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# **South Carolina Commission on Higher Education**

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## **Annual Budget Presentation**

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**FRANCIS MARION UNIVERSITY**

Luther F. Carter, President

August 2011

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## I. INTRODUCTIONS

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## 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 successfully completed the re-accreditation process.
- The FMU School of Business is accredited by the Association to Advance Collegiate Schools of Business (AACSB) International.
- 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).
- The University's Nursing Program is accredited by the National League for Nursing Accrediting Commission (NLNAC).
- 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 the Master's Colleges and Universities I institutions.
- U.S. News and World Report magazine has ranked FMU for more than a decade as one of the best regional universities in the South.

### **Facilities**

- The University's physical plant is valued at \$241 million. Buildings and their contents are estimated respectively at more than \$210 million and \$31 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
  - Gail & Terry Richardson Center for the Child – Constructed 2007-08
  - Center for the Performing Arts – Completed 2011
  - Dining Hall Renovation – Renovations completed 2011
  - Office Services Building – Construction begun 2011
  - University Athletic Complex – Construction begun 2011

### **Employer**

- The University is a significant employer in the Pee Dee Region and employs 265 Faculty members, of whom 205 are full-time. 79% of full-time faculty hold doctoral or terminal degrees from America's leading universities and nearly 50% are tenured.
- Staff members whose jobs support the University's academic mission number 324, of whom 291 are full-time and 33 part-time.

### **Alumni**

- The University has a total alumni base in excess of 18,000 with 78% living in South Carolina and 58% residing in the Pee Dee region.

### **Foundation**

- As of December 31, 2010, the FMU Foundation's assets are over \$24.5 million. The Foundation continues to secure private donations and to facilitate various outreach initiatives such as the Non Profit Leadership Institute, Rural Area Leadership Institute, and the creation of a preventative health care and pediatric dental initiative. The Foundation has also embarked upon a very aggressive campaign to secure dollars to fund need based scholarships.

### **Student Demographics – Fall 2010**

- 4,032 total headcount enrollment; 3,562 Full Time Equivalents (FTEs).
- 32% of students are male; 68% are female.
- Students represent 45 South Carolina counties, 33 other states, and 17 foreign countries.
- 95% are from South Carolina; approximately 53% are from the Pee Dee region.
- 83% of Francis Marion University undergraduates receive federal financial aid in the form of grants, loans, and student employment programs.
- 96% of Francis Marion University undergraduates and graduates receive some form of financial assistance (scholarships, grants, loans, and student employment programs).
- In 2011-12 more than \$55 million in financial assistance will be awarded.
- The South Carolina Education Lottery benefited 1,176 FMU students who received LIFE, HOPE, and Palmetto Fellow scholarships totaling \$5.8 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. The School of Business, in conjunction with the Medical University of South Carolina, offers the MBA with a concentration in health management.
- The faculty-student ratio is 1 to 15, and the average class size is 21.
- All classes are taught by professors, not graduate students.
- Exchange Programs – Francis Marion University has developed student exchange programs with universities in Germany, France, England, Ireland, Mexico, and Canada.

### **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, 82 student-athletes from FMU earned this honor (nearly 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 41-year history, Francis Marion has captured five national championships in three different sports and garnered 52 conference or district titles.

- In January 2011, construction began on the Griffin Athletic Complex (located across the street from the FMU campus), which includes a fieldhouse, baseball stadium, softball stadium, soccer stadium, and lake.
- Five of the University's squads advanced to NCAA post-season competition in 2010-11, including the baseball team which advanced to the Southeast Region championship game. Four teams were nationally ranked during the year, and six of the 10 squads that compile won-loss records posted winning marks.
- This past year, both the FMU men's soccer team and the women's tennis team were awarded Peach Belt Conference Team Sportsmanship Awards (for their respective sports) for the third consecutive year.
- During 2010-11, four FMU student-athletes earned All-America honors and one earned honorable mention All-America recognition. Six student-athletes gained Academic All-America honors.
- Two former Francis Marion student-athletes are among 26 recipients of \$6000 scholarships from the NCAA as part of its Ethnic Minority and Women's Enhancement Postgraduate Scholarship for Careers in Athletics program.
- The baseball program, which ended 2011 ranked ninth nationally, currently has six players in the professional ranks.
- This season, a former FMU women's soccer player earned a starting position with the WPS's Atlanta Beat. She previously played with Sky Blue FC, with whom she also visited the White House after that franchise won the league title.
- In 2011, the Patriot men's tennis team earned its 15th invitation to the NCAA Tournament in the past 17 seasons.
- This fall for the second consecutive year, FMU will serve as host for the USTA/ITA Southeast Regional Tennis Tournament at Palmetto Tennis Center in Sumter, S.C.
- The FMU women's cross country squad earned an All-Academic Team award from the USTFCCCA (for the second year in a row), while the volleyball team garnered an AVCA Team Academic Award for the second consecutive year.
- Francis Marion has an active chapter of Chi Alpha Sigma, the National College Athlete Honor Society. Over the past 11 years, 99 different Patriot student-athletes have earned induction.
- FMU graduate and former women's basketball player Pearl Moore was among the 2011 induction class for the Women's Basketball Hall of Fame in Knoxville, Tennessee.

### **III. UNIVERSITY PRIORITIES AND PLANS FOR 2011-12**

The University's major priorities and plans for 2011-12 include the following areas:

- Continue the development of programs in the area of health care, such as the pending Master of Science/Family Nurse Practitioner and Master of Science/Nurse Educator programs.
- Continue to develop outreach programs that serve the Pee Dee region and the state of South Carolina, such as Non-Profit Leadership Institute, Advancing Rural

Community Health, Rural Leadership Institute, and the new partnership with Hope Health.

- Continue to develop extension activities that bring educational programs to areas of need in the Pee Dee region, such as the centers in Marion and Lake City.
- Pursue implementation of the I-95 Corridor Plan, which stems from the I-95 Corridor Study sponsored by Francis Marion and South Carolina State Universities.
- Collaborate with Teach for America by serving as the host university and providing professional development support for TFA teachers assigned to school districts in Pee Dee counties and Orangeburg County.
- Along with other higher education institutions, FMU will focus on the development and implementation of Accountability Based Funding criteria.
- Depending on the final outcome of congressional redistricting, FMU may seek changes in the University's enabling legislation regarding the composition of its Board of Trustees.

#### IV. UNIVERSITY OPERATING FUNDS

##### Funding and Expenditures

- The University's 2011-12 E&G budget is funded 21.6% from state appropriations and 78.4% from student fees and other miscellaneous revenue. Personnel costs, including employer contributions, make up 76% of our budget, and operating expenses, including utilities, fixed costs, and the maintenance of University facilities, account for 24%.

##### State Appropriations

▪ <b>2008-09 Agency Base Appropriation</b>	\$19,397,460
Reductions prior to July 1	(635,429)
Addition to offset Pay Plan	143,559
2008-09 Reductions (22.35%)	<u>(4,225,157)</u>
Agency Appropriation Total 2008-09	\$14,680,433
Net Difference from Original Base to Adjusted Total	-24.3%
▪ <b>2009-10 State Appropriation:</b>	\$14,685,616
2009-10 Reductions (8.84%)	(1,297,538)
Agency Appropriation Total 2009-10	\$13,388,078
Net Difference from Original Base to Adjusted Total	-8.8%
▪ <b>2010-11 State Appropriation:</b>	\$10,576,581
Health/Dental Insurance – additional	126,469
Agency Appropriation Total 2010-11	\$10,703,050
Net Difference from Original Base in 2008-09	-44.8%
▪ <b>2011-12 State Appropriation:</b>	\$10,167,897
Net Difference from Original Base in 2008-09	-47.6%

### **Stimulus Funding FY10 and FY11**

- 2009-10 Stimulus Award \$2,588,272
- 2010-11 Stimulus Award \$2,811,497
- Funds received under the State Fiscal Stabilization Fund program enabled the University to address a list of projects which includes the replacement of selected classroom seating and the purchase of instructional equipment for the University's academic departments and Rogers Library.

### **Capital Reserve Award – 2011-12**

- The Capital Reserve award for deferred maintenance will allow the University to make renovations to Founders Hall, our oldest classroom building; repairs to the Rogers Library's HVAC system; re-roofing the Smith University Center; and various smaller projects.

### **Steps Taken by the University to Address the Decline in Appropriations**

- Francis Marion University has endeavored to address the decline in state appropriated revenue while maintaining the value of our academic instruction.
- During the period between 2008-09 and 2011-12, it was necessary for the university to enact the following steps to maintain fiscal stability:
  - Reduced University operating budgets
  - Left unfilled positions that became vacant.
  - No employees laid-off or furloughed.
  - Reduced various outreach programs and sought other resources
  - Increased student fees
  - Increased the number of full-time students enrolled
  - Expanded the enrollment of our Nursing Program

### **Required Student Fees**

- In 2011-12 Francis Marion University increased required fees by 3.8% to \$4,401 per semester for a full-time, South Carolina resident, undergraduate student.

## **V. EDUCATION LOTTERY PROGRAMS**

### **Lottery Funded Scholarships**

- 2010-11 - \$6.8 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 over the last few years. Lottery-funded scholarship awards for 2010-11 were as follows:
  - 906 students received the LIFE and LIFE Enhancement Scholarships, totaling \$4,821,493
  - 213 students received the HOPE Scholarship, totaling \$529,647
  - 695 students received Need Based Grants, totaling \$1,053,124

56 students received Palmetto Fellow and Palmetto Fellow Enhancement Scholarships, totaling \$453,700

- 2011-12 – Projected Need \$7.5 Million  
Lottery-funded scholarships needed for Francis Marion University students for 2011-12 are estimated to exceed \$7.5 million.

### **Technology Grants**

- For 2009-10, the university received a total of \$322,248 in Technology Grant Funds distributed in FY10 and FY11.
- For 2010-11, the University received \$290,561 in Lottery Technology Funds.
- These funds are used by Francis Marion University's instructional departments, library, and academic support programs. 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.

## **VI. 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 - \$23,250,000.** 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**

For detailed justification for each of these requests, please see pages 11 – 14.

## **VII. DESIGNATED REQUESTS**

### **Nurse Practitioner Program - \$750,000 recurring**

- Francis Marion University is requesting \$750,000 in recurring funds for its Nurse Practitioner and Nurse Educator graduate programs. The Advisory Committee on

Academic Programs of the CHE approved the Program Planning Summary for the Nurse Practitioner degree program on July 12, 2011, and will consider the Program Planning Summary for the Nurse Educator degree program at its October meeting. The Nurse Practitioner program is the top priority of the Pee Dee Health Education Partnership, a consortium of FMU, USC, McLeod Health, and Carolinas Hospital that was approved by the Commission on Higher Education in October 2008.

- 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 and a Nurse Educator program to be housed within the Department of Nursing at FMU.
- The Nurse Practitioner and Nurse Educator degree programs 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.

#### **Physician Assistant Degree Program - \$750,000 recurring**

- Francis Marion University is requesting an appropriation of \$750,000 recurring for its Master's level Physician Assistant initiative.
- In June 2008 a special ad hoc committee completed a needs assessment and feasibility study for a new Master's level Physician Assistant program at Francis Marion University. The study concluded that a PA program is both feasible and critically needed. Locating the program at FMU and emphasizing the care of vulnerable populations would significantly improve the chances that PA students would choose to practice in the Pee Dee region and other rural and underserved areas in South Carolina.
- Rural counties struggle to recruit physicians and physician assistants. According to the forecasts of the US Bureau of Labor Statistics, South Carolina needs a new Physician Assistant program, as at present there is only one such program in the state. Furthermore, with the cooperation of the USC School of Medicine, FMU is ideally positioned to develop a new PA program to benefit the Pee Dee region and the state and can do so through the Pee Dee Health Education Partnership.

Locating the program at FMU and emphasizing the care of vulnerable populations would enable the Pee Dee region to “grow its own” physician assistants who can then help meet the health care needs of this impoverished and rural area of South Carolina.

## **VIII. PROVISOS**

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

## **IX. CLOSING REMARKS**

Francis Marion University continues to strive to promote the economic, cultural, and educational development of the Pee Dee region and the state of South Carolina. The University further holds to its primary purpose 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.

The State General Assembly, through their support of Francis Marion University and all of higher education, continue 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 2012-13**

**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 \$23,250,000 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 4,274 bachelor's degrees and, since 1988, it has conferred more than 277 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 2,496 baccalaureate degrees and 2,560 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.

<b>Total Project Cost Estimates:</b>	<b>Additional State Funds</b>	<b>Previously Authorized State Funds</b>	<b>Total Other Fund Sources</b>	<b>Project Total</b>
\$24,000,000	\$23,250,000	\$750,000		\$24,000,000

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

For annual operations, utility costs are estimated at \$270,000 annually. Estimated total first year operating costs are \$310,500 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 2012-13**

**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.

<b>Total Project Cost Estimates:</b>	<b>Additional State Funds</b>	<b>Previously Authorized State Funds</b>	<b>Total Other Fund Sources</b>	<b>Project Total</b>
\$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.