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NIKKI R. HALEY

OFFICE OF THE GOVERNOR

In Case You Missed It:

Time For Action To Save S.C. State – But No Blank Check

From [The Times and Democrat](#)

“South Carolina cannot afford to lose S.C. State — it is far too important to our state, our identity as South Carolinians, and most importantly, the education of our future leaders.”

Time for Action To Save University – But No Blank Check
Governor Nikki Haley
April 30, 2014

“South Carolina State University is a South Carolina treasure. It has educated tens of thousands of our students, served at the heart of our communities and is truly part of the fabric of our state’s history.

“Unfortunately, the crisis at South Carolina State University has reached the tipping point, with accreditors on-site and vendors threatening legal action if they are not paid for services they rendered so many months ago.

“Following the university’s announcement in January that it expected to close the current fiscal year with a shortfall of more than \$13 million, the inspector general and other state officials initiated a review of S.C. State’s financial situation. Although the final results of these reviews are not yet complete, the risk that S.C. State could be placed on probationary status — or worse lose its accreditation as a university — means that the time has come for action.

“South Carolina cannot afford to lose S.C. State — it is far too important to our state, our identity as South Carolinians, and most importantly, the education of our future leaders. For this reason, today, I will ask the Budget and Control Board to authorize a loan of up to \$6 million in order to guarantee that S.C. State will be able to make essential debt-service payments and also satisfy the vendors who have waited the longest to be rightly paid.

“This is not an action I take lightly, but I believe that immediate action is required in order to assure the university’s students and their families, the businesses who deserve to be paid for their honest work, and the accreditors in whose hands S.C. State’s fate rests, that the state of South Carolina will support S.C. State as

it continues to resolve these problems.

“However, let me be clear: I am not offering a blank check. The problems with S.C. State’s administration are long-standing, and I am not willing to help right this ship without assurances in place that we will not be back in this very same place somewhere down the road.

“In order to receive state assistance, S.C. State must accept a thorough review of its past and current purchases and also agree to use a portion of the loan to obtain expert advice on improving its financial and operational practices.

“The university and its affiliated foundations must also bolster their anti-nepotism and conflict-of-interest policies and agree to open their books for public review. I am committed to helping the university through these challenging times, but only if the institution agrees to adopt meaningful reforms as well.

“The loan I will propose today is not a silver bullet. S.C. State’s board of trustees must play a central role in developing an all-encompassing solution, and they must do so working with state officials and the local, alumni and university communities. Ultimately, the General Assembly must act through the budget process to supply S.C. State with the resources — and the oversight — it needs in order to once again focus on its core mission. In the meantime, my proposal is designed to give S.C. State’s new leadership time to develop a plan for the university not just to survive, but to thrive.”

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