00	0.00	0.00	0.00	5.00

AGENCY NAME:	Francis Marion University		
AGENCY CODE:	H180	SECTION:	17

FORM B1 – RECURRING OPERATING REQUEST

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

TITLE	University Tuition Mitigation
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Provide a brief, descriptive title for this request.

AMOUNT	General: \$1,800,000 Federal: Other: Total: \$1,800,000
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What is the net change in requested appropriations for FY 2020-21? This amount should correspond to the total for all funding sources on the Executive Summary.

NEW POSITIONS	5 (3 Faculty Unclassified = \$165,000, 2 Staff Classified = \$69,680 Total = \$234,680)
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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 type="checkbox"/>	Change in case load/enrollment under existing program guidelines
	<input 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	

AGENCY NAME:	Francis Marion University		
AGENCY CODE:	H180	SECTION:	17

ACCOUNTABILITY OF FUNDS	<p>This request is in accordance with Goals 1 and 2 of the 2019 Accountability report to provide the state and Pee Dee with quality higher education that ensures student success and retention. Francis Marion University has an extensive history of high in-state and regional enrollments (95% in-state enrollment). For over a decade, FMU has maintained one of the lowest tuition rates of all universities in the state. Receipt of these funds will allow FMU to hold tuition at the current rate and maintain sufficient academic operations. The impact of these funds will be determined on our ability to eliminate the need to increase tuition and required fees yet maintain funding sufficient to allow for continued operation at existing levels.</p>
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What specific strategy, as outlined in the FY 2019-20 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	<p>Funds would be used to mitigate tuition increases resulting in a direct benefit to the students of the University. As stated, a vast preponderance of our students are South Carolinians.</p>
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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	<p>The university was able to freeze tuition and required fees as a result of state funding provided in the 2019-20 Appropriation act. While these funds and program revenue allowed FMU to hold tuition and fees at current levels, costs continually rise for institutions of higher education. Considering the three-year Higher Education Price Index average of 2.9%, FMU can expect future costs to increase in FY 20-21 by approximately \$1.88m based on 2019 expenditures. This appropriation will allow the university to meet its anticipated obligations without increasing tuition. The university continues to control expenditures through various budget management processes, but it is vital to receive this support as many projected costs are fixed or unavoidable.</p>
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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:	Francis Marion University		
AGENCY CODE:	H180	SECTION:	17

FORM C – CAPITAL REQUEST

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

TITLE	Deferred Maintenance
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Provide a brief, descriptive title for this request.

AMOUNT	\$7,500,000
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How much is requested for this project in FY 2020-21? This amount should correspond to the total for all funding sources on the Executive Summary.

CPIP PRIORITY	Deferred maintenance is included as a recurring annual request on our CPIP. We report such need Priority 1 for years 2-5 of our 2019 CPIP totaling \$12,000,000.
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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 for any deferred maintenance funds received per this request will be secured through the appropriate processes required for higher education institutions, including approvals by trustees, CHE, JBRC, and SFAA if needed.
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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	<p>Deferred maintenance remains an issue for Francis Marion University. Several facilities are at the end of their specified useful life and require additional maintenance to extend their service.</p> <p>The Commission on Higher Education noted that FMU had \$16.9m in deferred maintenance per the 2017 Building Survey Report. In addition to the annual operational budgets for facility and grounds maintenance, the University has invested \$2,480,557 in FY2018-19 and plans to invest \$1,655,356 in 2019-20 for "deferred maintenance".</p> <p>Provision of state provided deferred maintenance funding will decrease potential need for other fund revenue increases (i.e. student fee increases) to provide the maintenance needed.</p>
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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?

AGENCY NAME:	Francis Marion University		
AGENCY CODE:	H180	SECTION:	17

SUMMARY

As FMU enters its 50th year of serving the citizens of South Carolina, it continues to provide a high quality education that is the most affordable and accessible 4-year comprehensive university in South Carolina. In doing so, we rely upon state support of capital project funding as well as a proportional share of maintenance expenses. While the university has been diligent in maintaining its facilities, some components of the physical plant are reaching useful life expectancy. We now require additional support to assist in maintaining facilities for the next generation of students. Francis Marion currently identifies the following infrastructure maintenance needs as most critical.

- Campus Roads – The majority of roads within FMU’s Campus are not part of the SCDOT system and must be maintained by FMU. Roads on the FMU campus total approximately 4 miles and have not been repaved since 2000-2001.
- Parking Lots – Francis Marion manages approximately 1 million square feet of parking lots for students, faculty, staff, and members of the community. The last major repair of a portion of the lots occurred in 2012. All lots are now in need of resurfacing with some requiring significant reconstruction due to normal usage and increased deterioration resulting from significant storms since 2015.
- Sidewalks and Walkways – Francis Marion’s campus has miles of sidewalks and walkways. The University annually seeks to ensure the safety of our walkways through resurfacing and repair. The majority of sidewalks are more than 30 years old and many have suffered substantial damage from roots and settling and require significant repair or replacement. Safe and accessible walkways are a critical component of the university infrastructure.
- Building Components – systems in some of the buildings constructed during the first decade of the university’s existence have exceeded their useful life and require repair to meet the current needs of the institution. These needs primarily consist of HVAC system repair and original restroom facilities in high use buildings.
- Infrastructure – Much of our storm sewer, potable water, sewage, and electrical support systems have significantly outlived their useful life and are in need of planning and repair to prevent future significant failure. Specifically, portions of the storm sewer, sanitary sewer, water delivery, and electrical systems experience increasing failures due to deterioration from age and damage from storms.

While this is not an exhaustive list, upon approval of said funds, the University’s A-1 will better prioritize each need at that time with priority going to these areas of emphasis.

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:	Francis Marion University		
AGENCY CODE:	H180	SECTION:	17

FORM C – CAPITAL REQUEST

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

TITLE	School of Education / School of Business Building
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Provide a brief, descriptive title for this request.

AMOUNT	\$23,850,000
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How much is requested for this project in FY 2020-21? This amount should correspond to the total for all funding sources on the Executive Summary.

CPIP PRIORITY	This project was first requested in our 2001-02 CPIP. In the current CPIP, the project is listed as priority 8 as a plan year 5 project.
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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	<p>This project was originally established in 2001 after receipt of \$750,000 resulting from a state bond bill. Francis Marion requested funding for this project annually and received an additional \$100,000 in the FY 2015-16 Appropriation Act proviso 118.14.</p> <p>The most recent A-1 approval was to transfer existing project funds to our Honors Building project.</p>
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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	<p>During FY99-00, the University was appropriated \$750,000 to undertake architectural and engineering design work for the School of Business and School of Education Building. Since that time, a Building Program Committee consisting of faculty from both schools has worked with Key Collins Architecture of Florence, SC, to develop the design documents. We have completed the design phase and are ready to begin the construction bidding process. Subsequently, we received an additional \$100,000 in state appropriation in FY2015-16 for this project.</p> <p>If funded, the project would be sustained and operated with other funds on a recurring basis.</p>
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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?

AGENCY NAME:	Francis Marion University		
AGENCY CODE:	H180	SECTION:	17

SUMMARY

This project is to construct an approximately 61,000 square foot building on the campus of Francis Marion University for the School of Education and the School of Business. The building will provide 13 classrooms, one distance learning classroom, 4 computer laboratories, one open computer laboratory, 4 project rooms, a teaching materials center, 50 faculty offices, 2 dean's offices and various support staff facilities. This request includes one-time funding of \$23,850,000 for construction start-up equipment and furnishings.

The Schools of Education and Business currently reside in adjoining buildings constructed in the 1970's. Other disciplines sharing these facilities are the Department of English, Modern Languages & Philosophy, the Department of Political Science and Geography, the Department of History, the Department of Psychology and the Department of Sociology. This new building will afford the opportunity for both the School of Education and the School of Business to reside in a facility designed for and dedicated to the promotion of their respective undergraduate and graduate programs. This building can serve as a focal point for these two disciplines in similar fashion to the campus buildings dedicated to the Fine Arts, the Sciences, and Nursing.

With the goal of enhancing the delivery of undergraduate and graduate instruction for the School of Education and the School of Business, the design will allow the latest technological developments to be included which will provide students and faculty to engage in efficient and effective instruction, career preparation, and research. Additionally, the School of Business offers an undergraduate Computer Science program that will benefit from technological enhancements within the new building.

Consistent with the mission of Francis Marion University on several levels, this facility will enhance the core mission of providing excellent undergraduate and graduate education. The FMU School of Business is accredited by the American Assembly of Collegiate Schools of Business (AACSB).

- Since 1970, the School of Business has conferred over 4,551 bachelor's degrees and, since 1988, it has conferred more than 306 master's degrees.

The Master of Business Administration program has experienced growth in recent years and provides the citizenry of the Pee Dee area an opportunity to continue their education at the graduate level while remaining active in the local workforce. This underscores the University's desire to serve as a catalyst for economic development in the Pee Dee region. Hybrid instructional deliver methods meet the regional needs for flexible instruction and provide opportunities for educational advancement to members of the workforce

The School of Business offers undergraduate majors in Accounting, Business Economics, Economics, Finance, General Business Administration, Management, Management Information Systems, Marketing, and Computer Science as well as graduate degrees in Business Administration and Business Administration with a concentration in Health Management.

The FMU School of Education offers eight undergraduate programs and three graduate programs. The School of Education has received Council for Accreditation of Education Preparation (CAEP) accreditation.

AGENCY NAME:	Francis Marion University		
AGENCY CODE:	H180	SECTION:	17

- Since 1970, the School of Education has conferred more than 2,590 baccalaureate degrees and 2,647 master's degrees.

As statewide statistics suggest, there is a great need to strengthen the education system. Teacher education and preparation is the most important tool to be used in this ongoing effort. The FMU School of Education provides education professionals for South Carolina schools through its undergraduate and graduate programs and supports current teachers through professional development opportunities and programs.

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:	Francis Marion University		
AGENCY CODE:	H180	SECTION:	17

**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	\$555,650 <i>What is the General Fund 3% reduction amount (minimum based on the FY 2019-20 recurring appropriations)? This amount should correspond to the reduction spreadsheet prepared by EBO.</i>
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ASSOCIATED FTE REDUCTIONS	The will be no FTE reductions because of this reduction. <i>How many FTEs would be reduced in association with this General Fund reduction?</i>
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PROGRAM/ACTIVITY IMPACT	The university has elected to have the reduction come from its other operating budget within I.A. E&G unrestricted general funds. In FY2015-16, the university received a general appropriation increase that the university used to establish recurring funds for maintenance and annual cost of the University’s enterprise resource planning system that the University has procured and implemented. We will opt to return the operating budget funds that have been purposed for this initiative. <i>What programs or activities are supported by the General Funds identified?</i>
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SUMMARY	For this analysis, the University sought to identify current state appropriation funds that would have minimal impact on academic initiatives of the University funded by the state if this reduction occurred. As stated in the program impact above, we will reduce general operating appropriations in our I.A. – unrestricted E&G received in FY2015-16 and allocated by the University for the maintenance of the University’s new enterprise resource planning system for this analysis. The University will have to rely on other funds generated by student tuition and fees to fund this initiative. This program could not be deferred and we would have to ensure funds are generated to cover this cost as we have recently entered into a multiple year contract for our ERP system and will not be able to avoid this cost. <i>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.</i>
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AGENCY NAME:	Francis Marion University		
AGENCY CODE:	H180	SECTION:	17

AGENCY COST SAVINGS PLANS	<p>The University continually assess the efficiency and effectiveness of university operations. Extraneous activities are phased out as deemed necessary. Annually, we undertake a comparative review of tuition and fee rates to determine if realignments are necessary. This past year, we froze all tuition and fees to that of the preceding year.</p>
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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?

AGENCY NAME:	Francis Marion University		
AGENCY CODE:	H180	SECTION:	17

FORM F – REDUCING COST AND BURDEN TO BUSINESSES AND CITIZENS

TITLE	The Continuum <i>Provide a brief, descriptive title for this request.</i>
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EXPECTED SAVINGS TO BUSINESSES AND CITIZENS	The Continuum provides technical education opportunities, dual enrollment collegiate courses, business incubation services, and small business assistance to residents in the rural areas of the Pee Dee region. Through private support and community partnerships, these opportunities are readily accessible and provided at minimum expense to South Carolinians in this region <i>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.</i>
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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
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METHOD OF CALCULATION	The University has more than 500 new students enrolled in courses offered at The Continuum. The number of credit hours is one factor of determining effectiveness. The number of businesses and entrepreneurs served through the business incubator and small business assistance programs are another indicator of effectiveness. <i>Describe the method of calculation for determining the expected cost or time savings to businesses or citizens.</i>
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REDUCTION OF FEES OR FINES	N/A <i>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?</i>
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REDUCTION OF REGULATION	N/A <i>Which regulations does the agency intend to amend or delete? What is the enabling authority for the regulation?</i>
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SUMMARY	The Darla Moore Foundation, Florence Darlington Technical College, and Francis Marion University formed a partnership that resulted in The Continuum. Located in a 46,000 square foot facility provided by private funding, The Continuum offers comprehensive educational programs serving the Pee Dee region. Services offered at The Continuum include technical education programs, dual enrollment university courses, business incubation services, and small business support. The programs provide opportunities for residents in the rural areas of the region that would not be accessible otherwise. <i>Provide an explanation of the proposal and its positive results on businesses or citizens. How will the request affect agency operations?</i>
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