
**SOUTH CAROLINA
COMMISSION ON HIGHER EDUCATION
ANNUAL BUDGET PRESENTATION**

FRANCIS MARION UNIVERSITY

Luther F. Carter, President

August 2008

I. INTRODUCTIONS

- *About the University*
- *University Operating Funds*
- *Education Lottery Programs*
- *Capital Bond Bill Priorities*
- *Designated Requests*
- *Provisos*

II. ABOUT THE UNIVERSITY

Francis Marion University is a four-year, state-supported university established by the state of South Carolina in 1970.

Accreditation

- Francis Marion University is fully accredited by the Southern Association of Colleges and Schools (SACS). In 2008, the University has been completing the re-accreditation process.
- The FMU School of Business is accredited by the Association to Advance Collegiate Schools of Business (AACSB) International. Accreditation was received in 2000-01 for ten years.
- The School of Education is accredited by the National Council for Accreditation of Teacher Education (NCATE) and approved by the SC Board of Education under standards developed by the National Association of State Directors of Teacher Education and Certification (NASDTEC).
- In the College of Liberal Arts a number of departments and programs are accredited by specialized accrediting agencies. Chemistry is approved by the Committee on Professional Training of the American Chemical Society. The graduate psychology program is accredited by the Master's in Psychology Accreditation Council (MPAC) and the Council of Applied Master's Programs in Psychology (CAMPP). The theatre arts program is accredited by the National Association of Schools of Theatre (NAST). The visual arts and art education programs are accredited by the National Association of Schools of Art and Design (NASAD).

National Status

- Francis Marion University is classified by the Carnegie Foundation for the Advancement of Teaching at the level of Master's Colleges and Universities I institutions, one of approximately 500 in the nation and one of four in the state (with the Citadel, College of Charleston, and Winthrop).
- U.S. News and World Report magazine has ranked FMU as one of the South's top 100 master's level universities for the seventh year in a row. For the ninth time in ten years, Francis Marion University was cited as having one of the country's most diverse student bodies. African American enrollment makes up 43% of the undergraduate student body.

Facilities

- The University's physical plant is valued at \$195 million. Buildings and their contents are estimated respectively at \$166 million and more than \$28 million.

Construction

- The University is in the midst of a program of construction and improvements of campus facilities. The following are some of the major projects:
 - Forest Villas student housing (Phase I) - Constructed 2004
 - Lee Nursing Building - Constructed 2005-06
 - The Grille (student center) - Constructed 2005-06
 - Forest Villas student housing (Phase II) - Constructed 2006-07
 - Center for the Child – Constructed 2007-08
 - Center for the Performing Arts – Construction to be completed 2009

Employer

- The University is a major employer in the Pee Dee Region with 249 Faculty members, of whom 202 are full-time faculty. 79% of full-time faculty hold doctoral or terminal degrees from America's leading universities.
- In addition, there are 310 staff members whose jobs support the University's academic mission. 281 are full-time and 29 part-time.

Alumni

- The University has a total alumni base of 16,760 with 81% living in South Carolina and 53% residing in the Pee Dee region.

Foundation

- The institution's first capital campaign, the "Campaign for Excellence," has achieved much success. Announced publicly in July 2001, this five-year effort had an original goal of \$12 million. To date, the University has received over \$47.7 million in cash and pledges.

Student Demographics – Fall 2007

- 3,864 total headcount enrollment; 3,320 Full Time Equivalent (FTE).
- 31% of students are male; 69% are female.

- Students represent 45 South Carolina counties, 32 other states, and 16 foreign countries.
- 95% are from South Carolina; approximately 54% are from the Pee Dee region.
- 82% of Francis Marion University undergraduates receive financial aid in the form of scholarships, grants, loans, and student employment programs. In 2007-08 more than \$35 million in financial assistance was awarded. The South Carolina Education Lottery benefited 1,166 FMU students who received LIFE, HOPE, and Palmetto Fellow scholarships totaling over \$5.7 million.
- Many of our students are the first in their family to go to college.

Academic Programs

- The University takes pride in providing a strong liberal arts foundation in a broad range of undergraduate majors. The University also offers two professional schools in education and business. At the graduate level, FMU offers programs in business, education and psychology. In 2005 FMU began offering a bachelor's degree in nursing.
- The faculty-student ratio is 1 to 15, and the average class size is 22.
- All classes are taught by professors, not graduate students.
- Exchange Programs – Francis Marion University has developed student exchange programs with universities in Switzerland, Germany, France, England, Mexico, and Australia.

Athletics

- At Francis Marion University, the athletic program is an integral part of the University's educational program, not a separate self-supporting auxiliary enterprise.
- The overall grade point average and graduation rate of the University's student-athletes exceeds that of the overall University student body.
- FMU annually ranks among the conference leaders in the number of student-athletes named to the Peach Belt Conference Presidential (academic) Honor Roll, which requires a 3.0 grade point (or B) average. This past year, a record 91 student-athletes from FMU earned this honor (more than half of our total number of student-athletes).
- The University has an outstanding NCAA athletic program with six sports each for men and women. Two sports compete at the Division I level and the rest under Division II affiliation.
- In its 38-year history, Francis Marion has captured five national championships in three different sports and garnered 49 conference or district titles.
- Six of the University's squads advanced to NCAA post-season competition in 2007-08, including the women's basketball and women's tennis teams which were awarded the right to host NCAA regional tournaments. Five teams were nationally ranked during the year, with three finishing in the Top 10.
- During 2007-08, three Patriots student-athletes earned All-American honors and one student-athlete was named an Academic All-American. For the second year in a row, a female tennis player from FMU earned the Mid-Atlantic Region's

Intercollegiate Tennis Association/Arthur Ashe Jr. Award for Leadership and Sportsmanship.

- The baseball program currently has five players in the professional ranks.
- The women's softball team advanced to the Elite Eight of the 2008 NCAA National Tournament in Houston, Texas, and along the way played in its first nationally televised game on CBS College Sports (formerly CSTV).
- The Patriot men's tennis team earned its 12th invitation to the NCAA Tournament in the past 14 seasons and advanced to the Elite Eight in Houston, Texas, while the women's tennis team made its eighth trip to the NCAA Tournament in the past 14 years and also advanced to the NCAA Elite Eight in Houston.
- Francis Marion has an active chapter of Chi Alpha Sigma, the National College Athlete Honor Society. Over the past eight years, 63 different Patriot student-athletes have earned induction.

III. UNIVERSITY OPERATING FUNDS

Source of Funds

- In 2008-09 the University's general fund is supported 39.9% by state appropriations and 60.1% by student fees and other miscellaneous revenue.

State Appropriations

- The University's 2008-09 state appropriation covers continued earmarked funding for the University's Nursing Program, Small & Minority Business project, Women and Minorities in Science and Math, the Early Childhood program, the Rural Assistance Initiative, the Teacher Education Initiative, and the Accreditation & Program Enhancement project.

Expenditures

- 58.2% of our general fund expenditures are for wages and salaries, 17.2% for employer contributions, and only 24.6% are for operating expenses which include new, dedicated projects and fixed costs such as utilities, insurance, and the maintenance of University facilities.

Budget

- In preparing the University's annual budget, our goal has been to control administrative costs while continuing to strive for academic excellence, to enrich student life, and to preserve the state's investment in the University's physical plant.
- Francis Marion University has been fortunate that student enrollment has grown over the last several years, with undergraduate growth since 2002 having increased by more than 15.8%. This increase in enrollment has been tremendously enhanced by the General Assembly through the availability of lottery-funded scholarship awards to our students.
- The University has for the most part been able to hold the line on operating expenses with the exceptions being externally driven increases for fuel, utilities,

insurance, and other fixed costs. Expenses for personnel have continued to rise to cover the needs of new programs, annualizations of raises, and the increased costs of health insurance and other employer contributions.

Required Student Fees

- In 2008-09, average fees for the research and teaching sectors are \$4,269 per semester, which is \$453 above Francis Marion University's rate of \$3,816. Fee rates for 2008-09 range from USC Beaufort at \$3,500 per semester to Winthrop at \$5,530.

Housing

- Constructed through the Francis Marion University Real Estate Foundation, Phase I of the Forest Villas apartments opened in Fall 2004 providing 237 new beds on campus. At that time, FMU further contracted with Capstone Management to manage all on-campus housing which has enhanced the residential student experience at the University. Phase II of the Forest Villas Apartments opened for the Fall of 2007 and provides an additional 190 beds which, including the Village Apartments and the Residence Halls, brings total beds available on campus to 1,539.

Summary

- Additional information regarding the University's revenues and expenditures for this fiscal year is provided in the Financial Review which accompanies the University's information packet.

IV. EDUCATION LOTTERY PROGRAMS

Lottery Funded Scholarships

- 2007-08 - \$6.4 Million
The educational opportunities made available to students in the Pee Dee and South Carolina by scholarships funded from the Education Lottery have been significant in FMU's enrollment increases over the last few years. Lottery-funded scholarship awards for 2007-08 were as follows:
 - 915 students received the LIFE and LIFE Enhancement Scholarships, totaling \$4,879,644
 - 201 students received the HOPE Scholarship, totaling \$508,200
 - 639 students received Need Based Grants, totaling \$665,366
 - 50 students received Palmetto Fellow and Palmetto Fellow Enhancement Scholarships, totaling \$392,004
- 2008-09 – Projected Need \$6.5 Million
Lottery-funded scholarships to Francis Marion University students for 2008-09 are estimated to exceed \$6.5 million.

Technology Grants

- In 2007-08, the Education Lottery provided \$523,895 in Technology Grant Funds to Francis Marion University's instructional departments, library, and academic support programs. Awards for the last five years have averaged approximately \$531,000. The South Carolina Education Lottery's funding of technology needs has made a significant impact on the University's ability to maintain reasonable standards of technological capability over the last six years.

V. CAPITAL BOND BILL PRIORITIES

Priority 1 - School of Education-School of Business Building

- Francis Marion University's first Capital Bond Bill priority is the construction of a new 61,000 square foot School of Education-School of Business Building. This building would provide classrooms, computer labs, and offices to two of the University's largest undergraduate and graduate degree programs and would contain the latest technological media for instructional delivery. The new School of Education-School of Business Building would be designed for and dedicated to the promotion of these two major programs as they serve as a resource to this part of the state and as they prepare educators and business leaders for South Carolina.
- **Request - \$21,250,000.** In FY2000, \$750,000 was provided for architectural and engineering design work.

Priority 2 –Founders Hall Renovation

- Founders Hall, built in 1970, is the University's oldest classroom building. It covers two floors and houses 26 classrooms and labs and 99 offices in a 76,366 square foot structure. Facility renewal is requested in the form of replacement or improvements of the HVAC, carpeting, ceilings, interior finishes, obsolete security systems, and lighting systems.
- **Request - \$8,000,000**

Detailed justification for each of these requests accompanies this report.

VI. DESIGNATED REQUESTS

Nurse Practitioner Program - \$750,000 recurring

- Francis Marion University requests \$750,000 in recurring funds for a Nurse Practitioner Program.
- With the successful expansion of the Bachelor of Science in Nursing program at FMU and with the completion of the new Frank B. Lee Nursing Building, Francis Marion University is addressing the shortage of nurses in the Pee Dee Region and the State of South Carolina. As part of that effort, Francis Marion University seeks additional funding in order to establish a Nurse Practitioner program to be housed within the Department of Nursing at FMU.

- The Nurse Practitioner program will address the following demonstrated needs in the region and the state:
 - The need for additional education and clinical training in order to deal with increasingly complex health issues.
 - The need for graduate education to prepare Nurse Practitioners to provide a range of health care services to the citizens of the state. In the rural sections of South Carolina, on average there are only one-fourth the number of nurse practitioners as in urban areas of the state. According to the American Academy of Nurse Practitioners, North Carolina has eight accredited NP programs, Georgia has ten, and South Carolina has only three.
 - The need for nurses with Master's degrees who will be qualified to teach in technical colleges and four year institutions to help address the shortage of nursing faculty in two year and four year nursing programs. It is worth noting that vacant teaching positions already limit the capacity of nursing programs to produce associate degree and baccalaureate-prepared RNs, and it is further anticipated that many nursing faculty will retire during the next five years.

Biotechnology Initiative - \$500,000 recurring

- Francis Marion University requests an appropriation of \$500,000 recurring for a biotechnology initiative that will enhance the University's capacity to undertake research and development projects in the area of bioscience and biotechnology.
- This initiative will be housed in FMU's Department of Biology and among other ventures will facilitate the study of plants (trees, grasses, agricultural crops, and other biomatter) and how such plant materials can be converted into alternative fuels (e.g., ethanol, biodiesel, etc.).
- Located in one of South Carolina's principal regions, FMU is strategically-placed to conduct research and development activities on alternative fuels produced from plant matter. The University has strong Biology, Chemistry, and Physics departments which have already undertaken small-scale research projects in the area of alternative fuel production and established the basis for collaboration with other institutions in pursuing biofuels research and related biotechnology projects.
- The initiative represents an investment in biotechnology and bioindustry that will produce tangible economic benefits for the Pee Dee region and the state and will produce a better-educated workforce to support bioscience and biotechnology companies in the state.
- Furthermore, the biotechnology initiative will allow FMU to move toward a baccalaureate degree program in biotechnology engineering that will provide a joint engineering degree program for the northeastern section of South Carolina, a region that is currently without a four-year engineering program.

VII. PROVISOS

Francis Marion University requests no proviso changes, additions, or deletions.

VIII. CLOSING REMARKS

Francis Marion University strives to promote the economic, cultural, and educational development of the Pee Dee region and the state of South Carolina. The University's primary purpose is to make available to people of all ages and origins an excellent baccalaureate education in the liberal arts and selected professional programs in business, education, and nursing, and to further make available a high quality education at a reasonable cost to all citizens of South Carolina.

We are a state of diverse interests and priorities, united by the compelling need to educate the children and the citizens of our state. The State General Assembly, through their support of Francis Marion University and all of higher education, continues to build the future of this state.

I want to thank you all for your continued support and your dedication to the best interests of South Carolina.

FRANCIS MARION UNIVERSITY CAPITAL BOND BILL PRIORITIES – FISCAL YEAR 2009-10

Agency Number: H18

Name: Francis Marion University

Priority Number: 1 of 2

Description of Priority: School of Education/School of Business Building

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 \$21,250,000 for construction and start-up equipment and furnishings.

Detailed Justification for Funding:

The Schools of Education and Business currently reside in adjoining buildings constructed in the 1970's. Other disciplines currently sharing these facilities are the Department of English, Modern Languages & Philosophy, the Department of Political Science, History & Geography, and the Department of Psychology & Sociology. These facilities are in desperate need of renovation in order to extend their service life. Funding for this renovation is being requested as a separate capital budget priority for the University. This new building will afford the opportunity for both the School of Education and the School of Business to reside in a building 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 buildings dedicated to the Fine Arts and the Sciences already on campus.

With the goal of enhancing the delivery of undergraduate and graduate instruction for the School of Education and the School of Business, the flexibility of the design will allow the latest technological developments to be included in the completed building to positively affect instructional delivery. Additionally, the School of Business offers an undergraduate Computer Science program that should also 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 has the distinction of American Assembly of Collegiate Schools of Business (AACSB) accreditation.

- Since 1970, the School of Business has conferred over 3,994 bachelor's degrees and, since 1988, it has conferred more than 248 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 to a graduate level while still remaining active in the local workforce. This underscores the University's desire to serve as a catalyst for regional development in the Pee Dee region. Now, more than ever, there is a regional need for the opportunities afforded by higher education.

The School of Education has received National Council for Accreditation of Teacher Education (NCATE) accreditation.

- Since 1970, the School of Education has conferred more than 2,394 baccalaureate degrees and 2,452 master's degrees.

As statewide statistics suggest, there is a great need to strengthen our education system. Teacher education and training is the most important tool to be used in this ongoing effort.

Though the impact of future lottery scholarships remains unknown, the expansion of technical education opportunities may coincidentally provide additional students seeking to advance their associate degrees to baccalaureate or master's degrees. Furthermore, the School of Business is comprised of undergraduate majors in Accounting, Business Economics, Economics, Finance, General Business Administration, Management, Management Information Systems, Marketing, and Computer Science. These fields would be conducive to students seeking to advance their educational level in a University setting. If additional business education is desired beyond this point, students can seek an MBA or an MBA with a concentration in Health Management.

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, made up of faculty of both Schools, has worked with architects, 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.

Total Project Cost Estimates:	Additional State Funds	Previously Authorized State Funds	Total Other Fund Sources	Project Total
\$22,000,000	\$21,250,000	\$750,000		\$22,000,000

Justification for First Full Year and Additional Years Annual Operating Costs:

For annual operations, utility costs are estimated at \$240,000 annually. Estimated total first year operating costs are \$290,500 and will be required as recurring state appropriations. No new FTE's are required for the operation of this facility.

FRANCIS MARION UNIVERSITY CAPITAL BOND BILL PRIORITIES – FISCAL YEAR 2009-10

Agency Number: H18 **Name:** Francis Marion University

Priority Number: 2 of 2

Description of Priority: Founders Hall Renovation

This project is to renovate the 76,366 square foot Founders Hall, the University's oldest classroom building, which covers two floors and houses 26 classrooms and labs and 99 offices. Renovation will address items of facility renewal such as replacement of the HVAC and lighting systems for improved energy efficiency, replacement of carpeting, ceilings, interior finishes, obsolete door locks and cores, and replacement of classroom seating. This request includes one-time funding of \$8,000,000 for renovation of the facility.

Detailed Justification for Funding:

Founders Hall was constructed in 1974 and as the first of the University's classroom and faculty office buildings has been extensively used. As other buildings were added and the sciences, Math, and Fine Arts departments were moved out of Founders Hall, the University's enrollment growth continued the high usage of this facility. Currently, this building serves the School of Business, the Department of English, Modern Languages, and Philosophy, the Department of Political Science, History, and Geography, the Honors Program, and the Writing Center.

This renovation seeks to update and replace interiors throughout Founders Hall that are both worn and dated. These interiors show the cumulative effects of age and heavy use and are in critical need of renovation. Ceiling tiles will be cleaned or replaced. Doors, interior walls and trim will be repainted. Carpeting will be replaced as will folding walls between classrooms. Obsolete door locks and cores will be addressed. Improved student seating will be furnished. The exterior be repainted. In addition, the HVAC and lighting systems will be replaced.

Upon completion, this renovation will result in recurring cost savings to the University due to replacement of energy-inefficient HVAC and lighting systems and subsequent decreases in preventative maintenance and deferred maintenance costs.

- The HVAC system will be replaced with a modern energy-efficient system estimated to save \$22,000 annually in energy consumption.
- The new lighting system is projected to save \$19,776 annually due to improved efficiency.
- These projected savings combine to over \$41,766 annually.

As this building has provided and will continue to provide instructional classrooms and faculty offices, its appearance and functionality are of great importance to the mission of the University to provide an excellent educational environment.

Structurally, the moveable walls along with the use of pre-cast concrete for construction have not been conducive to the addition of instructional technology media to the classrooms. As a result, the most fundamental use of information technology to enhance educational media has been delayed or in some cases has been completely lacking from these classrooms. This has had a negative impact on the sophistication of instruction for our students and on their need for exposure through their classrooms and labs to the modern technology found in the average workplace today.

The center of the University’s mission is the instruction of our students and fundamental to the success of our mission are attractive and functional classroom facilities that provide an environment where our students can learn and can achieve the education they and our state require. The renovation of Founders Hall will assist the University enormously in achieving that goal.

Total Project Cost Estimates:	Additional State Funds	Previously Authorized State Funds	Total Other Fund Sources	Project Total
\$8,000,000	\$8,000,000			\$8,000,000

Justification for First Year and Additional Years Annual Operating Costs:

As noted, recurring cost savings due to improvements in HVAC and lighting are estimated at approximately \$41,766 annually. Reductions in maintenance and deferred maintenance are also of consequence. Additional recurring funding for operating costs is not requested. Nor is there a request for additional FTE’s or personal services funding.