



# South Carolina State University

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## MEMORANDUM

**TO:** Marcia Adams  
Executive Director, SC Budget and Control Board

**FROM:** Thomas J. Elzey/*TJE*  
President

**RE:** *South Carolina State University Proposed use of \$500,000 for Consulting Services*

**DATE:** August 14, 2014

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This memorandum is intended to provide an overview of South Carolina State University's proposed approach to the utilization of the consultant funds per paragraph 7 of the Interagency Loan Agreement. The outcome of consulting services should (1) provide cash flow projections and cash management services to support immediate financial needs and (2) complete an academic and administrative assessment to reposition the institution for long term success.

1. The Cash flow Projects and Cash Management work stream would provide SC State University with the immediate expertise to manage financial information and negotiate vendor payments. As part of the work stream, current and intermediate cash flow projections should be prepared to assess the liquidity needs and appropriate capital structure of the University. Outcomes should include:
  - Daily cash flow forecast
  - 13 Week cash flow forecast and 12 Month cash flow forecast
  - Vendor strategy and identification of potential savings
  - Recommendation of additional cash needs, over the various forecast periods
  - Recommendation as to appropriate capital structure and steps to achieve
  - Identification of new revenue opportunities
  - Preparation of informational packages for constituents, and interface as requested
2. The Administrative and Academic Assessment work stream would help SCSU develop a better understanding of where to focus our improvement efforts.

- a) Conduct an administrative operations assessment to identify opportunities to increase efficiency, decrease redundancies and costs, as well as improve service via review of data gathered and interviews conducted across areas such as Finance, Purchasing, Academic Administration, Auxiliaries, Advancement, Space Utilization, Facilities, Human Resources, Technology, etc. Tasks would include:
  - a. Identifying which operational areas of the institution will be evaluated and submitting a data request
  - b. Engaging with faculty and staff, including building a Steering Committee who will assist in validating key observations, discussing alternative solutions, and evaluating progress
  - c. Developing of a clear understanding of the governance and organizational structure of each functional area and opportunities to streamline and/or adjust delivery methods.
- b) Conduct an academic program assessment utilizing data to identify programs that may be candidates for consolidation and/or termination due to under-enrollment including identifying different program delivery options that could help reduce costs of program delivery.

The consultant should generate a menu of all opportunities identified through the process, with a high-level estimate of potential financial impact, time to implementation, difficulty of implementation, potential risk to the institution, anticipated changes to service levels, and a brief analysis of other factors that we may identify. This listing would be reviewed to prioritize final recommendations.

We have discussed this potential engagement exclusively with Huron Consulting, a leading provider of business consulting services that has work with over 300 universities to improve the effectiveness and efficiency of operations.

Huron has also worked with organizations and industries to manage crisis situations, provide restructuring services, lead daily cash management operations, and provide strategic advice and counsel to senior leadership.

Thank You