

**EXCERPT FROM THE PRELIMINARY REPORT
OF THE REAFFIRMATION COMMITTEE**

Statement Regarding the Report

The Board of Trustees of the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC) is responsible for making the final determination on reaffirmation of accreditation based on the findings contained in this committee report, the institution's response to issues contained in the report, other assessments relevant to the review, and application of the Commission's policies and procedures. Final interpretation of the Principles of Accreditation and final action on the accreditation status of the institution rest with SACSCOC Board of Trustees.

Name of the Institution: **University of South Carolina - Columbia**

Date of the Review: **November 3-4, 2020**

SACSCOC Staff Member: **Dr. Linda Thomas-Glover**

Chair of the Committee: **Dr. Timothy S. Brophy**
Director, Institutional Assessment
and Professor, Music Education
University of Florida
Gainesville, FL 32606

13.3 Financial Responsibility

- 13.3 The institution manages its financial resources in a responsible manner.
(*Financial responsibility*)

Compliance

As a state-supported higher education institution, the institution's economic position is closely tied to the State of South Carolina. The state finished the 2020 fiscal year on a positive note with full funding of the State's Rainy-Day Fund at five (5) percent of the prior year's General Fund Revenues and fully funded the Capital Reserve Account at two (2) percent of the prior year's General Fund Revenues. COVID-19 emerged as a dangerous public health crisis in March, and the impact of this on the statewide economy was severe and almost immediate, resulting in significant erosions in state tax revenues. The state experienced a revenue surplus of more than \$672 million despite the impact of COVID-19. The growth rate through February 2020 was 8.5 percent but by year end the rate was cut in half. Individual income taxes and sales tax revenues continue to be strong despite decreases due to COVID-19.

For fiscal year 2021, the institution had anticipated additional funding to support academic initiatives that promote access and affordability through tuition mitigation for residents of South Carolina, however the State of South Carolina is operating under a continuing resolution for the near future. The institution anticipates funding from the state to be flat due to COVID-19 when the funding plan for fiscal year 2021 is addressed. The institution reports that its overall financial position remains strong. The institution relies on tuition and fees to support the general operating budget and with added state support for fiscal year 2021 the institution has been able to mitigate the tuition increase for 2021. For fiscal year 2021, the institution did not have a tuition increase. There was an average increase of 2.8 percent in student housing and 3.1 percent in dining plans. The institution received a record number of applications for fall 2020 and overall enrollment is expected to increase by one (1) percent. The state funds merit scholarships for students with funding from the South Carolina Education Lottery. Research grant awards were \$279.4 million in the 2020 fiscal year, only a slight increase over the previous fiscal year, with much a research being halted due to COVID-19 in the last quarter of the fiscal year 2020. Awards in fiscal year 2021 are trending and are estimated to surpass fiscal year 2020 with many awards focusing on COVID-19. The institution's total endowment is currently \$667.5 million, with \$538.7 million held by the University Foundations. The endowment is comprised of a mix of restricted and unrestricted funds, quasi endowed, term endowed and permanently endowed.

The institution's current assets cover current liabilities 5.44 times. Current assets, excluding restricted cash and cash equivalents, cover 6.75 months of total operating expenses, excluding depreciation. For fiscal year 2020, one month of operating expenses were approximately \$113.1 million.