

South Carolina Commission on Higher Education

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Ms. Dianne C. Kuhl, Vice Chair
Mr. Paul O. Batson, III
Mr. Devron H. Edwards
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Vice Admiral Charles Munns, USN (ret.)
Mr. Kim F. Phillips
Ms. Terrye C. Seckinger
Dr. Evans Whitaker

Mr. Jeffrey M. Schilz
Interim President and Executive Director

TO: Ms. Dianne Kuhl and Members of the Finance & Facilities Committee

FROM: Mr. Edward Patrick, Director of Fiscal Affairs

SUBJECT: Committee Meeting, May 11, 2017

DATE: May 4, 2017

A meeting of the Finance & Facilities Committee is scheduled to **be held in the Commission's Main Conference Room at 9:30 a.m. on Thursday, May 11.** The agenda and materials for the meeting are enclosed.

***To access the Teleconference, enter: 800-503-2899; Access Code: 737-4620**

If you have any questions about the materials, please contact me at (803) 737-2228.

Enclosures

COMMITTEE ON FINANCE & FACILITIES
MAY 11, 2017
9:30 A.M.
MAIN CONFERENCE ROOM
SOUTH CAROLINA COMMISSION ON HIGHER EDUCATION
1122 LADY STREET, SUITE 300
COLUMBIA, SC 29201

AGENDA

- 1. Introductions**
- 2. Approval of Minutes of April 6, 2017**
- 3. Chair's Report**
- 4. Interim Capital Projects**
 - A. Clemson University
 1. Tennis Center Construction
 - Increase Construction Budget
 - B. Francis Marion University
 1. Final Land Acquisition
 - Old Post Office
 - C. University of South Carolina – Columbia
 1. Classroom/Laboratory Redevelopment (Old Law School Renovation)
 - Increase Construction Budget
 2. 1800 Gervais Street Property Acquisition
 - Increase Budget
- 5. Other Business (*For Information, No Action Required*)**
 - A. List of Capital Projects & Leases Processed by Staff for March and April, 2017
 - B. Other Business

MINUTES

COMMITTEE ON FINANCE AND FACILITIES

APRIL 6, 2017

9:30 A.M.

MAIN CONFERENCE ROOM

SC COMMISSION ON HIGHER EDUCATION

1122 LADY STREET, SUITE 300

COLUMBIA, SC 29201

Committee Members Present

Commissioner Dianne Kuhl

Commissioner Paul Batson

Commissioner Ken Kirkland

Commissioner Kim Phillips

Ms. Carol Routh

Mr. John Runnon (via phone)

Mr. Patrick Wamsley

Mr. Greg Weigle (via phone)

Committee Members Not Present

Commissioner Louis Lynn

Staff Present

Mr. Edward Patrick

Ms. Carrie Eberly

Dr. John Lane

Ms. Yolanda Myers

Mr. Morgan O'Donnell

Guests Present

Chairman Tim Hofferth

Commissioner Terry Seckinger

Commissioner Devron Edwards

Ms. Beth Bell

Mr. Brett Dalton

Mr. Michael Hughes

Ms. Rachel Jones

Ms. Lisa Montgomery (via phone)

Mr. Rick Kelly

For the record, notification of the meeting was made to the public as required by the Freedom of Information Act.

I. Call to Order

Commissioner Kuhl called the meeting to order at 9:40 a.m. Ms. Myers introduced guests in attendance.

The following matters were considered:

II. Approval of Minutes of Meeting on March 2, 2017

A motion was made (Phillips), and carried (Batson), to approve the minutes of the March 2, 2017 meeting.

III. Interim Capital Projects

The following matters were considered:

A.) Clemson University

- i. Business and Behavioral Sciences Building/Sirrine Hall Replacement
-Increase Construction Budget

Mr. Patrick presented the project stating that the University is requesting approval to increase the construction budget to replace Sirrine Hall, which was built in 1938. This construction project is included on Clemson's Master Plan and on the CPIP for FY 2015. He shared that an on-site visit was performed and the need for this project was observed. According to the financial indicator matrix analytics, the university has an adequate annual plant maintenance and sufficient maintenance reserve balances. Mr. Patrick shared that the source of funds for the project is 100% state institution bond. He stated that Clemson has adequate debt capacity, their debt service will not exceed \$5.7 million and they currently have a debt service capacity of \$20 million per year. Their total debt capacity is \$461M.

Commissioner Kuhl then opened the floor for discussion and noted that this was the first time that we were implementing the new financial matrix.

Commissioner Batson asked what other project could impact the debt capacity and how the debt capacity will change in the next five to ten years. Mr. Patrick replied that the only other project in future that could impact the debt capacity is the Tennis Center. Mr. Brett Dalton, from Clemson University, added that the debt service for the tennis center would be supported by revenues from the athletic programs. He further stated that the university has several renovation projects that they hope to accomplish that were previously submitted through the CPIP process, including Martin Hall and Daniel Hall, which are core facilities included in the bond bill at 100% funding. If they receive funding from the bond bill, it would not impact debt service. The cost of those two projects total \$25M.

In regards to debt capacity change over the next five to ten years, Mr. Dalton stated that by the year 2020, debt will be significantly paid down. Clemson will have the capacity to take on additional debt in the worst case scenario of the bond bill not being approved.

Commissioner Kirkland asked when institutions come into excess money such as a national football championship windfall, why would projects on CPIP still need 100% funding? Shouldn't these additional funds be used as a down payment and provide an equity position for capital projects rather than financing 100% with debt? Some of the excess funds acquired could be set aside for future projects. Mr. Dalton stated that the last state institution bond issued that Clemson received for updating infrastructure all-in rate was 2.25%. Taking cash that has a much higher return on investment would be an unwise decision in the current economic climate. He stated that if financing rates were 8 or 9% percent, it would be a different scenario. He further stated that in South Carolina, there is a statute that requires that state institution debt be paid off in twenty years. Sirrine Hall has been in use since 1938 and had one substantial renovation. Therefore, the effective useful life cycle of that building correlated closely with the life cycle of the asset. Mr. Dalton further stated that if it does not correlate closely, and you are using cash rather than debt, you would be penalizing or forcing current students and families to bear the costs of future generations. He also shared that they utilize the cash for maintenance projects that have a shorter than 20-year useful life and also for critical maintenance projects.

Commissioner Kuhl asked for clarification on the actual amount needed for the project and if Sirrine Hall would be pulled off-line when not in use to reduce operating cost. Mr. Dalton stated that they are anticipating borrowing \$82.5M and that the plans are to utilize the building the entire time as they renovate other projects according to their Master Plan.

With no further questions, it was moved (Batson), seconded (Phillips), and voted to approve the Clemson University project as proposed.

4. Lease Approvals

A. Medical University of South Carolina

1. 165 Cannon Street Garage

Mr. Patrick presented a request from the University to lease a parking garage to accommodate the Shawn Jenkins Children's Hospital and provide MUSC Public Safety with over 10,000 square feet of office space. He stated that the current public safety facility is not ADA compliant and not strategically located to address areas of concern. Maintenance is not included in this lease but the University was able to demonstrate the ability to pay the lease and maintenance costs from the generated revenues. The parking garage is required to be completed prior to the opening of the children's hospital. The maintenance risk for this lease is low but the overall maintenance risk for MUSC is moderate.

Commissioner Kirkland asked if there were additional concerns on the horizon within the next three to five years. Rachel Jones from MUSC stated that their parking needs change and they currently have month to month lease agreements on parking lots until other construction projects are underway. She stated that she is not aware of anything but that could potentially change.

Commissioner Kuhl stated that since most leases are not in final form when presented to this committee, motions for approval should include language indicating that we will accept the lease as written, but if there are any substantial changes they will need to be brought back to this committee.

Chairman Hofferth stated that Commissioner Kuhl will make the determination, in consultation with Mr. Patrick, if a project needs to return to committee.

Mr. Patrick stated that they have asked the staff from the Lease Executive office from the Department of Administration to come and present during the next Executive Committee meeting to discuss their process.

With no further questions, it was moved (Kirkland), seconded (Batson), and voted to approve the University lease as proposed, and that if there are any substantial changes it be brought back to this committee.

2. 22 West Edge

Mr. Patrick presented the Medical University of South Carolina's request to lease 25,000 square feet of office space located at 22 West Edge. Mr. Patrick stated that there is no classroom space for this lease and it is strictly for research. The source of funding is derived from indirect cost generated from MUSC grant and MUHA, the Hospital Authority, subleasing 50% of the leased space. He stated that since maintenance is included in the lease with a thirty-day termination clause, the maintenance risk for this lease is low. Mr. Patrick further stated there is no impact on student tuition since funding is from research grant dollars.

Commissioner Kuhl stated that the terms of the lease negotiation were great given the location of the Medical University and asked if there was a lease agreement with the Hospital Analytics Office. Ms. Jones stated that they did not have a sub-lease with them at this time but plan to, and that their lease would only terminate if MUSC terminates their lease.

Commissioner Kuhl asked if there was any support from the City of Charleston. Mr. Greg Weigle from the Medical University of South Carolina stated that the City of Charleston has contributed land for the development, and is currently building a garage and mitigating some of its stages, and is in partnership with the University.

With no further questions, it was moved (Batson), seconded (Kirkland), and voted to approve MUSC lease as proposed, and that if there are any substantial changes it be brought back to this committee.

5. Other Business *(For Information, No Action Required)*

A. List of Capital Projects and Leases Processed by Staff for February and March, 2017

Ms. Carrie Bundrick presented the list of Capital Projects and Leases processed for the months of February and March 2017 and stated that projects were processed with no issues. She noted that many of the projects came in under budget.

There being no further business, Commissioner Kuhl adjourned the meeting at 11:17 a.m.

Respectfully submitted,

Yolanda L. Myers
Recorder

**Attachments are not included in this mailing but will be filed with the permanent record of these minutes and are available for review upon request.*

Executive Summary

Clemson University – Tennis Center Construction

In conjunction with its 2011 Athletics Master Plan, Clemson is requesting to move forward with the construction of a new Tennis Complex. After evaluating the project scope and preliminary budget, this project initially appeared on the 2014-15 CPIP submission. Clemson's Board of Trustees approved Phase I in April 2016, and as a result, this project was submitted as a Year 1 priority on the 2016-17 CPIP submission. In response to CHE concerns, this project was moved to Year 2 in June 2016. Subsequently, Clemson submitted this project in the interim in August 2016. Phase II approval was received by Clemson's Board of Trustees in February 2017, and the request was successively submitted to CHE.

As an auxiliary project, the construction and associated debt will be supported with non-student revenues. Debt service will be paid with net revenues from Athletics and IPTAY. Specifically, IPTAY has committed to funding \$6.5 million over the life of issuance. When combined with Athletics net revenues, which have averaged \$9.7m over the last 10 years, the estimated maximum debt service of \$9.9 million scheduled to be paid in FY2018 is adequately covered. Maintenance of athletic facilities is supported by the Athletic Operations Fund, which revenue sources include tickets, conference distributions, sponsorships, merchandise, and contributions from IPTAY.

During our campus site visit in March 2017, we had the opportunity to view the current tennis facility. Staff noted that building conditions showed signs of aging and that ADA access to the facility was limited. In addition, differential settlement of the building foundation, roof leaks, and inaccessible restroom facilities were discussed and observed. Although new construction will occur, existing spectator stands, court lighting, and competition courts will remain available for use.

The overall risk assessment for Clemson's financial health is low. Review of historical and projected revenues and expenses for the athletic enterprise exhibited healthy net revenues available to support this project. The athletic debt capacity is sufficient to absorb the projected debt service. The primary concern for this project is the lack of up-front equity contribution.

Capital Project Risk Analysis

Institution: Clemson University

Capital Project: Tennis Center Construction

Date Received: February 9, 2017

Risk: Maintenance

How does the institution budget for annual routine maintenance?

Clemson maintains adequate reserves that are dedicated to the upkeep of current and future capital assets and facilities. Maintenance funds for this facility are provided through annual operations, utilizing the Athletic Improvement Fund. This fund was established to pay for improvements to athletic facilities, which may include new facilities, facility renovations, ongoing maintenance, and renewal needs. As of 12/31/16, the Athletic Improvement Fund had an uncommitted balance of \$3,839,190.

Maintenance Risk Assessment: Low Risk

Risk: Source of Funds

Readily available and traceable?

The source of funds for the Tennis Center Construction is 100% Athletic Revenue Bonds. Currently, Clemson is utilizing \$130.6 million, 65%, of the statutorily allowed \$200m. This bond issuance will utilize an additional 6.5% of the University's bond capacity. In total, approximately 71.5% of the allowed debt capacity will be used. Clemson is targeting a 40-50% aggregate cash funding for the remaining projects in its current Athletics master plan. Clemson has strategically saved up its debt capacity for projects that do not generate fundraising dollars such as the Tennis Center. Athletic projects that are able to generate fundraising will provide funding to support an equity investment. These fundraising supported projects generally will produce higher returns that safeguard the equity investment.

Effect on student affordability?

Student access and affordability will not be affected as a result of this project. The project relies 100% on external revenue sources, through net revenues from Athletics and IPTAY. Tuition and fees will not be affected in order to service the debt, as no fee is assessed to students for Athletic operations or attendance to events.

Source of Funds Risk Assessment: Moderate Risk

Risk: Financial Stability

Based on our review of the financial indicators, there appears to be no current nor projected financial stability concerns. Clemson has favorable trends related to increasing Revenue consistent to increasing Expenses, at both the Institutional and Athletic levels. When combined with IPTAY, Clemson's athletic financial position is sufficient to cover operations and service existing debt. Clemson continues to demonstrate its dedication to maintaining a successful athletic enterprise in the way it strategically manages its athletics debt and cash position.

Financial Stability Risk Assessment: Low Risk

Risk: Debt Capacity

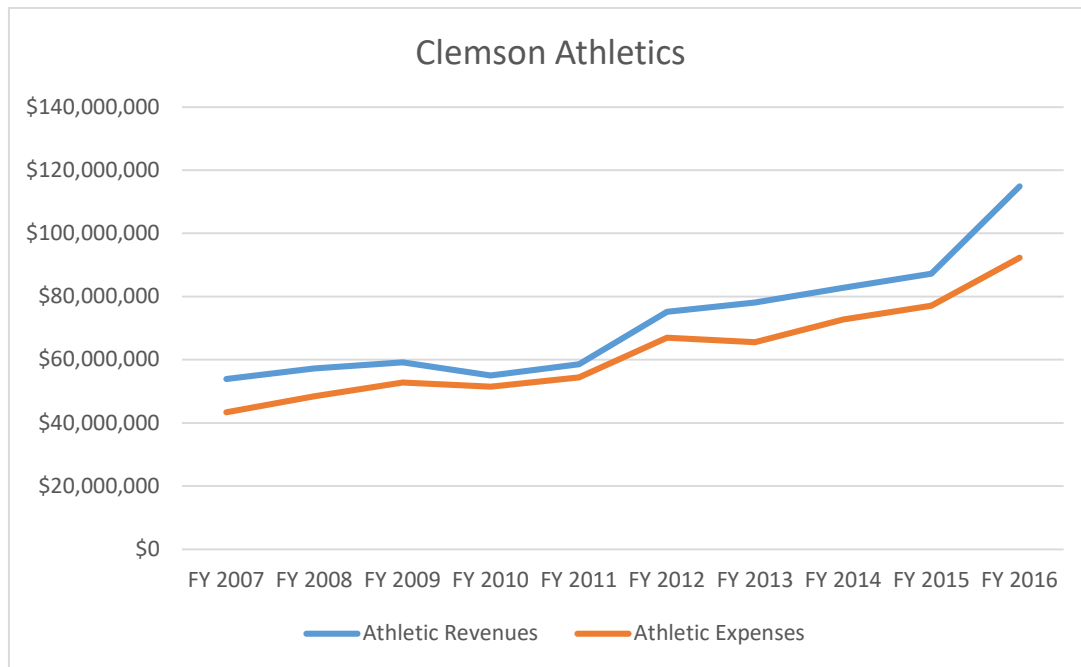
Clemson is statutorily restricted to \$200 million in athletic facility debt. Currently, the University has Athletic debt outstanding in the amount of \$130.6 million. The additional issuance will increase the balance to \$143.1m. The debt service associated with the Tennis project is approximately \$700,000 annually.

Debt Capacity Risk Assessment: Low Risk

Additional Financial Indicators Relevant to Clemson Tennis Construction Project

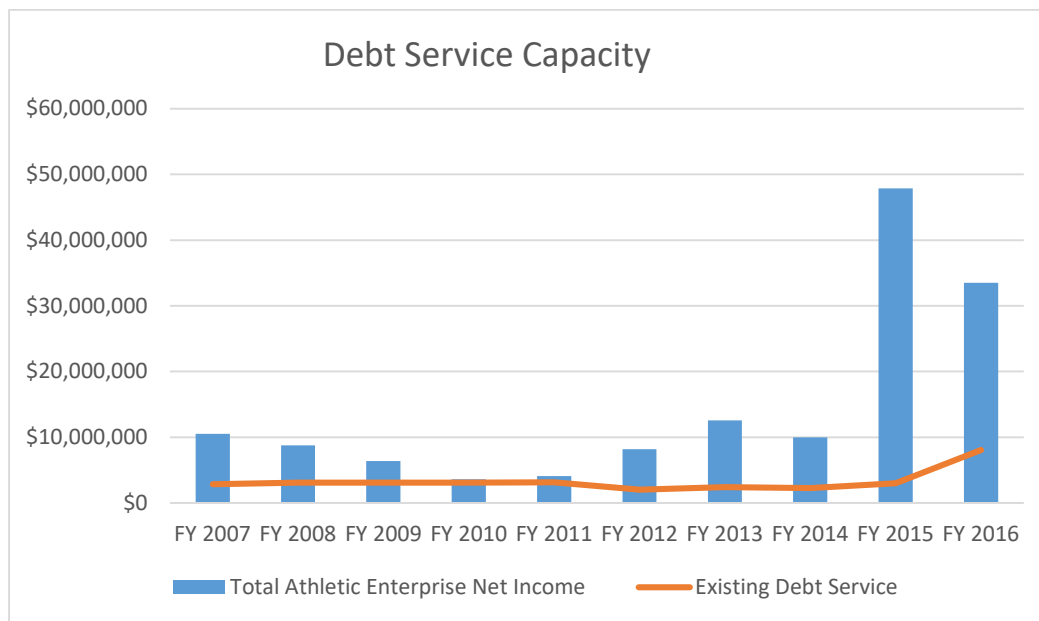
10 Year Total Revenues and Expense Trend

Clemson has continually managed its Athletics portfolio over the last ten years to have a positive change in its financial position. Athletic Net Revenues have averaged \$9,688,400 over the past ten years, and are projected to average \$10,555,167 in the next five years.



Ratio of Debt to Debt Capacity

The debt service associated with the Tennis Center Construction will not exceed \$700,000 annually. At the end of FY16, Clemson had approximately \$33.6m in Athletic Enterprise Net Income available to service its debt, which had an existing debt service of \$8.1m. Athletic debt capacity will be marginally affected by the additional bond issuance.



	Schedule of Estimated Future Athletic Enterprise Net Income and Debt Service					
	FY 2017 (est)	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Athletic Revenues	\$107,349,000	\$108,645,000	\$114,277,000	\$118,280,000	\$120,546,000	\$126,677,000
Athletic Expenses	\$97,337,000	\$98,520,000	\$103,461,000	\$107,488,000	\$109,749,000	\$115,888,000
Athletics Net Revenue	\$10,012,000	\$10,125,000	\$10,816,000	\$10,792,000	\$10,797,000	\$10,789,000
IPTAY Net Income	\$13,928,200	\$8,812,000	\$7,585,400	\$6,461,900	\$5,958,900	\$3,832,400
Total Athletic Enterprise Net Income	\$23,940,200	\$18,937,000	\$18,401,400	\$17,253,900	\$16,755,900	\$14,621,400
Existing Debt Service	\$9,199,160	\$9,199,460	\$9,198,110	\$9,199,610	\$9,199,460	\$9,195,890
Coverage (x)	2.6	2.1	2.0	1.9	1.8	1.6
Pro-Forma Debt Service (with Tennis)	N/A	\$9,897,634	\$9,893,235	\$9,895,973	\$9,896,444	\$9,892,741
Coverage (x)	N/A	1.9	1.9	1.7	1.7	1.5

CLEMSON UNIVERSITY

PROJECT NAME: Tennis Center Construction
REQUESTED ACTION: Increase Budget
REQUESTED ACTION AMOUNT: \$12,500,000
INITIAL CHE APPROVAL DATE: N/A

<u>Source of Funds</u>	<u>Phase I</u> <u>(Pre-Design)</u>	<u>Phase II</u> <u>(Construction)</u>	<u>Total Proposed</u> <u>Budget</u>
Athletic Improvement Fund	\$312,500	(\$312,500)	\$0
Athletic Revenue Bonds	\$0	\$12,500,000	\$12,500,000
<i>Total</i>	<i>\$312,500</i>	<i>\$12,187,500</i>	<i>\$12,500,000</i>

DESCRIPTION:

The University requests approval to establish the construction budget for the men's and women's varsity tennis teams. The new center will retain and continue to utilize existing tennis facilities, include outdoor competition courts and a 700-seat permanent stadium. The new approximately 60,000 sf. ft. facility will include construction of two additional outside courts, six new indoor courts, a clubhouse containing locker rooms, a training room equipment rooms, a players' lounge, laundry, coaches' offices, ticket office, and public restrooms.

Current tennis facilities were constructed in the 1970s, with the addition of the indoor facility in 1987. Renovating the existing facility was considered, however it was determined during planning that a new facility would be more cost effective, due to siting, ventilation, and seismic issues. The new facility will also be ADA compliant, and provide for better pedestrian and vehicular access.

This project was included in the institution's FY 2016-17 CPIP.

MAINTENANCE:

Once complete, this facility will be added to the University's overall maintenance plan system.

ANNUAL OPERATING COSTS/SAVINGS:

The project is expected to incur additional operating costs for utilities and maintenance. The current operating budget of the facility is \$93,000, and costs are expected to increase \$36,000 as a result of additional HVAC costs associated with increased square footage. Athletic Operating Funds will continue to provide the funding.

FOR DEPARTMENT USE ONLY

CHE _____
 JBRC _____
 SFAA _____
 JBRC Staff _____
 ADMIN Staff _____
 A-1 Form Mailed _____
 SPIRS Date _____
 Summary _____

(For Department Use Only)

SUMMARY NUMBER**FORM NUMBER****PERMANENT IMPROVEMENT PROJECT REQUEST****1. AGENCY**Cod H12 Name Clemson UniversityContact Person John McEntire Phone 864-656-1238**2. PROJECT**Project # 9932 Name Tennis Center ConstructionFacility # _____ Facility Name Tennis Center

County Code	39
New/Revised Budget	\$12,500,000.00

Project Type	Construct Additional Facility
Facility Type	Athletic

3. CIP PROJECT APPROVAL FOR CURRENT FISCALCIP priority number 5 of 6 for FY 2016-17**4. PROJECT ACTION PROPOSED (Indicate all requested actions by checking the appropriate boxes.)**

Construct New Facility	<input type="checkbox"/>	Renovate Existing Facility	<input type="checkbox"/>	Change Project Name	<input type="checkbox"/>
Construct New Facility - P	<input type="checkbox"/>	Change Site and Status	<input type="checkbox"/>	Change Project Name	<input type="checkbox"/>
Renovate Existing Facility	<input checked="" type="checkbox"/>	Change Site and Status	<input type="checkbox"/>	Change Project Name	<input type="checkbox"/>

5. PROJECT DESCRIPTION AND JUSTIFICATION

(Explain and justify the project or revision, including what it is, why it is needed, and any alternatives considered. Attach supporting documentation/maps to fully convey the need for the request.)

This request is to establish the Phase II construction budget to construct a new state-of-the-art tennis center for the men's and women's varsity tennis teams. The new center will retain and continue to utilize existing tennis facilities, include outdoor competition courts and a 700-seat permanent stadium. The new approximately 60,000 square foot tennis center will include a new six-court indoor tennis facility, a clubhouse containing locker rooms, a training room, equipment rooms, a players' lounge, laundry and coaches' offices, a ticket office and public restroom building, two new outdoor courts and related sitework.

The existing tennis center and indoor practice facilities were constructed between 1987 and 1993 and are not sufficient for today's needs. The existing indoor facility lacks two needed courts for practice and competition in inclement weather. There is currently no designated tennis parking or suitable vehicular or disabled access to the site, which is located along Highway 93. Existing office and support facilities are too small for today's needs. The new facilities will enhance recruiting efforts, improve student athlete playing experiences, improve opportunities for NCAA regionals and other championships, and provide for better pedestrian circulation and vehicular access. Renovating the existing indoor court building was considered but demolishing it and constructing a new facility was determined to be a more feasible alternative, due to siting, ventilation, seismic and other issues.

6. OPERATING COSTS IMPLICATIONS

Attach Form A-49 if any additional operating costs or savings will result from this request. This includes costs to be absorbed with current funding.

7. ESTIMATED PROJECT SCHEDULE AND EXPENDITURES

Estimated Start Date: Sep-16 Estimated Completion Date: June 2018
 Estimated expenditures: Thru current FY: \$ 500,000.00 After current FY: \$ 12,000,000.00

8. ESTIMATES OF NEW/REVISED PROJECT COSTS

PROJECT #

9932

1. _____ Land Purchase ----> Land: _____ Acres
 2. _____ Building Purchase ----> Floor Space: _____ Gross Square Feet
 3. \$1,110,000.00 Professional Services Fees
 4. _____ Equipment and/or Materials ----> Information Technology \$ _____
 5. _____ Site Development
 6. \$10,200,000.00 New Construction ----> Floor Space: 60,000 Gross Square Feet
 7. _____ Renovations - Building Interior --> Floor Space: _____ Gross Square Feet
 8. _____ Renovations - Utilities
 9. _____ Roofing - _____ Roof Age
 10. _____ Renovations - Building Exterior
 11. _____ Other Permanent Improvements
 12. _____ Landscaping
 13. _____ Builders Risk Insurance
 14. _____ Other Capital Outlay
 15. _____ Labor Costs
 16. _____ Bond Issue Costs
 17. \$550,000.00 Other: PP&B, Project Admin, inspections, etc.
 18. \$640,000.00 Contingency

\$ 12,500,000.00 TOTAL PROJECT BUDGET

ENVIRONMENTAL HAZARDS

Identify all types of significant environmental hazards (including asbestos, PCB's, etc.) present in the project and the financial impact they will have on the project.

Type: _____

Cost Breakdown

Design Services \$ _____
 Monitoring \$ _____
 Abate/Remed \$ _____
 Total Costs \$ _____

9. PROPOSED SOURCE OF FUNDING

Source	Previously Approved Amount	Increase/Decrease	Original/Revised Budget	Transferred to/from Proj. #	Rev. Object Code	Treasurer's ID Number	Rev. Sub Fund	Exp. Sub Fund
(0) Capital Improvement Bonds, Oro _____					8115		3043	3043
(1) Dept Capital Improvement Bonds Oro _____					8115		3143	3143
(2) Institution Bonds								3235
(3) Revenue Bonds		\$ 12,500,000.00	\$ 12,500,000.00		8212	38800100		3393
(4) Excess Debt Service Type _____								3497
(5) Capital Reserve Fund					8895		3603	3603
(6) Appropriated State Program Source - _____					8895	68800100	1001	3600
(7) Federal						78800100		5787
(8) Athletic						88800100		3807
(9) Other (Specify) Athletic Improvement	\$ 312,500.00	\$ (312,500.00)			7201	98800100	4243	3907
TOTAL BUDGET	\$ 312,500.00	\$ 12,187,500.00	\$ 12,500,000.00					

10. SUBMITTED BY:

Brett A. Dalton
 Signature of Authorized Official and Title

Date

Brett A. Dalton, Executive Vice President for Finance and Operations

11. APPROVED BY:

(For Department Use Only)

Authorized Signature and Title

Date

Revised 2/23/16

**ADDITIONAL ANNUAL OPERATING COSTS/SAVINGS
RESULTING FROM PERMANENT IMPROVEMENT PROJECT**

1. AGENCY
Code H12 Name Clemson University

2. PROJECT
Project # 9932 Name Tennis Center Construction

3. ADDITIONAL ANNUAL OPERATING COSTS/SAVINGS. (Check whether reporting costs or savings.)

XX ☐ COSTS ☐ SAVINGS ☐ NO CHANGE

4.

TOTAL ADDITIONAL OPERATING COSTS/SAVINGS				
Projected Financing Sources				
(1)	(2)	(3)	(4)	(5)
Fiscal Year	General Funds	Federal	Other	Total
1) 2017-18	\$	\$	\$36,000.00	\$36,000.00
2) 2018-19	\$	\$	\$36,720.00	\$36,720.00
3) 2019-20	\$	\$	\$37,454.00	\$37,454.00

5. If "Other" sources are reported in Column 4 above, itemize and specify what the other sources are (revenues, fees, etc.).

Athletic Operating Funds

6. Will the additional costs be absorbed into your existing budget? XX ☐ YES ☐ NO
If no, how will additional funds be provided?

7. Itemize below the cost factors that contribute to the total costs or savings reported above in Column 5 for the first fiscal year.

<u>COST FACTORS</u>		<u>AMOUNT</u>
1. Utilities		26,000.00
2. Maintenance		10,000.00
3.		
4.		
5.		
6.		
7.		
8.		
TOTAL		\$36,000.00

8. If personal services costs or savings are reported in 7 above, please indicate the number of additional positions required or positions saved. _____

9. Submitted By: Bruce R. Dalton _____
Signature of Authorized Official and Title Date

**PERMANENT IMPROVEMENT PROJECT INFORMATION FORMAT FOR
PHASE II CONSTRUCTION BUDGET**

**Tennis Center Construction
February 9, 2017**

1. What is the total projected cost of the project and what is it based on? Please attach a summary of the costs prepared during the A&E pre-design phase to support the total cost. \$12,500,000.00
2. What is/are the source(s) of funds for the construction? If any private or federal funds are included, please attach a letter guaranteeing the availability of the funds.

Athletic Facilities Revenue Bonds

3. What is your agency/institution's definition of each fund source to be used for construction? (If any type of fee makes up a portion of the source, what is the fee called, what is the fee amount, and when it was put in place. If there is a statutory authority authorizing the use of the funds for capital projects, please cite the code section.)

Athletic Facilities Revenue Bonds are long-term debt instruments issued by the State Treasurer's Office in the name of the University and are pledged to be repaid with a combination of Athletic net revenues, ticket surcharges, and private gift funds.

4. What is the current uncommitted balance of funds for each source listed in 3 above?

There is currently no bond balance for Athletic Facilities Revenue Bonds. The bond resolution will be submitted for approval by the Joint Bond Review Committee and State Fiscal Accountability Authority concurrently with the Phase II construction budget approval in Spring 2017.

5. If institution or revenue bonds are included as a source, when were the bonds issued? If not issued yet, when is the bond resolution expected to be brought for State Fiscal Accountability Authority approval?

The bond resolution will be submitted for approval by the Joint Bond Review Committee and State Fiscal Accountability Authority concurrently with Phase II construction budget approval in Spring 2017.

6. If a student fee is used to fund debt service, what is the current amount of the fee annually or by semester? Please specify which. N/A

7. Will the use of any funds for construction require an increase in any student fee or tuition? If so, please explain in detail.

No student tuition or fee increase is required for construction of this facility. Existing tuition and fees, including the FY 16-17 increase, are sufficient to cover any costs associated with this project, although the identified funding sources are not generated from tuition and fees.

8. Will the project be LEED certified for energy savings and conservation and if so, at what level will it be certified? For projects requiring or using LEED certification, please attach the required cost benefit analysis and a checklist of items to be used to achieve LEED points or a description of the energy measures to achieve LEED.

The facility will be certified to Two Green Globes Certification. The cost benefit analysis and Green Globe checklist are attached.

9. What energy savings/conservation measures will be implemented within the project if the project will not be LEED certified? For projects that do not require/use LEED, please provide a paragraph on energy savings measures to be implemented as part of the project. If there are no energy savings measures included, please state that and explain why.

N/A – The project will be certified to Two Green Globes Certification.

10. What is the projected date (month and year) for execution of the construction contract? June 2017

11. What is the projected date (month and year) for completion of construction? January 2018

12. What program(s) are to be included in the constructed or renovated space?

The men's and women's tennis programs will use the new tennis center when it is completed.

13. What is the total square footage of the building to be renovated or constructed?

A new approximately 60,000 square foot tennis center will be constructed as part of this project. The construction will include a new six-court indoor tennis facility, a clubhouse containing locker rooms, a training room, equipment rooms, a players' lounge, laundry and coaches' offices, a ticket office and public restroom building, along with two new outdoor courts and related sitework.

14. If a portion of the building is to be renovated, what is the square footage of the portion that will be included in the renovation? N/A

15. What is the current age of the building or building systems to be renovated? N/A

16. If any new space is being added to the facility, please provide demand/usage data to support the need.

The primary space expansion within the project is the indoor practice courts portion of the tennis complex. The current facility houses four indoor courts. In order to operate efficient and effective NCAA varsity tennis matches and postseason events, six indoor courts are needed. This allows for all six singles matches to be conducted concurrently, instead of staggered, reducing total match times by approximately 33%. Similarly, the expansion to six courts provides 50% more court opportunity for effective practice scheduling for both the men's and women's tennis programs.

17. What are the estimated numbers of students, faculty, staff and/or clients that are expected to use the space affected by the project or the entire building? (Answer for as many as are applicable.)

The primary users of the new facilities will remain the NCAA varsity men's and women's tennis programs. Each program has approximately three coaches, three support staff members and ten student-athletes, totaling approximately 32 individuals who will use the facility. Additionally and as available, Clemson Campus Recreation will host intramurals, club team, and other recreation activities at the facility, as well as community-centered events such as summer tennis camps and City

of Clemson-sponsored tennis tournaments. Further, Clemson anticipates a total of 5,000 spectators

per year for men's and women's tennis matches will also use the facilities.

18. If the construction cost increased significantly from the internal estimate (30% or more), what factors caused the cost to increase? N/A
19. If the contingency is more than 10%, please explain why. N/A
20. If funds are being transferred from another project, what is the current status of the project from which funds are being transferred? N/A
21. Has the project been included in a previous year's CPIP? If so, what was the last year the project was included and for which year, 1-5? 2016 CPIP, Year One
22. What are the economic impacts of the project, including job creation and retention? If there are none, please explain.

The economic impact of this project will be substantial. Approximately \$12.5 million in construction will mean a large number of jobs for architects, engineers, builders, and tradesmen during the course of the project.

23. How will your agency/institution address and fund maintenance of this facility construction/renovation?

Maintenance of this facility will be provided through annual operations, utilizing the existing Athletic Improvement Fund.

24. If your agency/institution has a deferred maintenance account, what is the name of the account and what is its current uncommitted balance?

As required by bond covenants, an Athletic Improvement Fund has been established and is funded with Athletics Operations fund to maintain and renovate facilities constructed with Athletic Facilities Revenue Bonds. As of 12/31/16, the Athletic Improvement Fund had an uncommitted balance of \$3,839,190.

25. If how maintenance will be addressed and funded for this facility construction/renovation has not been determined yet, what steps are in place to begin to address how your agency/institution will fund maintenance to this and other agency/institution facilities?

N/A – see response to question 23.



CLEMSON UNIVERSITY

EXECUTIVE SUMMARY

Schematic Design Budget Review

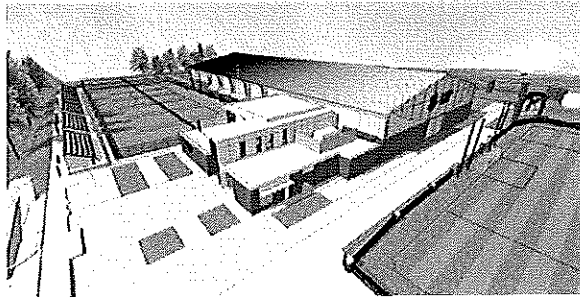
SD Documents

Project Information

Client Clemson University
Project Tennis Center Construction
 Clemson, SC
 State Project H12-9932-JM

Architect LS3P

Estimator Andy Sherman
Square Feet 60,700
Project Duration 8 Months
Date February 3, 2017



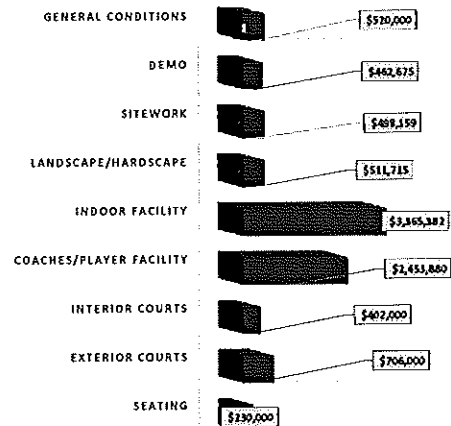
Building Type New Construction

Construction Area 60,700 SF

Project Costs Summary

TOTAL INVESTMENT	\$	10,177,265
COST PER (Unit)	\$	168

01	General Conditions	\$	520,000
02	Demo	\$	462,675
03	Sitework	\$	498,159
04	Landscape/Hardscape	\$	511,715
05	Indoor Facility	\$	3,365,382
06	Coaches/Player Facility	\$	2,453,880
07	Interior Courts	\$	402,000
08	Exterior Courts	\$	706,000
09	Seating	\$	230,000



SUBTOTAL	\$	9,149,811
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Addons

Surety Bond	\$	112,991
Insurance	\$	56,496
Pre-Construction	\$	66,708
Taxes & Ins On Labor	\$	77,349
Sales Tax		Incl. in Adv.
Fee	\$	446,315
Contingency	\$	267,594
Permits, Licenses, Etc.		Not Required

TOTAL	\$	10,177,264.59
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Sustainability Cost Benefit Analysis

Certification Level Threshold: 2 Green Globes
Building Area (Gross Square Footage)

60,000

Administrative & Equipment Cost Summary

Certification Costs (Two Green Globes Target)				\$83,500
Registration Fees			\$1,500	
Certification Review Fees	\$/gsf		\$10,000	
Design		\$0		
Construction		\$10,000		
LEED Professional Administration Costs			\$35,000	
Fundamental & Enhanced Commissioning Costs			\$22,000	
Energy Modeling			\$15,000	
Increased Equipment & Construction Costs				\$97,904
Total Premium Costs for Certification				\$181,404

Operational Cost Summary

	Annual \$/GSF	Annual Costs	Life Cycle Costs (30 yrs)
Baseline Annual Building Operation Costs			
Building Systems Utility Costs	2.00	\$120,000	\$3,600,000
Potable Water	0.50	\$30,000	\$900,000
Building Maintenance and Repair	1.60	\$96,000	\$2,880,000
Total Costs			\$7,380,000
Certified Building Estimated Operational Costs			
Building Systems Utility Costs (10% reduction)	1.80	\$108,000	\$3,240,000
Potable Water (30% reduction)	0.35	\$21,000	\$630,000
Building Maintenance and Repair (10% reduction)	1.44	\$86,400	\$2,592,000
Total Costs			\$6,462,000

Payback Analysis

Operational Cost Savings	\$918,000
Total Premium Costs for Certification	-\$181,404
Net Savings	\$736,596

Increased equipment & construction costs include:
High Efficiency HVAC Equipment & Control Systems
LED/High Efficiency Lighting & Control Systems; Daylighting
High Efficiency Glazing and Building Envelope
Solar Heat Gain Mitigation
Sustainable Material Selections & Low VOC Products

GBI Project Checklist for Green Globes for New Construction



Globes Rating Scale:

Four	>	85
Three	70 -	85
Two	55 -	70
One	34 -	55

Date: 8-Feb-17
Project Name: CU Indoor Tennis Facility

WATER		Maximum Points: 110	Y	N	?	N/A
4.1	Water Consumption	42	42			
4.2	Cooling Towers	9				9
4.3	Boilers and Water Heaters	4	4			
4.4	Water Intensive Applications	18				
4.4.1	Commercial Food Service Equipment	6				6
4.4.2	Laboratory and Medical Equipment	5				5
4.4.3	Laundry Equipment	4	4			
4.4.4	Special Water Features	3				3
4.5	Water Treatment	3	3			
4.6	Alternate Sources of Water	5	5			
4.7	Metering	11	5	5		1
4.8	Irrigation	18	18			

MATERIALS & RESOURCES		Maximum Points: 125	Y	N	?	N/A
5.1	Building Assembly (Core & Shell Including Envelope)	33	33	0	0	0
5.2	Interior Fit-Out (Including Finishes and Furnishings)	16	16	0	0	0
5.3	Reuse of Existing Structures	26				
5.3.1	Facades	6		6		
5.3.2	Structural Systems	6		6		
5.3.3	Non-Structural Elements	14		14		
5.4	Waste	9				
5.4.1	Construction Waste	7	7			
5.4.2	Operational Waste	2	2			
5.5	Building Service Life Plan	7	7			
5.6	Resource Conservation	6				
5.6.1	Minimized Use of Raw Materials	3	1	2		
5.6.2	Multi-Functional Assemblies	1	1			
5.6.3	Deconstruction and Disassembly	2	2			
5.7	Building Envelope - Roofing/Openings	10				
5.7.1	Roofing Membrane Assemblies and Systems	3	3			
5.7.2	Flashings	3	3			
5.7.3	Roof and Wall Openings	4	4			
5.8	Envelope - Foundation, Waterproofing	6				
5.8.1	Foundation Systems	4	4			
5.8.2	Below Grade Wall Slabs and Above Grade Horizontal	2	2			
5.9	Envelope - Cladding	5				
5.9.1	Exterior Wall Cladding Systems	3	3			
5.9.2	Rainscreen Wall Cladding	2	1	1		
5.1	Envelope - Barriers	7				
5.10.1	Air Barriers	4	4			
5.10.2	Vapor Retarders	3	3			
		366	140	0	32	

EMISSIONS		Maximum Points: 50	Y	N	?	N/A
6.1	Heating	18	18			
6.2	Cooling	29				
6.2.1	Use of New or Existing Cooling Equipment (informational only)	0				
6.2.2	Ozone-Depleting Potential	10	10			
6.2.3	Global Warming Potential	10	10			
6.2.4	Leak Detection	9				9
6.3	Janitorial Equipment	3	3	0	0	0

INDOOR ENVIRONMENT		Maximum Points: 160	Y	N	?	N/A
7.1	Ventilation	37				
7.1.1	Ventilation Air Quantity	11	11			
7.1.2	Air Exchange	8	8			
7.1.3	Ventilation Intakes and Exhausts	8	8			
7.1.4	CO2 Sensing and Ventilation Control Equipment	5	5			
7.1.5	Air Handling Equipment	5	3	2		
7.2	Source Control and Measurement of Indoor Pollutants	46				
7.2.1	Volatile Organic Compounds	10	10			
7.2.2	Leakage, Condensation and Humidity	8	8			
7.2.3	Access for HVAC Maintenance	4	8			
7.2.4	Carbon Monoxide Monitoring	4	8			
7.2.5	Wet Cooling Towers	2				2
7.2.6	Domestic Hot Water Systems	2	2			
7.2.7	Humidification and Dehumidification Systems	3	3			
7.2.8	Pest and Contamination Control	3	2	1		
7.2.9	Other Indoor Pollutants (Tobacco, Radon)	8	4	2		2
7.2.10	Ventilation and Physical Isolation for Specialized Activities	2	2			
7.3	Lighting Design and Systems	30				
7.3.1	Daylighting	17	13	4		
7.3.2	Lighting Design	13	11	2		
7.4	Thermal Comfort	18				
7.4.1	Thermal Comfort Strategies	12	6			6
7.4.2	Thermal Comfort Design	6	6			
7.5	Acoustic Comfort	29				
7.5.1	Acoustic Comfort Design	18	13	3		2
7.5.2	Mechanical, Plumbing, and Electrical	11	9			2
Sub-Total		465	295	81	0	79
Previous Column Sub-total		535	366	140	0	32
Total		1000	661	221	0	111
TOTAL PTS AVAILABLE (EXCLUDES N/A)		889				
% SCORE (TOTAL PTS/TOTAL AVAILABLE PTS)		74%				
Globes Rating		3				



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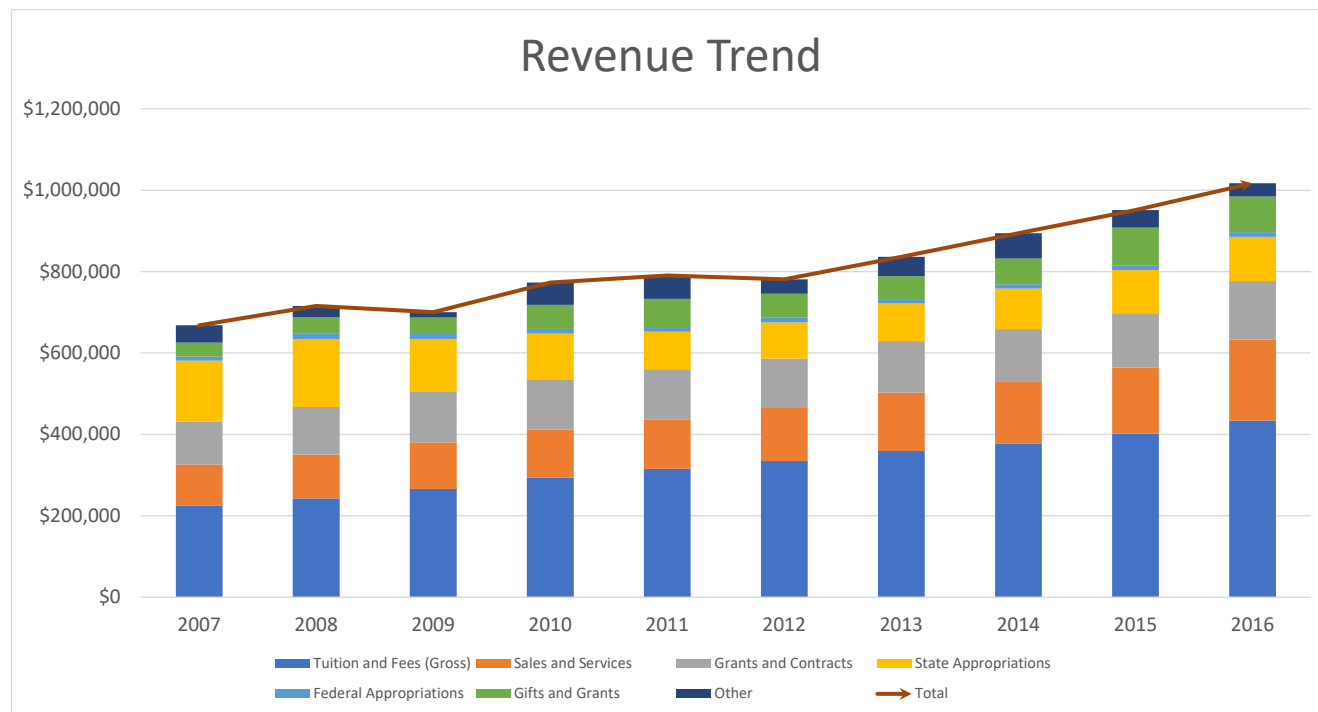
2 of 2

Clemson University

Revenue Analytics

All Dollar Amounts are in Thousand's Unless otherwise indicated

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Tuition and Fees (Gross)	\$224,319	\$242,659	\$266,199	\$293,619	\$315,701	\$334,504	\$359,496	\$377,843	\$401,913	\$434,408
Sales and Services	\$101,653	\$107,636	\$114,291	\$117,913	\$121,317	\$132,306	\$143,425	\$153,026	\$162,648	\$198,245
Grants and Contracts	\$105,139	\$117,001	\$125,604	\$122,160	\$123,394	\$119,746	\$126,085	\$128,082	\$132,997	\$144,084
State Appropriations	\$150,335	\$167,224	\$128,279	\$114,120	\$91,917	\$88,780	\$92,784	\$99,591	\$106,345	\$108,812
Federal Appropriations	\$9,667	\$14,186	\$12,317	\$11,269	\$11,744	\$11,507	\$10,948	\$10,566	\$11,338	\$11,632
Gifts and Grants	\$34,413	\$39,020	\$40,293	\$59,473	\$68,797	\$59,127	\$56,403	\$62,951	\$92,828	\$87,225
Other	\$42,548	\$27,819	\$13,360	\$54,537	\$57,886	\$34,876	\$47,499	\$62,229	\$43,418	\$32,808
Total	\$668,074	\$715,545	\$700,343	\$773,091	\$790,756	\$780,845	\$836,641	\$894,289	\$951,487	\$1,017,214
	7.1%	-2.1%	10.4%	2.3%	-1.3%	7.1%	6.9%	6.4%	6.9%	



Revenue has been trending favorably with an average increase of 4.9% over the past ten years and a total increase of 52.3% over the same period. As expected, Tuition revenue is the primary revenue source averaging 40% of total revenues over the past ten years.

Clemson University

Debt Capacity Analysis

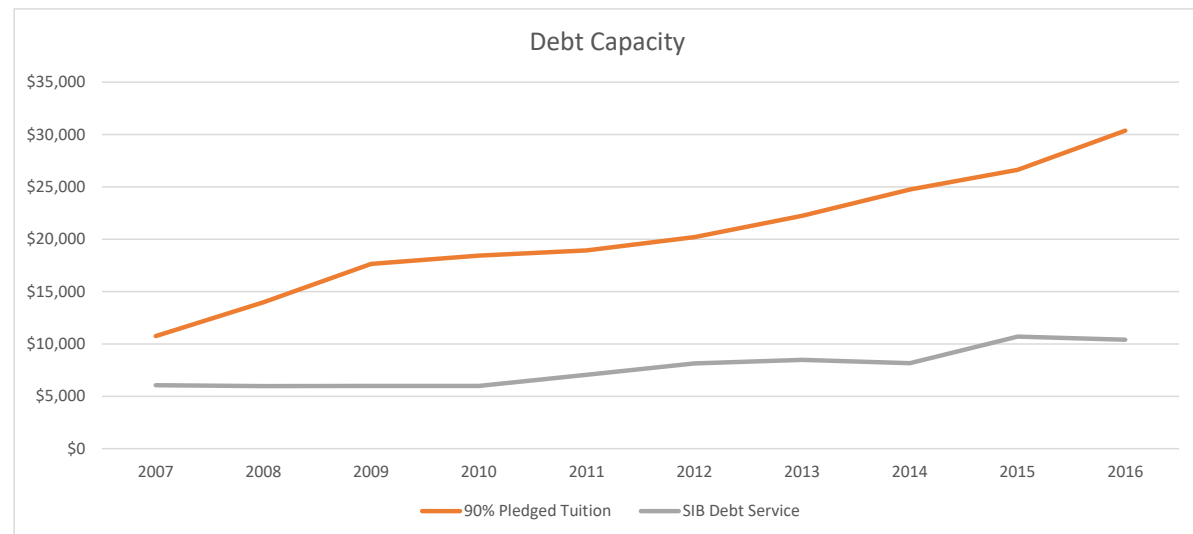
Excess Debt Service

All Dollar Amounts are in Thousand's Unless otherwise indicated

90% Pledged Tuition
SIB Debt Service
Available for Debt Service

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
\$10,747	\$13,981	\$17,646	\$18,444	\$18,925	\$20,196	\$22,233	\$24,738	\$26,621	\$30,366
\$6,056	\$5,973	\$5,981	\$5,980	\$7,056	\$8,128	\$8,478	\$8,164	\$10,699	\$10,397
\$4,691	\$8,008	\$11,665	\$12,464	\$11,869	\$12,068	\$13,755	\$16,574	\$15,922	\$19,969

The debt service associated with the Business and Behavioral Sciences Building will not exceed \$5.7 million. The annual available debt service of \$20 million as of June 30, 2016 is more than adequate for Clemson to take on this debt with minimal risk of exceeding the maximum debt service or 90% of pledged tuition.



Clemson University
Enrollment Analytics
 FTE (Based on Credit Hours)

Undergraduate FTE

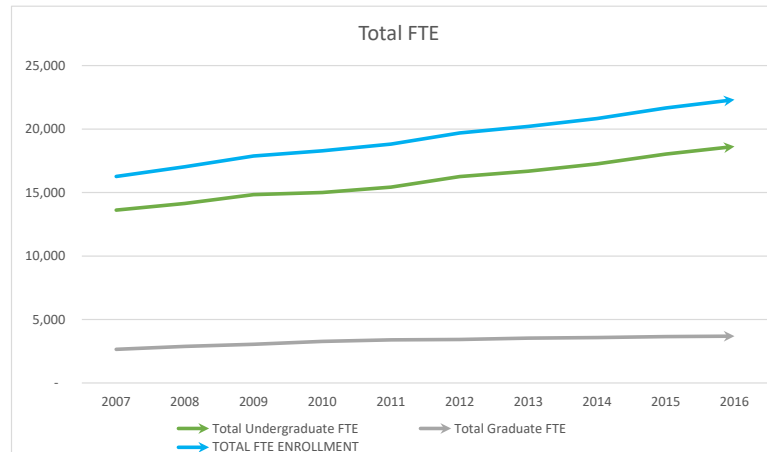
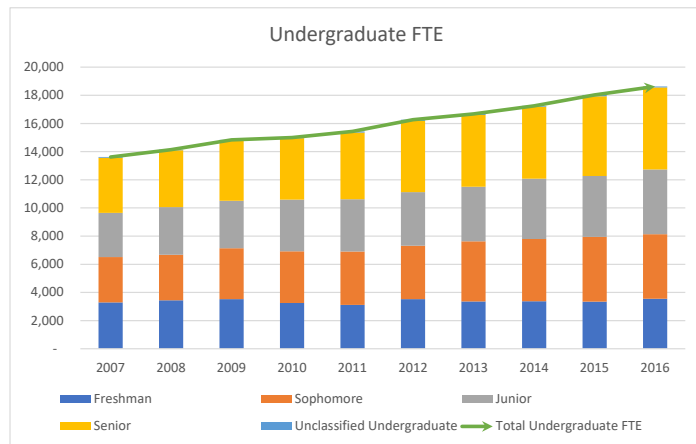
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Freshman	3,290	3,446	3,522	3,249	3,120	3,525	3,355	3,377	3,350	3,549
Sophomore	3,215	3,236	3,611	3,671	3,788	3,786	4,269	4,413	4,589	4,587
Junior	3,139	3,372	3,383	3,666	3,713	3,806	3,882	4,282	4,331	4,591
Senior	3,922	4,041	4,268	4,378	4,737	5,063	5,106	5,121	5,657	5,826
Unclassified Undergraduate	49	48	52	38	71	83	67	62	94	76
Total Undergraduate FTE	13,616	14,143	14,836	15,001	15,429	16,264	16,679	17,255	18,022	18,628

Graduate FTE

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Graduate	2,642	2,878	3,037	3,277	3,380	3,412	3,519	3,558	3,627	3,670
Specialist	8	6	3	3	13	16	17	18	19	18
Total Graduate FTE	2,650	2,884	3,040	3,280	3,392	3,428	3,537	3,576	3,647	3,687

TOTAL FTE ENROLLMENT

	3.9%	4.9%	1.1%	2.9%	5.4%	2.5%	3.5%	4.4%	3.4%
2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
2,642	2,878	3,037	3,277	3,380	3,412	3,519	3,558	3,627	3,670
8	6	3	3	13	16	17	18	19	18
2,650	2,884	3,040	3,280	3,392	3,428	3,537	3,576	3,647	3,687
	8.9%	5.4%	7.9%	3.4%	1.1%	3.2%	1.1%	2.0%	1.1%
16,266	17,027	17,876	18,281	18,821	19,692	20,216	20,831	21,668	22,316
	4.7%	5.0%	2.3%	3.0%	4.6%	2.7%	3.0%	4.0%	3.0%



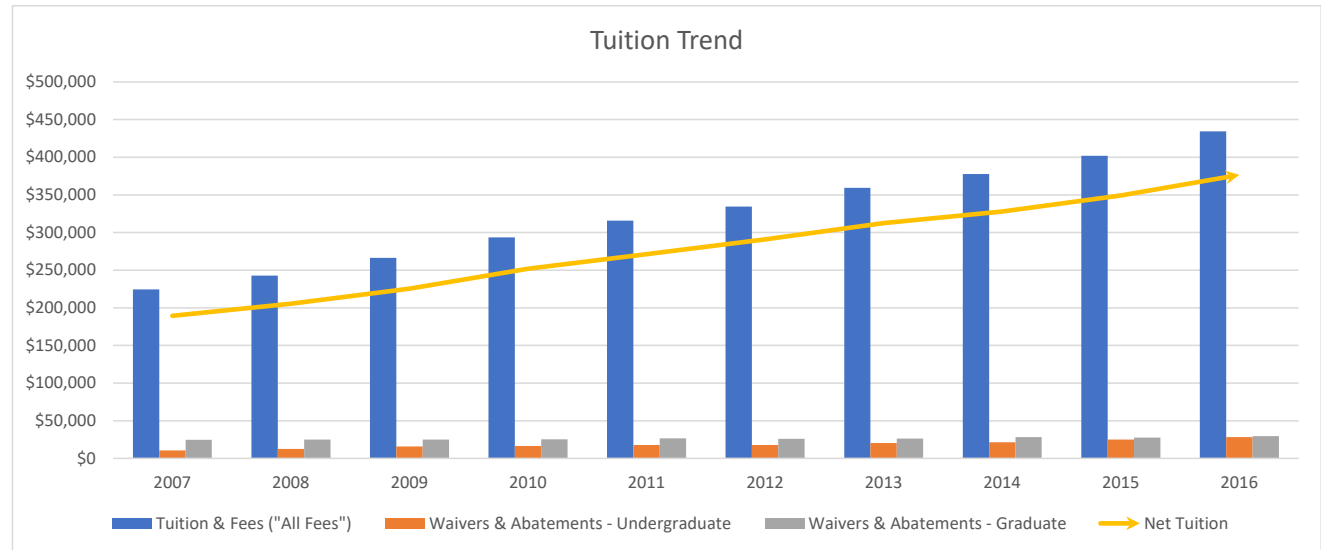
Clemson undergraduate enrollment growth has been steady averaging 3.6% over the ten year period. The freshman class has consistently been the smallest class in the same period due to much of the incoming students having AP credits that qualify them to be in the sophomore class upon arrival. The senior class is consistently the largest as this includes all students who have been at Clemson for four or more years. Due to a focus on internships, several students exceed the four year period. Clemson graduate enrollment has averaged 3.8% growth over the ten year period. In the past three years, enrollment has flattened to a three year average of 1.4%. This is driven by facility capacity and program demand.

Clemson University

Tuition Analytics

All Dollar Amounts are in Thousand's Unless otherwise indicated

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Tuition & Fees ("All Fees")	\$224,319	\$242,659	\$266,199	\$293,619	\$315,701	\$334,504	\$359,496	\$377,843	\$401,913	\$434,408
Waivers & Abatements - Undergraduate	10,459	12,412	15,671	16,448	17,675	17,719	20,551	21,484	25,035	28,373
Waivers & Abatements - Graduate	24,503	24,972	25,032	25,399	26,612	26,034	26,409	28,337	27,727	29,510
Net Tuition	189,357	205,275	225,496	251,772	271,414	290,751	312,536	328,022	349,151	376,525
		8.4%	9.9%	11.7%	7.8%	7.1%	7.5%	5.0%	6.4%	7.8%



Net tuition has increased over ten years at an average of 8% while waivers and abatements have increased for under by 17.1% for undergraduates and 2% for graduate students in the same period.

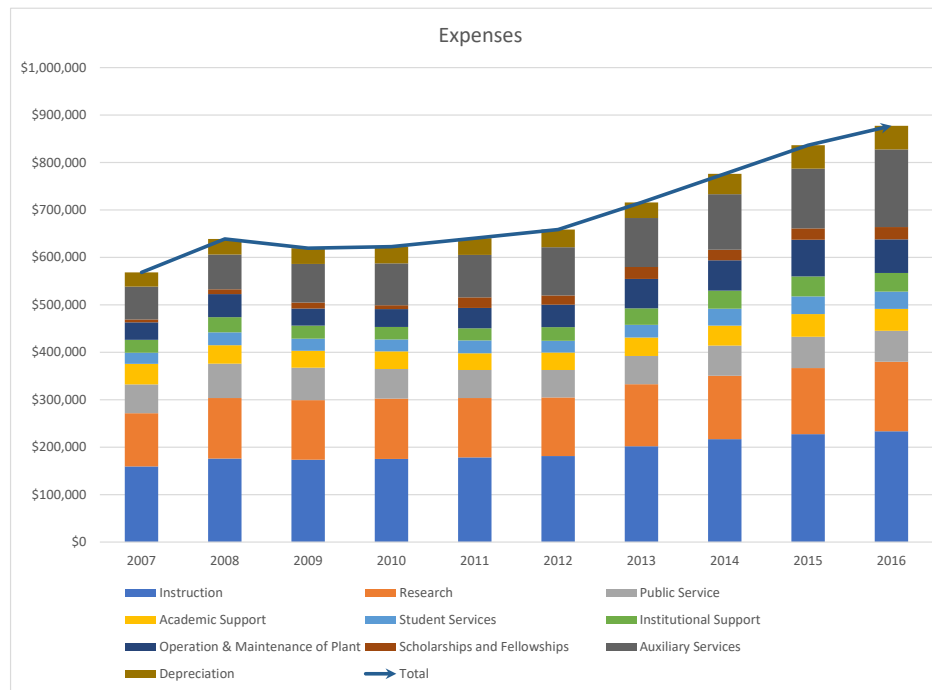
Clemson University

Expense Analytics

All Dollar Amounts are in Thousand's Unless otherwise indicated

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Instruction	\$159,318	\$176,166	\$173,423	\$175,249	\$178,644	\$181,146	\$201,731	\$216,977	\$227,483	\$233,589
Research	\$112,141	\$127,428	\$125,623	\$126,972	\$124,837	\$123,594	\$130,787	\$133,563	\$139,399	\$146,516
Public Service	\$60,951	\$72,648	\$68,508	\$62,390	\$59,083	\$57,889	\$59,837	\$63,542	\$65,814	\$65,362
Academic Support	\$43,104	\$38,647	\$35,776	\$37,182	\$35,321	\$36,715	\$38,926	\$42,231	\$47,633	\$46,018
Student Services	\$23,608	\$27,150	\$25,189	\$25,316	\$27,282	\$24,685	\$26,694	\$35,578	\$37,345	\$36,540
Institutional Support	\$27,039	\$31,951	\$27,843	\$26,389	\$25,490	\$28,925	\$34,640	\$38,019	\$42,388	\$39,267
Operation & Maintenance of Plant	\$36,811	\$48,826	\$35,869	\$37,435	\$42,905	\$47,505	\$61,942	\$64,116	\$77,157	\$70,664
Scholarships and Fellowships	\$6,165	\$10,006	\$12,488	\$8,124	\$22,143	\$19,503	\$25,179	\$22,115	\$23,773	\$26,006
Auxiliary Services	\$69,282	\$73,218	\$81,304	\$88,329	\$89,548	\$101,375	\$103,420	\$116,856	\$126,150	\$163,498
Depreciation	\$29,946	\$32,697	\$33,364	\$35,164	\$35,009	\$37,163	\$32,715	\$42,974	\$49,316	\$49,872
Total	\$568,365	\$638,737	\$619,387	\$622,549	\$640,262	\$658,500	\$715,870	\$775,971	\$836,457	\$877,333

12.4% -3.0% 0.5% 2.8% 2.8% 8.7% 8.4% 7.8% 4.9%



Expenses have grown at a average rate of 5% per year and in total 54.4% over a ten year period. Instruction cost has grown in total 47%, while operation maintenance has grown 92% and scholarship & fellowship expense has grown 322% over this same period.

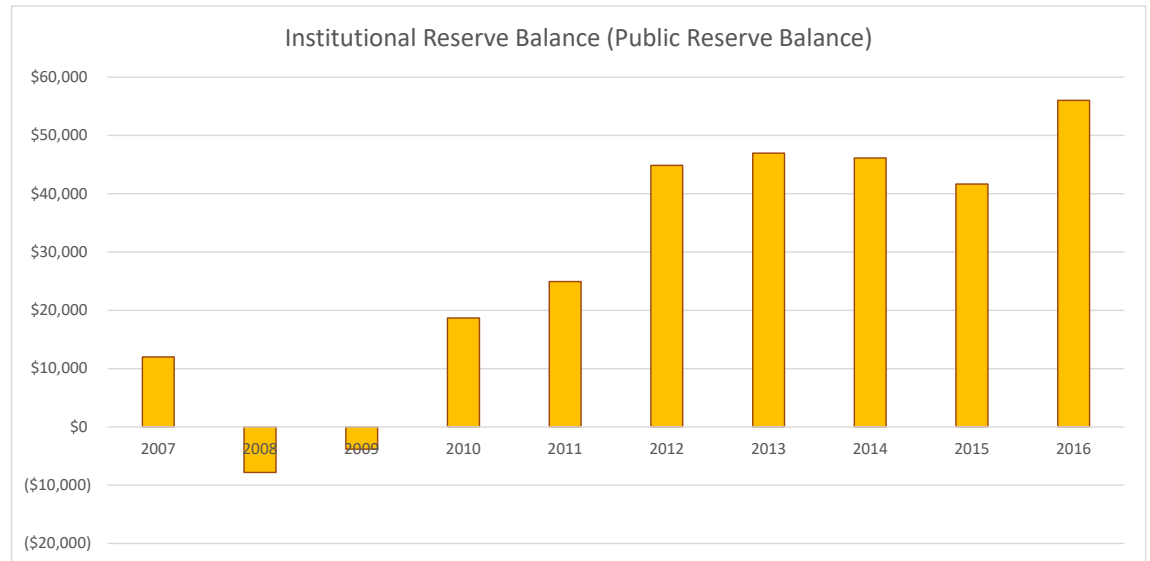
Clemson University

Institutional E&G Reserve Balance (Public Reserve Balance)

All Dollar Amounts are in Thousand's Unless otherwise indicated

Net position designated for the ClemsonForward strategic plan; replacement of critical IT infrastructure; police, fire, and EMS equipment; building access control systems; replacement and upgrading lab, classroom, learning technology; This also reflects necessary operating balances to fund continuing equipment purchases and renovations necessary to meet ongoing accreditation requirements and for self-supporting E&G initiatives fulfill our mission by providing continuing education, short courses and seminars to business and industry. For context, this is equal to approximately 4 weeks in actual University operating expenses

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
\$12,003	(\$7,798)	(\$3,816)	\$18,687	\$24,935	\$44,874	\$46,958	\$46,151	\$41,670	\$56,019
	-165.0%	-51.1%	589.7%	33.4%	80.0%	4.6%	-1.7%	-9.7%	34.4%



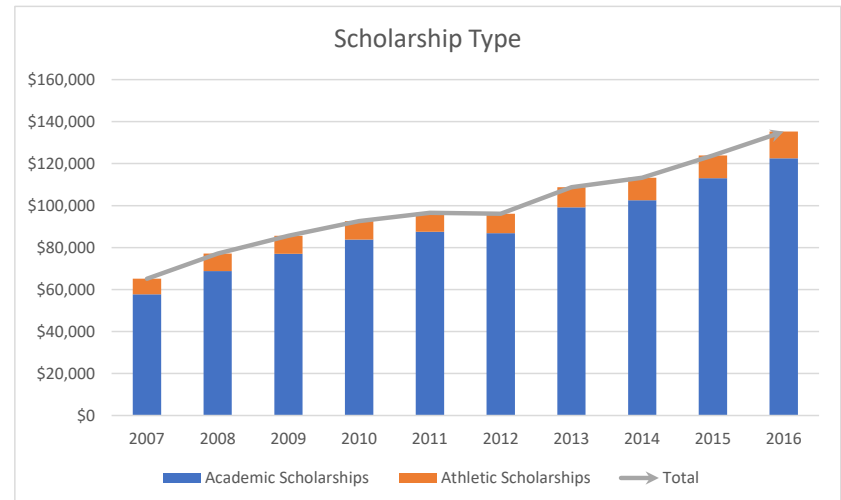
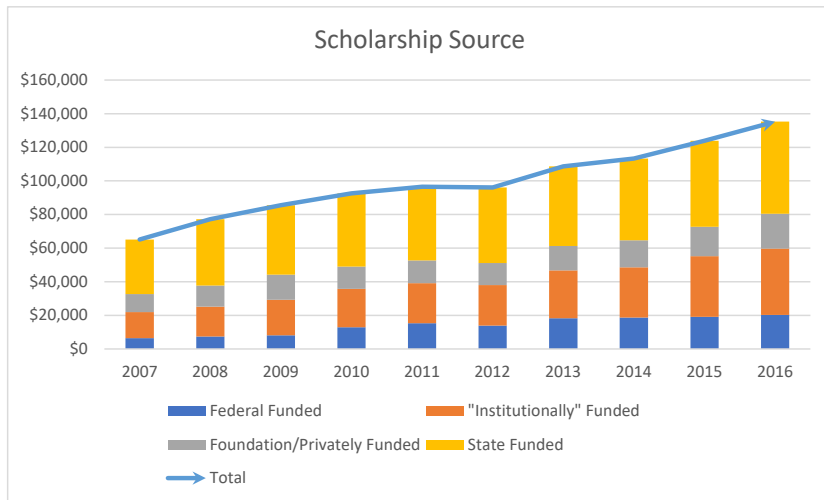
Overall the Change in Net Position has been positive each year except two years. In 2008, the negative change was primarily strategic related planned investments due to faculty startups, renovations and significant IT upgrades. In 2009, the financial crisis resulted in a sudden and significant reduction in state appropriations.

Clemson University

Institutional and Foundation Scholarship Data

All Dollar Amounts are in Thousand's Unless otherwise indicated

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Federal Funded	\$6,456	\$7,386	\$8,195	\$12,910	\$15,332	\$13,943	\$18,330	\$18,677	\$19,076	\$20,196
"Institutionally" Funded	\$15,523	\$17,847	\$21,081	\$22,841	\$23,866	\$24,033	\$28,457	\$29,959	\$36,165	\$39,484
Foundation/Privately Funded	\$10,752	\$12,575	\$14,958	\$13,277	\$13,462	\$13,142	\$14,448	\$16,032	\$17,455	\$20,756
State Funded	\$32,410	\$39,380	\$41,325	\$43,595	\$43,876	\$44,937	\$47,467	\$48,631	\$51,160	\$54,792
Total	\$65,141	\$77,188	\$85,559	\$92,623	\$96,537	\$96,055	\$108,702	\$113,299	\$123,856	\$135,227
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Academic Scholarships	\$57,751	\$68,796	\$77,077	\$83,776	\$87,546	\$86,809	\$99,142	\$102,591	\$112,991	\$122,482
Athletic Scholarships	\$7,389	\$8,392	\$8,481	\$8,847	\$8,991	\$9,246	\$9,560	\$10,708	\$10,865	\$12,745
Total	\$65,141	\$77,188	\$85,559	\$92,623	\$96,537	\$96,055	\$108,702	\$113,299	\$123,856	\$135,227



Clemson University

Faculty/Staff to Students

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
FTE Faculty & Staff	4,646	4,749	4,593	4,205	4,052	4,321	4,485	4,741	4,896	5,057
FTE Students (Based on credit hours)	16,266	17,027	17,876	18,281	18,821	19,692	20,216	20,831	21,668	22,316
Ratio	1:3.5	1:3.5	1:4	1:4.5	1:4.5	1:4.5	1:4.5	1:4.5	1:4.5	1:4.5

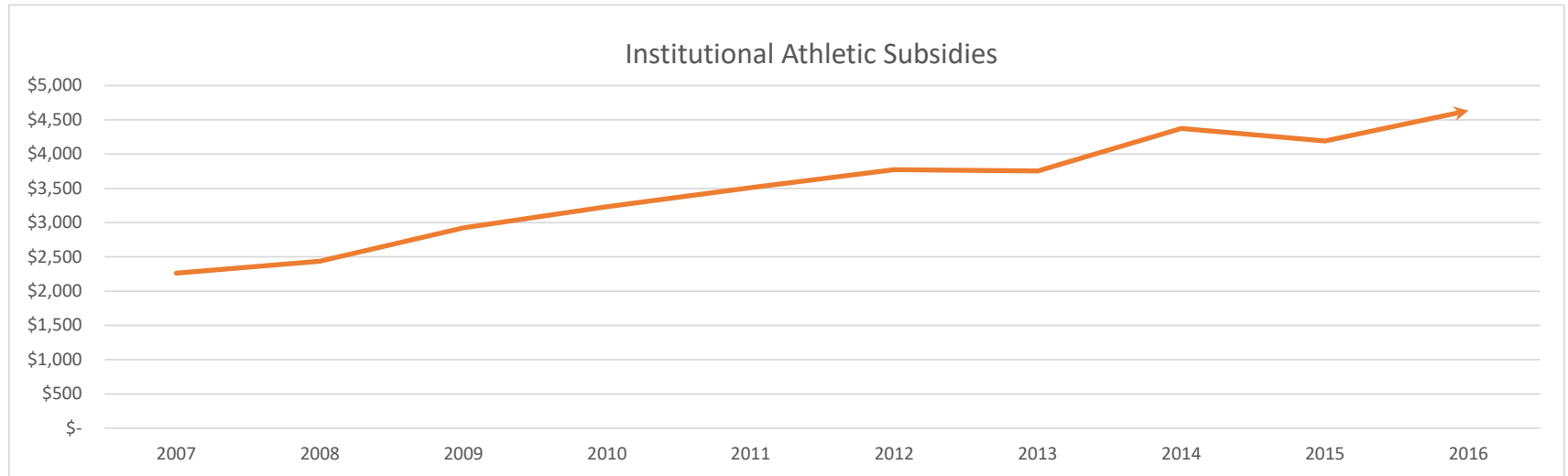
Overall, the ratio has been consistent and reasonable based on the size and growth of the faculty, staff and students.

Clemson University

Institutional Subsidies to Athletics - Per NCAA Agreed Upon Procedures

All Dollar Amounts are in Thousand's Unless otherwise indicated

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
\$ 2,262	\$ 2,435	\$ 2,924	\$ 3,234	\$ 3,512	\$ 3,771	\$ 3,753	\$ 4,376	\$ 4,191	\$ 4,634



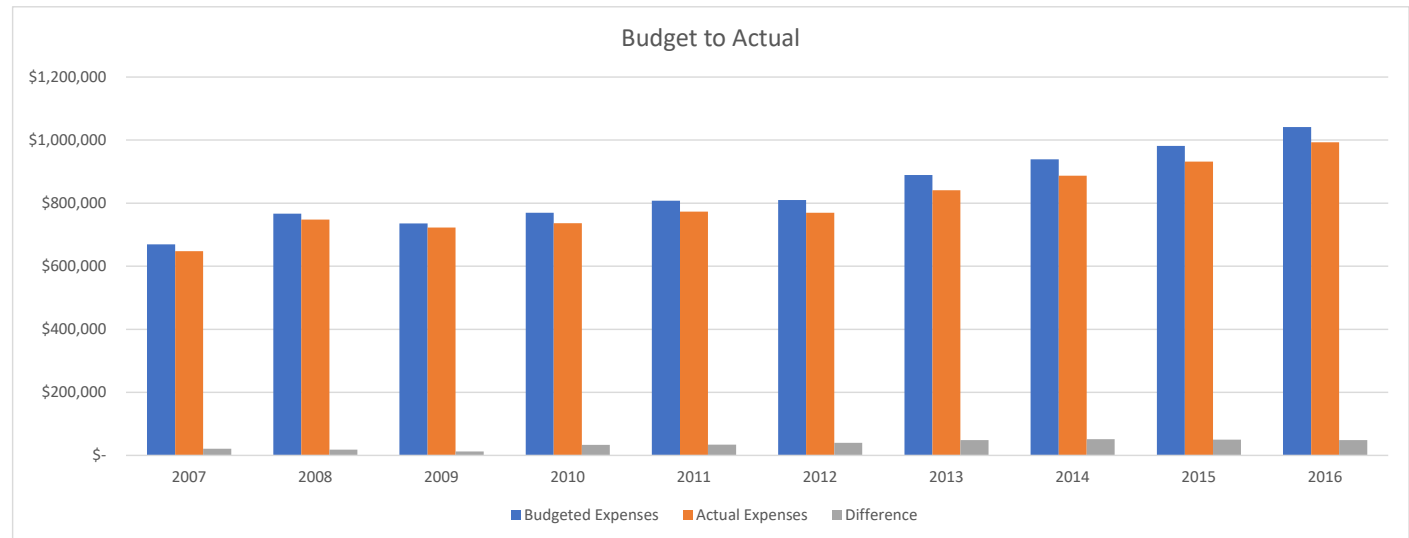
Athletic subsidies are non-cash tuition waivers for out-of-state students on athletic scholarships.

Clemson University

Variance between Approved Budget and Closing Budget

All Dollar Amounts are in Thousand's Unless otherwise indicated

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Budgeted Expenses	\$ 669,157	\$ 766,435	\$ 735,364	\$ 769,865	\$ 807,516	\$ 809,748	\$ 889,384	\$ 938,844	\$ 981,715	\$ 1,041,618
Actual Expenses	647,632	748,253	722,553	736,270	773,021	769,894	840,842	887,239	931,452	993,261
Difference	\$ 21,525	\$ 18,182	\$ 12,811	\$ 33,595	\$ 34,495	\$ 39,854	\$ 48,542	\$ 51,605	\$ 50,263	\$ 48,357
	3.2%	2.4%	1.7%	4.4%	4.3%	4.9%	5.5%	5.5%	5.1%	4.6%

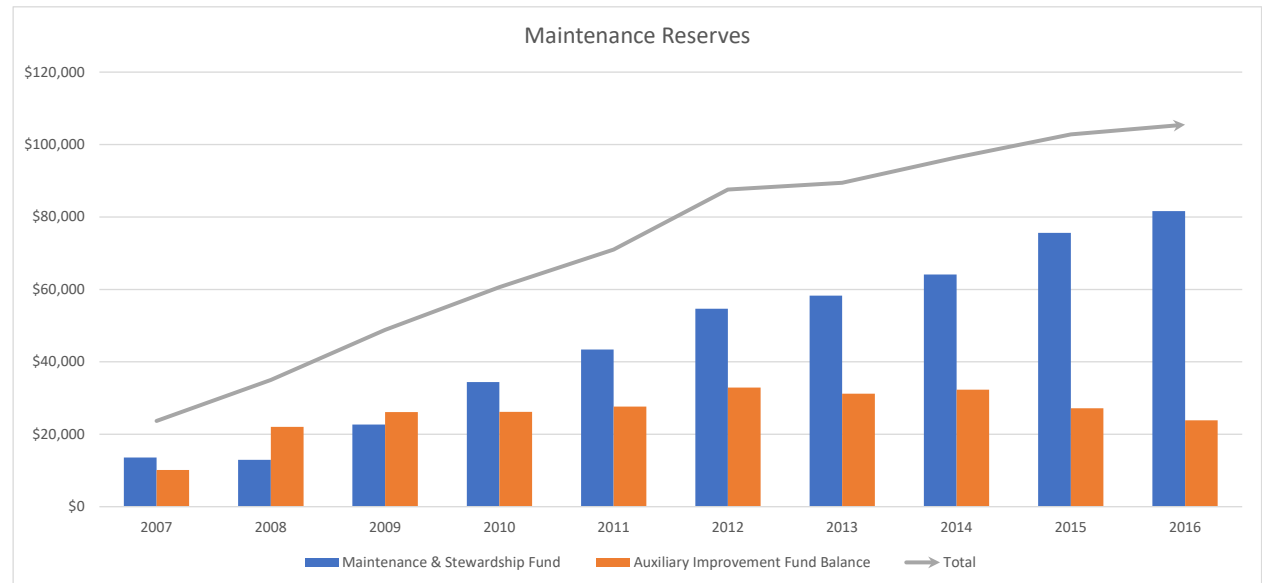


Clemson University

Maintenance Reserve Account and Institutional Capital Reserve Account

All Dollar Amounts are in Thousand's Unless otherwise indicated

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Maintenance & Stewardship Fund	\$13,554	\$12,955	\$22,674	\$34,423	\$43,375	\$54,635	\$58,261	\$64,136	\$75,638	\$81,631
Auxiliary Improvement Fund Balance	\$10,124	\$22,046	\$26,146	\$26,197	\$27,643	\$32,911	\$31,187	\$32,304	\$27,149	\$23,858
Total	\$23,678	\$35,001	\$48,820	\$60,620	\$71,018	\$87,546	\$89,448	\$96,439	\$102,786	\$105,489



Maintenance & Stewardship Fund balance is used for ongoing and future maintenance of existing E&G assets. Auxiliary Improvement Fund balance is used for ongoing and future maintenance of existing Auxiliary assets. Neither of these funds are currently used to fund capital projects.

Executive Summary

Francis Marion University - Land Acquisition Proposal

Francis Marion University Education Foundation is gifting approximately one half acre of land and 31,00 square foot building to Francis Marion University (FMU). This gift was approved by FMU Board of Trustees on March 2, 2017.

FMU will not incur any cost in this transaction, and subsequent operational costs have not been estimated but are expected to be minimal. There is no scheduled renovation for this facility to date.

The overall risk assessment for FMU is low. The property is gifted and operational costs are expected to be minimal to avoid building deterioration.

Capital Project Risk Analysis

Institution: Francis Marion University

Capital Project: Final Land Acquisition – Old Post Office

Date Received: March 10, 2017

Risk: Maintenance

How does the institution budget for annual routine maintenance?

Operating cost to idle the building and avoid deterioration is expected to be minimal and easily absorbed in the operating budget.

Maintenance Risk Assessment: Low Risk

Risk: Source of Funds

Readily available and traceable?

The land and building are being gifted from the FMU Educational Foundation, and therefore, there is no source of funds required.

Effect on student affordability?

There is no expected impact to student affordability resulting from this transaction.

Source of Funds Risk Assessment: Low Risk

Risk: Financial Stability

FMU is financially stable based on favorable budget to actual expenses each of the 10 years. Adequate maintenance reserves of \$9.4 million and an average positive change of net position of \$4.5 million that includes 3 of the 10 years with a negative change in net position.

Financial Stability Risk Assessment: Moderately Low Risk

FOR DEPARTMENT USE ONLY

CHE _____
 JBRC _____
 SFAA _____
 JBRC Staff _____
 ADMIN Staff _____
 A-1 Form Mailed _____
 SPIRS Date _____
 Summary _____

(For Department Use Only)

SUMMARY NUMBER**FORM NUMBER****PERMANENT IMPROVEMENT PROJECT REQUEST**

1. AGENCY Code H18 Name FRANCIS MARION UNIVERSITY
 Contact Person MICHAEL W. RICHEY Phone 843-661-1104

2. PROJECT Project # 9575 Name FINAL LAND ACQUISITION - OLD POST OFFICE
 Facility # _____ Facility Name OLD POST OFFICE

County Code	21 - Florence
New/Revised Budget	\$20,000.00

Project Type	9 - Other
Facility Type	3 - Health Care/Medical

3. CPIP PROJECT APPROVAL FOR CURRENT FISCAL YEAR
 CPIP priority number _____ of _____ for FY _____.

4. PROJECT ACTION PROPOSED (Indicate all requested actions by checking the appropriate boxes.)

Establish Project	<input checked="" type="checkbox"/>	Decrease Budget	<input type="checkbox"/>	Close Project	<input type="checkbox"/>
Establish Project - CPIP	<input type="checkbox"/>	Change Source of Funds	<input type="checkbox"/>	Change Project Name	<input type="checkbox"/>
Increase Budget	<input type="checkbox"/>	Revise Scope	<input type="checkbox"/>	Cancel Project	<input type="checkbox"/>

5. PROJECT DESCRIPTION AND JUSTIFICATION
 (Explain and justify the project or revision, including what it is, why it is needed, and any alternatives considered.
 Attach supporting documentation/maps to fully convey the need for the request.)

This final land acquisition is being requested to accept real property in downtown Florence, SC. The property is on the NW corner of the intersection of Irby Street and Evans Street. The property is approximately 1/2 acre. The land and building will be renovated and used for the Francis Marion University Therapies Complex. Francis Marion University Education Foundation has acquired the property and will donate it to Francis Marion University in the near future. The university will have zero expenses in this acquisition. All required studies and surveys have been taken care of by the Education Foundation and have been submitted with this form for approval.

6. OPERATING COSTS IMPLICATIONS
 Attach Form A-49 if any additional operating costs or savings will result from this request. This includes costs to be absorbed with current funding.

7. ESTIMATED PROJECT SCHEDULE AND EXPENDITURES
 Estimated Start Date: April 2017 Estimated Completion Date: JUNE 2017
 Estimated Expenditures: Thru Current FY: \$20,000.00 After Current FY: _____

8. ESTIMATES OF NEW/REVISED PROJECT COSTS

PROJECT #

9575

1. _____ Land Purchase ---->
2. _____ Building Purchase ---->
3. 17,000.00 Professional Services Fees
4. _____ Equipment and/or Materials ---->
5. _____ Site Development
6. _____ New Construction ---->
7. _____ Renovations - Building Interior ---->
8. _____ Renovations - Utilities
9. _____ Roofing - _____ Roof Age
10. _____ Renovations - Building Exterior
11. _____ Other Permanent Improvements
12. _____ Landscaping
13. _____ Builders Risk Insurance
14. _____ Other Capital Outlay
15. _____ Labor Costs
16. _____ Bond Issue Costs
17. _____ Other: _____
18. 3,000.00 Contingency

Land: 1.00 Acres
 Floor Space: 31,000 Gross Square Feet

Information Technology _____

Floor Space: _____ Gross Square Feet

Floor Space: 31,000 Gross Square Feet

\$20,000.00 TOTAL PROJECT BUDGET

ENVIRONMENTAL HAZARDS

Identify all types of significant environmental hazards (including asbestos, PCB's, etc.) present in the project and the financial impact they will have on the project.

Type: _____

Cost Breakdown

Design Services \$ _____
 Monitoring \$ _____
 Abate/Remed \$ _____
 Total Costs \$ 0.00

9. PROPOSED SOURCE OF FUNDING

Source	Previously Approved Amount	Increase/Decrease	Original/Revised Budget	Transfer to/from Proj. #	Rev Object Code	Treasurer's ID Number	Rev Sub Fund	Exp Sub Fund
(0) CIB, Group			0.00 0.00		8115		3043	3043
(1) Dept. CIB, Group			0.00 0.00		8115		3143	3143
(2) Institution Bonds			0.00 0.00					3235
(3) Revenue Bonds			0.00 0.00					3393
(4) Excess Debt Service			0.00 0.00					3497
(5) Capital Reserve Fund			0.00 0.00		8895		3603	3603
(6) Appropriated State			0.00 0.00		8895	68800100	1001	3600
(7) Federal			0.00 0.00			78800100		5787
(8) Athletic			0.00 0.00			88800100		3807
(9) Other (Specify) FMU Capital/Maintenance Reserve Fund	20,000.00		20,000.00 0.00 0.00		5001	98800100	42E5	3907
TOTAL BUDGET	\$20,000.00	\$0.00	\$20,000.00					

10. SUBMITTED BY:

Signature of Authorized Official and Title

4.28.2017.
Date

11. APPROVED BY:

(For Department Use Only)

Authorized Signature and Title

Date

Revised 3/30/16

**ADDITIONAL ANNUAL OPERATING COSTS/SAVINGS
RESULTING FROM PERMANENT IMPROVEMENT PROJECT**

1. AGENCY
Code H18 Name Francis Marion University

2. PROJECT
Project # _____ Name Final Land Acquisition – Old Post Office

ADDITIONAL ANNUAL OPERATING COSTS/SAVINGS. (Check whether reporting costs or savings.)

☐ COSTS

☐ SAVINGS

☒ NO CHANGE

4.

TOTAL ADDITIONAL OPERATING COSTS/SAVINGS				
Projected Financing Sources				
(1)	(2)	(3)	(4)	(5)
Fiscal Year	General Funds	Federal	Other	Total
1) 16-17		\$	\$	
2) 17-18		\$	\$	
3) 18-19		\$	\$	

5. If "Other" sources are reported in Column 4 above, itemize and specify what the other sources are (revenues, fees, etc.).

6. Will the additional costs be absorbed into your existing budget? ☒ YES NO
If no, how will additional funds be provided?

State appropriated funding through square footage formula budget additions and Center usage fees.

7. Itemize below the cost factors that contribute to the total costs or savings reported above in Column 5 for the first fiscal year.

COST FACTORS

AMOUNT

1. <u>Additional Personnel</u>	_____
2. <u>Facilities Support materials & supplies</u>	_____
3. _____	_____
4. _____	_____

TOTAL

8. If personal services costs or savings are reported in 7 above, please indicate the number of additional positions required or positions saved. _____

9. Submitted By: John J. Kispert
Signature of Authorized Official and Title
John J Kispert, Vice President for Business Affairs

3.10.17
Date

REQUEST TO ACQUIRE REAL PROPERTY

South Carolina Code Section 1-11-58 requires the Department of Administration to review its central listing of surplus real property to determine if an agency's need for real property can be met from existing state-owned property. In order to comply with this statutory requirement, you are requested to complete the following form and send it to the Capital Budgeting Unit, 1205 Pendleton Street, Edgar A. Brown Building, Suite 529, Columbia, South Carolina 29201, prior to submitting an A-1 form to establish a project for a new land acquisition.

Agency Code: H18 Agency Name: Francis Marion University

Contact Person: Mike Richey Phone: 843-661-1104 Date: 9 March 2017

Statement of Need: (Explain why the property is needed, not the purpose it will be used for):

Approximately one half acre of land and the 31,000 SF building on it is needed for the establishment of a
Therapies Complex that will meet the needs of the University and will establish a facility for the Speech Therapy,
Occupational Therapy and Physical Therapy programs to downtown Florence to serve the University and the entire
Pee Dee Region. The property will be gifted to the University.

Amount of Land Needed: one half acre County in which land is needed: Florence

Preferred Location: The NW corner of the intersection of Irby Street and Evans Street in downtown Florence, SC.

Suitable Alternate Locations: N/A

Briefly describe the type of property needed in sufficient detail to enable our review of the records of available surplus property to ascertain whether such property may be suitable for your needs:

See Statement of Need above

FOR DEPARTMENT USE ONLY:

Identification of property located on surplus property lists which may meet the above need:

Notified agency of property(ies): Name: _____ Date: _____

ADMIN Representative Initials: _____ Date: _____

**DEPARTMENT OF ADMINISTRATION
EXECUTIVE BUDGET OFFICE
APPROVAL OF PROJECT INVOLVING LAND ACQUISITION
FOR LIMITED PURPOSES ONLY**

AGENCY: Francis Marion University

PROJECT NAME: Old Post Office

PROJECT NUMBER: **H18-9575** DATE SUBMITTED: **9 March, 2017**

The approval of this project, which involves the acquisition of land, is for establishment only for the limited purposes of securing: (1) any appraisals which may be required; (2) any land surveying services which may be required; (3) a Phase One Building Condition Assessment on any structures included in the acquisition which may be required; (4) an asbestos survey on any structures included in the acquisition; (5) a Level One Environmental Study for detection of hazardous materials; and (6) any other information desired by the Joint Bond Review Committee or the State Fiscal Accountability Authority which describes further the land proposed to be acquired and the purposes it would serve if acquired.

The agency should forward originals of the appraisal, environmental study and building condition assessment reports to the **Executive Budget Office, Capital Budgeting Unit, 1205 Pendleton Street, Suite 529, Columbia, South Carolina 29201**. We will ensure that the building condition assessment is forwarded and reviewed by the Office of State Engineer.

No authority is given by this approval to acquire any land or to enter into any agreement to acquire land until the required studies have been reviewed by staff and an A-1 form which fully details the project has been reviewed by the Joint Bond Review Committee and approved by the State Fiscal Accountability Authority.

Submission of the A-1 form to finalize the land acquisition, information supplied on the attached format and a letter requesting approval of the acquisition, stating the date by which this approval is required, should be submitted to the Capital Budgeting Unit as noted above.

PROPERTY ACQUISITION INFORMATION FORMAT

PART I

1. Project Number: H18-9575
2. County: 21 Florence
3. Description of Property:
Approximately one half acre plat and 31,000 SF Building on the NW corner of the intersection of Irby Street and Evans Street in downtown Florence, SC.
4. Grantor(s) Name and Address:
Francis Marion University Education Foundation
121 South Evander
Florence, SC 29506
5. Grantee(s) Name and Address:
Francis Marion University
4822 East Palmetto Street
Florence, SC 29506
6. County Location: Florence
7. Acreage: Approximately one half acre
8. Purpose for Acquisition:
The property is being acquired and will be renovated to house three Academic Programs for the University.
9. Demonstrate the need to acquire the property:
Approximately one half acre of land and the 31,000 SF building on it is needed for the establishment of a Therapies Complex that will meet the needs of the University and will establish a facility for the Speech Therapy, Occupational Therapy and Physical Therapy programs to downtown Florence to serve the University and the entire Pee Dee Region. The property will be gifted to the University.
10. Purchase Price: \$ \$0.00
11. Current Year Property Tax Amount: \$ Unknown

PART II

1. How many sites were evaluated? N/A
2. Please list the selection criteria used to evaluate sites.
Location and Availability
3. How was the final selection of the site made?
The final selection was agreed to by the representatives of the multi-partnership agreement between the City of Florence, The Dr's Bruce and Lee Foundation and the FMU Education Foundation.

4. Why was this specific site selected?

The site was selected due to the appropriate size and availability of the property and its proximity to the Carter Center for Health Sciences in downtown Florence.

5. What are the estimated costs of any construction or renovations to be done on the property and the anticipated source of funds for such work?

We estimate an \$8,000,000 renovation and we are asking for State Appropriated funding as the source.

6. What are the estimated additional annual operating costs which will result from acquisition of the property and the anticipated source of funds? Explain the factors that determine the cost. If no costs, explain why not.

No additional operating costs will result from the acquisition.

7. What are the estimated additional annual operating costs which will result from construction/renovation on the property and the anticipated source of funds? Explain the factors that determine the costs. If no costs, explain why not.

Staffing has yet to be determined for this facility, but salaries will be an additional operating cost after renovation. Utility costs are also unknown, but similar sized facilities on campus will add approximately \$250K for utilities per year to be funded through MMR State Appropriations.

**PERMANENT IMPROVEMENT PROJECT INFORMATION FORMAT
FOR PRELIMINARY LAND ACQUISITION / INVESTIGATIVE STUDIES PROJECTS**

1. What is the internal projected cost of the project, including acquisition cost?

\$0 acquisition cost. Estimated \$8,000,000 renovation cost.

2. What is/are the source(s) of funds to be used for investigative studies for the acquisition?

All studies were completed by the owner, the FMU Education Foundation. Therefore, no university funds will be used for these studies.

3. What is your agency/institution's definition of the source(s) of funds to be used for the investigative land studies? (Please be specific for each source and if there is a statutory authority authorizing the use of the funds for capital projects/acquisitions, please cite the code section. If a source includes any type of fee, what is the fee called, what is the fee amount and when was it put in place?)

N/A

4. What is the current fund balance of uncommitted funds in the source of funds for investigative land studies?

N/A

5. What is the source(s) of funds to be used for the acquisition?

N/A. The property is being gifted to the University

6. What is your agency/institution's definition of the source(s) of funds to be used for acquisition? (Please be specific for each if different from those in 3 above. If there is statutory authority authorizing the use of the funds for acquisition, please cite the code section and if a source includes a fee, what is the fee called, what is the fee amount and when was it put in place?)

N/A

7. What is the current fund balance of uncommitted funds in each source to be used for the acquisition?

N/A

8. Will the use of any funds for the acquisition require an increase in any student fee or tuition? If so, please explain.

No.

9. If the use of any funds for acquisition will require any student fee or tuition increase, please explain and include the amount of the fees annually or by semester, what the fee is called and when it was put in place.

N/A

10. What is the total acreage and/or square footage of the land and/or building to be acquired?

approximately one half acre of land and a 31,000 SF building.

11. If a building is involved in the acquisition, will it have to be renovated and what is the projected cost? Please explain.

It will be renovated and we estimate the cost to be \$8,000,000

12. What program(s) will use the land/building to be acquired?

Speech Therapy, Occupational Therapy, and Physical Therapy

13. What is the current age of the building to be acquired, if applicable?

110 years old

14. Please provide demand/usage data to support the need for the acquisition.

The university does not currently have dedicated space for the three new programs we anticipate placing in this facility. We expect there to be close to 100 new students and 12 faculty that will use this facility.

15. What are the estimated numbers of students, faculty, staff and/or clients that are expected to use the property to be acquired? (Answer for as many as are applicable.)

Total number of students is expected to be in the neighborhood of 100 once fully operational. There will be approximately 12 faculty and staff members.

16. Has the acquisition project been included in a previous year's CIP? If so, what was the last year the project was included and for which year, 1-5?

Just added to this past CIP submission.

17. What are the economic impacts of the project, including job creation and retention? If there are none, please explain.

In addition to hiring new faculty to run the three programs, we will also hire new staff to include maintenance and custodial staff, operations and administrative staff. Impact to local construction firms and architectural firms will be to provide jobs for the contractors for approximately 12 months of work.



Florence Public School District One

319 South Dargan Street • Florence, South Carolina 29506-2589

Telephone: (843) 673-1106 • FAX: (843) 292-1003

Randy Bridges, Ed.D., Superintendent • www.fsd1.org

March 9, 2017

Mr. Jay Kispert, Vice President for Business Affairs
Francis Marion University
P.O. Box 100547
Florence, SC 29502-0547

Dear Mr. Kispert,

Francis Marion University is a critical factor in the success of our community. The quality academic programs offered by the university and its continued development to better meet the needs of our citizens are commendable. The expansion in downtown Florence with the intent to acquire the property at 201 West Evans Street, known as the "Old Post Office" will be a great benefit to the community, just as the development of the Carter Center for Health Science and the FMU Performing Arts Center has been.

On behalf of Florence School District One, I look forward to FMU's development of this property and support its acquisition by the University. I congratulate you on this effort and look forward to its success.

Respectfully,

A handwritten signature in cursive script, appearing to read 'Randy Bridges'.

Randy Bridges, Ed.D.
Superintendent

02-17
RESOLUTION
for
the Acceptance of the Gift of the Old Post Office Building from the FMU
Education Foundation

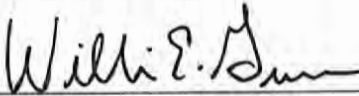
Whereas, the Board of Trustees for Francis Marion University under Section 59-133-30 (10) has the authority to accept and hold real property conveyed to the university to use for the benefit of the University, and

Whereas, the FMU Education Foundation has purchased and now wishes to transfer to the University the old post office building located at the corner of Irby St. and W. Evans Street in Florence, SC., and

Whereas, the Administration and Board of Trustees have determined that such a facility can be reasonably renovated into additional classroom space for our anticipated growing Medical and Health Education classroom needs

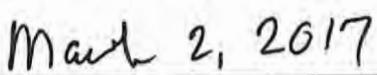
Be it therefore resolved that the Board of Trustees for Francis Marion University hereby approves the acceptance of the gift of the old post office building from the FMU Education Foundation for the benefit of the University.

APPROVED:



Secretary,
Board of Trustees for Francis Marion University

DATE:



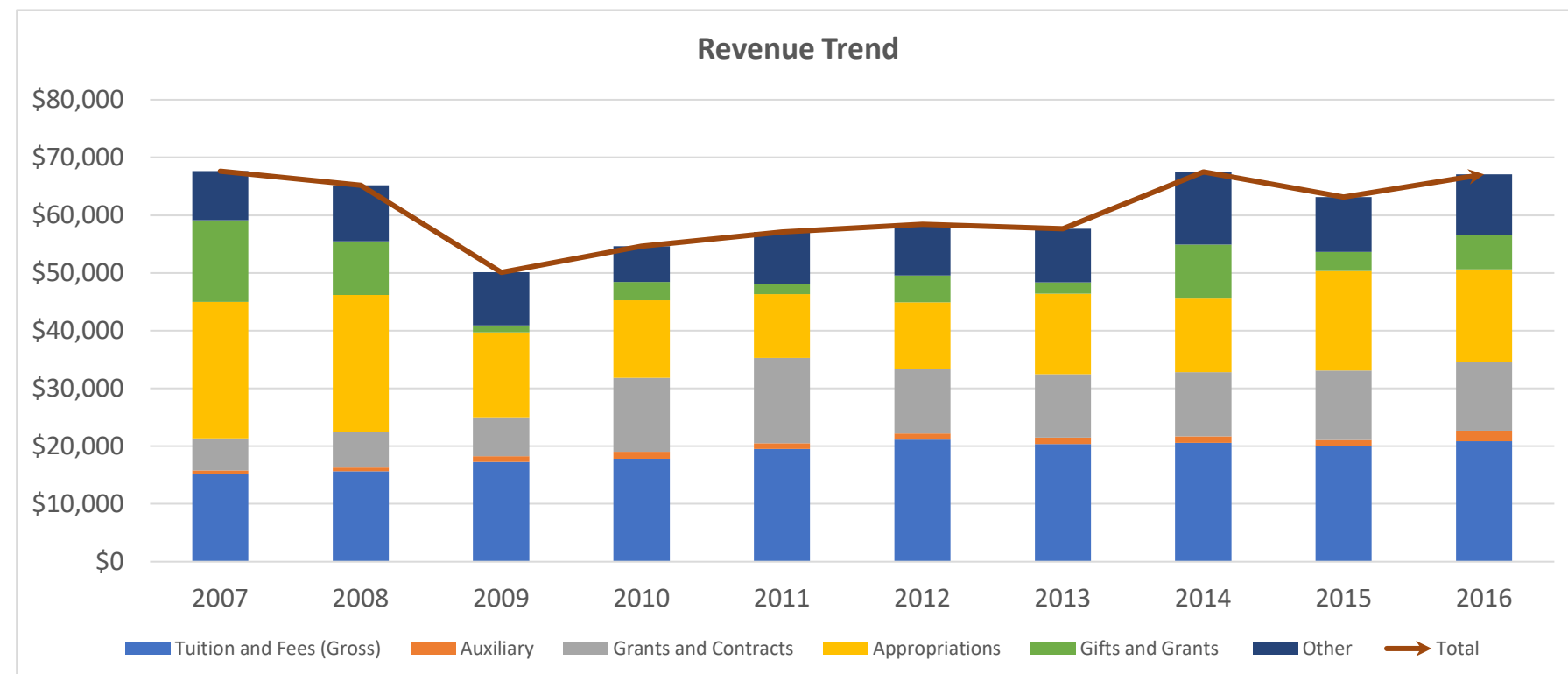
Presented by the Executive Affairs Committee
March 2017

Francis Marion University

Revenue Analytics

All Dollar Amounts are in Thousand's Unless otherwise indicated

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Tuition and Fees (Gross)	\$15,161	\$15,690	\$17,309	\$17,817	\$19,502	\$21,142	\$20,347	\$20,550	\$20,127	\$20,851
Auxiliary	\$660	\$602	\$985	\$1,196	\$1,015	\$1,037	\$1,169	\$1,157	\$953	\$1,817
Grants and Contracts	\$5,551	\$6,155	\$6,737	\$12,855	\$14,781	\$11,110	\$10,947	\$11,113	\$12,008	\$11,812
Appropriations	\$23,627	\$23,711	\$14,694	\$13,397	\$11,058	\$11,634	\$13,905	\$12,721	\$17,241	\$16,158
Gifts and Grants	\$14,125	\$9,308	\$1,151	\$3,139	\$1,637	\$4,659	\$2,020	\$9,340	\$3,305	\$5,992
Other	\$8,492	\$9,696	\$9,215	\$6,245	\$9,077	\$8,821	\$9,233	\$12,627	\$9,533	\$10,472
Total	\$67,616	\$65,162	\$50,091	\$54,649	\$57,070	\$58,403	\$57,621	\$67,508	\$63,167	\$67,102
		-3.6%	-23.1%	9.1%	4.4%	2.3%	-1.3%	17.2%	-6.4%	6.2%



Overall revenue has decreased 1% since 2007, but has been trending favorably since 2009, with an average increase of 3.4% over the past eight years and a total increase of 34% over the same period. As expected, Tuition revenue is the primary revenue source averaging 31% of total revenues over the past ten years.

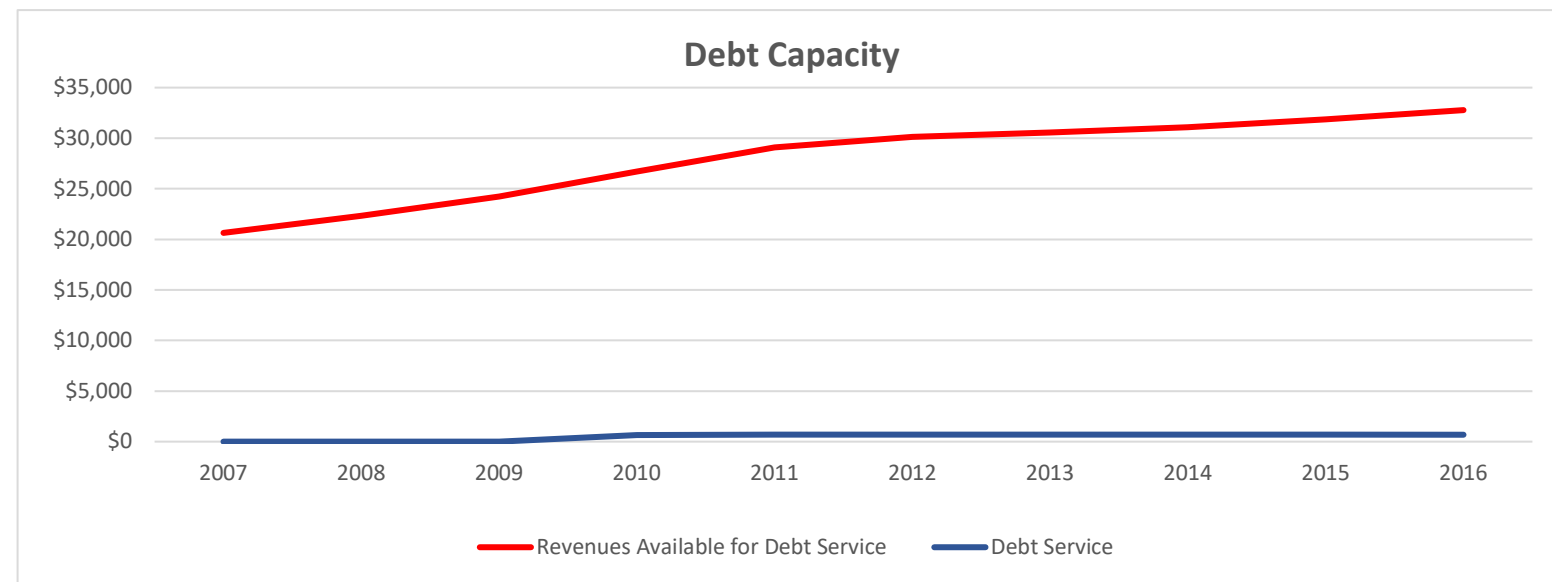
Francis Marion University

Debt Capacity Analysis

Excess Debt Service (*not applicable)

All Dollar Amounts are in Thousand's Unless otherwise indicated

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues Available for Debt Service	\$20,638	\$22,340	\$24,238	\$26,698	\$29,082	\$30,127	\$30,549	\$31,064	\$31,858	\$32,775
Debt Service	\$0	\$0	\$0	\$658	\$675	\$677	\$678	\$679	\$678	\$682
Available for Debt Service	\$20,638	\$22,340	\$24,238	\$26,040	\$28,407	\$29,450	\$29,871	\$30,385	\$31,180	\$32,093



In FY2016, FMU only used 2% of its available debt service capacity with an available debt service totaling \$32.1 million.

Francis Marion University

Enrollment Analytics

FTE (Based on Credit Hours)

Undergraduate FTE

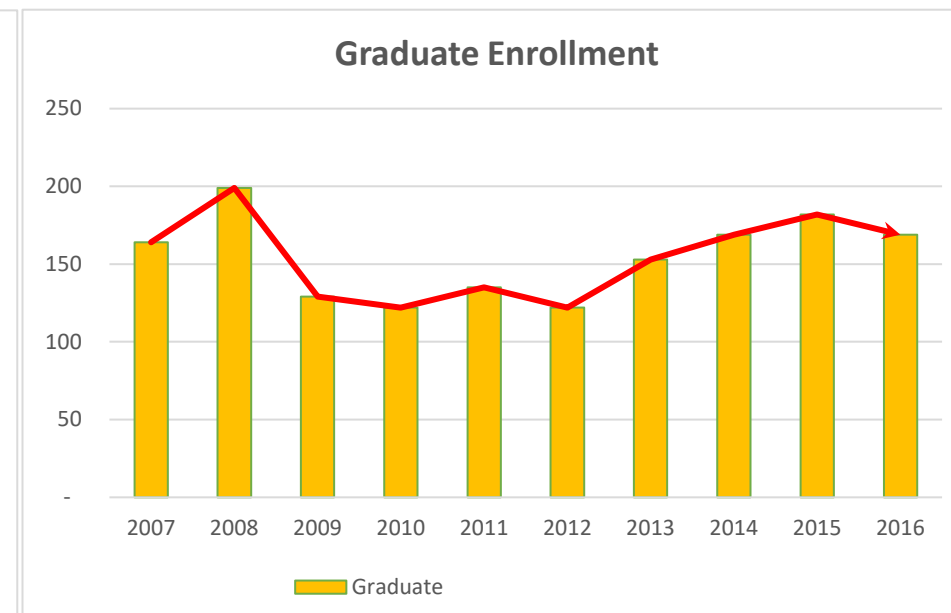
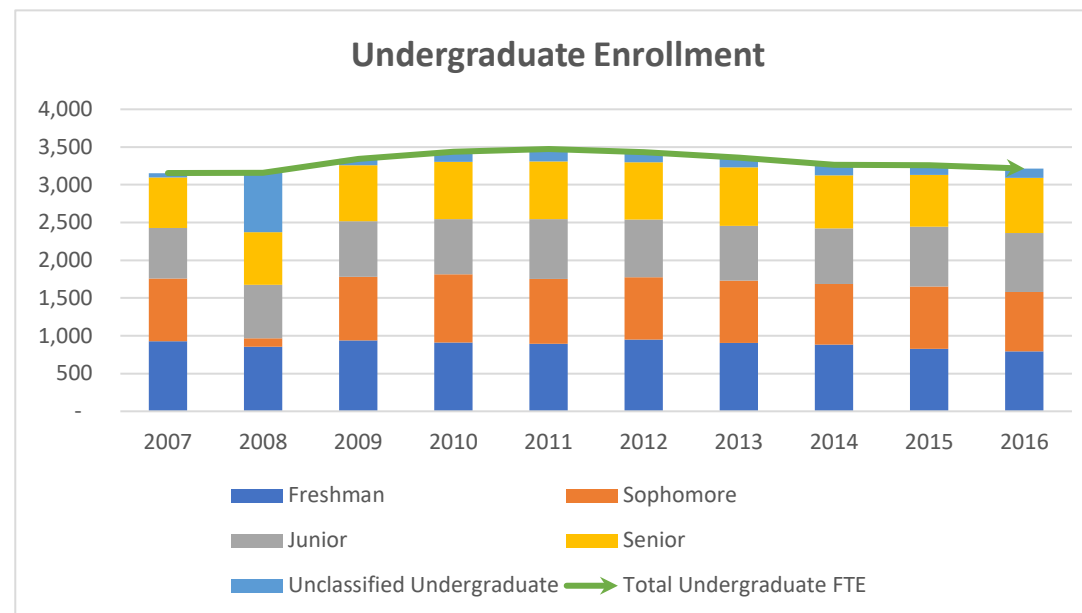
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Freshman	930	853	940	909	897	952	903	884	826	793
Sophomore	830	112	842	907	855	825	830	804	826	788
Junior	671	709	734	727	796	763	724	733	791	780
Senior	666	696	741	761	760	761	773	706	690	732
Unclassified Undergraduate	59	790	84	136	166	132	132	136	125	121
Total Undergraduate FTE	3,156	3,160	3,341	3,440	3,474	3,433	3,362	3,263	3,258	3,214

Graduate FTE

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Graduate	164	199	129	122	135	122	153	169	182	169
Total Graduate FTE	164	199	129	122	135	122	153	169	182	169

TOTAL FTE ENROLLMENT

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
	3,320	3,359	3,470	3,562	3,609	3,555	3,515	3,432	3,440	3,383
		0.1%	5.7%	3.0%	1.0%	-1.2%	-2.1%	-2.9%	-0.2%	-1.4%
		21.3%	-35.2%	-5.4%	10.7%	-9.6%	25.4%	10.5%	7.7%	-7.1%
		1.2%	3.3%	2.7%	1.3%	-1.5%	-1.1%	-2.4%	0.2%	-1.7%

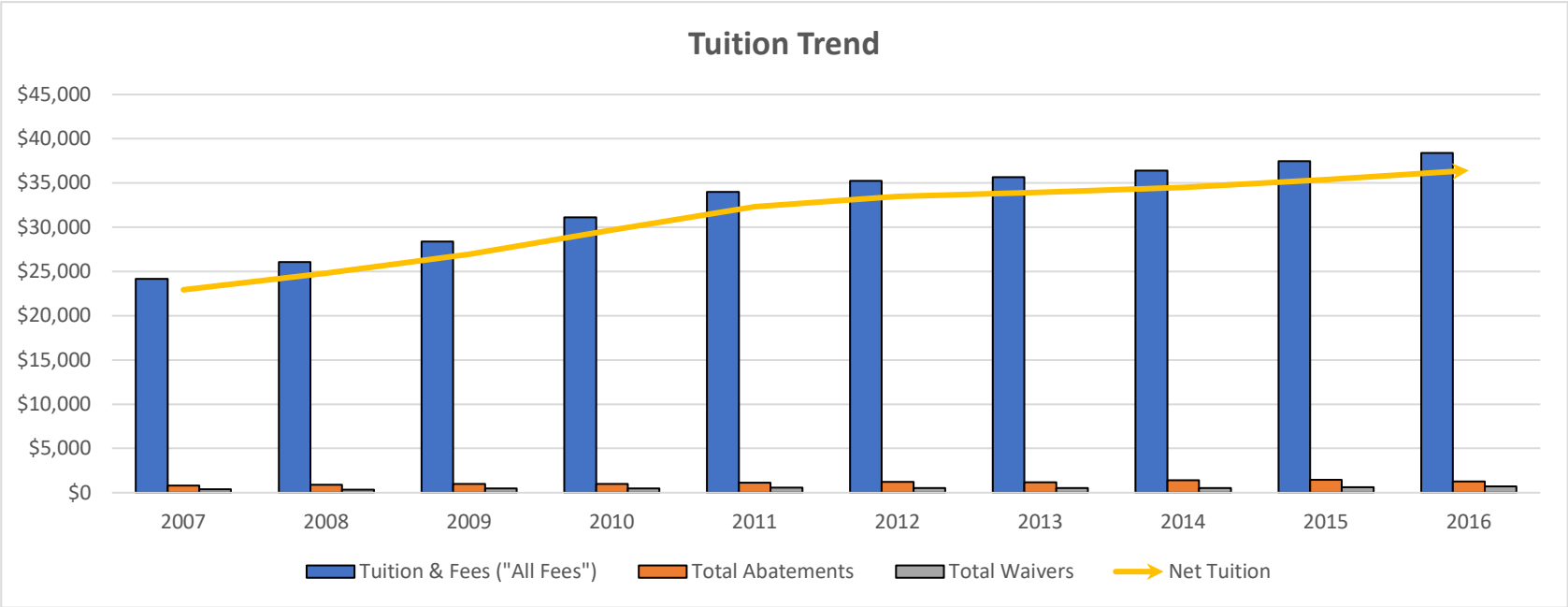


Undergraduate enrollment growth has been steady with overall growth of 1.8% over the ten year period. Freshman and Sophomore classes have decreased in total by 14.7% and 5.1%, respectively, over the ten year period, while the Junior and Senior classes have growth of 16% and 10%, respectively, over the same period. Graduate enrollment has also remained steady with growth of 3% over the ten year period.

Tuition Analytics

All Dollar Amounts are in Thousand's Unless otherwise indicated

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Tuition & Fees ("All Fees")	\$24,142	\$26,059	\$28,400	\$31,117	\$34,011	\$35,225	\$35,664	\$36,417	\$37,459	\$38,392
Total Abatements	806	880	992	978	1,109	1,220	1,184	1,391	1,453	1,250
Total Waivers	405	357	477	475	589	531	537	510	608	725
Net Tuition	22,931	24,822	26,931	29,664	32,313	33,474	33,943	34,516	35,398	36,417
		8.2%	8.5%	10.1%	8.9%	3.6%	1.4%	1.7%	2.6%	2.9%



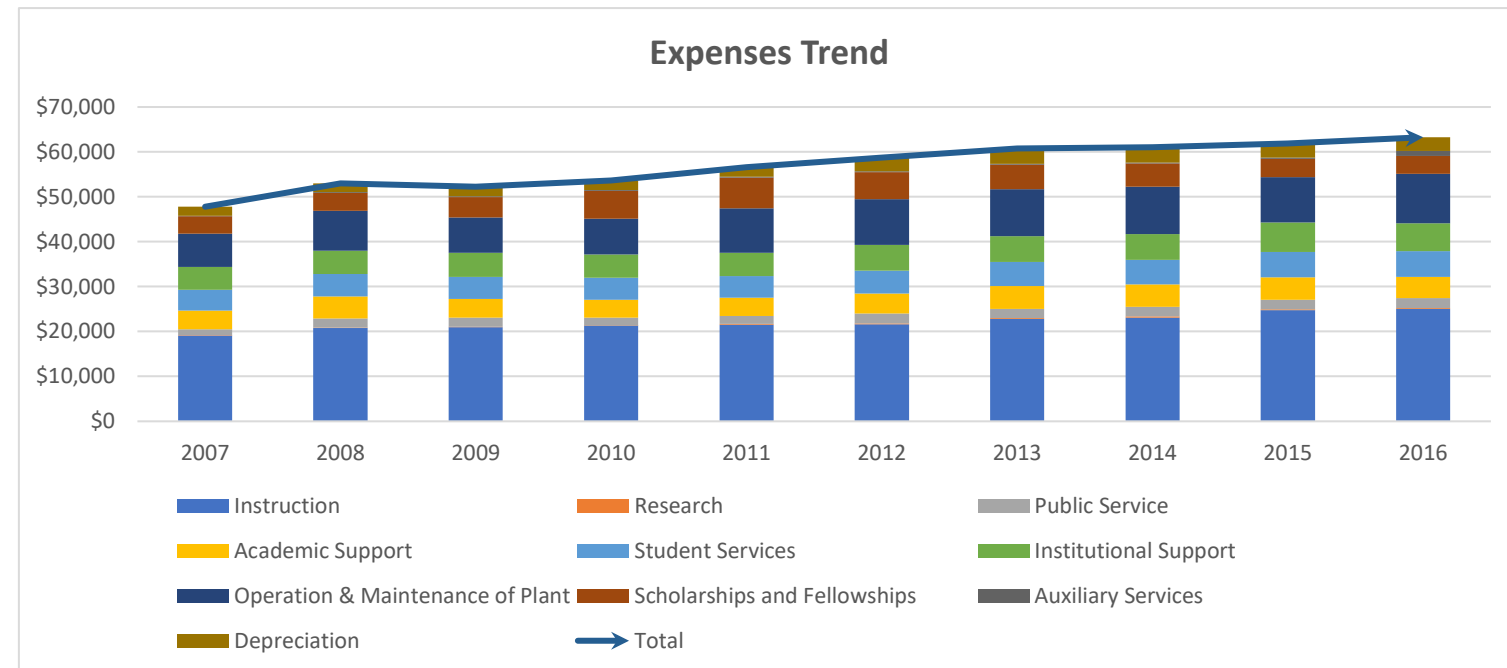
Net tuition has increased over ten years at an average of 6% while waivers have increased by an average of 8% per year and abatements have increased by an average of 5.5% per year.

Francis Marion University

Expense Analytics

All Dollar Amounts are in Thousand's Unless otherwise indicated

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Instruction	\$19,117	\$20,779	\$20,951	\$21,328	\$21,514	\$21,575	\$22,794	\$23,136	\$24,724	\$25,071
Research	\$58	\$97	\$79	\$43	\$191	\$184	\$197	\$259	\$210	\$169
Public Service	\$1,330	\$1,993	\$2,027	\$1,707	\$1,778	\$2,214	\$2,080	\$2,104	\$2,182	\$2,246
Academic Support	\$4,136	\$4,934	\$4,180	\$3,966	\$4,039	\$4,488	\$5,033	\$5,025	\$4,933	\$4,636
Student Services	\$4,632	\$5,051	\$4,970	\$4,972	\$4,857	\$5,117	\$5,421	\$5,412	\$5,631	\$5,808
Institutional Support	\$5,081	\$5,148	\$5,317	\$5,174	\$5,160	\$5,692	\$5,727	\$5,746	\$6,563	\$6,164
Operation & Maintenance of Plant	\$7,474	\$8,913	\$7,883	\$7,935	\$9,877	\$10,178	\$10,416	\$10,604	\$10,175	\$11,064
Scholarships and Fellowships	\$3,833	\$3,954	\$4,573	\$6,183	\$6,869	\$6,065	\$5,514	\$5,122	\$4,068	\$3,900
Auxiliary Services	\$112	\$166	\$155	\$209	\$188	\$156	\$166	\$188	\$234	\$1,143
Depreciation	\$2,018	\$1,984	\$2,112	\$2,125	\$2,170	\$3,030	\$3,461	\$3,427	\$3,185	\$3,069
Total	\$47,791	\$53,019	\$52,247	\$53,642	\$56,643	\$58,699	\$60,809	\$61,023	\$61,905	\$63,270
		10.9%	-1.5%	2.7%	5.6%	3.6%	3.6%	0.4%	1.4%	2.2%

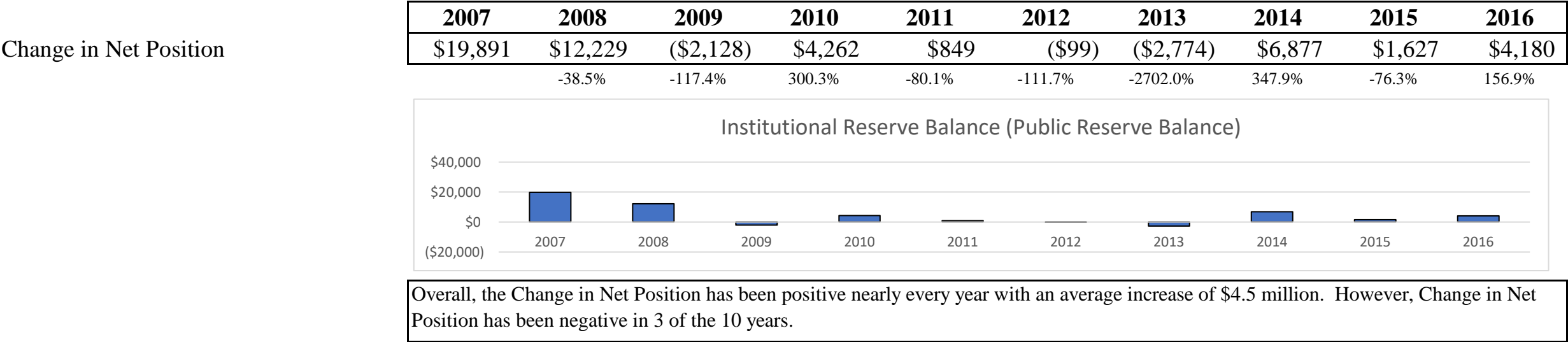


Expenses have grown at a average rate of 5.2% per year and in total 52% over a ten year period. Instruction costs have grown 31% and operation maintenance expenses have risen by 48%, while student services and institutional support have risen 25.4% and 21.3%, respectively, over the same ten year period.

Francis Marion University

Institutional Reserve Balance (Public Reserve Balance) Forecast

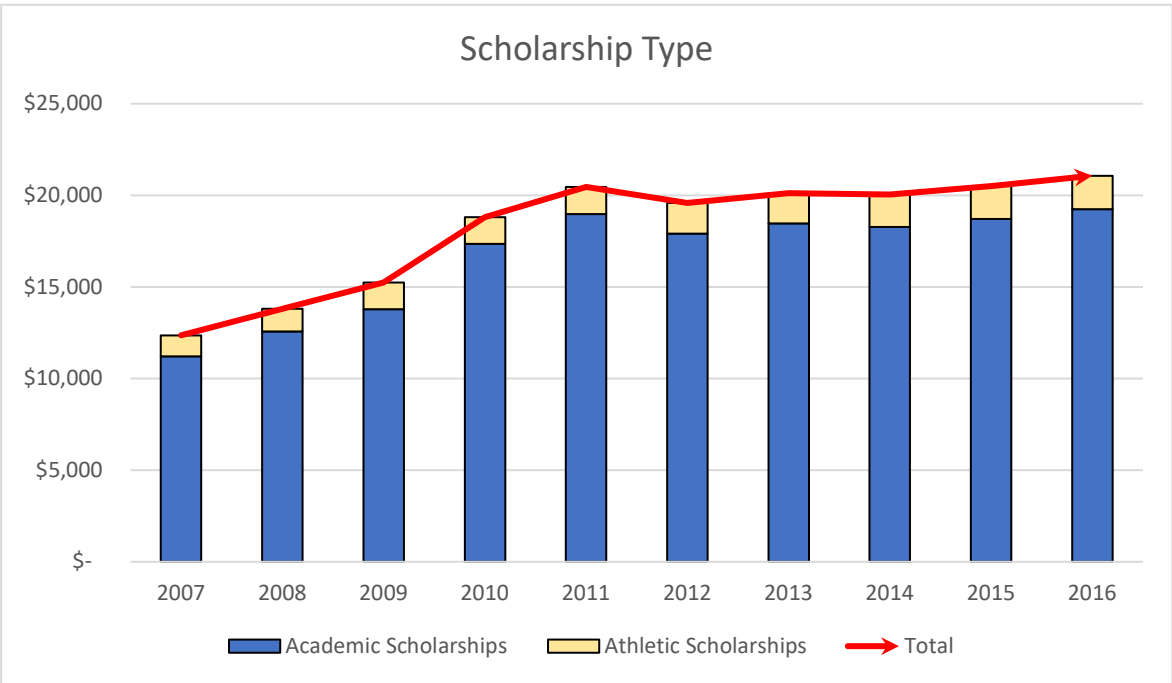
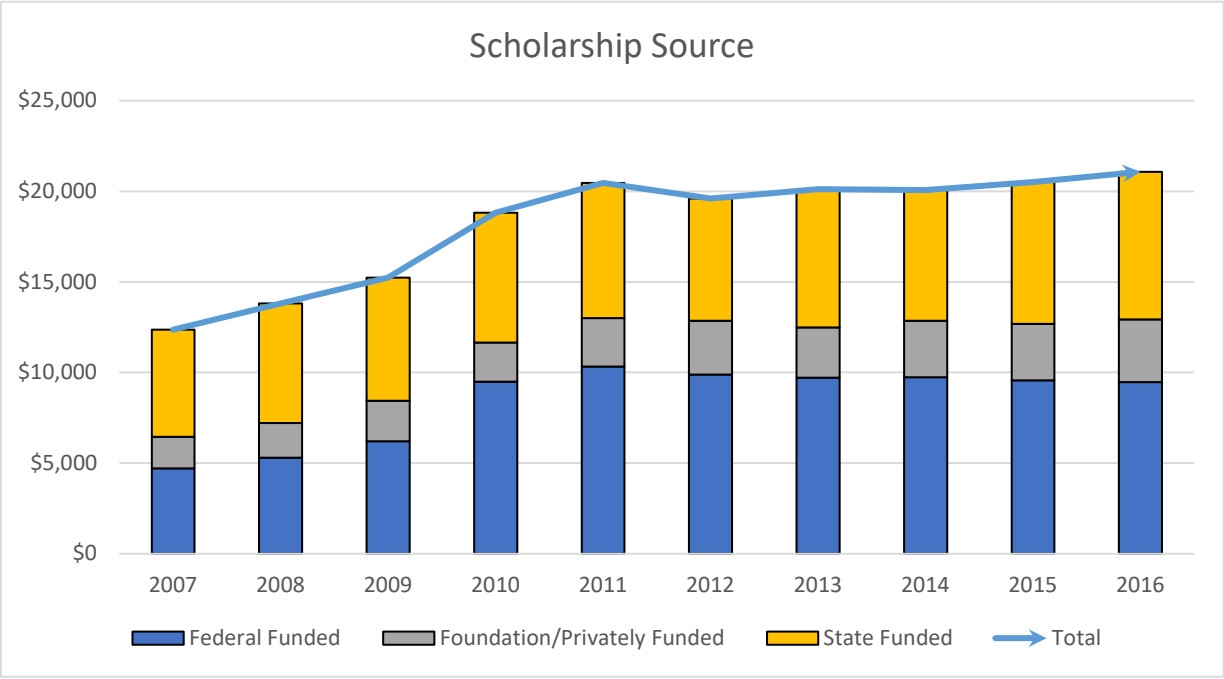
All Dollar Amounts are in Thousand's Unless otherwise indicated



Institutional and Foundation Scholarship Data

All Dollar Amounts are in Thousand's Unless otherwise indicated

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Federal Funded	\$4,722	\$5,290	\$6,220	\$9,497	\$10,322	\$9,895	\$9,719	\$9,747	\$9,558	\$9,458
Foundation/Private Funded	\$1,738	\$1,919	\$2,218	\$2,156	\$2,688	\$2,951	\$2,765	\$3,098	\$3,119	\$3,471
State Funded	\$5,902	\$6,611	\$6,795	\$7,153	\$7,443	\$6,741	\$7,628	\$7,208	\$7,828	\$8,143
Total	\$12,362	\$13,820	\$15,233	\$18,806	\$20,453	\$19,587	\$20,112	\$20,053	\$20,505	\$21,072
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Academic Scholarships	\$ 11,211	\$ 12,579	\$ 13,781	\$ 17,352	\$ 18,973	\$ 17,898	\$ 18,475	\$ 18,277	\$ 18,711	\$ 19,256
Athletic Scholarships	\$ 1,151	\$ 1,241	\$ 1,452	\$ 1,454	\$ 1,480	\$ 1,689	\$ 1,637	\$ 1,776	\$ 1,794	\$ 1,816
Total	\$12,362	\$13,820	\$15,233	\$18,806	\$20,453	\$19,587	\$20,112	\$20,053	\$20,505	\$21,072

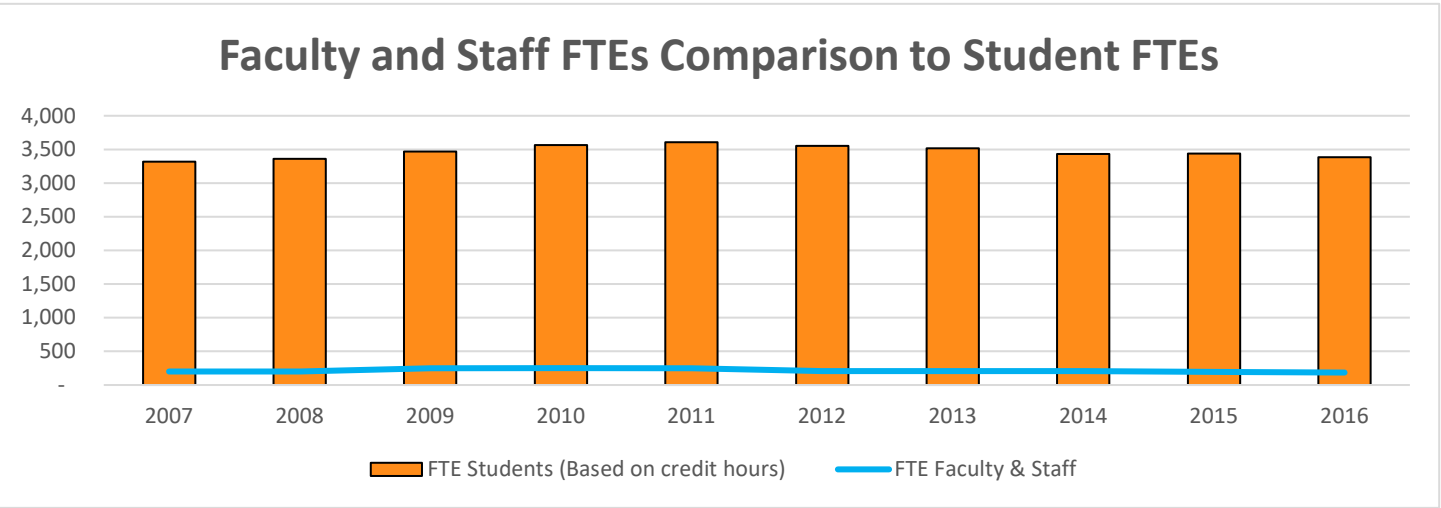


Academic scholarships have increased 72% over the ten year period, while atheltic scholarships have grown 58% over the same period. Overall, total scholarships have increased 70.5% since 2007.

Francis Marion University
Faculty/Staff to Students

FTE Faculty & Staff
 FTE Students (Based on credit hours)
 Ratio

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
200	199	246	251	250	205	204	208	196	185
3,320	3,359	3,470	3,562	3,609	3,555	3,515	3,432	3,440	3,383
1:17	1:17	1:14	1:14	1:14	1:17	1:17	1:17	1:18	1:18



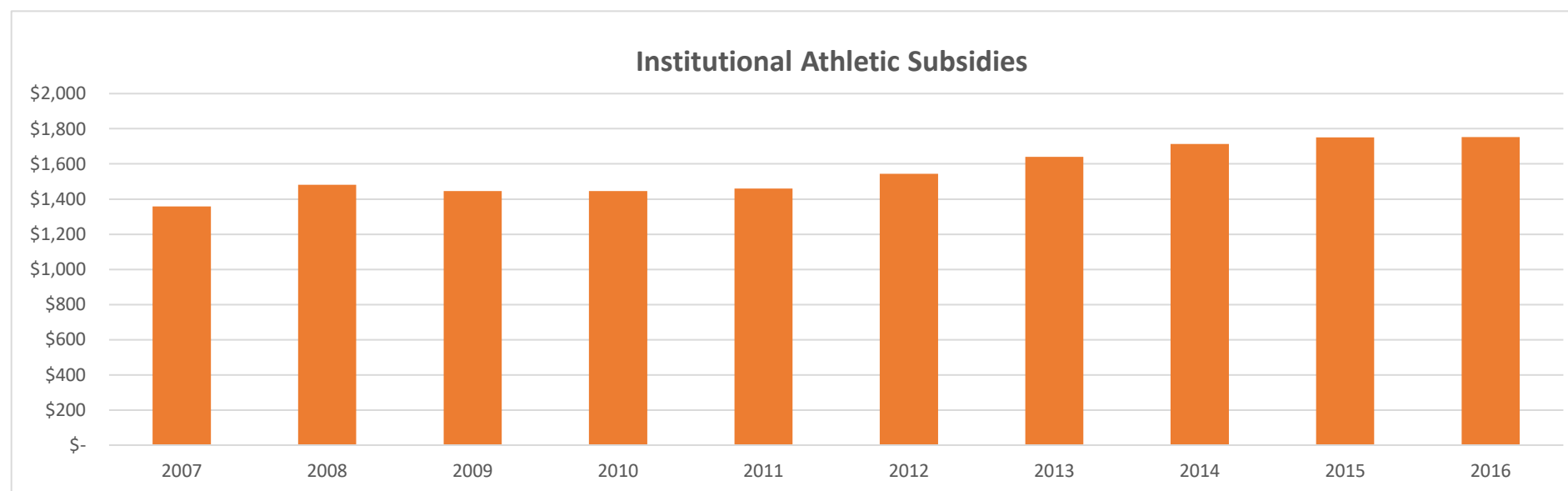
Overall, the ratio has been consistent and reasonable based on the size and growth of faculty, staff and students.

Francis Marion University

Institutional Subsidies to Athletics - Per NCAA Agreed Upon Procedures

All Dollar Amounts are in Thousand's Unless otherwise indicated

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
\$ 1,358	\$ 1,481	\$ 1,445	\$ 1,446	\$ 1,459	\$ 1,543	\$ 1,640	\$ 1,714	\$ 1,751	\$ 1,752
	9.1%	-2.4%	0.1%	0.9%	5.8%	6.3%	4.5%	2.2%	0.1%



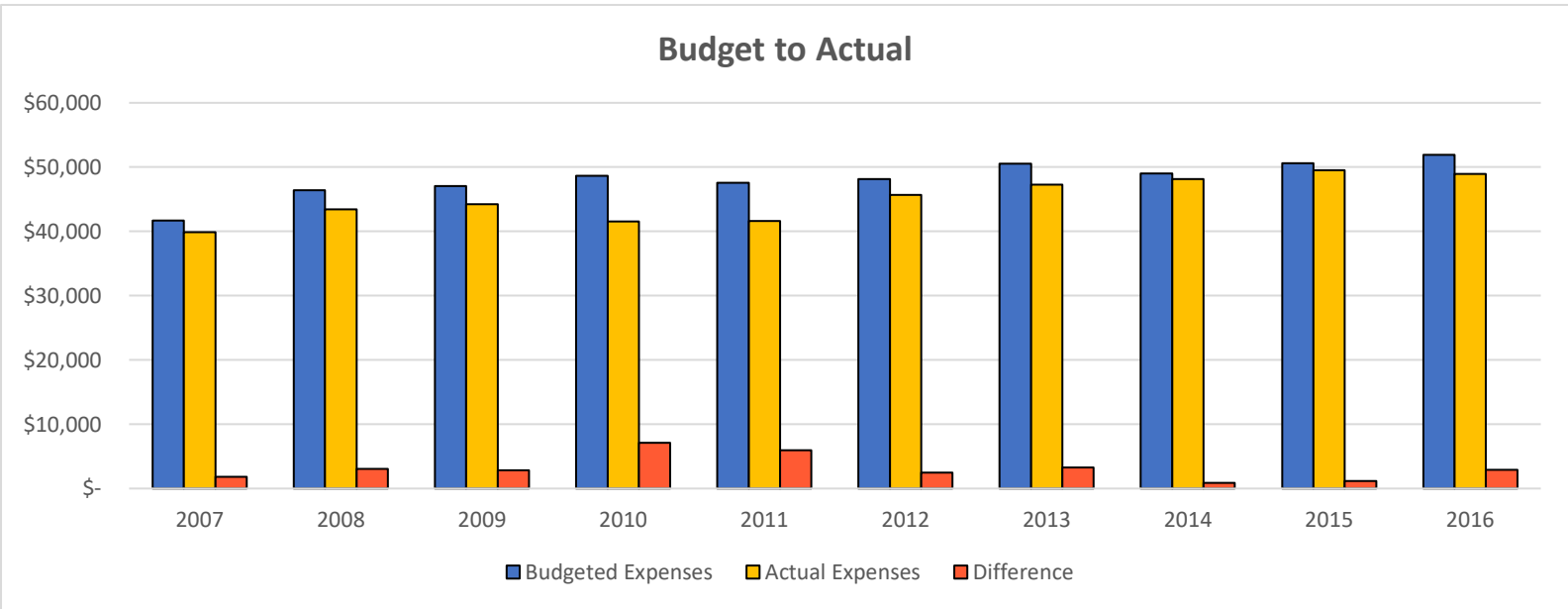
Athletic subsidies have increased each year with an average increase of 3% over the past ten years and a total increase of 29% over the same period.

Francis Marion University

Variance between Approved Budget and Closing Budget

All Dollar Amounts are in Thousand's Unless otherwise indicated

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Budgeted Expenses	\$ 41,699	\$ 46,427	\$ 47,057	\$ 48,662	\$ 47,558	\$ 48,137	\$ 50,538	\$ 49,042	\$ 50,643	\$ 51,895
Actual Expenses	39,898	43,401	44,230	41,517	41,638	45,693	47,272	48,178	49,496	48,975
Difference	\$ 1,801	\$ 3,026	\$ 2,827	\$ 7,145	\$ 5,920	\$ 2,444	\$ 3,266	\$ 864	\$ 1,147	\$ 2,920
	4.3%	6.5%	6.0%	14.7%	12.4%	5.1%	6.5%	1.8%	2.3%	5.6%



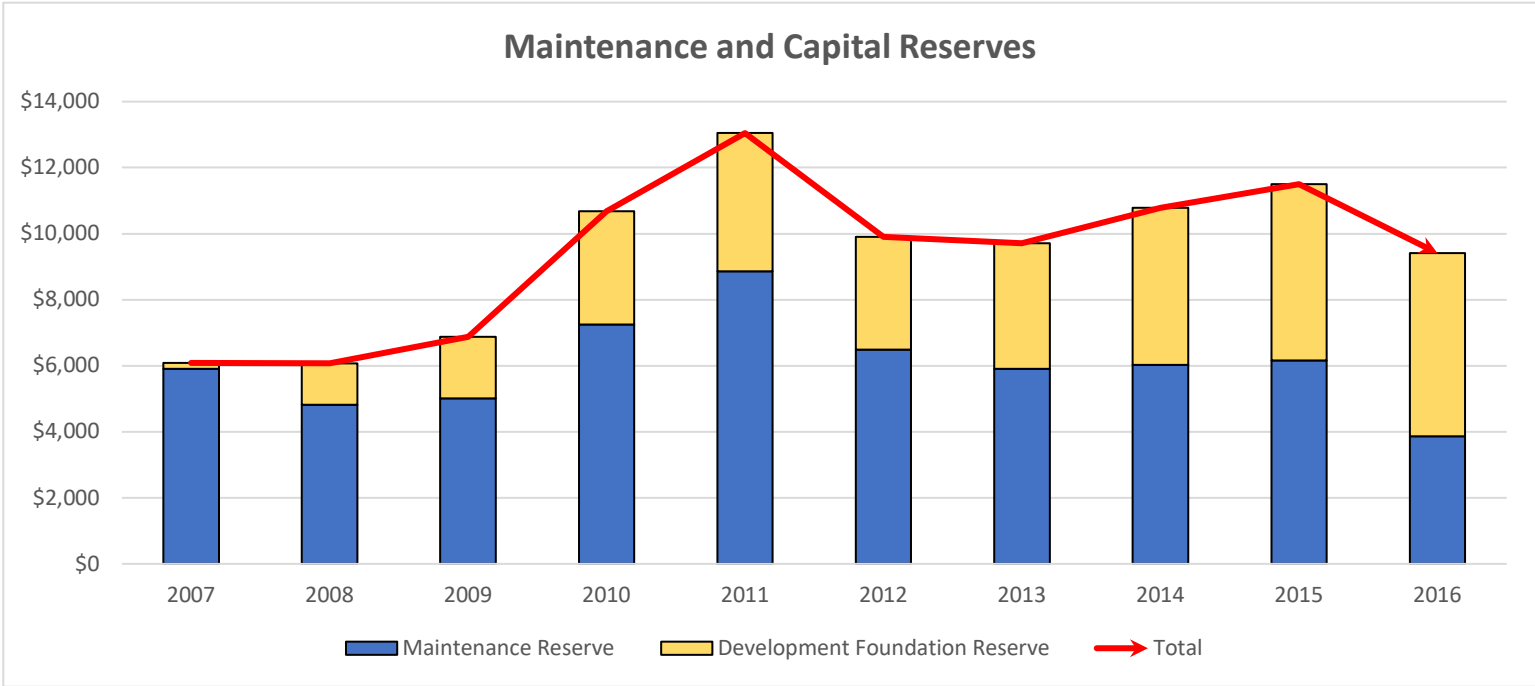
Francis Marion has consistently had actual expenses not exceed budgeted expenses in each of the past ten years by an average of \$3.1 million per year.

Francis Marion University

Maintenance Reserve Account and Development Foundation Reserve Account

All Dollar Amounts are in Thousand's Unless otherwise indicated

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Maintenance Reserve	\$5,901	\$4,814	\$5,010	\$7,245	\$8,860	\$6,486	\$5,904	\$6,031	\$6,167	\$3,858
Development Foundation Reserve	\$182	\$1,261	\$1,867	\$3,440	\$4,186	\$3,413	\$3,809	\$4,752	\$5,335	\$5,560
Total	\$6,083	\$6,075	\$6,877	\$10,685	\$13,046	\$9,899	\$9,713	\$10,783	\$11,502	\$9,418



The maintenance reserve held by FMU has decreased over the ten-year period, with an average decrease of 3.5% per year, but appears to be consistent with the increased operations and maintenance expenditures (at a rate of 4.8% per year). The development fund reserve held by FMU has increased significantly in 2008, with an average increase of 38% per year over the past nine years.

Executive Summary

USC Columbia – Renovation Project Proposal

The renovation of the former law center building into a new academic teaching center for undergraduate labs and other future academic space that was approved by the USC Board of Trustees on April 21, 2017. In their current Master Plan, an 100,000 academic square footage shortfall was forecasted by 2014, and this renovation project by adding 103,000 academic square feet will address this realized shortfall. During the planning stage of this project, USC Columbia determined that renovating the existing building provided 90,000 additional square footage for future academic purposes versus constructing a new building. A new Master Plan is being prepared and is scheduled for completion by December 2017.

USC Columbia has \$96 million in maintenance reserves. However, deferred maintenance for the campus is \$189.2 million, a total reserve deficit of \$93.2 million. Although, the maintenance reserve does not fully fund the deferred maintenance balance, the university has increased Operation & Maintenance of Plant expenses by 12.1% each year over the past ten years, totaling \$88.1 million in fiscal year (FY) 2016. The change in net position has averaged \$59 million of positive change over the past ten years that demonstrates USC Columbia has the ability to adequately reserve for maintenance.

Enrollment is a driving factor in supporting the justification for this project. Over the past ten years, undergraduate enrollment has increased at an average rate of 3.2% and in the past five years at a rate of 2.1%. Total undergraduate enrollment in FY 2016 was 25,556. Currently, 40% of the USC Columbia undergraduate students take a science lab. The additional 17 labs that will be constructed less 3 labs that will be closed will net 14 new labs. The current lab capacity is 29 students per lab and the standard lab capacity rate is 19-20 students. The additional labs will be supported by the current capacity backlog coupled with the controlled student enrollment growth.

USC Columbia debt capacity is adequate to take on this additional debt. The university will invest \$3.5 million in the renovation with the remaining balance of \$43.5 million being financed with state institutional bonds (SIB). If the bond bill is passed, \$25 million of this project will be paid with bond bill funding and the remaining balance of \$18.5 million will be financed by SIBs. In the worst case scenario, the university has adequate annual debt capacity prior to this issuance of \$10.2 million. The issuance of \$43.5 million will create an estimated annual debt service of \$3 million.

Budget to actual expenses were consistently unfavorable for nine of the past ten years. Actual revenues exceeded budgeted revenues in eight of the past ten years sufficiently to offset the increased expenses. However, there is a concern about the overall budget approach that consistently understates budgeted expenses.

The overall risk assessment for USC Columbia is moderately low. Total deferred maintenance and the budget to actual expense results are a concern. However, these risk factors are adequately offset by the consistent favorable financial outcomes over the past ten years.

Capital Project Risk Analysis

Institution: USC Columbia

Capital Project: Classroom/Laboratory Redevelopment

Date Received: April 6, 2017

Risk: Maintenance

How does the institution budget for annual routine maintenance?

USC Columbia has a sizeable maintenance reserve totaling \$96 million and expensed \$88.1 million in FY2016. However, this campus has a deferred maintenance balance totaling \$189.2 million. Based on the change in net position results over the past ten years, USC Columbia has the financial resources to adequately reserve for deferred maintenance coupled with their conscious effort to build a reserve balance.

Maintenance Risk Assessment: Moderately Low Risk

Risk: Source of Funds

Readily available and traceable?

The source of funding consists of \$3.5 million capital reserves and 43.5 million state institution bonds (SIB). If a bond bill passes, the SIB portion would be 18.5 million while the bond bill would pay \$25 million. The most likely scenario is financing \$43.5 million with a SIB. Currently, USC Columbia has adequate debt capacity to take on this debt. The total debt service for this project is estimated to be \$3 million over the 20-year bond term. Their current annual debt service capacity is \$10.2 million. Total available debt is approximately \$153 million with 28% of total debt or \$43.5 million being used for this renovation project. If current interest rates remain unchanged, that would leave \$109.5 million in available debt after this project is financed.

Athletic debt is \$189,955,000 with an available athletic debt capacity of \$200 million. Total debt capacity before this bond is \$163 million and after the bond is \$119.5 million.

Effect on student affordability?

Tuition is a source of funding as it should be for the construction of an academic building. There is no need to increase tuition to fund the incurred debt service for this project based on Change in Net Position and Enrollment trends. The risk of Tuition revenue decreasing due to a drop in enrollment appears minimal based on the 10-year trend of 3.3% average annual increase in enrollment and an 6% Net Tuition Revenue increase over the same period.

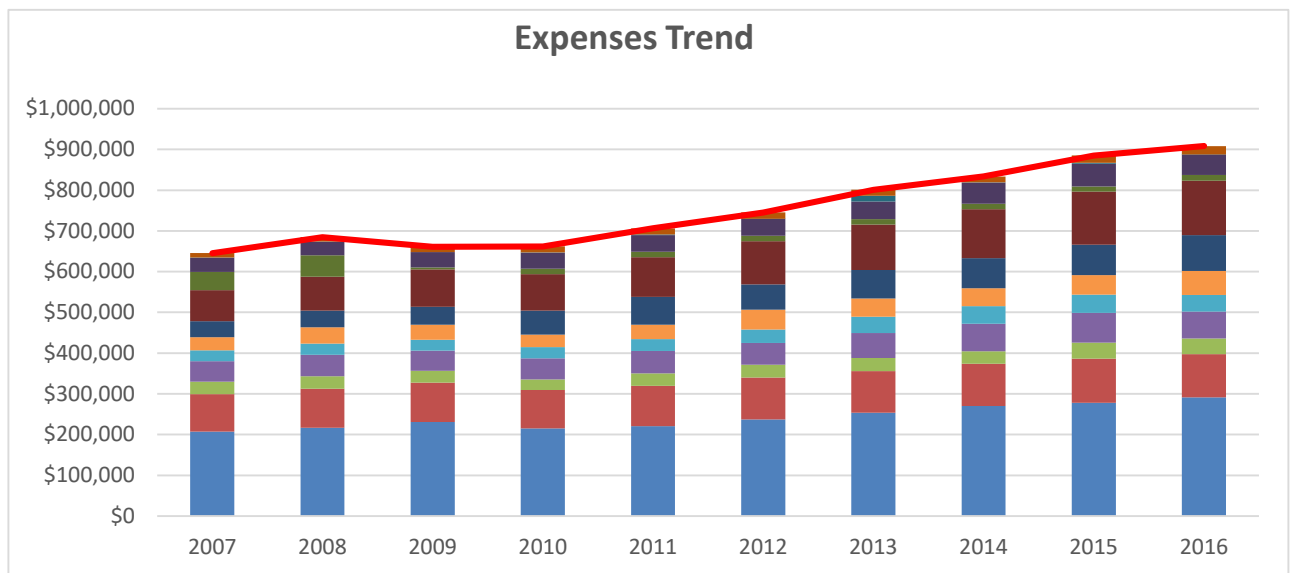
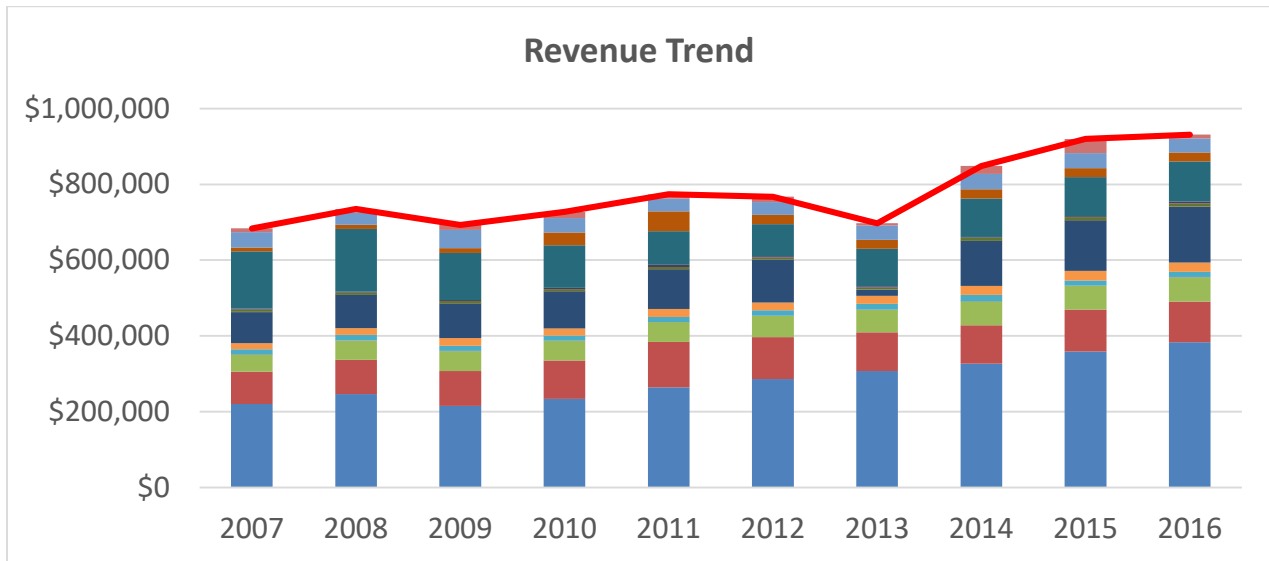
Source of Funds Risk Assessment: Low Risk

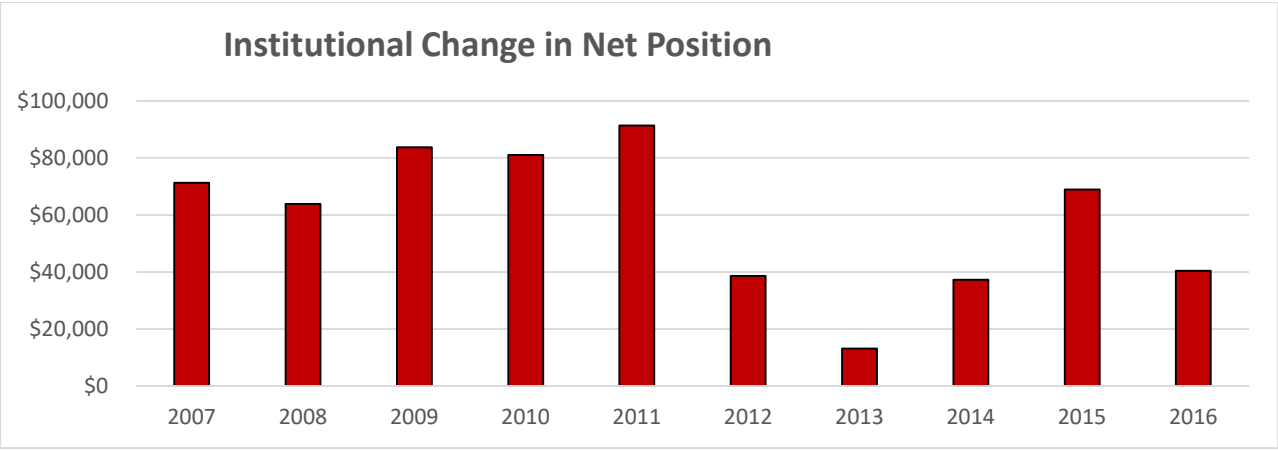
Risk: Financial Stability

USC Columbia has consistently shown over the ten-year period from FY 2007 to FY 2016 that their institution is financially stable. There are favorable trends related to increasing Revenue that consistently exceeded increasing Expenses, E&G Change in Net Position that has been positive each of the past ten years.

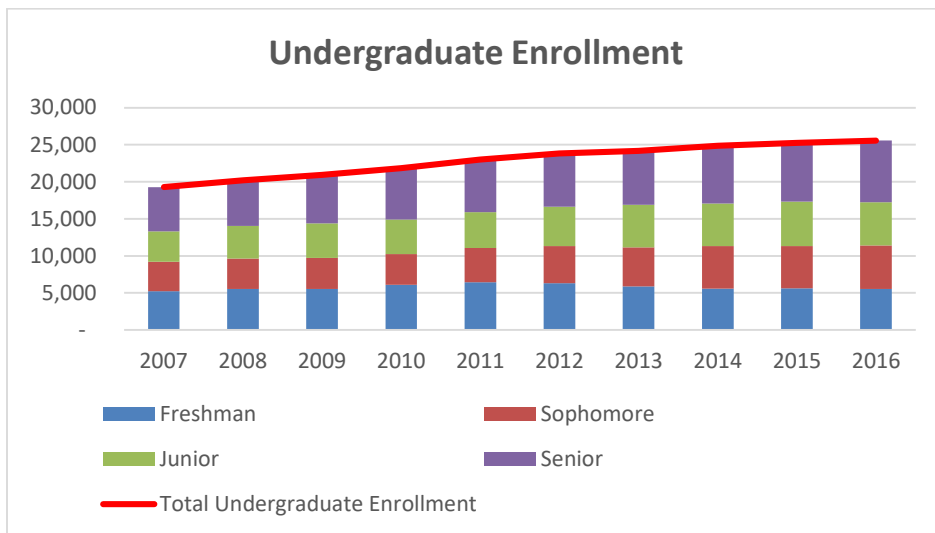
Financial Stability Risk Assessment: Low Risk

Revenue has consistently exceeded Expenses in each of the past ten years. This is more easily observed in the Change of Net Position graphic where there has been a positive change each of the ten years that demonstrate sustained fiscal strength and the ability to build adequate maintenance reserves.

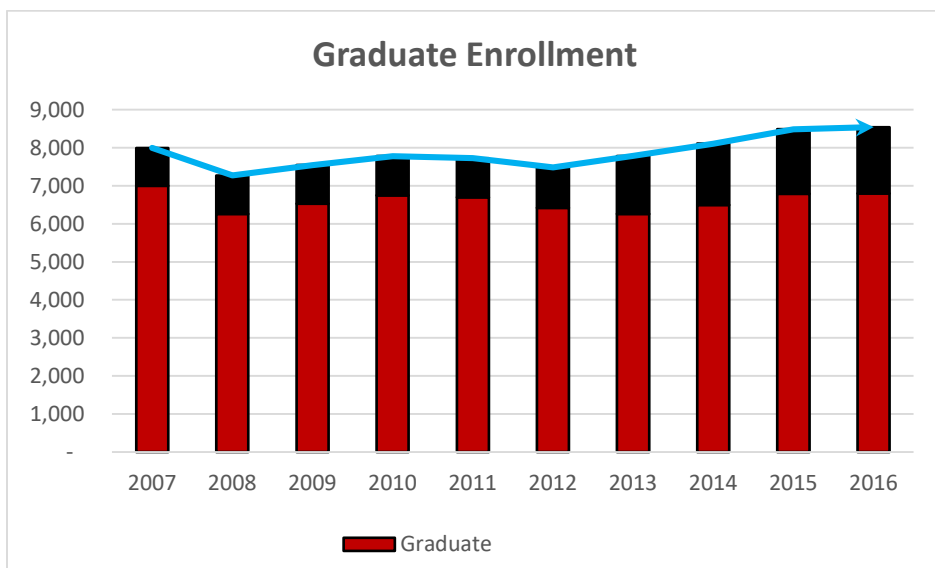




Undergraduate enrollment over the past ten years has been steady, averaging 3.3% growth each year. Improved retention and transfer rates have contributed significantly to this sustained and consistent growth.

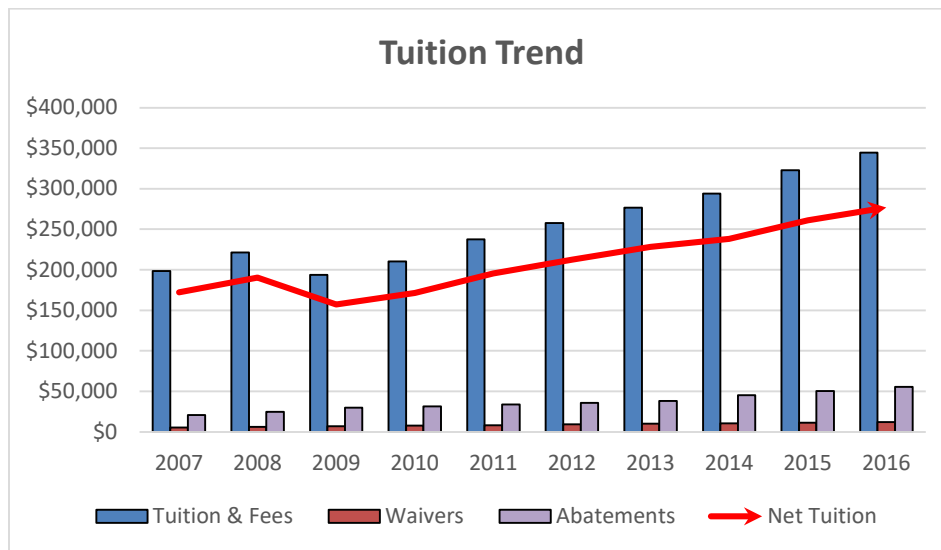


Graduate enrollment has averaged 7% over this ten-year period primarily due to Specialist student growth associated with the Law School, Medical School and Pharmacy School.

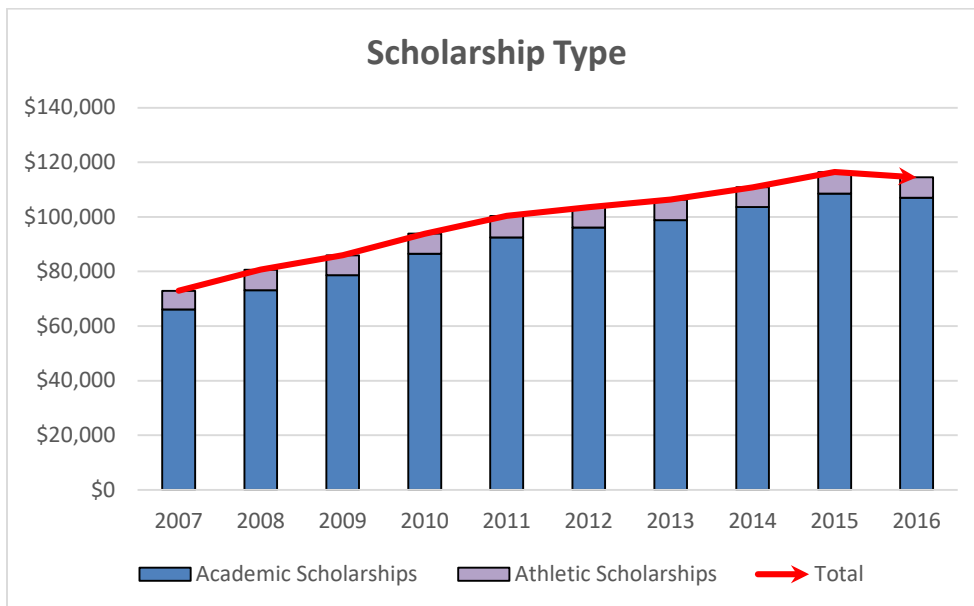
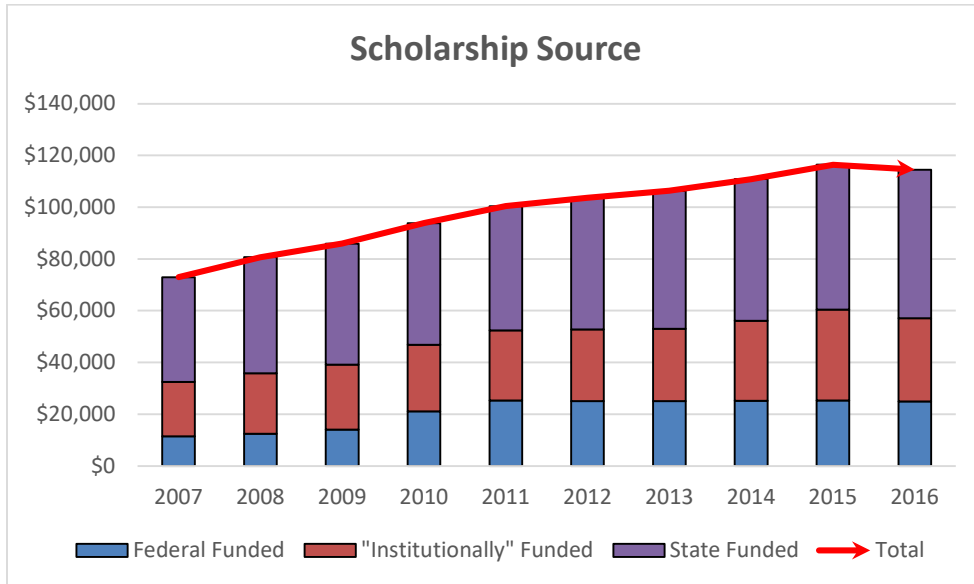


Since 40% students use the labs, a modest enrollment growth of 2% will result in average lab enrollment growth of 236 students per year over the next 5 years. In addition, the current contact hours per seat in each lab is 29. The optimal contact hours per seat is 19. The result is that lab times are extended to late in the evening to provide the current student enrollment with adequate lab class time.

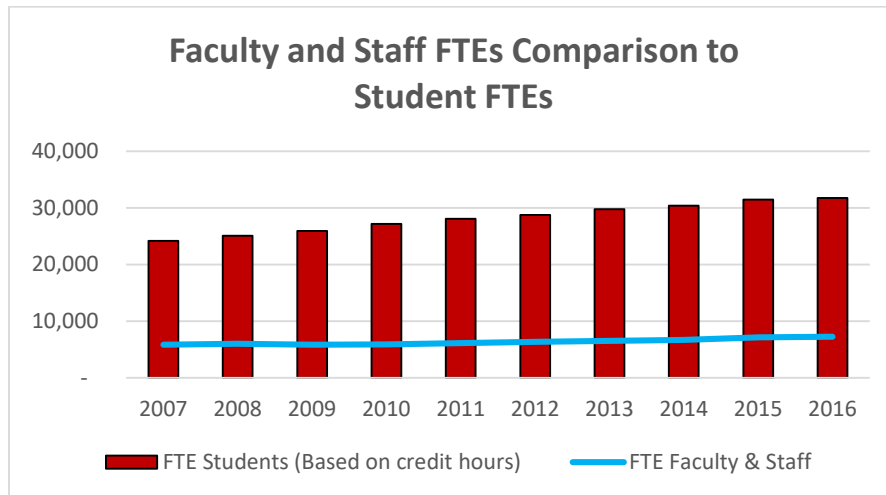
Tuition revenue represents on average 36.5% of total revenues. Net tuition has increased an average of 8% over in the ten-year period but is being offset by an average increase of 12% in waivers and 17% average increase in abatements over the same period.



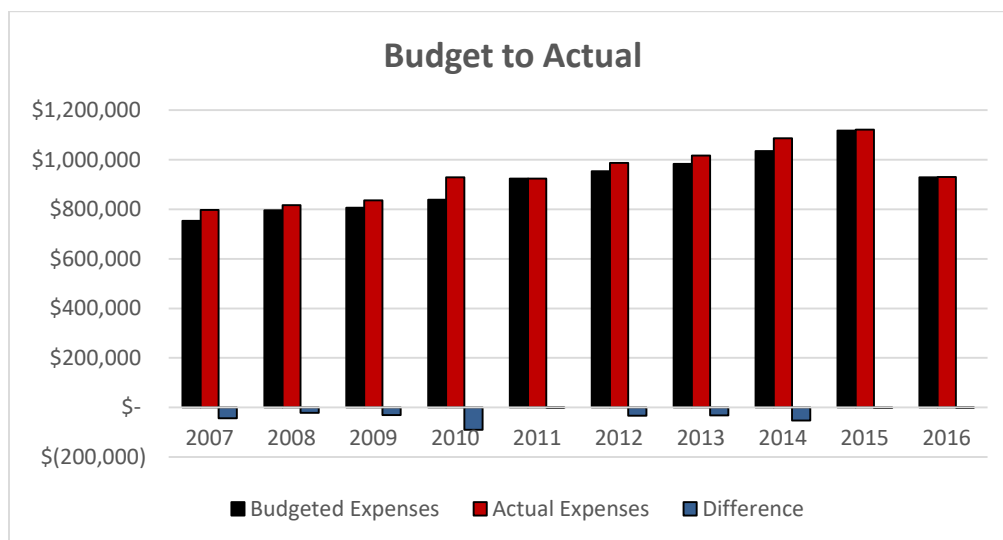
USC Columbia is making a conscious effort to reduce scholarships most notably for out-of-state students. The premise is that the university will be able to improve net tuition by moving to a model where out-of-state students pay for the quality education available at USC Columbia.



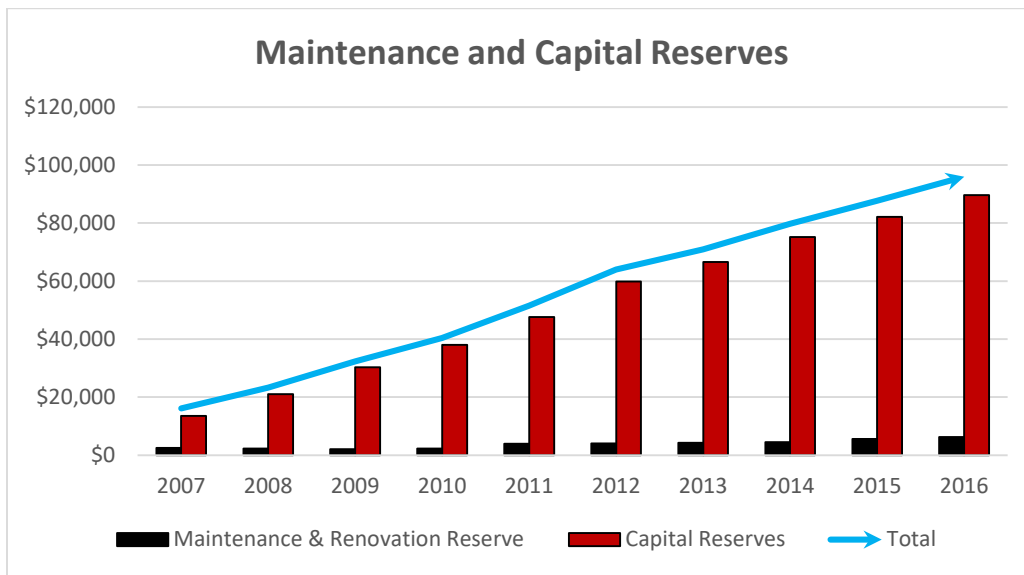
With the sustained growth, USC Columbia has responsibly maintained their FTE Faculty and Staff to FTE Student ratio. Over the past ten years the ratio has marginally increased from 1:4.1 to 1:4.4.



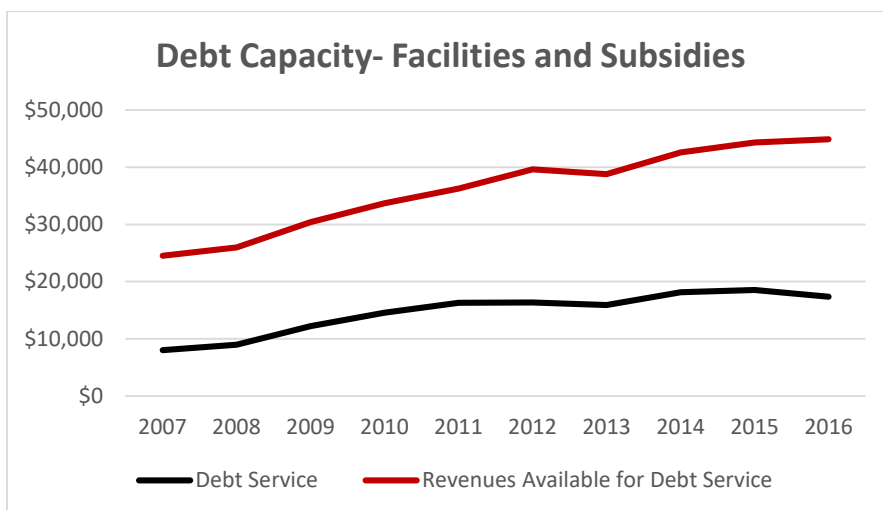
This prudent management should result in more favorable budget to actual expense differences. However, actual expenses have exceeded budgeted expenses 9 of the 10 years. This unfavorable outcome has been offset actual revenues exceeding budget revenues in each of the 10 years. It was noted that in FY2016 the expense budget variance was less than 1% and the revenue budget variance was less than 2%. If this more accurate budget outcomes continue, it will allow management to forecast and plan more accurately.



USC Columbia has made a significant effort in building maintenance and capital reserves of \$96 million. However, deferred maintenance totaling \$189 million has outpaced the reserve balance buildup. If the accuracy of FY2016 budget results continue, maintenance and capital reserves increases can be budgeted to align the reserve balance with the deferred maintenance total.



USC Columbia has adequate debt capacity to absorb the \$43.5 million of SIB debt if the bond bill is not passed. The annual debt service capacity prior to this debt is \$10.2 million and the new debt will require approximately \$3 million in debt service. The remaining debt service balance will be \$7.2 million or approximately \$109.5 million in total debt capacity.



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CHE _____
 JBRC _____
 SFAA _____
 JBRC Staff _____
 ADMIN Staff _____
 A-1 Form Mailed _____
 SPIRS Date _____
 Summary _____

RECEIVED**APR -6 2017**

Division of Fiscal Affairs
 SC Comm. on Higher Education

(For Department Use Only)**SUMMARY NUMBER****FORM NUMBER****PERMANENT IMPROVEMENT PROJECT REQUEST**

1. AGENCY
 Code H27 Name USC Columbia
 Contact Person Derek S. Gruner Phone (803)777-1184

2. PROJECT
 Project # 6118 Name Classroom/Laboratory Redevelopment
 Facility # 085 Facility Name Law Center

County Code	40 - Richland
New/Revised Budget	\$46,995,000.00

Project Type	1 - Repair/Renovate Existing Facilities/Systems
Facility Type	2 - Program/Academic

3. CPIP PROJECT APPROVAL FOR CURRENT FISCAL YEAR
 CPIP priority number 2 of 8 for FY 16/17

4. PROJECT ACTION PROPOSED (Indicate all requested actions by checking the appropriate boxes.)

Establish Project		Decrease Budget		Close Project	
Establish Project - CPIP		Change Source of Funds		Change Project Name	
Increase Budget	<input checked="" type="checkbox"/>	Revise Scope		Cancel Project	

5. PROJECT DESCRIPTION AND JUSTIFICATION

(Explain and justify the project or revision, including what it is, why it is needed, and any alternatives considered. Attach supporting documentation/maps to fully convey the need for the request.)

ACTION: Increase Budget and establish the construction budget.

DESCRIPTION: Establish project for construction and increase budget to fund the renovation of the former Law Center for the adaptive reuse of the facility to provide additional classrooms and laboratory space. The renovation will include the complete abatement of asbestos-containing materials and the removal of lead-based paint. A significant portion of the project will address maintenance needs and enhance energy efficiency since much of the original mechanical, electrical and plumbing are at the end of their serviceable life and will be replaced. Associated site work will include underground utilities, parking and pedestrian hardscape and replacing existing parking with green space. Three floors in the west tower will be upfitted for 17 instructional science labs, classrooms, offices and student study spaces. A portion of the 193,973 sqf building will be retained as shell space for the future upfit of classrooms and faculty offices.

JUSTIFICATION: The upgrades and replacements described in this project will address maintenance needs within the existing facility. The renovation will also address academic programming needs and laboratory shortages resulting from increases in enrollment.

BUDGET: The total projected project budget is \$46,995,000.

6. OPERATING COSTS IMPLICATIONS

Attach Form A-49 if any additional operating costs or savings will result from this request. This includes costs to be absorbed with current funding.

7. ESTIMATED PROJECT SCHEDULE AND EXPENDITURES

Estimated Start Date: April 2017 Estimated Completion Date: August 2020
 Estimated Expenditures: Thru Current FY: \$500,000.00 After Current FY: \$46,495,000.00

8. ESTIMATES OF NEW/REVISED PROJECT COSTS

PROJECT #	6118
-----------	------

- | | | | |
|-------------------------|---|-----------------------------|---------------------|
| 1. _____ | Land Purchase ----> | Land: _____ | Acres |
| 2. _____ | Building Purchase ----> | Floor Space: _____ | Gross Square Feet |
| 3. <u>3,717,130.00</u> | Professional Services Fees | | |
| 4. <u>650,000.00</u> | Equipment and/or Materials ----> | Information Technology | <u>\$350,000.00</u> |
| 5. _____ | Site Development | | |
| 6. _____ | New Construction ----> | Floor Space: _____ | Gross Square Feet |
| 7. <u>40,037,750.00</u> | Renovations - Building Interior ----> | Floor Space: <u>193,973</u> | Gross Square Feet |
| 8. _____ | Renovations - Utilities | | |
| 9. _____ | Roofing - Roof Age | | |
| 10. _____ | Renovations - Building Exterior | | |
| 11. _____ | Other Permanent Improvements | | |
| 12. _____ | Landscaping | | |
| 13. _____ | Builders Risk Insurance | | |
| 14. _____ | Other Capital Outlay | | |
| 15. _____ | Labor Costs | | |
| 16. _____ | Bond Issue Costs | | |
| 17. <u>482,870.00</u> | Other: Dept Relocation Expenses (\$250k), Abatement | | |
| 18. <u>2,107,250.00</u> | Contingency | | |

\$46,995,000.00 TOTAL PROJECT BUDGET

ENVIRONMENTAL HAZARDS

Identify all types of significant environmental hazards (including asbestos, PCB's, etc.) present in the project and the financial impact they will have on the project.
Type. _____

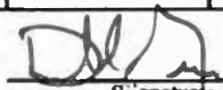
Cost Breakdown

Design Services	\$ _____
Monitoring	\$ _____
Abate/Remed	\$ <u>232,870.00</u>
Total Costs	\$ <u>232,870.00</u>

9. PROPOSED SOURCE OF FUNDING

Source	Previously Approved Amount	Increase/Decrease	Original/Revised Budget	Transfer to/from Proj #	Rev Object Code	Transfer's ID Number	Rev Sub Fund	Exp Sub Fund
(0) CIB, Group			0.00 0.00		8115		3043	3043
(1) Dept. CIB, Group			0.00 0.00		8115		3143	3143
(2) Institution Bonds		43,495,000.00	43,495,000.00 0.00		8111	28800100	4000	3235
(3) Revenue Bonds			0.00 0.00					3393
(4) Excess Debt Service			0.00 0.00					3497
(5) Capital Reserve Fund	3,500,000.00		3,500,000.00 0.00		8895	50300402	3603	3603
(6) Appropriated State			0.00 0.00		8895	68800100	1001	3600
(7) Federal			0.00 0.00			78800100		5787
(8) Athletic			0.00 0.00			88800100		3807
(9) Other (Specify)			0.00 0.00 0.00			98800100		3907
TOTAL BUDGET	\$3,500,000.00	\$43,495,000.00	\$46,995,000.00					

10. SUBMITTED BY:



Director, Planning and Programming

Signature of Authorized Official and Title

April 6, 2017

Date

11. APPROVED BY:

(For Department Use Only)

Authorized Signature and Title

Date

Revised 3/30/16

**ADDITIONAL ANNUAL OPERATING COSTS/SAVINGS
RESULTING FROM PERMANENT IMPROVEMENT PROJECT**

1. AGENCY
Code H27 Name University of South Carolina - Columbia

2. PROJECT
Project # 6118 Name Classroom/Laboratory Redevelopment

3. ADDITIONAL ANNUAL OPERATING COSTS/SAVINGS. (Check whether reporting costs or savings.)

☒ COSTS

☐ SAVINGS

☐ NO CHANGE

4.

TOTAL ADDITIONAL OPERATING COSTS/SAVINGS				
Projected Financing Sources				
(1)	(2)	(3)	(4)	(5)
Fiscal Year	General Funds	Federal	Other	Total
1) FY19	\$ 1,010,254	\$		\$ 1,010,254
2) FY20	\$ 945,254	\$		\$ 945,254
3) FY21	\$ 945,254	\$		\$ 945,254

5. If "Other" sources are reported in Column 4 above, itemize and specify what the other sources are (revenues, fees, etc.).

N/A

6. Will the additional costs be absorbed into your existing budget?
If no, how will additional funds be provided?

☒ YES

☐ NO

N/A

7. Itemize below the cost factors that contribute to the total costs or savings reported above in Column 5 for the first fiscal year.

<u>COST FACTORS</u>	<u>AMOUNT</u>
1. <u>Custodial Staff Services and Supplies</u>	<u>\$ 175,940</u>
2. <u>Maintenance Staff Services and Supplies</u>	<u>\$130,000</u>
3. <u>Landscaping Staff Services and Supplies</u>	<u>\$7,500</u>
4. <u>Waste Management</u>	<u>\$8,424</u>
5. <u>Utilities</u>	<u>\$589,694</u>
6. <u>Administrative Support</u>	<u>\$33,696</u>
7. <u>One time Equipment</u>	<u>\$65,000</u>
8. _____	
TOTAL	<u>\$1,010,254</u>

8. If personal services costs or savings are reported in 7 above, please indicate the number of additional positions required or positions saved. _____

9. Submitted By: [Signature] Director, Planning and Programming
Signature of Authorized Official and Title

4/6/2017
Date

**PERMANENT IMPROVEMENT PROJECT INFORMATION FORMAT
FOR PHASE II CONSTRUCTION BUDGET**

1. What is the total projected cost of the project and what is it based on? Please attach a summary of the costs prepared during the A&E pre-design phase to support the total cost.

The total projected cost of the project is \$46,995,000 based on a detailed cost estimate prepared during the pre-design phase. A cost summary and a detailed construction estimate are included with the Phase II submittal.

2. What is/are the source(s) of funds for the construction? If any private or federal funds are included, please attach a letter guaranteeing the availability of the funds.

Capital Reserve Fund (\$3,500,000) and State Institutional Bonds (\$43,495,000)

3. What is your agency/institution's definition of each fund source to be used for construction? (If any type of fee makes up a portion of the source, what is the fee called, what is the fee amount, and when it was put in place. If there is a statutory authority authorizing the use of the funds for capital projects, please cite the code section.)

Capital Reserve Funds were provided by the State. State Institutional Bonds are borrowed funds received from bonded debt.

4. What is the current uncommitted balance of funds for each source listed in 3 above?

All CRF and bonded funds listed in question 3 will be committed only to this project.

5. If institution or revenue bonds are included as a source, when were the bonds issued? If not issued yet, when is the bond resolution expected to be brought for SFAA approval?

The bond resolution will be brought for SFAA approval at the June meeting.

6. If a student fee is used to fund debt service, what is the current amount of the fee annually or by semester? Please specify which.

Not applicable.

7. Will the use of any funds for construction require an increase in any student fee or tuition? If so, please explain in detail.

No.

8. Will the project be LEED certified for energy savings and conservation and if so, at what level will it be certified? For projects requiring or using LEED certification, please attach the required cost-benefit analysis and a checklist of items to be used to achieve LEED points or a description of the energy measures to achieve LEED.

The project will be LEED certified.

9. What energy savings/conservation measures will be implemented within the project if the project will not be LEED certified? For projects that do not require/use LEED, please provide a paragraph on energy savings measures to be implemented as part of the project. If there are no energy savings measures included, please state that and explain why.

Not applicable.

10. What is the projected date (month and year) for execution of the construction contract?

Abatement contracting is scheduled to be contracted in September of 2017. The building renovation will be contracted in January 2018.

11. What is the projected date (month and year) for completion of construction?

Completion of construction is projected for August of 2019.

12. What program(s) are to be included in the constructed or renovated space?

The College of Arts and Sciences will conduct science teaching labs, specifically various levels of chemistry.

13. What is the total square footage of the building to be renovated or constructed?

The total square footage of the building is 193,973 gsf.

14. If a portion of the building is to be renovated, what is the square footage of the portion that will be included in the renovation?

Approximately 85,000 GSF will be upfitted and the remainder will be shell space prepared for future academic upfitting.

15. What is the current age of the building or building systems to be renovated?

The current age is 44 years old.

16. If any new space is being added to the facility, please provide demand/usage data to support the need.

Not applicable as there is no new space being added to the facility.

17. What are the estimated numbers of students, faculty, staff and/or clients that are expected to use the space affected by the project or the entire building? (Answer for as many as are applicable.)

Several thousand students will occupy the building on a daily basis.

18. If the construction cost increased significantly from the internal estimate (30% or more), what factors caused the cost to increase?

Not applicable.

19. If the contingency is more than 10%, please explain why.

Not applicable.

20. If funds are being transferred from another project, what is the current status of the project from which funds are being transferred?

Not applicable.

21. Has the project been included in a previous year's CPIP? If so, what was the last year the project was included and for which year, 1-5?

The project is included in year 1 of the 2016 CPIP.

22. What are the economic impacts of the project, including job creation and retention? If there are none, please explain.

This project will provide economic activity through the construction project. Construction creates and/or retains jobs in three ways: 1) it creates direct jobs that are involved in the construction project; 2) it creates indirect jobs through the manufacturing of building materials and systems and the provision of key services in areas like design professions, legal, and accounting services; and 3) it creates induced jobs in other service areas whereby income from the first two categories is spent on goods and services in other areas of the economy. It is estimated that this project will generate 940 jobs.

23. How will your agency/institution address and fund maintenance of this facility construction/renovation?

Maintenance will be funded from the Education and General Maintenance Reserve.

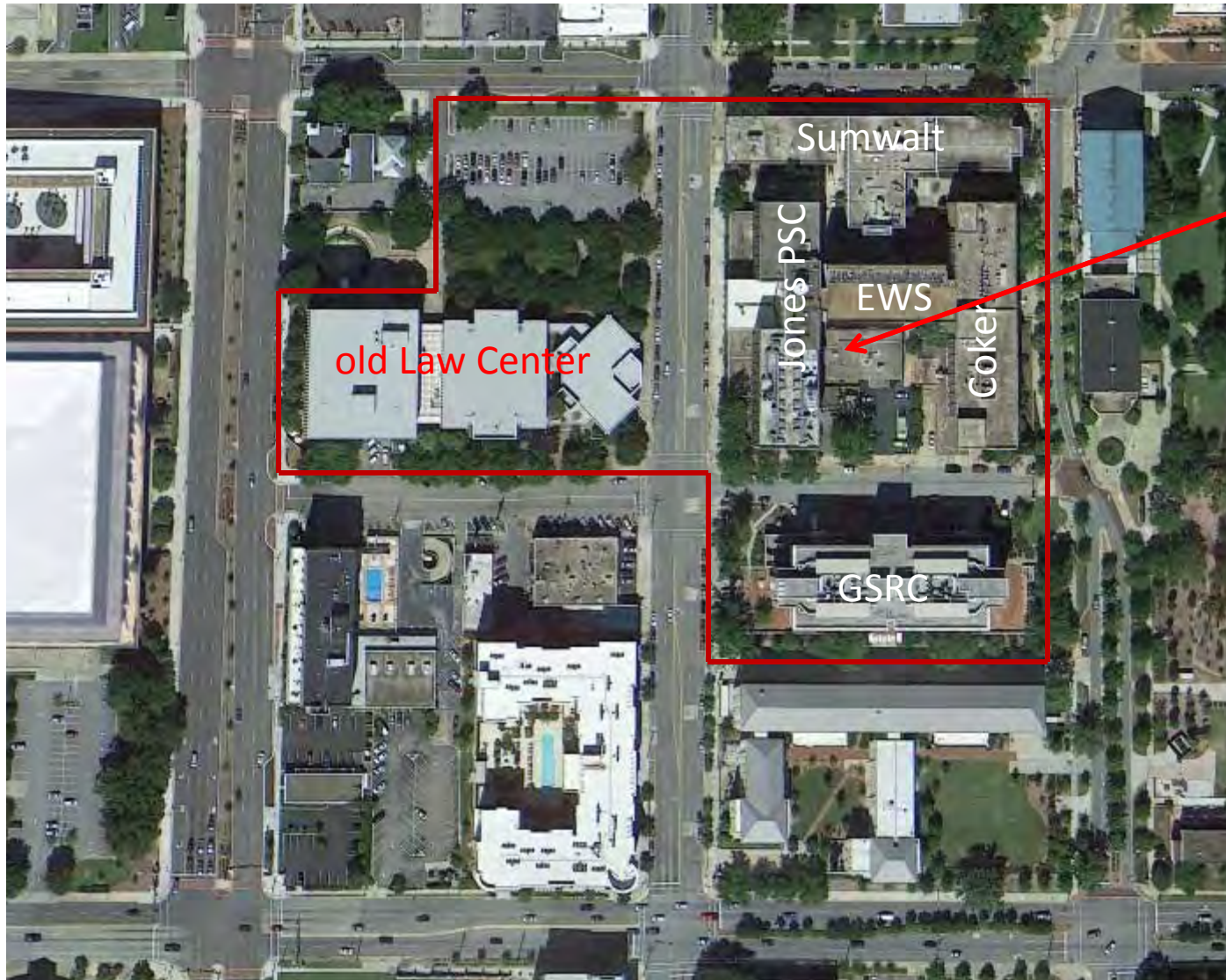
24. If your agency/institution has a deferred maintenance account, what is the name of the account and what is its current uncommitted balance?

Education and General Maintenance Reserve. At this time, there is no uncommitted balance in the E&G Maintenance Reserve Fund account after factoring in all planned projects. The E&G Maintenance Reserve Fund is replenished annually.

25. If how maintenance will be addressed and funded for this facility construction/renovation has not been determined yet, what steps are in place to begin to address how your agency/institution will fund maintenance to this and other agency/institution facilities?

The funding of maintenance is described in the answers to questions 23 and 24.

Site Plan showing relationship of old Law Center to Existing Science Quad



- Expansion of existing Science Quad must now occur across Main Street.
- Connectivity for students and pedestrians will be enhanced with future improvements to Main Street

Executive Summary

USC Columbia – 1800 Gervais Street Land Acquisition

The acquisition of property by USC Columbia as part of the lease option for a 19,575 square foot building that is currently owned by the State of South Carolina. The building has been occupied by USC Columbia since May 2012 where base rents are to be applied to the acquisition of the building. The building appraised for \$1,625,000 on March 30, 2017. Base rents applied to the purchase price total \$785,296 leaving a purchase price balance of \$839,704 plus the pre-acquisition cost of \$20,000 that included appraisal cost, environmental assessment report and building condition report. Total acquisition cost is \$859,704 (\$43.92 per square foot).

Total operating cost are estimated to be \$197,367 for the first year and \$172,367 for subsequent years thereafter. The change in net position has averaged \$59 million of positive change over the past ten years that demonstrates USC Columbia has the ability to adequately incur the operating cost without increasing tuition.

The overall risk assessment for USC Columbia is low. The purchase price for this facility is well below the market price. The risk of incurring unknown cost is mitigated by USC occupying the property for nearly 5 years.

Capital Project Risk Analysis

Institution: USC Columbia

Capital Project: 1800 Gervais Street Property Acquisition

Date Received: April 6, 2017

Risk: Maintenance

How does the institution budget for annual routine maintenance?

Operating cost in the first year of \$197,367 and subsequent cost estimated to be \$172,367 can be absorbed by USC Columbia with minimal impact to current budgeted expenses.

Maintenance Risk Assessment: Low Risk

Risk: Source of Funds

Readily available and traceable?

USC Columbia has adequate reserves totaling \$96 million to purchase this property with a total cost of \$859,704 with minimal impact to operations.

Effect on student affordability?

The purpose of this property is used for research and occupied by Psychology faculty. USC Columbia will not have to increase student tuition to afford annual operating costs of \$197,367 in the first year and \$172,367 estimated cost in subsequent years.

Source of Funds Risk Assessment: Low Risk

Risk: Financial Stability

USC Columbia has consistently shown over the ten-year period from FY 2007 to FY 2016 that their institution is financially stable. There are favorable trends related to increasing Revenue that consistently exceeded increasing Expenses, E&G Change in Net Position that has been positive each of the past ten years.

Financial Stability Risk Assessment: Low Risk

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CHE _____
 JBRC _____
 SFAA _____
 JBRC Staff _____
 ADMIN Staff _____
 A-1 Form Mailed _____
 SPIRS Date _____
 Summary _____

RECEIVED

APR -6 2017

Division of Fiscal Affairs
SC Comm. on Higher Education**(For Department Use Only)****SUMMARY NUMBER****FORM NUMBER****PERMANENT IMPROVEMENT PROJECT REQUEST**

1. AGENCY Code H27 Name University of South Carolina - Columbia
 Contact Person Derek Gruner Phone 777-1184

2. PROJECT Project # 6120 Name 1800 Gervais Street Property Acquisition Project
 Facility # 631 Facility Name 1800 Gervais Street

County Code	40 - Richland
New/Revised Budget	\$859,703.84

Project Type	1 - Purchase Land/Buildings
Facility Type	2 - Program/Academic

3. CPIP PROJECT APPROVAL FOR CURRENT FISCAL YEAR
 CPIP priority number _____ of _____ for FY _____

4. PROJECT ACTION PROPOSED (Indicate all requested actions by checking the appropriate boxes.)

Establish Project		Decrease Budget		Close Project	
Establish Project - CPIP		Change Source of Funds		Change Project Name	X
Increase Budget	X	Revise Scope		Cancel Project	

5. PROJECT DESCRIPTION AND JUSTIFICATION

(Explain and justify the project or revision, including what it is, why it is needed, and any alternatives considered. Attach supporting documentation/maps to fully convey the need for the request.)

This Property Acquisition Project seeks to exercise a lease option to acquire a two-story 19,575 gross square foot structure on .7 acres of land at the southeast corner of the Barnwell and Gervais Street intersection. The building is owned by the State of South Carolina and has been leased to the University of South Carolina since May 2012. The building is occupied for research by the Institute for Mind and Brain and is also occupied by Psychology faculty, both affiliated with the College of Arts and Sciences. Upon initial occupancy in 2012, the College of Arts and Sciences renovated the building to accommodate specialized research and the university desires to maintain occupancy of this building to support research and academic programs. Suitable space does not exist on campus to relocate these programs.

Subject to the approval of any required governmental entities, the current lease grants to the tenant the option to purchase all of the landlord's right, title, and interest in the demised premises at any time during the lease, at a price equal to the appraised value of the demised premises within two months of the time the option is exercised less the total of basic rent payments made by the tenant during the original lease term from May of 2012 to June 30th of 2016.

The property appraised at a value of \$1,625,000. Base rent of \$785,296.16 has accrued towards the purchase cost (to be equal to the appraised value). The difference is \$839,703.84 which is the amount to be increased.

6. OPERATING COSTS IMPLICATIONS

Attach Form A-49 if any additional operating costs or savings will result from this request. This includes costs to be absorbed with current funding.

7. ESTIMATED PROJECT SCHEDULE AND EXPENDITURES

Estimated Start Date: 4/6/2017 Estimated Completion Date: 6/30/2017
 Estimated Expenditures: Thru Current FY: \$859,703.84 After Current FY: \$0.00

**ADDITIONAL ANNUAL OPERATING COSTS/SAVINGS
RESULTING FROM PERMANENT IMPROVEMENT PROJECT**

1. AGENCY
Code H27 Name University of South Carolina - Columbia
2. PROJECT
Project # 6120 Name 1800 Gervais Street Property Acquisition Project

3. ADDITIONAL ANNUAL OPERATING COSTS/SAVINGS. (Check whether reporting costs or savings.)

☒ COSTS

☐ SAVINGS

☐ NO CHANGE

4.

TOTAL ADDITIONAL OPERATING COSTS/SAVINGS				
Projected Financing Sources				
(1)	(2)	(3)	(4)	(5)
Fiscal Year	General Funds	Federal	Other	Total
1) FY18	\$197,367	\$		\$197,367
2) FY19	\$172,367	\$		\$172,367
3) FY20	\$172,367	\$		\$172,367

5. If "Other" sources are reported in Column 4 above, itemize and specify what the other sources are (revenues, fees, etc.).

N/A


6. Will the additional costs be absorbed into your existing budget? ☒ YES ☐ NO
If no, how will additional funds be provided?

N/A

7. Itemize below the cost factors that contribute to the total costs or savings reported above in Column 5 for the first fiscal year.

<u>COST FACTORS</u>	<u>AMOUNT</u>
1. <u>Custodial Staff Services and Supplies</u>	<u>\$36,648</u>
2. <u>Maintenance Staff Services and Supplies</u>	<u>\$30,250</u>
3. <u>Landscaping Staff Services and Supplies</u>	<u>\$28,148</u>
4. <u>Waste Management</u>	<u>\$1,566</u>
5. <u>Utilities</u>	<u>\$67,925</u>
6. <u>Administrative Support</u>	<u>\$7,830</u>
7. <u>One time Equipment</u>	<u>\$25,000</u>
8. _____	
TOTAL	<u>\$197,367</u>

8. If personal services costs or savings are reported in 7 above, please indicate the number of additional positions required or positions saved. 3

9. Submitted By:  Director, Planning and Programming 4/5/2017
Signature of Authorized Official and Title Date

PROPERTY ACQUISITION INFORMATION FORMAT

PART I

1. **Project Number:** *H27-6120* *1800 Gervais Street Land Acquisition Project*
2. **County:** *Richland*
3. **Description of Property:**

Property Acquisition Project seeks to exercise a lease option to acquire a two-story 19,575 gross square foot structure on .7 acres of land at the southeast corner of the Barnwell and Gervais Street intersection. The building is owned by the State of South Carolina and has been leased to the University of South Carolina since May 2012. The building is occupied for research by the Institute for Mind and Brain and is also occupied by Psychology faculty, both affiliated with the College of Arts and Sciences. Upon initial occupancy in 2012, the College of Arts and Sciences renovated the building to accommodate specialized research and the university desires to maintain occupancy of this building to support research and academic programs. Suitable space does not exist on campus to relocate these programs.
4. **Grantor(s) Name and Address:** *State of South Carolina*

*State Fiscal Accountability Authority
General Services Division
1201 Main Street
Columbia, SC 29201*
5. **Grantee(s) Name and Address:** *University of South Carolina
Columbia, SC 29208*
6. **County Location:** *Richland County: 1800 Gervais Street, Columbia SC 29201*
7. **Acreage:** *approximately .7 acres*
8. **Purpose for Acquisition:** *To provide for continued use for this special research group. Suitable space does not exist on campus to relocate these programs.*
8. **Demonstrate the need to acquire the property:** *Location of the property (a couple blocks from the Historic Horseshoe and at the core of campus) provides the opportunity for convenient access for Students, Faculty and Staff.*
9. **Purchase Price:** *\$839,703.84*
10. **Current Year Property Tax Amount:** *N/A; currently state owned property; not subject to taxes.*

PART II

1. How many sites were evaluated?
No other sites were evaluated. This property is currently owned by the state and is being leased by the university. The location, a couple blocks from the Historic Horseshoe and core campus, provides the opportunity for further research and development, which is much needed by our students, faculty and staff. The State and the University have negotiated the transfer of this property to the benefit of both as contemplated in the lease.
2. Please list the selection criteria used to evaluate sites.
See No. 1
3. How was the final selection of the site made?
See No. 1
4. Why was this specific site selected?
See No. 1
5. What is the estimated costs of any construction or renovations to be done on the property and the anticipated source of funds for such work?
Current occupants will remain in the building. No immediate construction or renovation costs are associated with the acquisition of the property.
6. What are the estimated additional annual operating costs which will result from acquisition of the property and the anticipated source of funds? Explain the factors that determine the cost. If no costs, explain why not.
The estimated first year operating cost is \$197,367. The estimated consecutive years would be \$172,367. See the A-49 for the cost factors.
7. What are the estimated additional annual operating costs which will result from construction/renovation on the property and the anticipated source of funds? Explain the factors that determine the costs. If no costs, explain why not.
No construction / renovation anticipated.

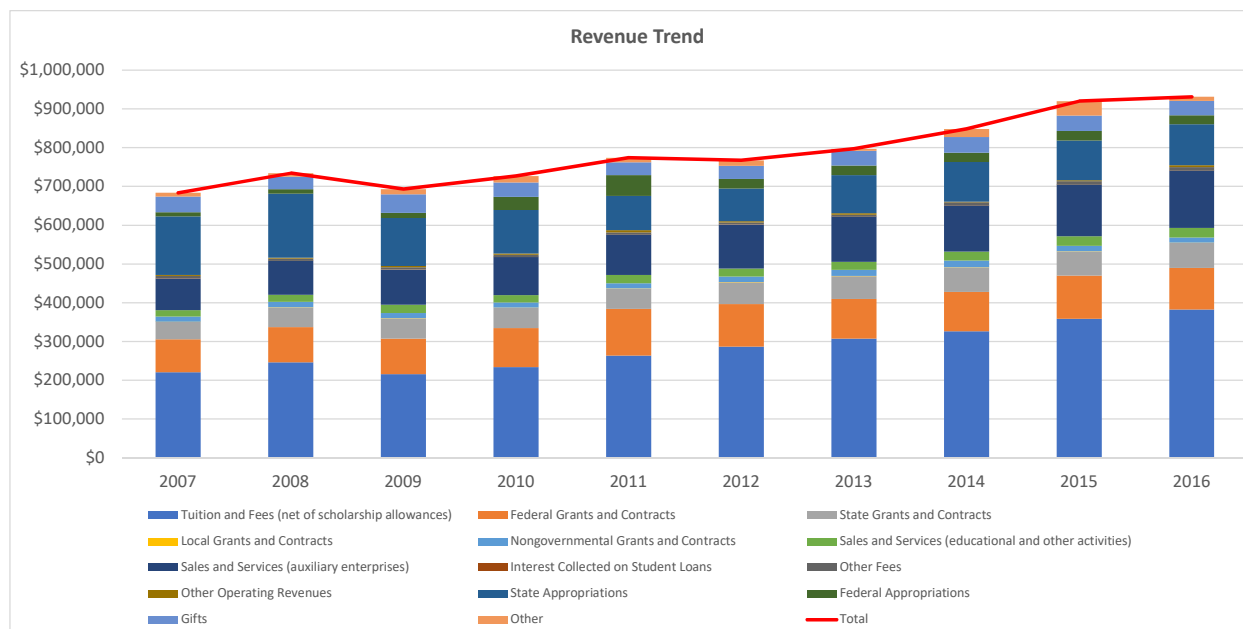
University of South Carolina - Columbia

Revenue Analytics

All Dollar Amounts are in Thousand's Unless otherwise indicated

*Note: Revenue totals were confirmed with each year's CAFR Unaudited Supplemental Schedules for USC Columbia.

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Tuition and Fees (net of scholarship allowances)	\$220,437	\$246,028	\$215,347	\$233,892	\$264,000	\$286,358	\$307,290	\$326,558	\$358,720	\$382,873
Federal Grants and Contracts	\$85,011	\$90,873	\$91,917	\$101,004	\$119,777	\$110,418	\$102,436	\$101,602	\$110,999	\$107,340
State Grants and Contracts	\$45,457	\$50,645	\$52,103	\$51,990	\$52,243	\$56,006	\$58,983	\$62,869	\$62,321	\$64,431
Local Grants and Contracts	\$466	\$674	\$686	\$497	\$743	\$446	\$497	\$201	\$335	\$474
Nongovernmental Grants and Contracts	\$13,361	\$14,214	\$13,562	\$13,271	\$13,049	\$14,555	\$15,383	\$17,289	\$14,130	\$13,472
Sales and Services (educational and other activities)	\$15,773	\$17,757	\$20,914	\$18,684	\$21,571	\$20,535	\$20,781	\$23,290	\$25,014	\$24,842
Sales and Services (auxiliary enterprises)	\$82,421	\$87,729	\$90,748	\$98,267	\$104,272	\$113,181	\$116,506	\$118,867	\$133,081	\$147,306
Interest Collected on Student Loans	\$202	\$208	\$236	\$282	\$290	\$306	\$280	\$305	\$273	\$272
Other Fees	\$6,323	\$5,829	\$6,381	\$5,406	\$5,530	\$5,281	\$5,156	\$8,213	\$8,848	\$8,713
Other Operating Revenues	\$2,596	\$2,638	\$3,004	\$3,507	\$6,130	\$3,689	\$3,874	\$1,875	\$1,976	\$4,872
State Appropriations	\$151,028	\$165,170	\$124,021	\$112,463	\$88,266	\$84,222	\$98,481	\$101,761	\$103,153	\$105,664
Federal Appropriations	\$10,463	\$11,418	\$12,964	\$33,897	\$53,027	\$24,550	\$23,987	\$23,912	\$24,195	\$23,683
Gifts	\$40,420	\$32,348	\$47,757	\$37,343	\$33,495	\$33,700	\$38,066	\$41,121	\$39,730	\$37,086
Other	\$9,680	\$9,070	\$13,120	\$16,534	\$11,266	\$14,052	\$5,467	\$20,670	\$37,119	\$10,278
Total	\$683,638	\$734,601	\$692,760	\$727,037	\$773,659	\$767,299	\$797,187	\$848,533	\$919,894	\$931,306
	7.5%	-5.7%	4.9%	6.4%	-0.8%	3.9%	6.4%	8.4%	1.2%	



Revenue has been trending favorably with an average increase of 3.6% over the past ten years and a total increase of 36.2% over the same period. As expected, Tuition revenue is the primary revenue source averaging 36.5% of total revenues over the past ten years.

Debt Capacity Analysis

All Dollar Amounts are in Thousand's Unless otherwise indicated

*Note: Debt line items were confirmed with each year's CAFR or Supplemental Schedules for USC Columbia.

Debt Service for Facilities and Subsidies

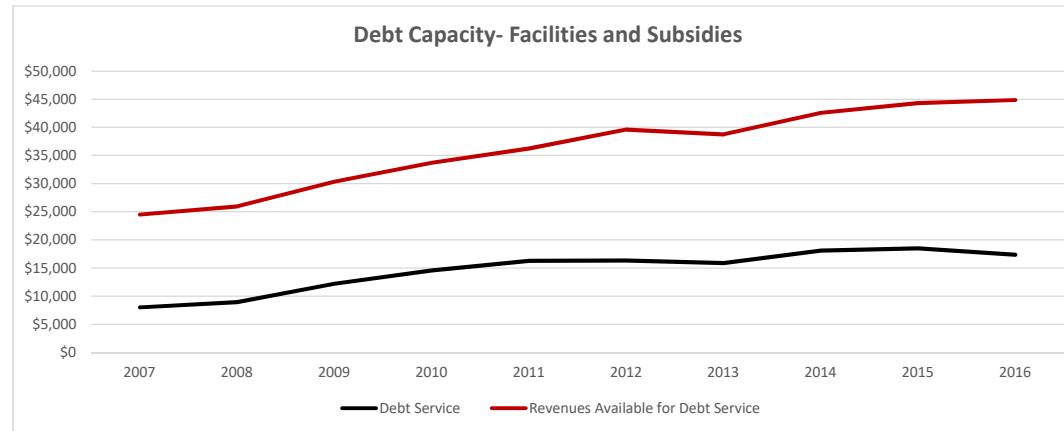
Revenues Available for Debt Service

Debt Service

Available for Debt Service

Debt Coverage Ratio

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
\$16,507	\$16,989	\$18,145	\$19,140	\$19,962	\$23,242	\$22,872	\$24,422	\$25,808	\$27,502
\$8,026	\$8,972	\$12,233	\$14,572	\$16,295	\$16,378	\$15,899	\$18,139	\$18,529	\$17,380
\$8,481	\$8,017	\$5,912	\$4,568	\$3,667	\$6,864	\$6,973	\$6,283	\$7,279	\$10,122
2.06	1.89	1.48	1.31	1.23	1.42	1.44	1.35	1.39	1.58



The estimated debt service for this renovation project is \$3 million per year. After the issuance of this debt, USC Columbia will have \$7.1 million of annual debt service capacity. This information was provided by the State Treasurer's Office and is an estimate based on current market conditions.

There is no Excess Debt Service since there is no debt service fee charged to the students.

University of South Carolina - Columbia
Enrollment Analytics

Undergraduate Enrollment

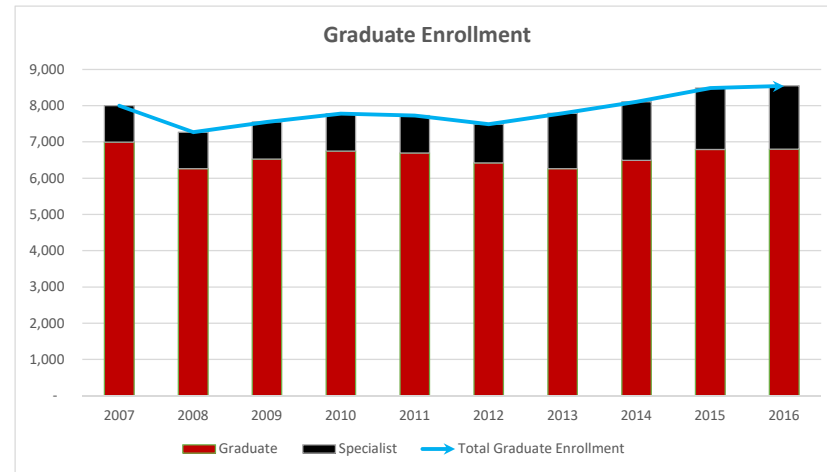
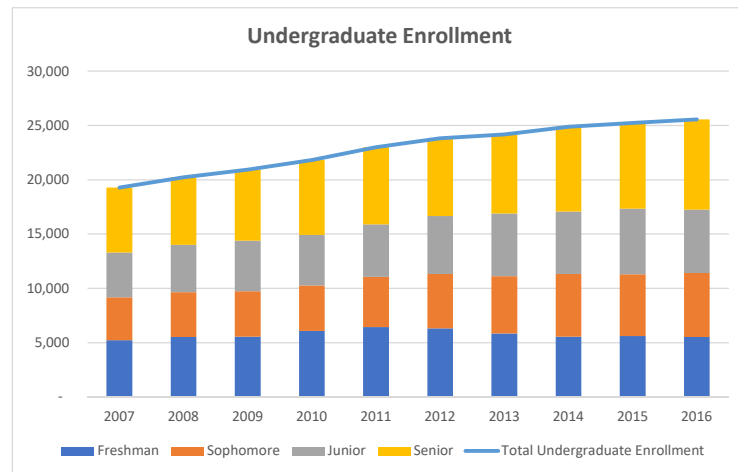
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Freshman	5,220	5,520	5,547	6,078	6,424	6,314	5,862	5,564	5,623	5,532
Sophomore	3,963	4,130	4,177	4,178	4,638	5,003	5,268	5,752	5,681	5,885
Junior	4,128	4,369	4,663	4,665	4,829	5,331	5,757	5,761	6,025	5,835
Senior	5,964	6,197	6,548	6,897	7,103	7,155	7,293	7,786	7,908	8,304
Total Undergraduate Enrollment	19,275	20,216	20,935	21,818	22,994	23,803	24,180	24,863	25,237	25,556

Graduate Enrollment

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Graduate	6,996	6,260	6,527	6,744	6,693	6,423	6,258	6,495	6,789	6,797
Specialist	1,001	1,012	1,019	1,035	1,034	1,062	1,526	1,613	1,697	1,746
Total Graduate Enrollment	7,997	7,272	7,546	7,779	7,727	7,485	7,784	8,108	8,486	8,543

Total Enrollment

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
	27,272	27,488	28,481	29,597	30,721	31,288	31,964	32,971	33,723	34,099



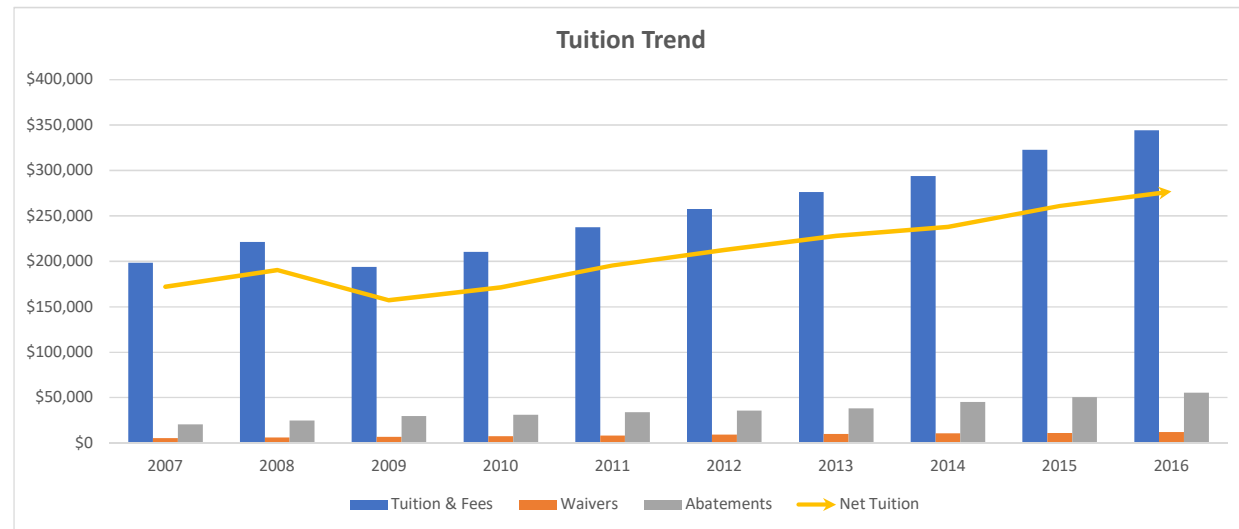
Undergraduate enrollment growth has been steady averaging 3.3% growth over the ten year period. The freshman class has consistently been the smallest class in the same period due to much of the incoming students having Advance Placement and Dual Enrollment credits that qualify them to be in sophomore class upon arrival. Over the past ten years, transfer rates and retention rates have increased in total by 49% for Sophomore class, 41% for the Junior class, and 39% for the Senior class. Graduate enrollment has averaged 7% growth over the ten year period primarily due to the Specialist (Law, Medical and Pharmacy) student growth.

University of South Carolina - Columbia

Tuition Analytics

All Dollar Amounts are in Thousand's Unless otherwise indicated

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Tuition & Fees	\$198,393	\$221,425	\$193,812	\$210,503	\$237,600	\$257,722	\$276,561	\$293,902	\$322,848	\$344,586
Waivers	5,399	6,076	6,909	7,675	8,259	9,340	10,054	10,643	11,202	12,110
Abatements	20,720	24,939	29,736	31,298	33,869	35,806	38,347	45,217	50,623	55,507
Net Tuition	172,274	190,410	157,167	171,530	195,472	212,576	228,160	238,042	261,023	276,969
	10.5%	-17.5%	9.1%	14.0%	8.8%	7.3%	4.3%	9.7%	6.1%	



Net tuition has increased over ten years at an average of 8% while waivers have increased by an average of 12% per year and abatements have increased by an average of 17% per year.

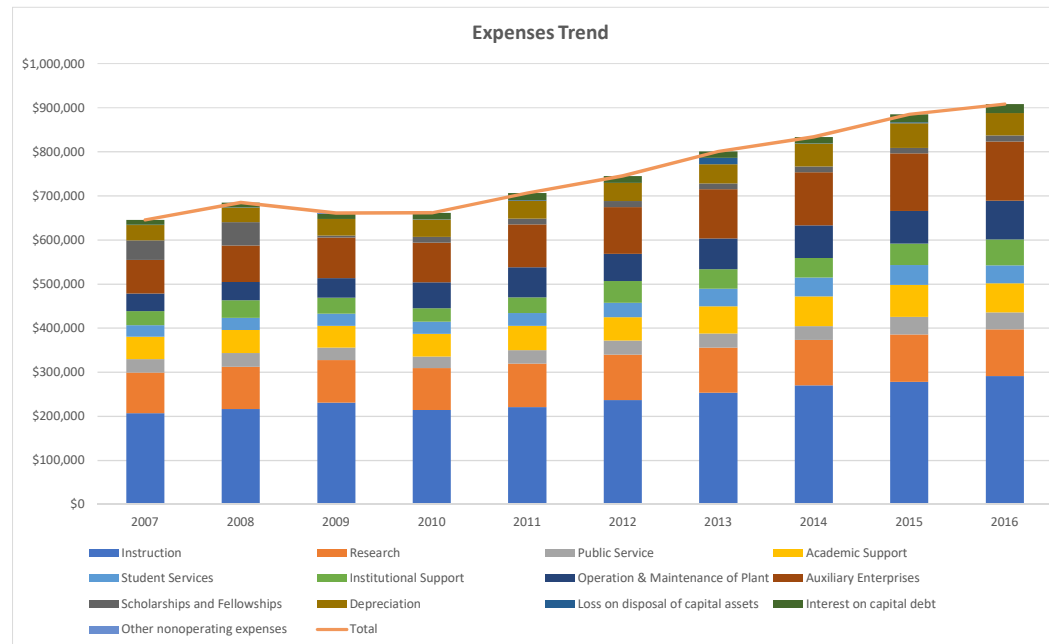
University of South Carolina - Columbia

Expense Analytics

All Dollar Amounts are in Thousand's Unless otherwise indicated

*Note: Expense totals were confirmed from each year's CAFR Unaudited Supplemental Schedules for USC Columbia.

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Instruction	\$207,147	\$216,776	\$231,218	\$214,794	\$220,647	\$236,754	\$253,659	\$270,502	\$278,238	\$291,158
Research	\$92,266	\$95,987	\$96,380	\$94,446	\$98,976	\$103,585	\$102,475	\$102,993	\$107,807	\$105,977
Public Service	\$30,266	\$30,565	\$28,768	\$26,191	\$30,358	\$31,542	\$32,157	\$31,025	\$39,508	\$38,882
Academic Support	\$50,750	\$52,733	\$49,316	\$51,545	\$55,135	\$52,885	\$61,025	\$67,760	\$73,075	\$65,933
Student Services	\$26,767	\$27,592	\$27,250	\$27,715	\$29,364	\$33,202	\$40,344	\$42,743	\$44,727	\$40,897
Institutional Support	\$31,621	\$39,858	\$36,462	\$30,513	\$35,167	\$49,012	\$44,363	\$44,243	\$48,358	\$58,496
Operation & Maintenance of Plant	\$39,821	\$41,163	\$44,258	\$58,725	\$68,712	\$61,748	\$69,795	\$74,118	\$74,475	\$88,085
Auxiliary Enterprises	\$76,238	\$82,659	\$92,342	\$90,070	\$96,936	\$106,051	\$111,467	\$120,231	\$130,254	\$134,166
Scholarships and Fellowships	\$44,151	\$53,254	\$4,460	\$13,230	\$13,239	\$13,619	\$13,382	\$12,954	\$12,434	\$13,630
Depreciation	\$34,994	\$32,787	\$37,317	\$39,533	\$41,021	\$41,287	\$43,350	\$52,109	\$56,029	\$50,820
Loss on disposal of capital assets	\$717	\$635	\$0	\$383	\$1,471	\$499	\$14,296	\$720	\$2,181	\$19
Interest on capital debt	\$10,769	\$10,836	\$13,377	\$14,814	\$15,416	\$14,974	\$14,876	\$14,514	\$18,207	\$20,196
Other nonoperating expenses	-	-	\$4	-	-	-	-	-	-	-
Total	\$645,507	\$684,845	\$661,152	\$661,959	\$706,442	\$745,158	\$801,189	\$833,912	\$885,293	\$908,259
	6.1%	-3.5%	0.1%	6.7%	5.5%	7.5%	4.1%	6.2%	2.6%	



Expenses have grown at a average rate of 4% per year and in total 41% over a ten year period. Instruction costs have grown 32% and operation maintenance expenses have risen by 121% while scholarship & fellowship expense have decreased by 69% over the same ten year period.

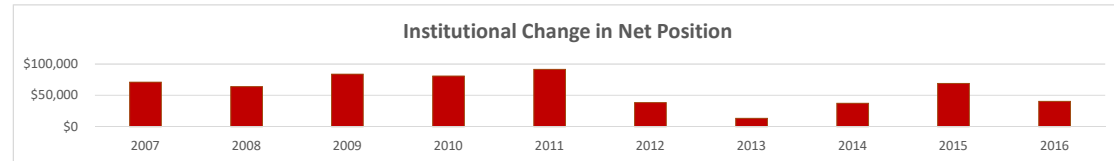
University of South Carolina - Columbia

Institutional Change in Net Position

All Dollar Amounts are in Thousand's Unless otherwise indicated

Change in Net Position

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
\$71,274	\$63,850	\$83,738	\$81,081	\$91,407	\$38,609	\$13,128	\$37,253	\$68,900	\$40,486
	-10.4%	31.1%	3.2%	12.7%	-57.8%	-66.0%	183.8%	85.0%	-41.2%



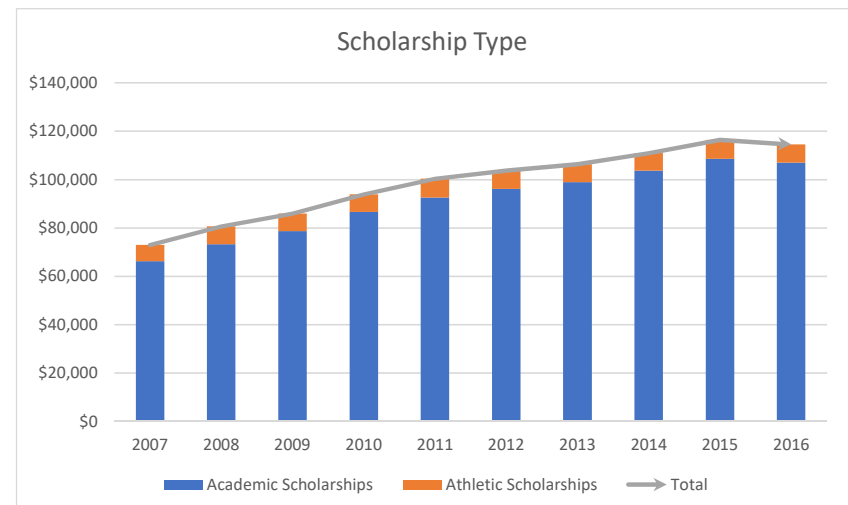
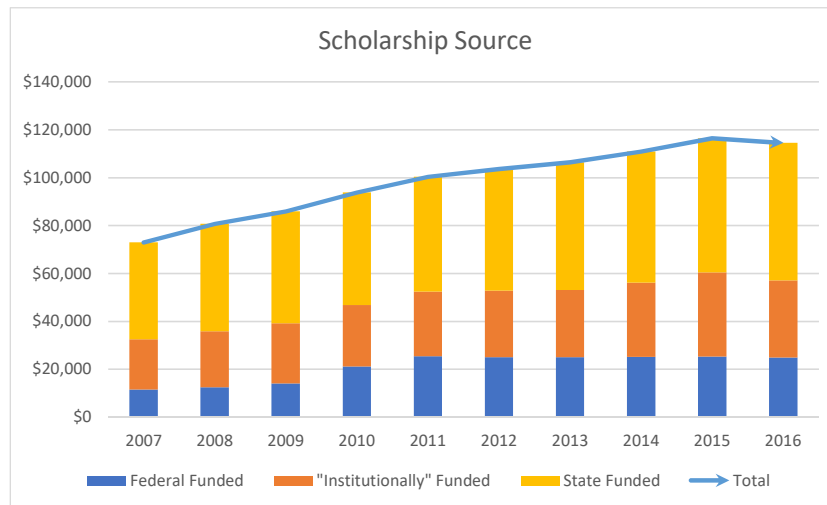
Overall the Change in Net Position has been positive each year with an average increase of \$59 million. However, the positive Change in Net Position has decreased by 43.2% in this ten year period.

University of South Carolina - Columbia

Institutional and Foundation Scholarship Data

All Dollar Amounts are in Thousand's Unless otherwise indicated

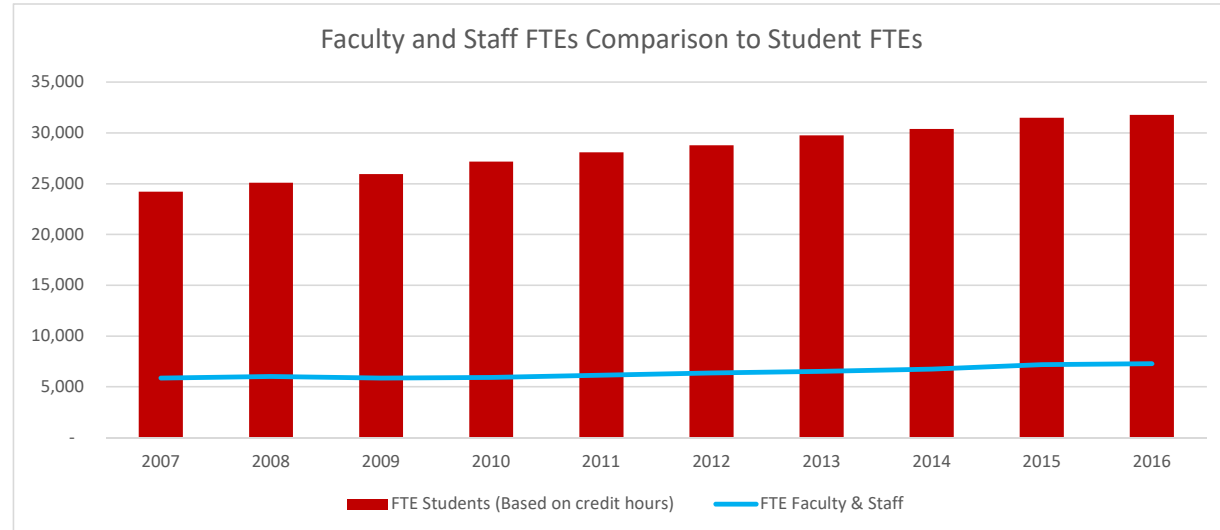
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Federal Funded	\$11,475	\$12,457	\$14,076	\$21,115	\$25,329	\$25,051	\$25,008	\$25,173	\$25,267	\$24,908
"Institutionally" Funded	\$20,967	\$23,409	\$25,060	\$25,721	\$27,088	\$27,754	\$27,986	\$30,965	\$35,128	\$32,191
State Funded	\$40,519	\$44,802	\$46,779	\$46,991	\$47,956	\$50,795	\$53,366	\$54,737	\$56,025	\$57,380
Total	\$72,961	\$80,668	\$85,915	\$93,827	\$100,373	\$103,600	\$106,360	\$110,875	\$116,420	\$114,479
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Academic Scholarships	\$66,145	\$73,181	\$78,627	\$86,522	\$92,483	\$96,146	\$98,852	\$103,634	\$108,509	\$106,953
Athletic Scholarships	\$6,816	\$7,487	\$7,288	\$7,305	\$7,890	\$7,454	\$7,508	\$7,241	\$7,911	\$7,526
Total	\$72,961	\$80,668	\$85,915	\$93,827	\$100,373	\$103,600	\$106,360	\$110,875	\$116,420	\$114,479



Academic scholarships have increased 93% over the ten year period while athletic scholarships have grown marginally, 10%, over the same period.

University of South Carolina - Columbia
Faculty/Staff to Students

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
FTE Faculty & Staff	5,866	6,016	5,852	5,915	6,131	6,356	6,514	6,731	7,175	7,265
FTE Students (Based on credit hours)	24,190	25,077	25,940	27,150	28,085	28,780	29,763	30,395	31,488	31,774
Ratio	1:4.1	1:4.2	1:4.4	1:4.6	1:4.6	1:4.5	1:4.6	1:4.5	1:4.4	1:4.4



Overall, the ratio has been consistent and reasonable based on the size and growth of faculty, staff, and students over this ten year period.

University of South Carolina - Columbia

Institutional Subsidies to Athletics -

All Dollar Amounts are in Thousand's Unless otherwise indicated

USC Columbia is a self-sustaining auxiliary that is not subsidized with Institutional funds.

University of South Carolina - Columbia

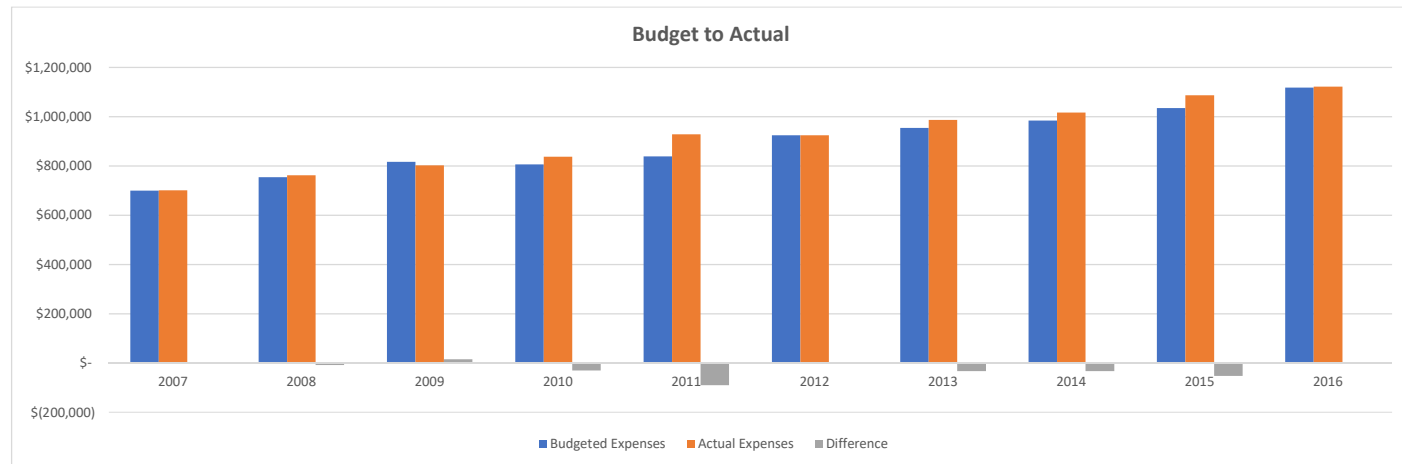
Variance between Approved Budget and Closing Budget

All Dollar Amounts are in Thousand's Unless otherwise indicated

*Note: Data was compiled utilizing each year's Approved Budget and CAFR to make the comparison between budgeted and actual expenses.

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Budgeted Expenses	\$ 699,315	\$ 753,675	\$ 816,849	\$ 806,532	\$ 838,538	\$ 923,776	\$ 953,926	\$ 984,143	\$ 1,034,978	\$ 1,118,411
Actual Expenses	700,396	762,319	802,524	836,639	928,748	924,143	987,094	1,016,637	1,086,984	1,121,145
Difference	\$ (1,081)	\$ (8,644)	\$ 14,325	\$ (30,107)	\$ (90,210)	\$ (367)	\$ (33,168)	\$ (32,494)	\$ (52,006)	\$ (2,734)
	-0.2%	-1.1%	1.8%	-3.7%	-10.8%	0.0%	-3.5%	-3.3%	-5.0%	-0.2%

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Budgeted Revenues	\$ 704,615	\$ 754,575	\$ 795,636	\$ 814,433	\$ 845,357	\$ 907,772	\$ 959,215	\$ 962,893	\$ 1,020,232	\$ 1,115,026
Actual Revenues	733,856	797,364	831,844	878,562	932,944	931,294	960,334	1,013,776	1,082,992	1,135,964
Difference	\$ 29,241	\$ 42,789	\$ 36,208	\$ 64,129	\$ 87,587	\$ 23,522	\$ 1,119	\$ 50,883	\$ 62,760	\$ 20,938
	4.1%	5.7%	4.6%	7.9%	10.4%	2.6%	0.1%	5.3%	6.2%	1.9%



USC Columbia has consistently under budgeted expenses in the past ten years. This has been offset by budgeted revenues being understated each year in the same period. There is a concern about the lack of consistency in budgeting for expenses and revenue.

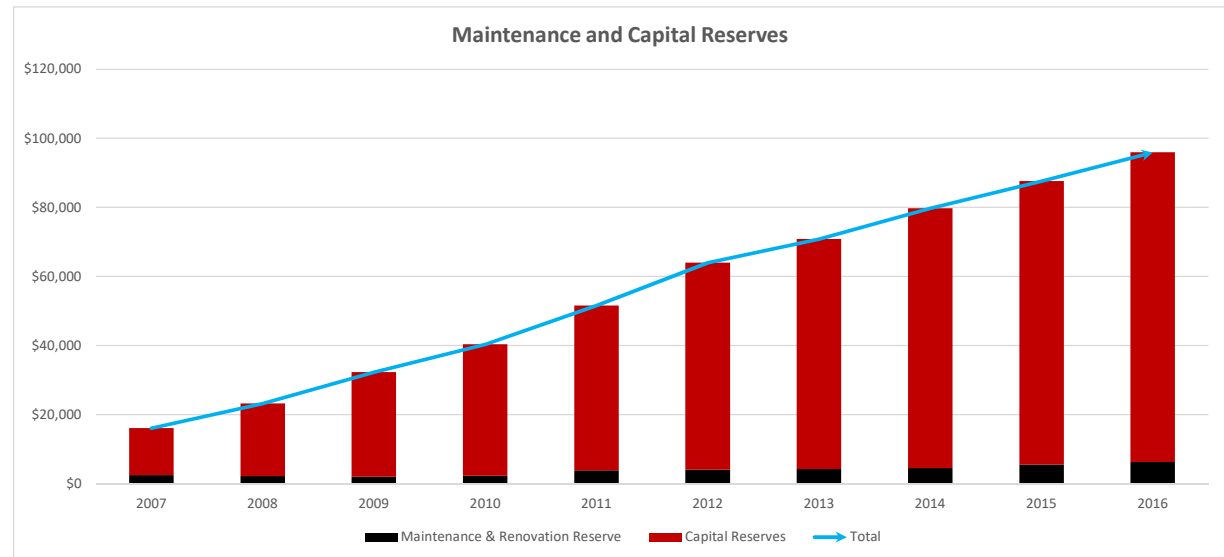
University of South Carolina - Columbia

Maintenance Reserve Account and Development Foundation Reserve Account

All Dollar Amounts are in Thousand's Unless otherwise indicated

Maintenance & Renovation Reserve
Capital Reserves
Total

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
\$2,536	\$2,267	\$2,027	\$2,340	\$3,944	\$4,120	\$4,303	\$4,523	\$5,561	\$6,325
\$13,601	\$21,020	\$30,353	\$38,040	\$47,621	\$59,914	\$66,595	\$75,209	\$82,094	\$89,629
\$16,137	\$23,287	\$32,380	\$40,380	\$51,565	\$64,034	\$70,898	\$79,732	\$87,655	\$95,954



Maintenance Reserves have increased by an average of 15% over the ten year period while Capital Reserves have increased by an average of 56% over the same period.

Capital Projects Processed by Staff 3/21/17 - 4/26/2017								
Date Approved	Project #	Institution	Project Name	Action Category	Budget Change	Revised Budget	Original Approval Date	Staff Approval Criteria
Open Projects								
4/6/2017	NEW	Denmark Technical College	Renovation of Barnwell Workforce Center	Establish Project	\$1,500,000	\$1,500,000	N/A	Legislatively Authorized with Capital Reserve Funds and State Appropriations
4/6/2017	NEW	Francis Marion University	Preliminary Land Acquisition - Old Post Office	Establish Project	\$20,000	\$20,000	N/A	Preliminary Land Acquisition
4/6/2017	NEW	Technical College of the Lowcountry	New River Workforce Development Center	Establish Project (Phase I)	\$3,650,000	\$3,650,000	N/A	Phase I funds are legislatively authorized with 2016-2017 Appropriations and Capital Reserve Fund
4/10/2017	NEW	Greenville Technical College	Bldg. 801 Roof Replacement & HVAC Upgrades	Establish Project (Phase I)	\$21,368	\$21,368	N/A	2016-2017 CPIP Year 1
4/12/2017	9828	MUSC	2014-2015 Maintenance Needs	Revise Scope	\$0	\$1,465,380	10/27/2014	No change in budget; Revise scope to include replacement of generator
4/25/2017	NEW	Francis Marion University	Ervin Dining Hall Roof	Establish Project	\$240,000	\$240,000	N/A	Source of Funds Legislatively Authorized with 1:1 Institutional Match (FY13-14 Lottery Funds)
4/25/2017	9564	Francis Marion University	Deferred Maintenance	Revise Scope	\$0	\$935,801	10/17/2011	Legislatively Authorized Funds, no effect on previously approved budget; Revise scope to include renovation of Library Classroom
4/25/2017	9569	Francis Marion University	2013-14 Maintenance Needs	Decrease Budget	\$240,000	\$749,248	1/14/2014	Decrease Budget
4/25/2017	9571	Francis Marion University	Founders Hall & Cauthen Ed. Media Center Bldg Renovations	Revise Scope	\$0	\$1,500,000	6/10/2015	No change in budget; Revise scope to include roof maintenance and repair
4/26/2017	9665	College of Charleston	McAlister Residence Hall Renovation	Increase Budget	\$159,480	\$248,460	10/24/2016	Documentation provided to support Phase I costs exceeding 1.5% of total budget
Completed Projects								
3/30/2017	9889	Denmark Technical College	Building 400 Renovation	Close Project	\$0	\$900,000	3/9/2001	Project Expenditures agreed to Statewide Permanent Improvement Reporting System (SPIRS)
3/30/2017	6101	Tri-County Technical College	Veterinary Technology Animal Care Facility	Decrease Budget, Close Project	(\$76,371)	\$1,673,629	1/8/2015	
3/30/2017	9649	College of Charleston	Deferred Maintenance	Decrease Budget, Close Project	(\$165,238)	\$1,546,969	11/15/2011	
3/30/2017	9615	College of Charleston	Randolph Hall, Porter's Lodge, and Towell Library Exterior Rest.	Decrease Budget, Close Project	(\$52,808)	\$4,347,192	2/3/2005	
3/30/2017	9585	College of Charleston	Deferred Maintenance - HVAC Systems	Decrease Budget, Close Project	(\$70,129)	\$929,871	1/10/2002	
3/30/2017	9916	Clemson University	Memorial Stadium Suites Renovation	Decrease Budget, Close Project	(\$3,641)	\$26,396,359	2/6/2014	
3/30/2017	9915	Clemson University	West Campus Energy Plant Construction	Decrease Budget, Close Project	(\$37,352)	\$10,427,648	2/6/2014	
3/30/2017	9895	Clemson University	Wastewater Treatment Plant Upgrade	Decrease Budget, Close Project	(\$1,072)	\$4,798,928	8/23/2011	
4/6/2017	6059	Central Carolina Technical College	CCTC-Sumter Advanced Manufacturing Tech Training Center Renovation	Decrease Budget, Close Project	(\$2,557,917)	\$9,257,739	7/10/2012	
4/6/2017	6086	USC - Columbia	Preston College Bathroom and Flooring Renovation	Decrease Budget, Close Project	(\$17,007)	\$1,482,993	10/19/2010	
4/6/2017	6103	USC - Columbia	Carolina Stadium Repairs	Decrease Budget, Close Project	(\$84,121)	\$4,880,879	6/6/2013	
4/6/2017	9606	The Citadel	Deferred Maintenance, Mark Clark Hall Bldg. Envelope Repairs	Decrease Budget, Close Project	(\$17,069)	\$1,111,735	10/27/2011	
4/12/2017	9798	MUSC	Hospital Adult Emergency Room Expansion/Renovation	Decrease Budget, Close Project	(\$10,923,477)	\$1,516,523	5/1/2008	
4/12/2017	6063	USC - Columbia	Sumter Street Safety Improvements	Decrease Budget, Close Project	(\$861,432)	\$138,568	11/24/2008	
4/12/2017	9511	USC - Union	2015-16 Maintenance Needs	Close Project	\$0	\$7,500	1/15/2016	