South Carolina
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Executive Director

MEMORANDUM

TO: Members of the Steering Committee for the SC Higher Education Efficiency, Effectiveness and Accountability Review

FROM: Richard C. Sutton, Executive Director
        SC Commission on Higher Education (CHE)

DATE: September 18, 2014

RE: Survey responses collected pursuant to Proviso 118.16 of Act 286 of 2014 regarding the SC Higher Education Efficiency, Effectiveness, and Accountability Review

The enclosed information is provided in response to direction that CHE survey institutions receiving funding in the FY 2014-15 Appropriations Act for purposes of the Higher Education Efficiency, Effectiveness and Accountability Review. The survey is conducted to determine whether each institution has previously undergone, is currently undergoing, or has contracted to undergo an internal or external performance improvement audit, operating efficiency study, or similar cost management review and to collect relevant information about any such reviews. The excerpt from the proviso requiring the survey follows.

> Excerpt, Part C Part C of Proviso 118.16 of Act 286 of 2014 (FY 2014-15 Appropriations Act)
> The Commission on Higher Education, on behalf of the committee, must survey each institution that is provided funds in this act for the Higher Education Efficiency, Effectiveness and Accountability Review to determine if the institution has already undergone, is currently undergoing, or has contracted to undergo an internal or external performance improvement audit, operating efficiency study, or similar cost management review. The survey shall ascertain whether or not the review was internal or external, when the review was completed, when it will be completed (if ongoing), or when it anticipates it will begin (if already planned or contracted). The vendor name if an external review team or the composition of the review team, including their credentials, if internal, must be included, as must the scope of the review and its cost. For institutions where a review has been completed, it must report the findings, recommendations, or action items that were identified by the review team, if any, including estimated cost savings associated with the items. Further, a listing of findings, recommendations or action items of the review team that have already been implemented by the institution, including cost savings or efficiencies that have been realized as a result, must be documented. Findings or recommendations made by the review team, but not yet implemented by the institution, if any, must be explained by the institution. Survey results must be provided by the Commission on Higher Education to the committee no later than August 1, 2014. After public discussion of the survey responses, the committee shall select the institutions for the review. The existence of any such review, either completed or ongoing, does not guarantee an exemption for an institution from this review. Exemptions, if any, either for an entire institution or component thereof can only be granted by the committee.

In July, CHE staff coordinated with staff of the Senate Finance Committee and House Ways & Means Committee to develop a survey instrument. The survey was distributed on July 22, 2014, to the Presidents and Chief Financial Officers of the higher education institutions involved in the study including: The Citadel, Clemson University, Coastal Carolina University, College of Charleston, Francis Marion University, Lander University, Medical University of South Carolina, University of South Carolina (Columbia, Aiken, Beaufort and Upstate campuses), and Winthrop University. Institutions were requested to respond by August 1. The deadline was extended by a week given that the steering committee had not yet been fully named.

Attached is a compilation of the completed surveys that were submitted by the institutions. A table of contents as well as a copy of the survey request and instrument are included in the attached for reference. All institutional submissions were timely and responsive to the request. CHE staff reviewed surveys submitted and followed up with institutions if the need for additional clarification or information arose. The attached submissions are as the institutions submitted and the responses provided have not been altered with the exception of formatting as necessary in compiling the responses into a single document.

CHE appreciates the opportunity to provide this information to the Steering Committee on behalf of the participating higher education institutions.

ENCL

2014 Higher Education Effectiveness, Efficiency, and Accountability Review

Institution Survey & Responses

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2014 Higher Education Effectiveness, Efficiency, and Accountability Study Survey

The following survey is to be completed to determine whether your institution has already undergone, is currently undergoing, or has contracted to undergo an internal or external performance improvement audit, operating efficiency study, or similar cost management review. The survey is being conducted by the Commission in response to requirements of Part C of Proviso 118.16 of Act 286 of 2014 (FY 2014-15 Appropriations Act).

The information below should be completed and returned to the SC Commission on Higher Education not later than noon on Thursday, July 31. Please email the completed information in **word format** to the attention of Dr. Argentini Anderson, aanderson@che.sc.gov, 803-737-2276.

In the footer below, please insert your Institution Name in "Type Text"

Institution Name: The Citadel	Date Submitted: 07-31-2014
Survey Contact Information: *Name:* Mark J. Craig *Title:* **Budget Director** *Email:* **mcraig@citadel.edu** *Phone No.:* **843-953-7184**	

1) Within the past ten years, has your institution already undergone, is currently undergoing, or has contracted to undergo an internal or external performance improvement audit, operating efficiency study, or similar cost management review.   YES__X__   or   NO_____   (check one)

If YES to item 1, please insert the number by category below. If none, insert 0.

Number:	
1	Completed
	Contracted and work has begun (in process)
	Contracted but not yet started
	Planned, not yet contracted

If NO to item 1, please indicate the date of the last such review completed:

==For each of the reported review indicated above or for the last review completed if none within the past ten years, please complete the information on the next page. Duplicate for each separate review if more than one report.==

1. STUDY NAME: Ameresco Energy Performance Contract

a) **DATE REVIEW COMPLETED:** December 2009

b) **ANTICIPATED COMPLETION DATE IF IN PROCESS**: N/A

c) **ANTICIPATED START DATE IF CONTRACTED OR PLANNED**: N/A

d) **INDICATE WHETHER THE REVIEW IS <u>EXTERNAL</u> (CONDUCTED BY A REVIEW TEAM EXTERNAL TO THE INSTITUTION) OF <u>INTERNAL</u> (CONDUCTED BY AN INTERNAL INSTITUTIONAL REVIEW TEAM)**:   External Review

e) **VENDOR NAME IF EXTERNAL**: Ameresco

f) **PLEASE LIST REVIEW TEAM MEMBERS AND CREDENTIALS IF INTERNAL**: N/A

PLEASE DESCRIBE THE SCOPE OF THE REVIEW: The Citadel contracted with Ameresco, an energy efficiency solutions company, to establish energy performance measures that would guarantee the college an annual savings of more than $600,000. During the year-long project, which was completed in December 2009, the following projects were completed:

- Lighting retrofit: lamps and ballasts were standardized throughout campus and fitted with occupancy sensors. This new energy efficient combination also reduces maintenance.
- Water and irrigation upgrade: 500 flush valves on toilets and urinals, 600 low-flow showerheads and 1,250 faucet adapters were installed to reduce water consumption on campus. A new irrigation control system brought all campus irrigation systems under the control of a central computer system with a weather station.
- Steam trap replacement: 700 steam traps on campus were replaced with new, energy efficient type.
- Steam line leak repair and insulation: leaking valves and piping in campus steam pits were repaired and all piping was properly insulated.
- Energy efficient transformers: 18 electric power transformers were replaced with load-matching transformers which produce less waste heat.
- McAlister Field House gym demand ventilation: outside air dampers for both large air handling units were replaced, and carbon dioxide occupancy detection sensors were installed.
- Bond Hall annex windows: original 1939 windows in Bond Hall Annex were replaced increasing the occupant comfort, and reducing the heating and cooling load.
- Bond Hall chiller modification: the partial load efficiency of the Bond Hall chiller was upgraded.
- Primary Chiller Loop configuration: new configuration allows any of the three chillers for Bond, Byrd and Duckett halls to cool all three buildings, which increases energy savings and allows for maintenance without shutting down heating and cooling.
- Deas Hall Chiller replacement: deficient chiller in Deas Hall replaced with more energy efficient model.
- Capers Hall steam line: new steam line connected to campus system.

g) **PLEASE PROVIDE THE COST OF THE REVIEW OR IF PLANNED, THE ANTICIPATED COST IF KNOWN**: $0. Included in performance contract.

h) **FOR COMPLETED REVIEWS, PLEASE REPORT EACH IDENTIFIED FINDING, RECOMMENDATION, AND/OR ACTION ITEM AND ASSOCIATED ESTIMATED COST SAVINGS OF EACH**. *Please complete the table and add rows as needed for each finding.*

No.	i.) FINDING, RECOMMENDATION, or ACTION ITEM	ASSOCIATED COST SAVINGS	IMPLEMENTED? YES or NO
1	Lighting Retrofit for full campus	$236,205	YES
2	Domestic Water and Irrigation Water Upgrades	$140,413	YES
3	Steam Trap Replacement	$156,558	YES
4	Steam Line Insulation	$16,350	YES
5	Boiler Controls	$7,650	NO
6	Boiler Economizer	$12,674	NO
7	VSD Pumping	$30,581	NO
8	Energy Efficient Dry Transformers	$26,594	YES
9	Kitchen Equipment Replacement	$24,155	NO
10	Computer Controls	$4,798	NO
11	Infrared Thermography Study	$1,126	NO
12	Field House AHU Modifications	$24,518	YES
13	Window Replacement	$12,497	YES
14	Bond Hall Chiller Modification	$9,845	YES
15	Combine Bond, Byrd, Duckett Chilled Water Loop	$1,005	YES
16	Deas Hall Ice Chiller Replacement	$16,779	YES
17	Capers Hall Steam Line Replacement	$3,161	YES

i) **FOR THOSE FINDINGS, RECOMMENDATIONS, OR ACTION ITEMS ABOVE THAT HAVE BEEN IMPLEMENTED, PLEASE DOCUMENT THE COST SAVINGS OR EFFICIENCIES THAT HAVE BEEN REALIZED AS A RESULT.** (Insert number of identified finding in (i) above and report documented cost saving or efficiencies.)

No.	j.) COST SAVINGS OR EFFICIENCIES THAT HAVE BEEN REALIZED FOR IMPLEMENTED
1	Cost Savings measured and verified
2	Cost Savings measured and verified
3	Cost Savings measured and verified
4	Cost Savings measured and verified
8	Cost Savings measured and verified
12	Cost Savings measured and verified
13	Cost Savings measured and verified
14	Cost Savings measured and verified
15	Cost Savings measured and verified
16	Cost Savings measured and verified
17	Cost Savings measured and verified

j) **FOR THOSE FINDINGS, RECOMMENDATIONS, OR ACTION ITEMS THAT HAVE NOT YET BEEN IMPLEMENTED, PLEASE EXPLAIN.** (Insert number of identified finding in (i) above and provide explanation)

No.	k.) EXPLANATION FOR EACH FINDING, RECOMMENDATIONI OR ACTION ITEM NOT YET IMPLEMENTED
5	Operation of boilers do not match audit assumptions
6	Operation of boilers do not match audit assumptions
7	Not cost effective

No.	k.) EXPLANATION FOR EACH FINDING, RECOMMENDATIONI OR ACTION ITEM NOT YET IMPLEMENTED
9	Not cost effective
10	Not cost effective
11	Not cost effective

2014 Higher Education Effectiveness, Efficiency, and Accountability Study Survey

The following survey is to be completed to determine whether your institution has already undergone, is currently undergoing, or has contracted to undergo an internal or external performance improvement audit, operating efficiency study, or similar cost management review. The survey is being conducted by the Commission in response to requirements of Part C of Proviso 118.16 of Act 286 of 2014 (FY 2014-15 Appropriations Act).

The information below should be completed and returned to the SC Commission on Higher Education not later than noon on Thursday, July 31. Please email the completed information in **word format** to the attention of Dr. Argentini Anderson, aanderson@che.sc.gov, 803-737-2276.

In the footer below, please insert your Institution Name in "Type Text"

Institution Name: Clemson University	Date Submitted: August 5, 2014
Survey Contact Information: *Name: Brett Dalton* *Title: VP for Finance & Operations* *Email: DBrett@Clemson.edu* *Phone No.: (864)656-2421*	

1) Within the past ten years, has your institution already undergone, is currently undergoing, or has contracted to undergo an internal or external performance improvement audit, operating efficiency study, or similar cost management review.

<div align="center">YES__x__   or   NO____   (check one)</div>

*Please see attached for a summary of Clemson University's efficiency efforts.

If YES to item 1, please insert the number by category below. If none, insert 0.

Number:	
	Completed
	Contracted and work has begun (in process)
	Contracted but not yet started
	Planned, not yet contracted

If NO to item 1, please indicate the date of the last such review completed:

For each of the reported review indicated above or for the last review completed if none within the past ten years, please complete the information on the next page. Duplicate for each separate review if more than one report.

1. STUDY NAME: Please see attached for a summary of Clemson University's efficiency efforts.

Clemson University is committed to providing a high quality, affordable education to the residents of South Carolina and as such, promotes a culture of continuous improvement to encourage the efficient utilization of resources. Clemson engages in ongoing internal analysis and review of University processes, focused on providing increased efficiencies, cost savings, labor reallocations, and enhanced quality at both the University and departmental level. Clemson's continuous analysis involves employees from all areas of the University, including the Finance Division, Provost Office, Student Affairs, Computing and Information Technology, and academic colleges. Additionally, as part of directed strategic initiatives, Clemson engages multiple external agencies to evaluate and provide recommendations on key focus areas of the University. Both internal and external evaluations are prioritized and driven by data, metrics, strategic plans, and the demands of the families and students Clemson serves. The result of this collaborative ongoing effort toward enhanced efficiency and cost reduction is evident as our unrestricted Academic support cost per student has decreased 14.2% from $2,375 in 2008 to $2,037 in 2013 and our unrestricted Institutional support cost per student has decreased 13.4% from $1,790 in 2008 to $1,549 in 2013. Furthermore, Clemson continues to remain affordable, as the average out-of-pocket cost for South Carolina freshmen was only 31.2% of the sticker price for the Fall of 2013.

Several mechanisms have been utilized to implement operational efficiencies, enhance effectiveness, and increase accountability across the University. In 2006, an external consultant conducted an overall assessment of opportunities to identify cost reductions and appropriate outsourcing opportunities. In 2009, the Budget Strategies Task Force, a team of the University's administrative and faculty leaders, embarked on a University-wide, cross-functional assessment of University processes in an effort to mitigate the impact of the Great Recession. Both the external consultant evaluation and the Budget Strategies Task Force evaluation led to further internal and external assessments and implementations. In 2012, Clemson demonstrated its dedication toward increasing accountability through the development of the Transparency Spending Website, which provides information on all expenses paid through the University's vendor system or state-approved procurement credit cards.

One key recommendation from the Budget Strategies Task Force was the development of a centralized group focused on continuous improvement, now known as the Lean Office. The Lean Office strives to create a culture of continuous improvement that encourages the elimination of waste and non-value-added activity, increases efficiency, generates revenue, and implements best business practices across the University. Lean involves finding and solving root causes to problems and provides a standard set of "tools" or methods to execute the various stages of the improvement process, making improvement a regular and standardized part of the everyday work environment. An internal advisory board to the Lean Office also provides insight and guidance into strategic Lean initiatives.

The Lean Office has implemented a formalized Lean Facilitator training program with the support of an external consultant, which develops Lean leaders campus-wide.

Through this program, each key functional area will have dedicated Lean leaders, who are responsible for identifying improvement opportunities, conducting value stream mapping and kaizen events, and implementing efficiency solutions based on data-driven analysis. These facilitators are also responsible for training employees in their area on Lean principles and practices, thus empowering employees to proactively seek opportunities to improve processes and business practices, resulting in more efficient resource utilization. The Lean Office also works in tandem with the Enterprise Risk Management team to identify and implement opportunities to mitigate risk.

As a result of these internal and external engagements over the past several years, numerous recommendations have been implemented, resulting in enhanced efficiencies, improved quality, and realized time and cost savings. Here are several examples of outcomes that resulted from the University's efforts:

- Voluntary Personnel Reduction Plans
    - o Voluntary personnel reduction plans, including retirement incentives and voluntary separations, have been implemented strategically. These aggressive employment reduction programs have netted over $4M in recurring salary savings. Between FY2007-08 and the current fiscal year, Clemson eliminated over 500 filled and vacant permanent positions. Clemson plans to continue to utilize strategic employee reduction plans including voluntary separation and retirement incentives as part of the 2020 Plan. Furthermore, each division has been tasked with implementing strategic hiring restrictions within their areas.

- Outsourcing Custodial Services
    - o Outsourcing of over 50% of custodial services to an outside vendor resulted in ~ $824K in annual savings.

- Outsourcing Managed Print & Postal Services
    - o Outsourcing of managed print services and postal operations resulted in 12% annual cost savings. Benefits of the outsourced managed print services include enhanced end user productivity, security and data protection; optimized day to day device management; and streamlined end to end document support by a dedicated on-site team. Enhanced postal features for students and faculty include reduced package pick-up times and extended hours.

- Outsourcing Motor Pool Operations
    - o Outsourcing of car rental and automotive repair services resulted in 6.8% annual cost savings. The sale of the existing motor pool resulted in a one-time savings of ~$500K that was invested in other University improvement initiatives, such as the new student system.

- Assessment of University Revenue and Receivables

- o Reorganization of student receivables into two strategic areas (Student Financial Services & Cash & Treasury Services) to split groups by customer base and better align transaction services units with accounting and treasury functions.
    - Student System Implementation
        - Banner System replaced the antiquated University mainframe system, providing improved student billing options, enhanced reporting that is critical to future strategic planning initiatives, and advanced capabilities.
    - Ecommerce Solution Implementation
        - Through the implementation of an ecommerce solution, Clemson achieved enhanced PCI compliance, realized $137K of labor reallocation savings through the elimination of duplicative data entry, provided transparency to effectively capture activity, and provided more departments with the capability to sell products and/or services.

- Human Resources Reorganization & Improvements
    - o Reorganization of the decentralized HR structure into a University-wide, service-oriented team, which provided a streamlined recruitment process, enhanced customer service, training for divisional managers on fundamental efforts, and improved recruitment turnaround to attract, recruit, and retain top talent.
    - o Leveraged technology to improve customer service through the Ask-HR service center and centralized job postings through strategic sourcing, resulting in enhanced recruitment efforts and ~$300K in estimated cost avoidance since March 2013.

- Payroll System & Structural Enhancements
    - o Implementation of a University-wide timekeeping system to reduce manual entries and increase process control. Conversion from a bi-weekly payroll structure to a semi-monthly payroll structure, resulting in $87K in reallocated labor savings.

- Strategic Sourcing
    - o Clemson engaged in strategic sourcing to leverage savings and improve quality through a number of contracts including IT and office supplies. Implementation of buyWays e-procurement solution further leveraged University spending through strategically negotiated cost savings contracts and increased usability for campus end users.

- Energy Conservation Initiatives
    - Through the implementation of multiple efforts including lighting system improvements, controls upgrades, building commissioning, major equipment

replacements, energy audits, training and sustainable building practices, Clemson has realized over $2M annually in cost avoidance.

- Pooled Fringe Benefit Rate
  o Development of a pooled fringe rate to reduce the 19 variables to 4 resulting in better planning, enhanced budgeting efficiency and increased accountability at the point of decision making.

- Parking & Transportation Assessment
  o Reengineered and restriped parking lots to create 211 spaces for an estimated construction cost avoidance of $844K.
  o Increased meter revenue by ~$191K from FY10 to FY14 through the replacement of aging single spaced meters with solar powered multi-space meters resulting in a reallocation of ~41 hours of labor per month.
  o Reduced the CAT bus contract by ~$185K from FY10 to FY14 by creating more efficient routes through the use of larger buses during peak hours, reducing hours by aligning service with the academic calendar, and providing in-house services. These funds have been reallocated to offer a late night safe rides program, an on campus Green Route, and free airport shuttles for all holiday breaks, saving students ~$54K in out-of-pocket costs.

- Other implemented initiatives include outsourcing solid waste disposal ($91K) and elimination of the facilities mobile work assignment contract ($90K).

Efforts are currently underway to implement efficiencies and process improvements that were identified through Clemson's proactive, data-driven analysis of existing procedures. These improvements aim to more effectively utilize resources and mitigate risk.
- Streamlining staff hiring process to reduce time to hire, decrease rework and non-value added steps, and enhance communication and visibility for all stakeholders.
- Evaluating capital planning process to more effectively utilize resources for key strategic investments, streamline operations, and reduce lead-time.
- Streamlining travel process to develop a one-stop location for all policies, procedures, and documentation, and leverage savings opportunities through contract analysis.
- Implementing new budgeting and planning solution to provide sophisticated strategic modeling capabilities, a streamlined budgeting & resource allocation process, enhanced reporting, and enhanced flexibility for campus users.
- Installing LED lights in parking lots to improve lighting levels and safety, resulting in an estimated 40-60% savings in utility costs.
- Other ongoing evaluations include opportunities to reduce cash collections, improve the accounts payable process, and enhance emergency communications, among other things.

Clemson shares and appreciates the CHE's commitment to managing higher education costs and providing a high quality education to students in the state of South Carolina through continual evaluation, analysis, and review of University operations. We look forward to being able to continue our investment in these efficiency evaluations and implementations with funding provided by the State. Clemson has prioritized the following four improvement opportunities, where engagement and collaboration with external consultants would be most valuable toward our continuous pursuit of resource optimization.

- Resource Allocation & Budget Model Analysis
  - o Evaluation of potential resource allocation and budgeting methodologies, including Responsibility Centered Management, to improve fiscal accountability, transparency, and management of resources, strategically align resources to enhance efficiency, and provide academic leadership with better data to drive decisions.
- Cloud & IT Hosting Solutions for Administrative Systems
  - o Optimization of human and capital resources related to information technology efforts, including infrastructure, systems, data hosting, support and security to provide enhanced functionality and streamlined operations.
- Space Assessment, Planning & Utilization
  - o Comprehensive evaluation of space utilization strategies that develops a culture of space stewardship, optimizes current resources, and provides analytics necessary for successful capital planning.
- Successful Interaction with State Agencies
  - o Evaluation of opportunities to streamline reporting efforts for state agencies to maximize resources and enhance transparency in Higher Education.

Addendum provided by Clemson upon request for additional information:
We noted in your narrative that in 2006, an external consultant conducted an overall assessment of opportunities to identify cost reduction and appropriate outsourcing opportunities. Questions (e), (h), and (i) on the survey requires specific information about external evaluators. If you have the information available, we need to know the external vendors name, the cost of the review, and the identified findings or recommendations.

External Vendors Name: Huron Consulting Group

Cost of Review: $517,500

Identified Findings, Recommendations & Outcomes:

1. **Strategic Sourcing**
   Recommendations:

   - Implement an eProcurement solution that will help Clemson get closer to "best in class." This will simplify purchasing across the University and enable better spend management and visibility to aid in savings through Strategic Sourcing.
   - Establish strategic sourcing goal and process in Procurement Organization.

2. **Information Technology**
   Recommendations:

   - It is recommended that Clemson could save through coordination and operational improvements, as cellular usage increases and Voice over IP is implemented.
   - Explore consolidation and volume pricing opportunities for cell phones and service.
       i. Leverage negotiation power and optimize plans
      ii. Coordinate purchasing at DCIT level
     iii. Purchasing and operational efficiency improvement with Voice Over IP
        1. Coordinate centralized purchase of equipment
        2. Evaluate telecommunications as an auxiliary
        3. Replace individual paper bills with flat fee

3. **Printing Services**
   Recommendations:

   - Outsource and Consolidate Printing
   - Outsource work being performed on campus and reallocate existing Printing Services equipment
       i. Consolidate external spend to a handful of vendors and take advantage of scale discounts and eliminate fragmentation

4. **Pre-sort and Bulk Mail**
   Recommendations:

- Mail Services Bulk Mail and Metering opportunities to maximize use of pre-sort and bulk mailing options to reduce cost and increase Mail Services revenue system.

Clemson Outcomes:

Through the use of an eProcurement system (implemented FY2008) and leveraging strategic sourcing opportunities listed in the above findings, savings are estimated to be $20M. Outsourcing opportunities, such as Printing (FY2009), Postal (FY2012) and Motorpool (FY2009) have resulted in a savings of nearly $1M as well as a one-time $2M revenue generation from the sale of assets.

Benefits of the outsourced managed print services include enhanced end user productivity, security and data protection; optimized day- to- day device management; and streamlined end to end document support by a dedicated on-site team. Enhanced postal features for students and faculty include reduced package pick-up times and extended hours.

5. **Dining Services**

   Recommendations:

   - At the next possible opportunity, renegotiate ARAMARK contract to include first-dollar profit sharing between ARAMARK and Clemson University.
   - Increase transparency in dining operations by regular data and key performance indicator (KPI) sharing.

Clemson Outcomes:

Clemson has renegotiated the contract to provide for the management fee to be based on a percentage of revenue and not a set dollar amount. Clemson currently receives 15% of revenue from the first dollar. This strategy has provided greater incentive for Aramark to increase revenue. We also receive monthly operating reports and daily reports on Paw Points usage and meal plan memberships. Additionally, Clemson has improved the ability to sign up for meal plans and buy paw points online.

6. **Parking Services:**

   Recommendations:

   - Huron recommends zone-based priced parking.
     i. Parking Transportation Master Plan (by Carl Walker Inc.) to be finalized in summer 2007.

Clemson Outcomes:

Although Clemson explored the option of zone-based priced parking, we found other solutions to achieve efficiency.

Parking and Transportation Services has reengineered and restriped parking lots to create 211 spaces for an estimated savings of $844K in construction costs, and has begun installing LED lighting parking lots to improve lighting levels and safety, which should result in a 40-60% savings in utility costs.

Parking and Transportation Services has increased their meter revenue from $117K in FY10 to $308K in FY14 through the replacement of aging single spaced meters with solar powered multi-space meters. This effort has reallocated approximately 41 hours of labor per month and improved locating available parking with solar sensors and the "Parker" phone application.

Parking and Transportation has worked to reduce the CAT contract by making the routes more efficient by using larger buses during peak hours, reducing hours by aligning service with the academic calendar, and providing in- house services. The contract has been reduced from $1,047,400 in FY10 to $862,500 in FY14. These funds have been reallocated to offer free airport shuttles for all holiday breaks, which saved students over $54K in out of pocket costs, a late night safe rides program, and the on campus Green Route.

7. **Custodial Operations**

   Recommendations:

   - Match average area coverage per FTE for all zones.

   ### Clemson Outcomes:
   University Facilities used attrition and the Retirement Incentive program to make funding available to contract approximately 50% of its custodial workforce to an outside vendor. Today, the contract vendor cleans 1.5 million square feet of space as compared to 1.3 million square feet cleaned by State employees on the main campus. Outsourcing of over 50% of custodial services to an outside vendor resulted in ~ $824K in annual savings.

8. **Energy Conservation**
   Recommendations:

   - Reduce Energy Consumption through conservation to the average consumption of the top quartile of Research Institutions as reported to APPA in 2003-04.

   ### Clemson Outcomes:

   Through the implementation of multiple efforts including lighting system improvements, controls upgrades, building commissioning, major equipment replacements, energy audits, training and sustainable building practices, Clemson has realized over $2M annually in cost avoidance.

   A campus-wide Sustainable Energy Policy was approved by the Clemson University Administrative Council with a goal of reducing energy consumption per gross square foot of building space on average by one percent (1%) per year beginning July 1, 2008. The University was able to realize an energy savings of 37,714,101 kBTU for an annual

efficiency improvement of 4.15 percent after completing three large energy savings projects during the summer months of FY2010.

Clemson continually works each year to implement efficiencies to conserve energy. For example, in FY2014, the east chiller plant was upgraded to improve efficiency 35% and increase production by 12% for an estimated $430K annual savings.

9. **Conference Center and Inn Complex**
    Recommendations:

    - Privatize all operations of the CC&I
    - Examine rate structure to maximize earning potential
    - Restructure to garner efficiencies and reduce costs
    - Restructure debt
    - Carefully consider any expansion plans

    ### Clemson Outcomes:
    Conference Center and Inn (CC&I) rates (including the hotel and golf course) were adjusted beginning in 2007 and have subsequently been increased each year based on market capacity and surveys. The debt was restructured in the spring of 2013, and again in the spring of 2014. Beginning in FY 15, there has been a restructuring to shift approximately $470k in mainly personnel costs over a three year period from the University to the private corporation that manages the CC&I.

10. **Implementation of Automated Time and Attendance System**

    Recommendations:

    - Implement an online automated time management system to reduce the level of administrative time spent on payroll, increase standardization and improve controls.

    ### Clemson Outcomes:

    Clemson is currently implementing the Kronos time system which began the fall of 2013. To date, 53.5% of active employees are on the Kronos system. Clemson is finding that, aside from the standardization that Kronos brings, the real savings realized thus far have been on the control side, as we catch fraudulent and duplicative payroll submissions that would not have been previously caught with the paper timesheet and leave submission.

11. **Administrative Services**

    Recommendations and Findings:

    - The majority of interdepartmental transactions are issued for nominal amounts. Many bills are issued on a paper-based format.

- Internal reconciliation process requires a third data entry procedure into an ad hoc database to supplement information to PeopleSoft. Recommendation is to redesign the reconciliation process to eliminate third point of entry and using existing information to reconcile

Clemson Outcomes:

Clemson replaced the paper-based interdepartmental transaction process with an automated, electronic process. Clemson continues to review and discourage unnecessary internal charges and we are continually working to address and simplify any workflow issues within the current interdepartmental transaction process. Furthermore, the current reconciliation process does not require a third point of entry in an ad hoc database.

12. In-source Tiger 1 off-campus operations

Recommendations:

- Bring off-campus operations in house for a potential revenue increase of $30K-$40K based on the assumption that no additional personnel would be needed.

Clemson Outcomes:

Off campus sales in FY14 were just over $1.7 million with over 132,000 transactions. The revenue generated from the program was a little over $61,000 in commissions and $5,000 in merchant fees. Based on these numbers, the program is generating approximately 3.5 percent on sales compared to 3 percent for on campus sales.

The recommendation to support the off campus program was based on the assumption that no additional personnel would be needed. Unfortunately at this time, we do not have the staffing required to absorb the additional duties associated with technical support, sales and marketing, and accounting related activities.

Our off campus partner specializes in supporting off campus merchants and is uniquely qualified to provide this service. For example, the payment processing capabilities provided by our off campus partner provide our merchants with daily settlement that we are not currently capable. Clemson believes our current model establishes this is an appropriate service to outsource.

13. Littlejohn Coliseum (LJC) Theatre Curtaining System

Recommendations:

- Create a theatre setting in Littlejohn Coliseum to increase the opportunity for more events.

Clemson Outcomes:

The theatre curtaining system was installed in FY2009. Since this time, there have been approximately 64 shows of which a majority of those shows utilized the curtain system. In approximately 33% of these cases, the curtaining system was essential for the show to be hosted at Clemson.

14. Bookstore

Recommendations:

- Implement policy that all faculty must use University bookstore for course pack copyright acquisition, reproduction, and sales. As a result, the University limits liability for copyright infringement.
- Capture additional market share by providing the tuition payer, at registration, an option to fund a textbook account.
- Promote the benefits of professors providing timely textbook orders and re-using non-obsolete editions. Clemson will provide a service to its students and more sales and higher profits for the Bookstore should translate into better terms for Clemson in the next contract.

Clemson Outcomes:

Although Clemson chose to not implement a policy that faculty must use the University bookstore, Clemson did take the strategy of offering text book rentals in addition to purchasing new and used books. The textbook rental program allows students to rent a new book at the same cost as the book would have sold used. This past year between selling used books, textbook rentals, and book buy backs, Clemson saved students an estimated $1.2M.

Additionally, Clemson students are now able to add money to their Tiger Stripe card during registration that will allow them to purchase books online.

15. Student Health Services – Undergraduate Health Insurance Requirement

Recommendations:

- The Huron Report recommends that CU require all students to be covered by health insurance. This change would provide improved health and economic security to the 18% of undergraduate students who are currently uninsured.

Clemson Outcomes:

Clemson decided that student support would be necessary to implement any changes. The Graduate Student Senate passed a resolution in 2011 calling for extension of the insurance coverage requirement to undergraduate students. The Undergraduate Senate rejected the proposal at that time and has continued to strongly oppose the idea since that time. Furthermore, the Affordable Care Act now requires all Americans to have insurance coverage that meets federal standards. In anticipation of healthcare reform, Redfern Health Services at Clemson has included insurance billing in its strategic plan since 2008.

Furthermore, Clemson plans to implement insurance billing beginning in the fall 2015 for medical services.

16. Development – Clemson University Foundation (CUF)

Recommendations:

- A refined focus on effectiveness and deployment of resources for development activities will provide an opportunity to significantly increase annual gifts.
- A new compensation structure may motivate all development officers to perform at levels consistent with the Foundation's current top performers
- The use of performance indicators along with changes in structure of contracts may increase effectiveness
- Increasing development personnel, in addition to operational changes, may enable the Foundation to grow annual gifts and bequests of $27.4 million dramatically.
- Adding up to 19 officers over a phase in period will allow the development operation to more adequately cover Clemson's alumni base and pursue identified opportunities
- Development's reliance on relationships will result in a ramp-up period before the full impact of new staff members is seen in the annual giving data.

Clemson Outcomes:

Since FY2006, the number of development enterprise positions has nearly doubled (from 55 to 101). This team works to build a culture of philanthropy through education and awareness. Clemson continues to invest in research, including segmentation and more strategic planning for the development office.

Additionally, 57 new annual fund agreements for scholarships were created this last year for a total of approximately $1.2M, an amount doubled from the previous year. Furthermore, 509 new scholarship or fellowship funds for students have been established during the life of the campaign.

In FY2014, Clemson raised $115M (up from $101M last year) for campaign priorities–students, faculty, facilities and engagement.

The campaign amount as of 8/31/14 is $820.5M.

17. Benefits

Recommendations and Findings:

- There is a need in Retirement and Insurance to track transaction statistics in order to have better metrics for operational efficiency, monitoring and tracking.
- It is recommended that senior level administration work with other universities to encourage the Employee Insurance Program (EIP) and South Carolina Retirement

Systems (SCRS), two divisions of the Budget and Control Board, to communicate more and combine efforts for further automation of the benefits process.

- Based on valued added service and progress identified since the report, the benefits units request continued support with current resources to further automate where possible.

Clemson Outcomes:

The Higher Education Benefits Administrator Group (HEBA) and SC Council of HR Directors continue to communicate with PEBA regarding benefit matters/needs.

The Employee Insurance Program (EIP) and the South Carolina Retirement Systems were transferred to the new South Carolina **Public Employee Benefit Authority (PEBA)** on July 1, 2012.

PEBA provides self-service tools for state employees:

MyBenefits (State Insurance): View/change personal information, address, make certain open enrollment changes.
Member Access (State Retirement): View beneficiary and personal information, view service credit, change address, calculate estimate to purchase service, view status of their retirement application.

Additionally, Clemson currently tracks and monitors the trends of certain metrics including number of transactions by program and number of hires by month based on eligibility. Clemson continues to look at processes to identify appropriate metrics to track in an effort to enhance efficiencies, reduce manual entries, eliminate duplicate entries and reduce any discrepancies.

18. Explore public-private partnerships for Housing expansion

Recommendation:

- Huron proposed that the university explore public-private partnerships for on-campus housing expansion. According to this recommendation, the university would retain ownership of the land and receive annual revenue from a ground lease, while transferring the development and operating roles to a private party. Huron projected $300K/year in additional revenue to the university from the land lease. This was based on a hypothetical model for building a $53M residence hall (1,052 beds), which assumes:
    i. $5.6M in up-front financing from the university
    ii. a financing term of 30 years
    iii. 15% reduction in operating costs based on private party management

Clemson Outcomes:

Current regulatory and financing environment is not conducive to this recommendation.

Also, the narrative provided by Clemson states that in 2009, the Budget Strategies Task Force, a team of the University's administrative and faculty leaders conducted an assessment. Question (f) on the survey asks for a list of review team members and credentials if an internal review has been conducted by an internal institutional review team. We need a list of the internal review team members and their credentials.

The Budget Strategies Task Force consisted of the following individuals:

Chair, President Jim Barker
Co-Chair, Brett A. Dalton, VP for Finance and Operations

Members:

Angie Leidinger, Secretary to the Board of Trustees
John Kelly, VP for Public Service and Agriculture
Dori Helms, Provost and VP for Academic Affairs
Chris Przirembel, VP for Research and Economic Development
Cathy Sams, Chief Public Affairs Officer

The Budget Strategies Task Force designed and developed comprehensive strategies to address the budget cuts including charging subgroups/task forces to focus on specific opportunities for reducing costs and increasing revenues. The Budget Strategies Task Force took the responsibility of selecting the strategies and recommendations to implement.

For more information regarding Budget Task Forces, please visit http://www.clemson.edu/budget-2009/taskforces/.

2014 Higher Education Effectiveness, Efficiency, and Accountability Study Survey

The following survey is to be completed to determine whether your institution has already undergone, is currently undergoing, or has contracted to undergo an internal or external performance improvement audit, operating efficiency study, or similar cost management review. The survey is being conducted by the Commission in response to requirements of Part C of Proviso 118.16 of Act 286 of 2014 (FY 2014-15 Appropriations Act).

The information below should be completed and returned to the SC Commission on Higher Education not later than noon on Thursday, July 31. Please email the completed information in **word format** to the attention of Dr. Argentini Anderson, aanderson@che.sc.gov, 803-737-2276.

In the footer below, please insert your Institution Name in "Type Text"

Institution Name: Coastal Carolina University	Date Submitted: August, 8, 2014
Survey Contact Information: *Name:* Stacie A. Bowie *Title:* ***Vice President and Chief Financial Officer, Finance and Administration*** *Email:* ***sbowie@coastal.edu*** *Phone No.:* ***843-349-2227***	

1) Within the past ten years, has your institution already undergone, is currently undergoing, or has contracted to undergo an internal or external performance improvement audit, operating efficiency study, or similar cost management review.

<div align="center">

YES_√__   or   NO____   (check one)

</div>

If YES to item 1, please insert the number by category below. If none, insert 0.

Number:

3	Completed
0	Contracted and work has begun (in process)
0	Contracted but not yet started
0	Planned, not yet contracted

If NO to item 1, please indicate the date of the last such review completed:

For each of the reported review indicated above or for the last review completed if none within the past ten years, please complete the information on the next page. Duplicate for each separate review if more than one report.

---

1. STUDY NAME: Cost Savings Proposals FY 2010-2011 Budget

    a) DATE REVIEW COMPLETED: April, 2010

    b) ANTICIPATED COMPLETION DATE IF IN PROCESS: Completed

    c) ANTICIPATED START DATE IF CONTRACTED OR PLANNED: Does not apply

    d) INDICATE WHETHER THE REVIEW IS <u>EXTERNAL</u> (CONDUCTED BY A REVIEW TEAM EXTERNAL TO THE INSTITUTION) OF <u>INTERNAL</u> (CONDUCTED BY AN INTERNAL INSTITUTIONAL REVIEW TEAM):
    Internal

    e) VENDOR NAME IF EXTERNAL: Does not apply

    f) PLEASE LIST REVIEW TEAM MEMBERS AND CREDENTIALS IF INTERNAL:

    Dr. David DeCenzo, President, Coastal Carolina University
    Dr. Edgar Dyer, Executive Vice President and Chief Operating Officer, Coastal Carolina University
    Stacie Bowie Vice President and Chief Financial Officer of Finance and Administration, Coastal Carolina University
    Dr. Robert Sheehan, Provost, Coastal Carolina University
    Wilbur Garland, Senior Vice President of Finance and Administration, Coastal Carolina University

    g) PLEASE DESCRIBE THE SCOPE OF THE REVIEW:

    In response to a request by the Coastal Carolina University Board of Trustee's, to reduce operating expense by $4 million, an intensive examination of all areas of the institution was implemented. The purpose of the study was to find cost savings and efficiencies that would reduce tuition funded expenses and recommend these cuts to the Board of Trustees for action. The savings realized would enable the University to responsibly manage the financial crunch that was being experienced due to large cuts in the State Funding Allocations. Each department was analyzed closely and the possible cost efficiencies were identified and evaluated for their effect on overall campus efficiency.

    h) PLEASE PROVIDE THE COST OF THE REVIEW OR IF PLANNED, THE ANTICIPATED COST IF KNOWN:
    Does not apply

    i) FOR COMPLETED REVIEWS, PLEASE REPORT EACH IDENTIFIED FINDING, RECOMMENDATION, AND/OR ACTION ITEM AND ASSOCIATED ESTIMATED COST SAVINGS OF EACH. *Please complete the table and add rows as needed for each finding.*

No.	i.) FINDING, RECOMMENDATION, or ACTION ITEM	ASSOCIATED COST SAVINGS	IMPLEMENTED? YES or NO
1	Utilities savings due to sustainability initiatives	$330,375	Yes
2	Delay equipment purchases	$203,795	Yes
3	Reorganize administrative functions	$203,795	Yes
4	Deleted new hires from budget	$128,000	Yes
5	Small renovation projects re-prioritized	$120,000	Yes
6	Cut back on travel	$50,000	Yes
7	Dual employment reconsidered	$105,042	Yes
8	Faculty open positions held	$787,815	Yes
9	Reduction of staffing through elimination of open positions	$554,831	Yes
10	Restructure Philanthropy	$1,066,657	Yes
11	Reduction in temporary staffing	$394,884	Yes

No.	i.) FINDING, RECOMMENDATION, or ACTION ITEM	ASSOCIATED COST SAVINGS	IMPLEMENTED? YES or NO
12	Total Cost Savings	4,001,498	

j)   **FOR THOSE FINDINGS, RECOMMENDATIONS, OR ACTION ITEMS ABOVE THAT HAVE BEEN IMPLEMENTED, PLEASE DOCUMENT THE COST SAVINGS OR EFFICIENCIES THAT HAVE BEEN REALIZED AS A RESULT.** (Insert number of identified finding in (i) above and report documented cost saving or efficiencies.)

No.	j.) COST SAVINGS OR EFFICIENCIES THAT HAVE BEEN REALIZED FOR IMPLEMENTED
1	$330,375
2	$203,795
3	$203,795
4	$128,000
5	$120,000
6	$50,000
7	$105,042
8	$787,815
9	$554,831
10	$1,066,657
11	$394,884
12	$4,001,498

k)   **FOR THOSE FINDINGS, RECOMMENDATIONS, OR ACTION ITEMS THAT HAVE NOT YET BEEN IMPLEMENTED, PLEASE EXPLAIN.** (Insert number of identified finding in (i) above and provide explanation)

No.	k.) EXPLANATION FOR EACH FINDING, RECOMMENDATIONI OR ACTION ITEM NOT YET IMPLEMENTED
	None

2. STUDY NAME: Cost Savings in Staffing Proposals FY 2011-2012 Budget

   a) **DATE REVIEW COMPLETED:**   April 11, 2011

   b) **ANTICIPATED COMPLETION DATE IF IN PROCESS**:   Completed

   c) **ANTICIPATED START DATE IF CONTRACTED OR PLANNED**: Does not apply

   d) **INDICATE WHETHER THE REVIEW IS <u>EXTERNAL</u> (CONDUCTED BY A REVIEW TEAM EXTERNAL TO THE INSTITUTION) OF <u>INTERNAL</u> (CONDUCTED BY AN INTERNAL INSTITUTIONAL REVIEW TEAM)**:
       Internal

   e) **VENDOR NAME IF EXTERNAL**:   Does not apply

   f) **PLEASE LIST REVIEW TEAM MEMBERS AND CREDENTIALS IF INTERNAL**:

   Dr. David DeCenzo, President, Coastal Carolina University
   Dr. Edgar Dyer, Executive Vice President and Chief Operating Officer, Coastal Carolina University
   Stacie Bowie Vice President and Chief Financial Officer of Finance and Administration, Coastal
    Carolina University
   Dr. Robert Sheehan, Provost, Coastal Carolina University
   Wilbur Garland, Senior Vice President of Finance and Administration, Coastal Carolina University

   g) **PLEASE DESCRIBE THE SCOPE OF THE REVIEW**:

   The Board of Trustees directed management to review budgets with the intention of finding cost savings that could be implemented in the FY 2011-2012 Operating Budget.   Each department was analyzed closely and possible cost efficiencies were identified and evaluated in their effect on overall campus efficiency.   A decision package was presented to the Board of Trustees for consideration.

   h) **PLEASE PROVIDE THE COST OF THE REVIEW OR IF PLANNED, THE ANTICIPATED COST IF KNOWN**:
   Internally generated.

   i) **FOR COMPLETED REVIEWS, PLEASE REPORT EACH IDENTIFIED FINDING, RECOMMENDATION, AND/OR ACTION ITEM AND ASSOCIATED ESTIMATED COST SAVINGS OF EACH**. *Please complete the table and add rows as needed for each finding.*
   The following areas were identified in specified areas on campus that had room for improvement for cost savings.

No.	i.) FINDING, RECOMMENDATION, or ACTION ITEM	ASSOCIATED COST SAVINGS	IMPLEMENTED? YES or NO
1	Freeze 10 Public Safety Positions	$211,288	Yes
2	Don't hire specified Temp Faculty	$165,000	Yes
3	Hold Finance and Administration Staff	$151,898	Yes
4	Cut back on Athletics Staff	$121,295	Yes
5	Freeze 6 Custodial Staff	$146,112	Yes
6	Freeze 5 Administrative Positions	$233,168	Yes
7	Total Cost Savings	$1,028,760	

j) FOR THOSE FINDINGS, RECOMMENDATIONS, OR ACTION ITEMS ABOVE THAT HAVE BEEN IMPLEMENTED, PLEASE DOCUMENT THE COST SAVINGS OR EFFICIENCIES THAT HAVE BEEN REALIZED AS A RESULT. (Insert number of identified finding in (i) above and report documented cost saving or efficiencies.)

No.	j.) COST SAVINGS OR EFFICIENCIES THAT HAVE BEEN REALIZED FOR IMPLEMENTED
1	$211,288
2	$165,000
3	$151,898
4	$121,295
5	$146,112
6	$233,168
7	$1,028,760

k) FOR THOSE FINDINGS, RECOMMENDATIONS, OR ACTION ITEMS THAT HAVE NOT YET BEEN IMPLEMENTED, PLEASE EXPLAIN. (Insert number of identified finding in (i) above and provide explanation)

No.	k.) EXPLANATION FOR EACH FINDING, RECOMMENDATIONI OR ACTION ITEM NOT YET IMPLEMENTED
	None.

3. STUDY NAME: _Fisher Report_

    a)   **DATE REVIEW COMPLETED:** April 10, 2008

    b)   **ANTICIPATED COMPLETION DATE IF IN PROCESS**:   Completed

    c)   **ANTICIPATED START DATE IF CONTRACTED OR PLANNED**:   Does not apply

    d)   **INDICATE WHETHER THE REVIEW IS <u>EXTERNAL</u> (CONDUCTED BY A REVIEW TEAM EXTERNAL TO THE INSTITUTION) OF <u>INTERNAL</u> (CONDUCTED BY AN INTERNAL INSTITUTIONAL REVIEW TEAM)**: External

    e)   **VENDOR NAME IF EXTERNAL**:   James L. Fisher, Ltd.

    f)   **PLEASE LIST REVIEW TEAM MEMBERS AND CREDENTIALS IF INTERNAL**:

        Gary A. Evans, Executive Assistant to the President, Lafayette College and former Vice Chancellor for Development, University of North Carolina Chapel Hill
        James V. Koch, Board of Visitors Professor of Economics and President Emeritus, Old Dominion University
        Scott D. Miller, President, Bethany College
        Farris W. Womack, former Vice President of Finance, University of Michigan and University of North Carolina Chapel Hill
        James L. Fisher, Review Team

    g)   **PLEASE DESCRIBE THE SCOPE OF THE REVIEW**:

The purpose of the review was to assist the Board of Trustees in assessing the condition of the University; to advise on the attitudes of University constituencies; to candidly identify and address issues and opportunities affecting the University; to recommend a tentative agenda for the future to be used in strategic planning; and to recommend to the Board of Trustees steps to ensure more efficient and effective governance.

Items listed below are a partial list of matters related to efficiency, effectiveness and accountability. This review was not to determine cost savings, however we felt that the scope of the findings and the significant impact these findings made on strategic planning and goals for the University make this report a viable candidate for the purposes of this survey.

    h)   **PLEASE PROVIDE THE COST OF THE REVIEW OR IF PLANNED, THE ANTICIPATED COST IF KNOWN**: $77,718

    i)   **FOR COMPLETED REVIEWS, PLEASE REPORT EACH IDENTIFIED FINDING, RECOMMENDATION, AND/OR ACTION ITEM AND ASSOCIATED ESTIMATED COST SAVINGS OF EACH**. _Please complete the table and add rows as needed for each finding._

No.	i.) FINDING, RECOMMENDATION, or ACTION ITEM	ASSOCIATED COST SAVINGS	IMPLEMENTED? YES or NO
1	Continue movement toward rapid posting of financial transactions and provision of up-to-date, easily assessable information.	n/a	Yes
2	Upgrade the Universities technology capabilities to support a significant increase in student body size.	n/a	Yes
3	Build viable assessment program.	n/a	Yes
4	Develop a specific technological literacy and usage program aimed at part-time faculty.	n/a	Yes

No.	i.) FINDING, RECOMMENDATION, or ACTION ITEM	ASSOCIATED COST SAVINGS	IMPLEMENTED? YES or NO
5	Commission individuals sophisticated in statistical analysis to examine the historical student retention experience in order to generate usable information.	n/a	Yes
6	Recommend a major overhaul of fundraising endeavors.	n/a	Yes

j) **FOR THOSE FINDINGS, RECOMMENDATIONS, OR ACTION ITEMS ABOVE THAT HAVE BEEN IMPLEMENTED, PLEASE DOCUMENT THE COST SAVINGS OR EFFICIENCIES THAT HAVE BEEN REALIZED AS A RESULT.** (Insert number of identified finding in (i) above and report documented cost saving or efficiencies.)

No.	j.) COST SAVINGS OR EFFICIENCIES THAT HAVE BEEN REALIZED OR IMPLEMENTED
1	Installed ImageNow document image system. All journal entries and invoices are stored electronically and routed to specified approvers. Gives easy access to auditors as well as accounting personnel. Using an information software pack call Synoptix which is very useful with providing Accounting Information quickly in a clear and flexible format.
2	The Information Technology Services Department completed a campus-wide assessment of areas where wireless access enhancement is needed. Projects expanding WIFI networks are currently underway across campus.
3	An assessment committee has been put into place that is composed of staff from a cross section of campus departments charged with evaluating campus programs and providing solutions to any issues that may arise.
4	Set up a program through library services dedicated to on-going training on technical offerings at the University.
5	Retention committee formed and working closely with Institutional Research to investigate and recommend improvements geared toward student retention.
6	Major restructure in Philanthropy implemented.

k) **FOR THOSE FINDINGS, RECOMMENDATIONS, OR ACTION ITEMS THAT HAVE NOT YET BEEN IMPLEMENTED, PLEASE EXPLAIN.** (Insert number of identified finding in (i) above and provide explanation)

No.	k.) EXPLANATION FOR EACH FINDING, RECOMMENDATIONI OR ACTION ITEM NOT YET IMPLEMENTED

(Blank)

2014 Higher Education Effectiveness, Efficiency, and Accountability Study Survey

The following survey is to be completed to determine whether your institution has already undergone, is currently undergoing, or has contracted to undergo an internal or external performance improvement audit, operating efficiency study, or similar cost management review. The survey is being conducted by the Commission in response to requirements of Part C of Proviso 118.16 of Act 286 of 2014 (FY 2014-15 Appropriations Act).

The information below should be completed and returned to the SC Commission on Higher Education not later than noon on Thursday, July 31. Please email the completed information in **word format** to the attention of Dr. Argentini Anderson, aanderson@che.sc.gov, 803-737-2276.

In the footer below, please insert your Institution Name in "Type Text"

Institution Name: College of Charleston/University of Charleston, South Carolina	**Date Submitted: 8/8/14**

Survey Contact Information:

Name: Paul Patrick

Title: *Vice President of Administration & Planning*

Email: *patrickpd@cofc.edu*

Phone No.: *843-714-3685*

1) Within the past ten years, has your institution already undergone, is currently undergoing, or has contracted to undergo an internal or external performance improvement audit, operating efficiency study, or similar cost management review.

<div align="center">YES__X__   or   NO_____   (check one)</div>

If YES to item 1, please insert the number by category below. If none, insert 0.

Number:	
4	Completed
4	Contracted and work has begun (in process)
0	Contracted but not yet started
0	Planned, not yet contracted

If NO to item 1, please indicate the date of the last such review completed:

<mark>For each of the reported review indicated above or for the last review completed if none within the past ten years, please complete the information on the next page. Duplication for each separate review if more than one report.</mark>

1. STUDY NAME: <u>IT Security Review</u>

a) **DATE REVIEW COMPLETED:** Procured April 24, 2014 – On site review June 9-17, 2014

b) **ANTICIPATED COMPLETION DATE IF IN PROCESS**: Completed

c) **ANTICIPATED START DATE IF CONTRACTED OR PLANNED**: n/a

d) **INDICATE WHETHER THE REVIEW IS <u>EXTERNAL</u> (CONDUCTED BY A REVIEW TEAM EXTERNAL TO THE INSTITUTION) OF <u>INTERNAL</u> (CONDUCTED BY AN INTERNAL INSTITUTIONAL REVIEW TEAM)**: External

e) **VENDOR NAME IF EXTERNAL**: General Dynamics Fidelis Cyber Security

f) **PLEASE LIST REVIEW TEAM MEMBERS AND CREDENTIALS IF INTERNAL**: n/a

g) **PLEASE DESCRIBE THE SCOPE OF THE REVIEW**: IT Security Audit

h) **PLEASE PROVIDE THE COST OF THE REVIEW OR IF PLANNED, THE ANTICIPATED COST IF KNOWN**: $62,000

i) **FOR COMPLETED REVIEWS, PLEASE REPORT EACH IDENTIFIED FINDING, RECOMMENDATION, AND/OR ACTION ITEM AND ASSOCIATED ESTIMATED COST SAVINGS OF EACH**. *Please complete the table and add rows as needed for each finding.*

No.	i.) FINDING, RECOMMENDATION, or ACTION ITEM	ASSOCIATED COST SAVINGS	IMPLEMENTED? YES or NO
1	Review the CofC Security Program to include Policies, Standards, and Procedures and correlate them with the South Carolina Division of Information Security (SC DIS) security policies and provide a current status and prioritization for resolution.	Value of secure data?	Action plan in place
2	Fidelis performed a cyber-security review to provide a gap analysis based primarily on the 20 Critical Controls outlined in the SANS Consensus Audit Guidelines (now under the stewardship by the Council on Cyber Security - www.counciloncybersecurity.org). The Critical Controls provides a relevant technical baseline from which we could derive strategic and tactical cyber security planning and budgeting. Fidelis examined the Critical Controls, specifically assessing the sub controls that make up the overall review. The approach was not to audit each sub control for compliance, but to evaluate the extent to which the overall control intent was met based on College size, our network complexity in the context of higher education.	See above	See above
3	Review current security staffing profile in relation to existing security workload and recommend a staffing profile based on expected workload on achieving	See above	See above

No.	i.) FINDING, RECOMMENDATION, or ACTION ITEM	ASSOCIATED COST SAVINGS	IMPLEMENTED? YES or NO
	compliance with SC DIS policies.		
4			
5			

j) **FOR THOSE FINDINGS, RECOMMENDATIONS, OR ACTION ITEMS ABOVE THAT HAVE BEEN IMPLEMENTED, PLEASE DOCUMENT THE COST SAVINGS OR EFFICIENCIES THAT HAVE BEEN REALIZED AS A RESULT.** (Insert number of identified finding in (i) above and report documented cost saving or efficiencies.)

No.	j.) COST SAVINGS OR EFFICIENCIES THAT HAVE BEEN REALIZED FOR IMPLEMENTED
1	Cannot assign a value to improved IT security measures/protocol

k) **FOR THOSE FINDINGS, RECOMMENDATIONS, OR ACTION ITEMS THAT HAVE NOT YET BEEN IMPLEMENTED, PLEASE EXPLAIN.** (Insert number of identified finding in (i) above and provide explanation)

No.	k.) EXPLANATION FOR EACH FINDING, RECOMMENDATIONI OR ACTION ITEM NOT YET IMPLEMENTED
1	Audit was recently completed (July 1, 2014).

2. STUDY NAME: ___IT Governance and Management Maturity Scorecard___

    a)   **DATE REVIEW COMPLETED:**   Procured October 18, 2013 – Report delivered June 2014

    b)   **ANTICIPATED COMPLETION DATE IF IN PROCESS:** Soon, final review/comments currently underway

    c)   **ANTICIPATED START DATE IF CONTRACTED OR PLANNED:**   n/a

    d)   **INDICATE WHETHER THE REVIEW IS <u>EXTERNAL</u> (CONDUCTED BY A REVIEW TEAM EXTERNAL TO THE INSTITUTION) OF <u>INTERNAL</u> (CONDUCTED BY AN INTERNAL INSTITUTIONAL REVIEW TEAM):**   External

    e)   **VENDOR NAME IF EXTERNAL:**   Info-Tech Research Group International

    f)   **PLEASE LIST REVIEW TEAM MEMBERS AND CREDENTIALS IF INTERNAL:**   n/a

    g)   **PLEASE DESCRIBE THE SCOPE OF THE REVIEW:**   IT operations review

    h)   **PLEASE PROVIDE THE COST OF THE REVIEW OR IF PLANNED, THE ANTICIPATED COST IF KNOWN:** $58,117

    i)   **FOR COMPLETED REVIEWS, PLEASE REPORT EACH IDENTIFIED FINDING, RECOMMENDATION, AND/OR ACTION ITEM AND ASSOCIATED ESTIMATED COST SAVINGS OF EACH**. *Please complete the table and add rows as needed for each finding.*

No.	i.) FINDING, RECOMMENDATION, or ACTION ITEM	ASSOCIATED COST SAVINGS	IMPLEMENTED? YES or NO
1	Delivered an assessment of our information security profile, relative to National Institute of Standards (NIST) standards. We continue active discussions with Info-Tech regarding their findings.	Value of secure data?	In progress
2			
3			
4			
5			

    j)   **FOR THOSE FINDINGS, RECOMMENDATIONS, OR ACTION ITEMS ABOVE THAT HAVE BEEN IMPLEMENTED, PLEASE DOCUMENT THE COST SAVINGS OR EFFICIENCIES THAT HAVE BEEN REALIZED AS A RESULT.** (Insert number of identified finding in (i) above and report documented cost saving or efficiencies.)

No.	j.) COST SAVINGS OR EFFICIENCIES THAT HAVE BEEN REALIZED FOR IMPLEMENTED
	Cannot assign a value to improved IT security measures/protocol

    k)   **FOR THOSE FINDINGS, RECOMMENDATIONS, OR ACTION ITEMS THAT HAVE NOT YET BEEN IMPLEMENTED, PLEASE EXPLAIN.** (Insert number of identified finding in (i) above and provide explanation)

No.	k.) EXPLANATION FOR EACH FINDING, RECOMMENDATIONI OR ACTION ITEM NOT YET IMPLEMENTED

No.	k.) EXPLANATION FOR EACH FINDING, RECOMMENDATIONI OR ACTION ITEM NOT YET IMPLEMENTED
	Yet to close out the review process

3. STUDY NAME: Physical Safety and Security Audit

a) **DATE REVIEW COMPLETED:** Procured November 11, 2013

b) **ANTICIPATED COMPLETION DATE IF IN PROCESS**: Completed

c) **ANTICIPATED START DATE IF CONTRACTED OR PLANNED**: n/a

d) **INDICATE WHETHER THE REVIEW IS <u>EXTERNAL</u> (CONDUCTED BY A REVIEW TEAM EXTERNAL TO THE INSTITUTION) OF <u>INTERNAL</u> (CONDUCTED BY AN INTERNAL INSTITUTIONAL REVIEW TEAM)**: External

e) **VENDOR NAME IF EXTERNAL**: Standing Stone Consulting

f) **PLEASE LIST REVIEW TEAM MEMBERS AND CREDENTIALS IF INTERNAL**: n/a

g) **PLEASE DESCRIBE THE SCOPE OF THE REVIEW**: Full review of the effectiveness and the efficiency of the College's public safety department and overall physical security posture.

h) **PLEASE PROVIDE THE COST OF THE REVIEW OR IF PLANNED, THE ANTICIPATED COST IF KNOWN**: $81,664

i) **FOR COMPLETED REVIEWS, PLEASE REPORT EACH IDENTIFIED FINDING, RECOMMENDATION, AND/OR ACTION ITEM AND ASSOCIATED ESTIMATED COST SAVINGS OF EACH**. *Please complete the table and add rows as needed for each finding.*

No.	i.) FINDING, RECOMMENDATION, or ACTION ITEM	ASSOCIATED COST SAVINGS	IMPLEMENTED? YES or NO
1	Numerous findings related to the college's surety posture. Items discussed include, but are not limited to, security lighting standards, key/lock management, security cameras, emergency communication systems, law enforcement officer training, law enforcement staffing levels, etc.	Most items cost money	In progress
2			
3			
4			
5			

j) **FOR THOSE FINDINGS, RECOMMENDATIONS, OR ACTION ITEMS ABOVE THAT HAVE BEEN IMPLEMENTED, PLEASE DOCUMENT THE COST SAVINGS OR EFFICIENCIES THAT HAVE BEEN REALIZED AS A RESULT.** (Insert number of identified finding in (i) above and report documented cost saving or efficiencies.)

No.	j.) COST SAVINGS OR EFFICIENCIES THAT HAVE BEEN REALIZED FOR IMPLEMENTED
1	Future cost savings associated with improved physical security

k) **FOR THOSE FINDINGS, RECOMMENDATIONS, OR ACTION ITEMS THAT HAVE NOT YET BEEN IMPLEMENTED, PLEASE EXPLAIN.** (Insert number of identified finding in (i) above and provide explanation)

No.	k.) EXPLANATION FOR EACH FINDING, RECOMMENDATIONI OR ACTION ITEM NOT YET IMPLEMENTED
1	Some items have not yet been addressed due to funding concerns.

4. STUDY NAME: IT Operational Improvement

a) **DATE REVIEW COMPLETED:**   Procured June 4, 2012 – Completed October 2012

b) **ANTICIPATED COMPLETION DATE IF IN PROCESS**:   Completed

c) **ANTICIPATED START DATE IF CONTRACTED OR PLANNED**:   n/a

d) **INDICATE WHETHER THE REVIEW IS <u>EXTERNAL</u> (CONDUCTED BY A REVIEW TEAM EXTERNAL TO THE INSTITUTION) OF <u>INTERNAL</u> (CONDUCTED BY AN INTERNAL INSTITUTIONAL REVIEW TEAM)**:   External

e) **VENDOR NAME IF EXTERNAL**:   Huron

f) **PLEASE LIST REVIEW TEAM MEMBERS AND CREDENTIALS IF INTERNAL**:   n/a

g) **PLEASE DESCRIBE THE SCOPE OF THE REVIEW**:   Audit objective was to obtain guidance leading to strategic and operational improvements with regard to the College's IT system.

h) **PLEASE PROVIDE THE COST OF THE REVIEW OR IF PLANNED, THE ANTICIPATED COST IF KNOWN**: $69,000

i) **FOR COMPLETED REVIEWS, PLEASE REPORT EACH IDENTIFIED FINDING, RECOMMENDATION, AND/OR ACTION ITEM AND ASSOCIATED ESTIMATED COST SAVINGS OF EACH**. *Please complete the table and add rows as needed for each finding.*

No.	i.) FINDING, RECOMMENDATION, or ACTION ITEM	ASSOCIATED COST SAVINGS	IMPLEMENTED? YES or NO
1	A. Assess information technology organization and operations B. Review of level of satisfaction, areas of opportunity and areas of strength from the customer perspective C. Benchmark IT funding, staffing, and capabilities relative to peers D. Surface opportunities for greater effectiveness and efficiency given College resources E. Develop recommendations for advancement and high-level roadmap for moving forward		In progress
2			

j) **FOR THOSE FINDINGS, RECOMMENDATIONS, OR ACTION ITEMS ABOVE THAT HAVE BEEN IMPLEMENTED, PLEASE DOCUMENT THE COST SAVINGS OR EFFICIENCIES THAT HAVE BEEN REALIZED AS A RESULT.** (Insert number of identified finding in (i) above and report documented cost saving or efficiencies.)

No.	j.) COST SAVINGS OR EFFICIENCIES THAT HAVE BEEN REALIZED FOR IMPLEMENTED
	Pending/unknown

No.	j.) COST SAVINGS OR EFFICIENCIES THAT HAVE BEEN REALIZED FOR IMPLEMENTED

k) **FOR THOSE FINDINGS, RECOMMENDATIONS, OR ACTION ITEMS THAT HAVE NOT YET BEEN IMPLEMENTED, PLEASE EXPLAIN.** (Insert number of identified finding in (i) above and provide explanation)

No.	k.) EXPLANATION FOR EACH FINDING, RECOMMENDATIONI OR ACTION ITEM NOT YET IMPLEMENTED
	Unknown

(Blank)

2014 Higher Education Effectiveness, Efficiency, and Accountability Study Survey

The following survey is to be completed to determine whether your institution has already undergone, is currently undergoing, or has contracted to undergo an internal or external performance improvement audit, operating efficiency study, or similar cost management review. The survey is being conducted by the Commission in response to requirements of Part C of Proviso 118.16 of Act 286 of 2014 (FY 2014-15 Appropriations Act).

The information below should be completed and returned to the SC Commission on Higher Education not later than noon on Thursday, July 31. Please email the completed information in **word format** to the attention of Dr. Argentini Anderson, aanderson@che.sc.gov, 803-737-2276.

In the footer below, please insert your Institution Name in "Type Text"

Institution Name: Francis Marion University	**Date Submitted:** August 4, 2014

Survey Contact Information:

Name: John J. Kispert

Title: Vice President for Business Affairs

Email: jkispert@fmarion.edu

Phone No.: (843) 661-1110

1) Within the past ten years, has your institution already undergone, is currently undergoing, or has contracted to undergo an internal or external performance improvement audit, operating efficiency study, or similar cost management review.

<div align="center">YES__x__   or   NO_____   (check one)</div>

If YES to item 1, please insert the number by category below. If none, insert 0.

Number:

1	Completed
0	Contracted and work has begun (in process)
0	Contracted but not yet started
0	Planned, not yet contracted

If NO to item 1, please indicate the date of the last such review completed:

==**For each of the reported review indicated above or for the last review completed if none within the past ten years, please complete the information on the next page. Duplicate for each separate review if more than one report.**==

1. STUDY NAME: <u>Administration Department Review</u>

    a) **DATE REVIEW COMPLETED:** February 21, 2008

    b) **ANTICIPATED COMPLETION DATE IF IN PROCESS**:

    c) **ANTICIPATED START DATE IF CONTRACTED OR PLANNED**:

    d) **INDICATE WHETHER THE REVIEW IS <u>EXTERNAL</u> (CONDUCTED BY A REVIEW TEAM EXTERNAL TO THE INSTITUTION) OF <u>INTERNAL</u> (CONDUCTED BY AN INTERNAL INSTITUTIONAL REVIEW TEAM)**:   External

    e) **VENDOR NAME IF EXTERNAL**: Haygroup

    f) **PLEASE LIST REVIEW TEAM MEMBERS AND CREDENTIALS IF INTERNAL**:

    g) **PLEASE DESCRIBE THE SCOPE OF THE REVIEW**: Haygroup was engaged to review, define, and possibly advise the restructuring of the main groups reporting to the Vice President of Administration which include, Human Resources, Campus Technology, Inventory, Payroll, & Telecommunications.

    h) **PLEASE PROVIDE THE COST OF THE REVIEW OR IF PLANNED, THE ANTICIPATED COST IF KNOWN**: $7,795.20

    i) **FOR COMPLETED REVIEWS, PLEASE REPORT EACH IDENTIFIED FINDING, RECOMMENDATION, AND/OR ACTION ITEM AND ASSOCIATED ESTIMATED COST SAVINGS OF EACH**. *Please complete the table and add rows as needed for each finding.*

No.	i.) FINDING, RECOMMENDATION, or ACTION ITEM	ASSOCIATED COST SAVINGS	IMPLEMENTED? YES or NO
1	Human Resource Assistant Role (Front Desk) – Role must be filled with a strong, committed employee and maintained with consistency. This position is noted to be the face of the University and first impression for many constituents including faculty, staff and members of the community.	$16,350 Annually	Yes
2	Needed additional focus on cross-training among HR Staff in order to manage the peaks and valleys of workflow.	None Noted	Yes
3	Job Titles within Human Resources was misleading	None Noted	Yes
4	There is a need for consistent leadership in the department in order to create and communicate a vision, strategy and standards for the function.	None Noted	Yes
5	Recruit a Director of Human Resources to report to the VP of Administration.	None Noted	Yes
6	Move the Payroll Coordinator role under the Finance & Accounting Department.	None Noted	Yes
7	Begin recruiting to fill the pending open role of Coordinator of Classification, Compensation & Employment.	None Noted	Yes
8	Eliminate the position of Director of Telecommunications, payroll, & inventory as the major components of the job have been redirected to other departments.	$110,193 Annually	Yes
9	Adopt People Admin Software	None Noted	No

    j) **FOR THOSE FINDINGS, RECOMMENDATIONS, OR ACTION ITEMS ABOVE THAT HAVE BEEN IMPLEMENTED, PLEASE DOCUMENT THE COST SAVINGS OR EFFICIENCIES THAT HAVE BEEN REALIZED AS A RESULT.** (Insert number of identified finding in (i) above and report documented cost saving or efficiencies.)

No.	j.) COST SAVINGS OR EFFICIENCIES THAT HAVE BEEN REALIZED FOR IMPLEMENTED
1	While the position was not filled with a full time employee the University utilized its pool of student workers to fill duties covered under the Human Resource Assistant Role. Net cost savings of having student workers cover this position is noted to be an estimated $16,350 annually.

No.	j.) COST SAVINGS OR EFFICIENCIES THAT HAVE BEEN REALIZED FOR IMPLEMENTED
2	Cross training within Human Resources has occurred. Student workers that filled the duties previously covered under the Human Resource Assistant position, now assist in peaks in workflow and data entry under supervision of the HR Manager. Cost savings for this measure are not feasibly quantifiable.
3, 4, & 5	Prior to this report, the Vice President of Administration and Office of Human Resources had seen significant upheavals of staff due to death and retirement. Experience levels of 3 multiple decade employees made it inefficient to hire an HR Director effectively precluding hiring a replacement until 2012 when the last 2 of the 3 retired. In 2012, the Office of Human Resources was restructured to redistribute duties and better define job titles. The VP of Administration and the HR Manager now work collectively to administer the Human Resource Department. While no cost savings for this measure were directly noted job duties are better disbursed across the employees creating a more manageable workload for each with less peaks and valleys in workflow.
6	Payroll was moved to the Accounting Office as recommended. No material savings were noted from this measure though communication between accounting and payroll functions has improved. Internal control over the payroll function is also increased by separating the management of payroll function from the HR department.
7	While the position could not be filled prior to the retirement of the employee in the position at the time of this report, the position was later filled and has remained filled.

k) **FOR THOSE FINDINGS, RECOMMENDATIONS, OR ACTION ITEMS THAT HAVE NOT YET BEEN IMPLEMENTED, PLEASE EXPLAIN.** (Insert number of identified finding in (i) above and provide explanation)

No.	k.) EXPLANATION FOR EACH FINDING, RECOMMENDATIONI OR ACTION ITEM NOT YET IMPLEMENTED
9	People Admin Software has not been adopted due to the University deeming the cost of the software to exceed the potential benefit to the University.

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In the footer below, please insert your Institution Name in "Type Text"

Institution Name: Lander University	**Date Submitted: July 23, 2014**

Survey Contact Information:

Name: Mr. Tom Covar

Title: Controller

Email: tcovar@lander.edu

Phone No.:   864-388-8305

1) Within the past ten years, has your institution already undergone, is currently undergoing, or has contracted to undergo an internal or external performance improvement audit, operating efficiency study, or similar cost management review.

<div align="center">YES_____   or   NO__X__   (check one)</div>

If YES to item 1, please insert the number by category below. If none, insert 0.

Number:	
	Completed
	Contracted and work has begun (in process)
	Contracted but not yet started
	Planned, not yet contracted

If NO to item 1, please indicate the date of the last such review completed:

1. STUDY NAME:

    a)   **DATE REVIEW COMPLETED:**

    b)   **ANTICIPATED COMPLETION DATE IF IN PROCESS**:

    c)   **ANTICIPATED START DATE IF CONTRACTED OR PLANNED**:

    d)   **INDICATE WHETHER THE REVIEW IS <u>EXTERNAL</u> (CONDUCTED BY A REVIEW TEAM EXTERNAL TO THE INSTITUTION) OF <u>INTERNAL</u> (CONDUCTED BY AN INTERNAL INSTITUTIONAL REVIEW TEAM)**:

    e)   **VENDOR NAME IF EXTERNAL**:

    f)   **PLEASE LIST REVIEW TEAM MEMBERS AND CREDENTIALS IF INTERNAL**:

    g)   **PLEASE DESCRIBE THE SCOPE OF THE REVIEW**:

    h)   **PLEASE PROVIDE THE COST OF THE REVIEW OR IF PLANNED, THE ANTICIPATED COST IF KNOWN**:

    i)   **FOR COMPLETED REVIEWS, PLEASE REPORT EACH IDENTIFIED FINDING, RECOMMENDATION, AND/OR ACTION ITEM AND ASSOCIATED ESTIMATED COST SAVINGS OF EACH**. *Please complete the table and add rows as needed for each finding.*

No.	i.) FINDING, RECOMMENDATION, or ACTION ITEM	ASSOCIATED COST SAVINGS	IMPLEMENTED? YES or NO
1			
2			
3			
4			
5			

    j)   **FOR THOSE FINDINGS, RECOMMENDATIONS, OR ACTION ITEMS ABOVE THAT HAVE BEEN IMPLEMENTED, PLEASE DOCUMENT THE COST SAVINGS OR EFFICIENCIES THAT HAVE BEEN REALIZED AS A RESULT.** (Insert number of identified finding in (i) above and report documented cost saving or efficiencies.)

No.	j.) COST SAVINGS OR EFFICIENCIES THAT HAVE BEEN REALIZED FOR IMPLEMENTED

    k)   **FOR THOSE FINDINGS, RECOMMENDATIONS, OR ACTION ITEMS THAT HAVE NOT YET BEEN IMPLEMENTED, PLEASE EXPLAIN.** (Insert number of identified finding in (i) above and provide explanation)

No.	k.) EXPLANATION FOR EACH FINDING, RECOMMENDATIONI OR ACTION ITEM NOT YET IMPLEMENTED

2014 Higher Education Effectiveness, Efficiency, and Accountability Study Survey

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The information below should be completed and returned to the SC Commission on Higher Education not later than noon on Thursday, July 31. Please email the completed information in **word format** to the attention of Dr. Argentini Anderson, aanderson@che.sc.gov, 803-737-2276.

In the footer below, please insert your Institution Name in "Type Text"

Institution Name: Medical University of South Carolina	Date Submitted: August 8, 2014
Survey Contact Information: *Name: Patrick J. Wamsley* *Title: Chief Financial Officer* *Email: Wamsleyp@musc.edu* *Phone No.: 843-792-8908*	

1) Within the past ten years, has your institution already undergone, is currently undergoing, or has contracted to undergo an internal or external performance improvement audit, operating efficiency study, or similar cost management review.   YES_√__   or   NO____   (check one)
If YES to item 1, please insert the number by category below. If none, insert 0.

Number:

12	Completed
1	Contracted and work has begun (in process)
	Contracted but not yet started
	Planned, not yet contracted

If NO to item 1, please indicate the date of the last such review completed:

==**For each of the reported review indicated above or for the last review completed if none within the past ten years, please complete the information on the next page. Duplicate for each separate review if more than one report.**==

1. STUDY NAME: Automate the Tuition True-up Process (Lean Six Sigma)

    a) **DATE REVIEW COMPLETED:** March 12, 2014

    b) **ANTICIPATED COMPLETION DATE IF IN PROCESS**:

    c) **ANTICIPATED START DATE IF CONTRACTED OR PLANNED**:

    d) **INDICATE WHETHER THE REVIEW IS <u>EXTERNAL</u> (CONDUCTED BY A REVIEW TEAM EXTERNAL TO THE INSTITUTION) OF <u>INTERNAL</u> (CONDUCTED BY AN INTERNAL INSTITUTIONAL REVIEW TEAM)**: Internal-utilized MUHA Six Sigma Specialists.

    e) **VENDOR NAME IF EXTERNAL**:

    f) **PLEASE LIST REVIEW TEAM MEMBERS AND CREDENTIALS IF INTERNAL**: Edwards (Controller), Hunter (Accounting Operations Manager), Controller Staff.

    g) **PLEASE DESCRIBE THE SCOPE OF THE REVIEW**: Review manual process in order to streamline and automate.

    h) **PLEASE PROVIDE THE COST OF THE REVIEW OR IF PLANNED, THE ANTICIPATED COST IF KNOWN**: n/a – absorbed costs

    i) **FOR COMPLETED REVIEWS, PLEASE REPORT EACH IDENTIFIED FINDING, RECOMMENDATION, AND/OR ACTION ITEM AND ASSOCIATED ESTIMATED COST SAVINGS OF EACH**. *Please complete the table and add rows as needed for each finding.*

No.	i.) FINDING, RECOMMENDATION, or ACTION ITEM	ASSOCIATED COST SAVINGS	IMPLEMENTED? YES or NO
1	Create improved communication plan for colleges	Efficiencies will result in long term cost savings	Y
2	Create forecasting tool	Efficiencies will result in long term cost savings	Y
3	Decrease Outstanding Accounts Receivable	Efficiencies will result in long term cost savings	Y
4	Increased notification to students re: deadlines/account status	Efficiencies will result in long term cost savings	Y
5	Create institutional aid standard format	Efficiencies will result in long term cost savings	Y

    j) **FOR THOSE FINDINGS, RECOMMENDATIONS, OR ACTION ITEMS ABOVE THAT HAVE BEEN IMPLEMENTED, PLEASE DOCUMENT THE COST SAVINGS OR EFFICIENCIES THAT HAVE BEEN REALIZED AS A RESULT.** (Insert number of identified finding in (i) above and report documented cost saving or efficiencies.)

No.	j.) COST SAVINGS OR EFFICIENCIES THAT HAVE BEEN REALIZED FOR IMPLEMENTED
1	n/a – Better communication
2	Allows colleges to better forecast tuition revenues
3	Decrease Accounts Receivable $525,637
4	Students more aware of payment deadline/account balances
5	Simplified the process enabling increased compliance

k) **FOR THOSE FINDINGS, RECOMMENDATIONS, OR ACTION ITEMS THAT HAVE NOT YET BEEN IMPLEMENTED, PLEASE EXPLAIN.** (Insert number of identified finding in (i) above and provide explanation)

No.	k.) EXPLANATION FOR EACH FINDING, RECOMMENDATIONI OR ACTION ITEM NOT YET IMPLEMENTED

2. STUDY NAME: Business Process Transformation - Purchasing

a) **DATE REVIEW COMPLETED:** April 6, 2011

b) **ANTICIPATED COMPLETION DATE IF IN PROCESS**:

c) **ANTICIPATED START DATE IF CONTRACTED OR PLANNED**:

d) **INDICATE WHETHER THE REVIEW IS <u>EXTERNAL</u> (CONDUCTED BY A REVIEW TEAM EXTERNAL TO THE INSTITUTION) OF <u>INTERNAL</u> (CONDUCTED BY AN INTERNAL INSTITUTIONAL REVIEW TEAM)**: External

e) **VENDOR NAME IF EXTERNAL**: SciQuest

f) **PLEASE LIST REVIEW TEAM MEMBERS AND CREDENTIALS IF INTERNAL**:

g) **PLEASE DESCRIBE THE SCOPE OF THE REVIEW**: Assist Purchasing and the colleges with change management efforts by helping them review and adjust/improve business processes according to the new procurement solution.

h) **PLEASE PROVIDE THE COST OF THE REVIEW OR IF PLANNED, THE ANTICIPATED COST IF KNOWN**: $127,600

i) **FOR COMPLETED REVIEWS, PLEASE REPORT EACH IDENTIFIED FINDING, RECOMMENDATION, AND/OR ACTION ITEM AND ASSOCIATED ESTIMATED COST SAVINGS OF EACH**. *Please complete the table and add rows as needed for each finding.*

No.	i.) FINDING, RECOMMENDATION, or ACTION ITEM	ASSOCIATED COST SAVINGS	IMPLEMENTED? YES or NO
1	Map current state business processes to future state processes	Increased efficiencies will result in long-term cost savings	Y
2	Update policies	Increased efficiencies will result in long-term cost savings	Y
3	Deployment and training	Increased efficiencies will result in long-term cost savings	Y
4	Communications	Increased efficiencies will result in long-term cost savings	Y

j) **FOR THOSE FINDINGS, RECOMMENDATIONS, OR ACTION ITEMS ABOVE THAT HAVE BEEN IMPLEMENTED, PLEASE DOCUMENT THE COST SAVINGS OR EFFICIENCIES THAT HAVE BEEN REALIZED AS A RESULT.** (Insert number of identified finding in (i) above and report documented cost saving or efficiencies.)

No.	j.) COST SAVINGS OR EFFICIENCIES THAT HAVE BEEN REALIZED FOR IMPLEMENTED
1-4	eProcurement System implemented
1-4	Manual purchasing processes automated
1-4	Availability of spend analytics enhanced
1-4	Strategic Sourcing introduced to campus – should result in significant cost savings in the future.

k) **FOR THOSE FINDINGS, RECOMMENDATIONS, OR ACTION ITEMS THAT HAVE NOT YET BEEN IMPLEMENTED, PLEASE EXPLAIN.** (Insert number of identified finding in (i) above and provide explanation)

No.	k.) EXPLANATION FOR EACH FINDING, RECOMMENDATIONI OR ACTION ITEM NOT YET IMPLEMENTED

No.	k.) EXPLANATION FOR EACH FINDING, RECOMMENDATIONI OR ACTION ITEM NOT YET IMPLEMENTED

3. STUDY NAME: Charleston Higher Education Purchasing Alliance

    a) **DATE REVIEW COMPLETED:** Ongoing

    b) **ANTICIPATED COMPLETION DATE IF IN PROCESS**: Ongoing

    c) **ANTICIPATED START DATE IF CONTRACTED OR PLANNED**:

    d) **INDICATE WHETHER THE REVIEW IS <u>EXTERNAL</u> (CONDUCTED BY A REVIEW TEAM EXTERNAL TO THE INSTITUTION) OF <u>INTERNAL</u> (CONDUCTED BY AN INTERNAL INSTITUTIONAL REVIEW TEAM)**: (Internal – multi-institutional)

    e) **VENDOR NAME IF EXTERNAL**:

    f) **PLEASE LIST REVIEW TEAM MEMBERS AND CREDENTIALS IF INTERNAL**: Purchasing Directors – MUSC, Citadel, College of Charleston, Trident Tech.

    g) **PLEASE DESCRIBE THE SCOPE OF THE REVIEW**: Strategic Sourcing for Charleston area institutions

    h) **PLEASE PROVIDE THE COST OF THE REVIEW OR IF PLANNED, THE ANTICIPATED COST IF KNOWN**: n/a – absorbed costs.

    i) **FOR COMPLETED REVIEWS, PLEASE REPORT EACH IDENTIFIED FINDING, RECOMMENDATION, AND/OR ACTION ITEM AND ASSOCIATED ESTIMATED COST SAVINGS OF EACH**. *Please complete the table and add rows as needed for each finding.*

No.	i.) FINDING, RECOMMENDATION, or ACTION ITEM	ASSOCIATED COST SAVINGS	IMPLEMENTED? YES or NO
1	Select preferred office supplies vendor		Y
2	Bundling of computer purchases		Y
3	Perform further spend analysis to determine sourcing prospects		Partially

    j). **FOR THOSE FINDINGS, RECOMMENDATIONS, OR ACTION ITEMS ABOVE THAT HAVE BEEN IMPLEMENTED, PLEASE DOCUMENT THE COST SAVINGS OR EFFICIENCIES THAT HAVE BEEN REALIZED AS A RESULT.** (Insert number of identified finding in (i) above and report documented cost saving or efficiencies.)

No.	j.) COST SAVINGS OR EFFICIENCIES THAT HAVE BEEN REALIZED FOR IMPLEMENTED
1	Negotiated better than state contract pricing for office supplies – Average of 6% below state pricing
2	Negotiated better than state contract pricing for computers – approximately $1 million

    k). **FOR THOSE FINDINGS, RECOMMENDATIONS, OR ACTION ITEMS THAT HAVE NOT YET BEEN IMPLEMENTED, PLEASE EXPLAIN.** (Insert number of identified finding in (i) above and provide explanation)

No.	k.) EXPLANATION FOR EACH FINDING, RECOMMENDATIONI OR ACTION ITEM NOT YET IMPLEMENTED

4. STUDY NAME: Cost & Services Review

   a) **DATE REVIEW COMPLETED:** February 11, 2013

   b) **ANTICIPATED COMPLETION DATE IF IN PROCESS**:

   c) **ANTICIPATED START DATE IF CONTRACTED OR PLANNED**:

   d) **INDICATE WHETHER THE REVIEW IS <u>EXTERNAL</u> (CONDUCTED BY A REVIEW TEAM EXTERNAL TO THE INSTITUTION) OF <u>INTERNAL</u> (CONDUCTED BY AN INTERNAL INSTITUTIONAL REVIEW TEAM)**:
       (Internal – Deans or their representatives from all colleges at MUSC)

   e) **VENDOR NAME IF EXTERNAL**:

   f) **PLEASE LIST REVIEW TEAM MEMBERS AND CREDENTIALS IF INTERNAL**:
   Gail W. Stuart, Ph.D., R.N., Dean College of Nursing
   John J. Sanders, D.M.D. Dean College of Dental Medicine
   Darlene L. Shaw, Ph.D., Associate Provost for Education and Student Life
   John Runyon, Director of Business Services, Division of Finance & Administration
   Stephen Valerio, M.A., Associate Dean for Finance and Administration, College of Medicine
   Lynn Shull, CPA, MHA, Assistant Dean for Finance and Administration, College of Nursing
   Julie Parrish, Executive Director of Finance and Administration, College of Health Professions

   g) **PLEASE DESCRIBE THE SCOPE OF THE REVIEW**: Evaluate central administrative service units for reduction of cost and enhancement of services

   h) **PLEASE PROVIDE THE COST OF THE REVIEW OR IF PLANNED, THE ANTICIPATED COST IF KNOWN**:
       n/a – absorbed costs

   i) **FOR COMPLETED REVIEWS, PLEASE REPORT EACH IDENTIFIED FINDING, RECOMMENDATION, AND/OR ACTION ITEM AND ASSOCIATED ESTIMATED COST SAVINGS OF EACH**. *Please complete the table and add rows as needed for each finding.*

No.	i.) FINDING, RECOMMENDATION, or ACTION ITEM	ASSOCIATED COST SAVINGS	IMPLEMENTED? YES or NO
1	Identify systems that can be improved through a financial investment in automated programs across service areas (HR, Purchasing, etc.) and colleges. Such systems can significantly reduce manual processes and provide the largest opportunity for cost savings by reducing personnel at all levels.	$2,074,807	Y/Partly
2	Move from an academic culture that puts high priority on autonomy to a corporate culture that puts high priority on standardization and efficiencies of scale.		Ongoing
3	Reduce service duplication through the examination and reorganizaton of shared and overlapping service across campus.		Ongoing
4	Assess use of leased and available space on campus and make efforts to better utilize available space rather than leasing or renting new space.		Ongoing

j) **FOR THOSE FINDINGS, RECOMMENDATIONS, OR ACTION ITEMS ABOVE THAT HAVE BEEN IMPLEMENTED, PLEASE DOCUMENT THE COST SAVINGS OR EFFICIENCIES THAT HAVE BEEN REALIZED AS A RESULT.** (Insert number of identified finding in (i) above and report documented cost saving or efficiencies.)

No.	j.) COST SAVINGS OR EFFICIENCIES THAT HAVE BEEN REALIZED FOR IMPLEMENTED
1-4	Administrative and Support Areas budgets reduced by $1,511,454
1-4	Revenue enhancements approved $224,400
1-4	Cost Transfers approved $617,983

k) **FOR THOSE FINDINGS, RECOMMENDATIONS, OR ACTION ITEMS THAT HAVE NOT YET BEEN IMPLEMENTED, PLEASE EXPLAIN.** (Insert number of identified finding in (i) above and provide explanation)

No.	k.) EXPLANATION FOR EACH FINDING, RECOMMENDATIONI OR ACTION ITEM NOT YET IMPLEMENTED

5. STUDY NAME: Engineering & Facilities Satellite Storage and Inventory Review (Lean Six-Sigma)

a) **DATE REVIEW COMPLETED:** March 12, 2014

b) **ANTICIPATED COMPLETION DATE IF IN PROCESS**:

c) **ANTICIPATED START DATE IF CONTRACTED OR PLANNED**:

d) **INDICATE WHETHER THE REVIEW IS** <u>EXTERNAL</u> **(CONDUCTED BY A REVIEW TEAM EXTERNAL TO THE INSTITUTION) OF** <u>INTERNAL</u> **(CONDUCTED BY AN INTERNAL INSTITUTIONAL REVIEW TEAM)**: internal – utilized MUHA Six-Sigma Specialists along with department subject matter experts.

e) **VENDOR NAME IF EXTERNAL**:

f) **PLEASE LIST REVIEW TEAM MEMBERS AND CREDENTIALS IF INTERNAL**:MUHA Six-Sigma Facilitator with Engineering & Facilities Subject Matter Experts.

g) **PLEASE DESCRIBE THE SCOPE OF THE REVIEW**: Reviewed work order process and inventory levels

h) **PLEASE PROVIDE THE COST OF THE REVIEW OR IF PLANNED, THE ANTICIPATED COST IF KNOWN**: n/a – absorbed costs

i) **FOR COMPLETED REVIEWS, PLEASE REPORT EACH IDENTIFIED FINDING, RECOMMENDATION, AND/OR ACTION ITEM AND ASSOCIATED ESTIMATED COST SAVINGS OF EACH**. *Please complete the table and add rows as needed for each finding.*

No.	i.) FINDING, RECOMMENDATION, or ACTION ITEM	ASSOCIATED COST SAVINGS	IMPLEMENTED? YES or NO
1	Zones are stocking excessive inventory	$17,929.05 monthly reduvtion	Y

j) **FOR THOSE FINDINGS, RECOMMENDATIONS, OR ACTION ITEMS ABOVE THAT HAVE BEEN IMPLEMENTED, PLEASE DOCUMENT THE COST SAVINGS OR EFFICIENCIES THAT HAVE BEEN REALIZED AS A RESULT.** (Insert number of identified finding in (i) above and report documented cost saving or efficiencies.)

No.	j.) COST SAVINGS OR EFFICIENCIES THAT HAVE BEEN REALIZED FOR IMPLEMENTED
1	Reduced inventory levels

k) **FOR THOSE FINDINGS, RECOMMENDATIONS, OR ACTION ITEMS THAT HAVE NOT YET BEEN IMPLEMENTED, PLEASE EXPLAIN.** (Insert number of identified finding in (i) above and provide explanation)

No.	k.) EXPLANATION FOR EACH FINDING, RECOMMENDATIONI OR ACTION ITEM NOT YET IMPLEMENTED

6. STUDY NAME: GCA Reporting Process (LEAN Six-Sigma)

 a) **DATE REVIEW COMPLETED:** February 14, 2013

 b) **ANTICIPATED COMPLETION DATE IF IN PROCESS**:

 c) **ANTICIPATED START DATE IF CONTRACTED OR PLANNED**:

 d) **INDICATE WHETHER THE REVIEW IS <u>EXTERNAL</u> (CONDUCTED BY A REVIEW TEAM EXTERNAL TO THE INSTITUTION) OF <u>INTERNAL</u> (CONDUCTED BY AN INTERNAL INSTITUTIONAL REVIEW TEAM)**: Internal – utilized MUHA Six-Sigma Specialists

 e) **VENDOR NAME IF EXTERNAL**:

 f) **PLEASE LIST REVIEW TEAM MEMBERS AND CREDENTIALS IF INTERNAL**: Velma Stamp (Director), Michael Laird (Sponsored Program Reporting Manager), GCA Financial Reporting Staff

 g) **PLEASE DESCRIBE THE SCOPE OF THE REVIEW**: Review reporting process in order to streamline and uniform the financial reporting process.

 h) **PLEASE PROVIDE THE COST OF THE REVIEW OR IF PLANNED, THE ANTICIPATED COST IF KNOWN**: n/a – absorbed costs

 i) **FOR COMPLETED REVIEWS, PLEASE REPORT EACH IDENTIFIED FINDING, RECOMMENDATION, AND/OR ACTION ITEM AND ASSOCIATED ESTIMATED COST SAVINGS OF EACH**. *Please complete the table and add rows as needed for each finding.*

No.	i.) FINDING, RECOMMENDATION, or ACTION ITEM	ASSOCIATED COST SAVINGS	IMPLEMENTED? YES or NO
1	Enforce Reporting Policy to reduce late reports	Efficiencies will result in long-term cost savings	Y
2	Increase overall productivity. For example: increasing the number of awards closed	Efficiencies will result in long-term cost savings	Y
3	Standardize Final Accounting Spreadsheet that is sent to Department	Efficiencies will result in long-term cost savings	Y
4	Standardize email from GCA to Department when sending Final Accounting	Efficiencies will result in long-term cost savings	Y

 j) **FOR THOSE FINDINGS, RECOMMENDATIONS, OR ACTION ITEMS ABOVE THAT HAVE BEEN IMPLEMENTED, PLEASE DOCUMENT THE COST SAVINGS OR EFFICIENCIES THAT HAVE BEEN REALIZED AS A RESULT.** (Insert number of identified finding in (i) above and report documented cost saving or efficiencies.)

No.	j.) COST SAVINGS OR EFFICIENCIES THAT HAVE BEEN REALIZED FOR IMPLEMENTED
1	The number of late federal reports filed late decreased from 11 to 3.
2	The number of awards closed increased from 847 in FY13 to 1091 in FY14.
3	Final Accounting Spreadsheet is now easier to understand regardless of which GCA Grant Administrator created it.
4	The Final Accounting email is now easier to read regardless of which GCA Grant Administrator

No.	j.) COST SAVINGS OR EFFICIENCIES THAT HAVE BEEN REALIZED FOR IMPLEMENTED
	sends it.
5	Feedback from departments was well received, which has led to improved customer service.

k) FOR THOSE FINDINGS, RECOMMENDATIONS, OR ACTION ITEMS THAT HAVE NOT YET BEEN IMPLEMENTED, PLEASE EXPLAIN. (Insert number of identified finding in (i) above and provide explanation)

No.	k.) EXPLANATION FOR EACH FINDING, RECOMMENDATIONI OR ACTION ITEM NOT YET IMPLEMENTED

7. STUDY NAME: Incoming Resident Parking Registration – (LEAN Six-Sigma)

a) **DATE REVIEW COMPLETED:** March 4, 2014

b) **ANTICIPATED COMPLETION DATE IF IN PROCESS**:

c) **ANTICIPATED START DATE IF CONTRACTED OR PLANNED**:

d) **INDICATE WHETHER THE REVIEW IS <u>EXTERNAL</u> (CONDUCTED BY A REVIEW TEAM EXTERNAL TO THE INSTITUTION) OF <u>INTERNAL</u> (CONDUCTED BY AN INTERNAL INSTITUTIONAL REVIEW TEAM):** internal – utilized MUHA Six-Sigma Specialists along with department subject matter experts.

e) **VENDOR NAME IF EXTERNAL**:

f) **PLEASE LIST REVIEW TEAM MEMBERS AND CREDENTIALS IF INTERNAL**:
   MUHA Six-Sigma Facilitator with Engineering & Facilities Subject Matter Experts:
   Stewart Mixon, Chief Operating Officer
   John Runyon - Director, Business Services
   Melinda Anderson, Director of Parking Operations
   Mike Roudabush - Six-Sigma Facilitator
   Beth Jones, GME, Finance Coordinator
   Angela Alford - Payroll Manager
   Dee Crawford - Benefits Manager
   Michelle Hagar/Sandy Euper, Mitchelle Morrison, Greg Fisher - IT Support
   Jervey Simons/Martha Jones - Public Safety
   Cathy Roach, Parking Management - Resident Coordinator
   Laura Frawley - Parking Management - Business Manager
   Debby Humbert - Parking Management - Registration Manager

g) **PLEASE DESCRIBE THE SCOPE OF THE REVIEW**: Streamline/automate the annual (manual) process of registering incoming medical residents to include 100% ID badge activation.

h) **PLEASE PROVIDE THE COST OF THE REVIEW OR IF PLANNED, THE ANTICIPATED COST IF KNOWN**: n/a – absorbed costs

i) **FOR COMPLETED REVIEWS, PLEASE REPORT EACH IDENTIFIED FINDING, RECOMMENDATION, AND/OR ACTION ITEM AND ASSOCIATED ESTIMATED COST SAVINGS OF EACH**. *Please complete the table and add rows as needed for each finding.*

No.	i.) FINDING, RECOMMENDATION, or ACTION ITEM	ASSOCIATED COST SAVINGS	IMPLEMENTED? YES or NO
1	Create an online/web based parking registration process	$2,931	Y
2	Utilize Sharepoint database to provide information to Parking Management, Public Safety, and CIO's Office	Efficiencies will result in long-term cost savings	Y
3	Create a process to upload ID badge numbers to parking (PARKIT) and timekeeping software.	Efficiencies will result in long-term cost savings	Y

j) **FOR THOSE FINDINGS, RECOMMENDATIONS, OR ACTION ITEMS ABOVE THAT HAVE BEEN IMPLEMENTED, PLEASE DOCUMENT THE COST SAVINGS OR EFFICIENCIES THAT HAVE BEEN REALIZED AS A RESULT.** (Insert number of identified finding in (i) above and report documented cost saving or efficiencies.)

No.	j.) COST SAVINGS OR EFFICIENCIES THAT HAVE BEEN REALIZED FOR IMPLEMENTED
13	Eliminated emailing or mailing packets
1-3	Eliminated purchase of additional access cards
1-3	Eliminated mailing of parking information and decals
1-3	Eliminated data entry to PARKIT
1-3	Reduced man hours by 87 hours
1-3	Reduced customer registration time by 340 hours (two hours per person; 170 residents out of 202 participated)
1-3	Reduced number of information exchanges required between Parking Management staff and GME resident coordinators
1-3	Resulted in greater customer satisfaction from the residents as well as those involved with the project

k) **FOR THOSE FINDINGS, RECOMMENDATIONS, OR ACTION ITEMS THAT HAVE NOT YET BEEN IMPLEMENTED, PLEASE EXPLAIN.** (Insert number of identified finding in (i) above and provide explanation)

No.	k.) EXPLANATION FOR EACH FINDING, RECOMMENDATIONI OR ACTION ITEM NOT YET IMPLEMENTED

8. STUDY NAME: Information Technology Assessment (Current State and Future State Recommendations)

a) **DATE REVIEW COMPLETED:** April 17, 2014

b) **ANTICIPATED COMPLETION DATE IF IN PROCESS**:   Unknown

c) **ANTICIPATED START DATE IF CONTRACTED OR PLANNED**:

d) **INDICATE WHETHER THE REVIEW IS <u>EXTERNAL</u> (CONDUCTED BY A REVIEW TEAM EXTERNAL TO THE INSTITUTION) OF <u>INTERNAL</u> (CONDUCTED BY AN INTERNAL INSTITUTIONAL REVIEW TEAM)**: External

e) **VENDOR NAME IF EXTERNAL**: Huron Consultants

f) **PLEASE LIST REVIEW TEAM MEMBERS AND CREDENTIALS IF INTERNAL**:

g) **PLEASE DESCRIBE THE SCOPE OF THE REVIEW**: Identify opportunities to enhance the strategic alignment and delivery of information technology services.

h) **PLEASE PROVIDE THE COST OF THE REVIEW OR IF PLANNED, THE ANTICIPATED COST IF KNOWN**: $137,500 – funded by MUSC Physicians (non-state dollars).

i) **FOR COMPLETED REVIEWS, PLEASE REPORT EACH IDENTIFIED FINDING, RECOMMENDATION, AND/OR ACTION ITEM AND ASSOCIATED ESTIMATED COST SAVINGS OF EACH**. *Please complete the table and add rows as needed for each finding.*

No.	i.) FINDING, RECOMMENDATION, or ACTION ITEM	ASSOCIATED COST SAVINGS	IMPLEMENTED? YES or NO
1	Strategy & Governance: (1) Expand governance structure and processes, (2) Adopt investment portfolio management and demand management processes, (3) Implement a portfolio management process.	Efficiencies will provide savings	N
2	Operations: (1) Identify service level agreement expectations and define performance metrics, (2) Create a customer relationship management tool, (3) Establish a Chief Information Security Officer Role, (4) Optimize IT Security operating environment, (5) Replace SmartStream software and leverage a single ERP application for common functions	Efficiencies will provide savings	N
3	Management: (1) Create a transparent IT Costing and Funding model, (2) Coordinate distributed IT resources, (3) Realign the IT organizational structure	Efficiencies will provide savings	N

j) **FOR THOSE FINDINGS, RECOMMENDATIONS, OR ACTION ITEMS ABOVE THAT HAVE BEEN IMPLEMENTED, PLEASE DOCUMENT THE COST SAVINGS OR EFFICIENCIES THAT HAVE BEEN REALIZED AS A RESULT.** (Insert number of identified finding in (i) above and report documented cost saving or efficiencies.)

No.	j.) COST SAVINGS OR EFFICIENCIES THAT HAVE BEEN REALIZED FOR IMPLEMENTED

No.	j.) COST SAVINGS OR EFFICIENCIES THAT HAVE BEEN REALIZED FOR IMPLEMENTED

k) **FOR THOSE FINDINGS, RECOMMENDATIONS, OR ACTION ITEMS THAT HAVE NOT YET BEEN IMPLEMENTED, PLEASE EXPLAIN.** (Insert number of identified finding in (i) above and provide explanation)

No.	k.) EXPLANATION FOR EACH FINDING, RECOMMENDATIONI OR ACTION ITEM NOT YET IMPLEMENTED
	The first recommendation (Governance) is being addressed currently by Senior Administration. Once the leadership issue is addressed, recommendations (2) and (3) will be examined for implementation.

9. STUDY NAME: Laboratory Recycling (LEAN Six-Sigma)

   a)   **DATE REVIEW COMPLETED:**   June 30, 2014

   b)   **ANTICIPATED COMPLETION DATE IF IN PROCESS**: December 31, 2015

   c)   **ANTICIPATED START DATE IF CONTRACTED OR PLANNED**:

   d)   **INDICATE WHETHER THE REVIEW IS <u>EXTERNAL</u> (CONDUCTED BY A REVIEW TEAM EXTERNAL TO THE INSTITUTION) OF <u>INTERNAL</u> (CONDUCTED BY AN INTERNAL INSTITUTIONAL REVIEW TEAM)**: internal – utilized MUHA Six-Sigma Specialists along with department subject matter experts.

   e)   **VENDOR NAME IF EXTERNAL**:

   f)   **PLEASE LIST REVIEW TEAM MEMBERS AND CREDENTIALS IF INTERNAL**: MUHA Six-Sigma Facilitator with Engineering & Facilities Subject Matter Experts

   g)   **PLEASE DESCRIBE THE SCOPE OF THE REVIEW**: Review current recycling efforts in campus laboratories to enhance cost savings and improve efficiency.

   h)   **PLEASE PROVIDE THE COST OF THE REVIEW OR IF PLANNED, THE ANTICIPATED COST IF KNOWN**: n/a – absorbed costs.

   i)   **FOR COMPLETED REVIEWS, PLEASE REPORT EACH IDENTIFIED FINDING, RECOMMENDATION, AND/OR ACTION ITEM AND ASSOCIATED ESTIMATED COST SAVINGS OF EACH**. *Please complete the table and add rows as needed for each finding.*

No.	i.) FINDING, RECOMMENDATION, or ACTION ITEM	ASSOCIATED COST SAVINGS	IMPLEMENTED? YES or NO
1	Plastic, Glass, Steel and paper not being captured from campus laboratories	$55,000 per year	Partially

   j)   **FOR THOSE FINDINGS, RECOMMENDATIONS, OR ACTION ITEMS ABOVE THAT HAVE BEEN IMPLEMENTED, PLEASE DOCUMENT THE COST SAVINGS OR EFFICIENCIES THAT HAVE BEEN REALIZED AS A RESULT.** (Insert number of identified finding in (i) above and report documented cost saving or efficiencies.)

No.	j.) COST SAVINGS OR EFFICIENCIES THAT HAVE BEEN REALIZED FOR IMPLEMENTED
1	39 bins added during LEAN Project in two departments – Savings is $3,824 per year

   k)   **FOR THOSE FINDINGS, RECOMMENDATIONS, OR ACTION ITEMS THAT HAVE NOT YET BEEN IMPLEMENTED, PLEASE EXPLAIN.** (Insert number of identified finding in (i) above and provide explanation)

No.	k.) EXPLANATION FOR EACH FINDING, RECOMMENDATIONI OR ACTION ITEM NOT YET IMPLEMENTED
	Bins being added weekly

10. STUDY NAME: Mail Processing Efficiency Project (LEAN Six-Sigma)

a) **DATE REVIEW COMPLETED:** July 5, 2013

b) **ANTICIPATED COMPLETION DATE IF IN PROCESS**:

c) **ANTICIPATED START DATE IF CONTRACTED OR PLANNED**:

d) **INDICATE WHETHER THE REVIEW IS <u>EXTERNAL</u> (CONDUCTED BY A REVIEW TEAM EXTERNAL TO THE INSTITUTION) OF <u>INTERNAL</u> (CONDUCTED BY AN INTERNAL INSTITUTIONAL REVIEW TEAM)**: Internal – utilized MUHA Six-Sigma Specialists along with department subject matter experts.

e) **VENDOR NAME IF EXTERNAL**:

f) **PLEASE LIST REVIEW TEAM MEMBERS AND CREDENTIALS IF INTERNAL**:

   MUHA Six-Sigma Facilitator with Engineering & Facilities Subject Matter Experts

   John Runyon, Director of Business Service and Project Sponsor

   Roy Dingle, Support/Contract Service and Project Owner

   Scott Brady - MUHA Six Sigma Project Facilitator

   MUSC Mail Staff: Eartha Bonneau, Ed Smalls, Debra Felder, Johnthan Davidson, Corey Washington, Kirio Watson, Fred Legare

g) **PLEASE DESCRIBE THE SCOPE OF THE REVIEW:** Review the processing of (internal and external) mail on campus

h) **Please provide the cost of the review or if planned; the anticipated cost if known**. n/a – absorbed costs

i) **FOR COMPLETED REVEWS, PLEASE REPORT EACH IDENTIFIED FINDING, RECOMMENDATION, AND/OR ACTION ITEM AND ASSOCIATED ESTIMATED COST SAVINGS OF EACH**. *Please complete the table and add rows as needed for each finding.*

No.	i.) FINDING, RECOMMENDATION, or ACTION ITEM	ASSOCIATED COST SAVINGS	IMPLEMENTED? YES or NO
1	Reduce mail sorting time	25% of current FTE time requried	Y
2	Redesign work center and workflow process	Reduced number of sorting steps	Y
3	Reengineer mail routes	Eliminate redundant mail stop cod	Y
4	Establish online training for campus customers		Y
5	Create an internal standard operations procedures manual		Y

j) **FOR THOSE FINDINGS, RECOMMENDATIONS, OR ACTION ITEMS ABOVE THAT HAVE BEEN IMPLEMENTED, PLEASE DOCUMENT THE COST SAVINGS OR EFFICIENCIES THAT HAVE BEEN REALIZED AS A RESULT.** (Insert number of identified finding in (i) above and report documented cost saving or efficiencies.)

No.	j.) COST SAVINGS OR EFFICIENCIES THAT HAVE BEEN REALIZED FOR IMPLEMENTED
1-5	FTE sorting of incoming mail reduced by 33%
1-5	Overall sorting activity time decreased by 144 minutes per day

k) **FOR THOSE FINDINGS, RECOMMENDATIONS, OR ACTION ITEMS THAT HAVE NOT YET BEEN IMPLEMENTED, PLEASE EXPLAIN.** (Insert number of identified finding in (i) above and provide explanation)

No.	k.) EXPLANATION FOR EACH FINDING, RECOMMENDATIONI OR ACTION ITEM NOT YET IMPLEMENTED

11. STUDY NAME: MUHA Performance Review

a) **DATE REVIEW COMPLETED:** November 30, 2012

b) **ANTICIPATED COMPLETION DATE IF IN PROCESS**:

c) **ANTICIPATED START DATE IF CONTRACTED OR PLANNED**:

d) **INDICATE WHETHER THE REVIEW IS <u>EXTERNAL</u> (CONDUCTED BY A REVIEW TEAM EXTERNAL TO THE INSTITUTION) OF <u>INTERNAL</u> (CONDUCTED BY AN INTERNAL INSTITUTIONAL REVIEW TEAM)**: (External)

e) **VENDOR NAME IF EXTERNAL**: Huron Consulting

f) **PLEASE LIST REVIEW TEAM MEMBERS AND CREDENTIALS IF INTERNAL**:

PLEASE DESCRIBE THE SCOPE OF THE REVIEW: (1) Workforce (Labor productivity and Human Resources; premium pay practices, including workers compensation and leave management (2) Physician Services (Review of funding for the school of medicine, clinics, and graduate medical education

g) **PLEASE PROVIDE THE COST OF THE REVIEW OR IF PLANNED, THE ANTICIPATED COST IF KNOWN**: $4.7 million (MUSC Health – non-state dollars)

h) **FOR COMPLETED REVIEWS, PLEASE REPORT EACH IDENTIFIED FINDING, RECOMMENDATION, AND/OR ACTION ITEM AND ASSOCIATED ESTIMATED COST SAVINGS OF EACH**. *Please complete the table and add rows as needed for each finding.*

No.	i.) FINDING, RECOMMENDATION, or ACTION ITEM	ASSOCIATED COST SAVINGS	IMPLEMENTED? YES or NO
1	Labor: Inpatient	$15.9 million	Partially
2	Human Resources	$5 million	Partially
3	Pharmacy	$4.1 million	Partially
4	Ambulatory & Physician Services	$13.75 million	Partially
5	Non-Labor	$5.3 million	Partially
6	Revenue Cycle	$13.5 million	Partially

i) **FOR THOSE FINDINGS, RECOMMENDATIONS, OR ACTION ITEMS ABOVE THAT HAVE BEEN IMPLEMENTED, PLEASE DOCUMENT THE COST SAVINGS OR EFFICIENCIES THAT HAVE BEEN REALIZED AS A RESULT.** (Insert number of identified finding in (i) above and report documented cost saving or efficiencies.)

No.	j.) COST SAVINGS OR EFFICIENCIES THAT HAVE BEEN REALIZED FOR IMPLEMENTED
1	$9.4 million (confirmed thru 5/31/4)
2	$5.1 million (confirmed thru 5/31/14)
3	$4.8 million (confirmed thru 5/31/14)
4	$13.9 million (confirmed thru 5/31/14)
5	$4.6 million (confirmed thru 5/31/14)
6	$5.6 million (confirmed thru 5/31/14)

j) **FOR THOSE FINDINGS, RECOMMENDATIONS, OR ACTION ITEMS THAT HAVE NOT YET BEEN IMPLEMENTED, PLEASE EXPLAIN.** (Insert number of identified finding in (i) above and provide explanation)

No.	k.) EXPLANATION FOR EACH FINDING, RECOMMENDATIONI OR ACTION ITEM NOT YET IMPLEMENTED
	Recommendations are still being implemented. This should result in additional savings or generated revenues.

12. STUDY NAME: MUSC Research Administration (Review of RCM Cost Allocation Components)

a) **DATE REVIEW COMPLETED:** April 1, 2014

b) **ANTICIPATED COMPLETION DATE IF IN PROCESS**: Unknown

c) **ANTICIPATED START DATE IF CONTRACTED OR PLANNED**:

d) **INDICATE WHETHER THE REVIEW IS <u>EXTERNAL</u> (CONDUCTED BY A REVIEW TEAM EXTERNAL TO THE INSTITUTION) OF <u>INTERNAL</u> (CONDUCTED BY AN INTERNAL INSTITUTIONAL REVIEW TEAM)**: External

e) **VENDOR NAME IF EXTERNAL**: Huron Consultants

f) **PLEASE LIST REVIEW TEAM MEMBERS AND CREDENTIALS IF INTERNAL**:

g) **PLEASE DESCRIBE THE SCOPE OF THE REVIEW**:
   1.) Explain Research Administration allocations to the colleges under RCM
   2.) Provide a high-level description of each unit that makes up the RCM allocation
   3.) Compare central Research Administration at MUSC to counterparts at similar institutions
   4.) Review non-central parts of MUSC performing research administration to assess potential duplication
   5.) Suggest ways to enhance service and reduce costs

h) **PLEASE PROVIDE THE COST OF THE REVIEW OR IF PLANNED, THE ANTICIPATED COST IF KNOWN**:
   $137,500 – funded by MUSC Physicians (non-state dollars)

i) **FOR COMPLETED REVIEWS, PLEASE REPORT EACH IDENTIFIED FINDING, RECOMMENDATION, AND/OR ACTION ITEM AND ASSOCIATED ESTIMATED COST SAVINGS OF EACH**. *Please complete the table and add rows as needed for each finding.*

No.	i.) FINDING, RECOMMENDATION, or ACTION ITEM	ASSOCIATED COST SAVINGS	IMPLEMENTED? YES or NO
1	Unit Specific Enhancements – ORSP, ORD, IRB, IACUC/DLAR, IBC, RIF	Efficiencies will provide savings	N

j) **FOR THOSE FINDINGS, RECOMMENDATIONS, OR ACTION ITEMS ABOVE THAT HAVE BEEN IMPLEMENTED, PLEASE DOCUMENT THE COST SAVINGS OR EFFICIENCIES THAT HAVE BEEN REALIZED AS A RESULT.** (Insert number of identified finding in (i) above and report documented cost saving or efficiencies.)

No.	j.) COST SAVINGS OR EFFICIENCIES THAT HAVE BEEN REALIZED FOR IMPLEMENTED

k) **FOR THOSE FINDINGS, RECOMMENDATIONS, OR ACTION ITEMS THAT HAVE NOT YET BEEN IMPLEMENTED, PLEASE EXPLAIN.** (Insert number of identified finding in (i) above and provide explanation)

No.	k.) EXPLANATION FOR EACH FINDING, RECOMMENDATIONI OR ACTION ITEM NOT YET IMPLEMENTED

No.	k.) EXPLANATION FOR EACH FINDING, RECOMMENDATIONI OR ACTION ITEM NOT YET IMPLEMENTED
	Governance of the Research function at MUSC is being addressed currently by Senior Administration. Once the leadership issue is addressed, other recommendations will be examined for implementation.

13. STUDY NAME: Recovery Audits per Proviso 89.120

a) **DATE REVIEW COMPLETED:** March 24, 2014

b) **ANTICIPATED COMPLETION DATE IF IN PROCESS**:

c) **ANTICIPATED START DATE IF CONTRACTED OR PLANNED**:

d) **INDICATE WHETHER THE REVIEW IS <u>EXTERNAL</u> (CONDUCTED BY A REVIEW TEAM EXTERNAL TO THE INSTITUTION) OF <u>INTERNAL</u> (CONDUCTED BY AN INTERNAL INSTITUTIONAL REVIEW TEAM)**:
External

e) **VENDOR NAME IF EXTERNAL**: Recovery Audit Specialists, LLC

f) **PLEASE LIST REVIEW TEAM MEMBERS AND CREDENTIALS IF INTERNAL**:

g) **PLEASE DESCRIBE THE SCOPE OF THE REVIEW**:   Review for erroneous invoices

h) **PLEASE PROVIDE THE COST OF THE REVIEW OR IF PLANNED, THE ANTICIPATED COST IF KNOWN**:
n/a

i) **FOR COMPLETED REVIEWS, PLEASE REPORT EACH IDENTIFIED FINDING, RECOMMENDATION, AND/OR ACTION ITEM AND ASSOCIATED ESTIMATED COST SAVINGS OF EACH**. *Please complete the table and add rows as needed for each finding.*

No.	i.) FINDING, RECOMMENDATION, or ACTION ITEM	ASSOCIATED COST SAVINGS	IMPLEMENTED? YES or NO
1	No findings from the review	n/a	n/a

j) **FOR THOSE FINDINGS, RECOMMENDATIONS, OR ACTION ITEMS ABOVE THAT HAVE BEEN IMPLEMENTED, PLEASE DOCUMENT THE COST SAVINGS OR EFFICIENCIES THAT HAVE BEEN REALIZED AS A RESULT.** (Insert number of identified finding in (i) above and report documented cost saving or efficiencies.)

No.	j.) COST SAVINGS OR EFFICIENCIES THAT HAVE BEEN REALIZED FOR IMPLEMENTED
1	No findings from the review

k) **FOR THOSE FINDINGS, RECOMMENDATIONS, OR ACTION ITEMS THAT HAVE NOT YET BEEN IMPLEMENTED, PLEASE EXPLAIN.** (Insert number of identified finding in (i) above and provide explanation)

No.	k.) EXPLANATION FOR EACH FINDING, RECOMMENDATIONI OR ACTION ITEM NOT YET IMPLEMENTED

2014 Higher Education Effectiveness, Efficiency, and Accountability Study Survey

The following survey is to be completed to determine whether your institution has already undergone, is currently undergoing, or has contracted to undergo an internal or external performance improvement audit, operating efficiency study, or similar cost management review. The survey is being conducted by the Commission in response to requirements of Part C of Proviso 118.16 of Act 286 of 2014 (FY 2014-15 Appropriations Act).

The information below should be completed and returned to the SC Commission on Higher Education not later than noon on Thursday, July 31. Please email the completed information in **word format** to the attention of Dr. Argentini Anderson, aanderson@che.sc.gov, 803-737-2276.

In the footer below, please insert your Institution Name in "Type Text"

Institution Name: University of South Carolina - SYSTEM	Date Submitted: 8/8/2014
Survey Contact Information: ***Name:*** Edward L. Walton ***Title:*** Senior Vice President for Administration and Chief Operating Officer ***Email:*** WALTONE@mailbox.sc.edu ***Phone No.:*** 803-777-0956	

1) Within the past ten years, has your institution already undergone, is currently undergoing, or has contracted to undergo an internal or external performance improvement audit, operating efficiency study, or similar cost management review.   YES__X___   or   NO_____   (check one)

If YES to item 1, please insert the number by category below. If none, insert 0.

Number:	
✠	Completed
	Contracted and work has begun (in process)
	Contracted but not yet started
	Planned, not yet contracted

If NO to item 1, please indicate the date of the last such review completed:

For each of the reported review indicated above or for the last review completed if none within the past ten years, please complete the information on the next page. Duplicate for each separate review if more than one report.

1. **STUDY NAME:** USC Engagement with Huron Consulting

a) **DATE REVIEW COMPLETED:** January, 2011

b) **ANTICIPATED COMPLETION DATE IF IN PROCESS**: Study is complete, some implementation remains in process – particularly items pending conversion of administrative systems.

c) **ANTICIPATED START DATE IF CONTRACTED OR PLANNED**: Not Applicable.

d) **INDICATE WHETHER THE REVIEW IS <u>EXTERNAL</u> (CONDUCTED BY A REVIEW TEAM EXTERNAL TO THE INSTITUTION) OF <u>INTERNAL</u> (CONDUCTED BY AN INTERNAL INSTITUTIONAL REVIEW TEAM)**:   External

e) **VENDOR NAME IF EXTERNAL**:   Huron Consulting Group, LLC

f) **PLEASE LIST REVIEW TEAM MEMBERS AND CREDENTIALS IF INTERNAL**:
   - Dr. Harris Pastides, President, USC
   - Dr. Michael Amiridis, Executive Vice President for Academic Affairs and Provost
   - Ed Walton, Senior Vice President for Administration and Chief Operating Officer
   - Leslie Brunelli, Vice President for Finance and Chief Financial Officer
   - Dr. Dennis Pruitt, Vice President for Student Affairs, Vice Provost and Dean of Students
   - Chris Byrd, Vice President for Human Resources
   - Stacey Bradley, Associate Vice President for Administration, Student Affairs
   - Scott Verzyl, Associate Vice President for Enrollment Management
   - Vanessa Samuels, University Bursar
   - Derrick Huggins, Vice President for Facilities and Vehicle Management
   - Dr. Susan Elkins, Chancellor, Palmetto College
   - Dr. Jane Upshaw, Chancellor, USC Beaufort
   - Dr. Tom Hallman, (former) Chancellor, USC Aiken (Dr. Sandra Jordan, Chancellor, USC Aiken)
   - Dr. John Stockwell, (former) Chancellor, USC Upstate (Dr. Tom Moore, Chancellor, USC Upstate)
   - Dr. John Catalano, (former) Dean, USC Lancaster (Dr. Walt Collins, Dean, USC Lancaster)
   - Dr. Ann Carmichael, Dean, USC Salkehatchie
   - Dr. Les Carpenter, (former) Dean, USC Sumter (Dr. Mike Sonntag, Dean, USC Sumter)
   - Dr. Hugh Rowland, (former)Dean, USC Union (Dr. Alice Colbert, Dean, USC Union)

g) **PLEASE DESCRIBE THE SCOPE OF THE REVIEW**:

The University of South Carolina, including its campuses at Aiken, Beaufort, Columbia, Lancaster, Salkehatchie, Sumter, Union, and Upstate, engaged Huron to assist with a system-wide cost management and effectiveness engagement starting in the summer of 2010. The initiative assessed the effectiveness and efficiency of many of USC's administrative service areas, specifically Human Resources, Facilities, Procurement, Budgeting, and Enrollment Management, and identified possible ways in which operating productivity and overall effectiveness could be increased. In addition, Huron partnered with USC to develop a new strategic plan for USC's online learning offerings and recommended several changes to the System's governing structure and general education and curricular requirements.

After this initial review, USC retained Huron's services to assist with implementation of several of its recommendations and to continue study in a number of areas. These subsequent efforts involved the planning and design for USC's new online offering, Palmetto College, a re-organization of USC's Bursar and facilities functions, a further study of USC's student retention initiative, and a review of USC's overall enrollment strategy.

h) **PLEASE PROVIDE THE COST OF THE REVIEW OR IF PLANNED, THE ANTICIPATED COST IF KNOWN**:

USC paid Huron $540,000 for an initial review that covered human resources, procurement, system governance, curriculum, facilities, budgeting, and enrollment management. After this, USC spent approximately $600,000 on implementation and follow-up work related to the creation of Palmetto College, student retention, facilities re-organization, a re-organization of the bursar's office, and enrollment strategy.

i) **FOR COMPLETED REVIEWS, PLEASE REPORT EACH IDENTIFIED FINDING, RECOMMENDATION, AND/OR ACTION ITEM AND ASSOCIATED ESTIMATED COST SAVINGS OF EACH**.

The following recommendations summary, along with opportunity sizes, is taken directly from the final "Task B" report issued by Huron in January 2011. USC's summary of implementations is based on our own assessment.

Area	Recommendations	Opportunity Size	Implemented
Procurement	1. Execute operational enhancements 2. Implement eProcurement 3. Implement strategic sourcing	▪ Cost savings - $8.2M ▪ Service enhancement	▪ Partial implementation. ▪ Strategic Sourcing completed in several commodity areas. ▪ E-procurement expected after 2015 PeopleSoft implementation.
Distance Learning	4. Create a centralized structure 5. Streamline technology 6. Provide budgeting and compensation incentives 7. Outsource new functions 8. Expand programs to realize new revenues	▪ Revenue enhancement - $3M ▪ Service enhancements	▪ Yes, implemented centralized structure with Palmetto College, which has already accomplished most of Huron's recommendations and provided close to $3M in tuition revenues in year one.
General Education	9. Create short-term improvements in partial acceptance of general education requirements 10. Establish a directive from system leadership to create a long-term plan for one General Education Core 11. Create a system governing council across all campuses to ensure adherence and allow for periodic review	▪ Service enhancement	▪ Additional study of this topic is ongoing.
System Governance	12. Reduce total number of direct Presidential reports 13. Add 2 direct reports to the Provost to increase academic control 14. Shift 2 reports to the CFO	▪ Service enhancement	▪ Implemented, with further enhancements completed in spring 2014, a reduction of high-level administrative positions in finance and administration.

Facilities Management	15. Consolidate USC Columbia facilities operations 16. Simplify construction management policies 17. Implement on-campus store 18. System-wide service enhancements	▪ Cost savings - $11.2M ▪ Service enhancement	▪ Partially implemented. ▪ On campus store/warehouse implemented and running. ▪ Some operations consolidation achieved. ▪ Construction management policy changes require changes to several state policies first.
Human Resources	19. Realign central organization 20. Define service levels 21. Streamline and document processes 22. Implement HR system with enhanced reporting 23. Decrease state regulations	▪ Cost savings ▪ Service enhancement	▪ Central organization alignment completed in 2011-2012. ▪ Processes document and streamlined in multiple areas. ▪ Implementation of new HR System technology underway, with "go-live" date of January 2016. ▪ Other items partially completed including implementation of new management training programs system-wide.
Enrollment Management	24. Simplify USC Columbia fees 25. Charge differential tuition for USC Colleges via fees 26. Create new capacity 27. Improve system-wide collaboration 28. Determine Banner strategy	▪ Cost savings/revenue potential - $10.3M ▪ Service enhancement	▪ Fee simplification process in early stages of development. ▪ Some tuition and capacity changes implemented. ▪ Partial implementation of USC system-wide collaboration in admissions. ▪ Banner successfully implemented for enrollment/student services in 2013.
Palmetto College Creation	29. Create a multi-campus, multiple degree offering using online class offerings, but accredited through USC's existing campuses	▪ First-year tuition revenue expectations of less than $3 million	▪ Launched Palmetto College in 2013 and enrolled over 600 students in the first year, generating close to $3M in revenues.
Student Retention	30. Identify and provide support for classes with high rates of D, F, and Withdraw grades	▪ Student retention improvements leading to increased student success and increased net tuition revenue	▪ Implementation in progress. See section j for impact.
Enrollment Management Strategy	31. Change scholarship strategy to improve yield, student quality, and net tuition revenues	▪ Improvements in student quality ▪ Possible additional revenues of $5 million or more	▪ Implemented. The changing higher education environment requires constant monitoring and adapting practices.

Facilities Department Re-Organization	32. Re-organize the facilities department to improve economies of scale, scope	▪ $300,000 in potential savings ▪ Operational improvements	▪ Implementation in progress. ▪ Continual adaptation required.
Bursar Office Organization	33. Re-organize bursar's function to better fit new Banner student information system	▪ Operational efficiencies ▪ $250,000 or more in reduced operational costs	▪ Implemented.

j) FOR THOSE FINDINGS, RECOMMENDATIONS, OR ACTION ITEMS ABOVE THAT HAVE BEEN IMPLEMENTED, PLEASE DOCUMENT THE COST SAVINGS OR EFFICIENCIES THAT HAVE BEEN REALIZED AS A RESULT. (Insert number of identified finding in (i) above and report documented cost saving or efficiencies.)

No.	j.) COST SAVINGS OR EFFICIENCIES THAT HAVE BEEN REALIZED OR IMPLEMENTED	
1	Procurement - Execute operational enhancements	Implementation in progress and will be part of OneCarolina Oracle/PeopleSoft conversion. Rebid office supply contract and required purchasers to justify using alternate suppliers.
3	Implement strategic sourcing	Reduced costs on office supplies - $100,000 in annual savings achieved thus far.
4	Distance Learning - Create a centralized structure	Palmetto College created.
5	Distance Learning - Streamline technology	Palmetto college is using the same course platforms across all 8 USC campuses involved with Palmetto College.
6	Distance Learning - Provide budgeting and compensation incentives	Palmetto College created new incentives for all campuses to participate and develop classes. More than 100 classes developed in 2013-2014.
7	Distance Learning - Outsource new functions	Several aspects of recruiting and course development were outsourced early on to increase speed of program development
8	Distance Learning - Expand programs to realize new revenues	Creation of almost $3M in revenues in the first year.
12	Reduce total number of direct Presidential reports	Number of direct reports reduced by 1.5 FTEs.
13	Add 2 direct reports to the Provost to increase academic control	Director of Graduate education moved under the Provost.
14	Shift 2 reports to the CFO	Reorganization to create Senior Vice President and Chief Operating Officer separate from CFO. CFO maintains financial control of Facilities while the Vice President for Facilities and Vehicle Management reports to the COO.
15	Consolidate USC Columbia facilities operations	Streamlined facilities management to concentrate on facilities and maintenance. Focused HR on HR issues related to facilities and focused finance on finance and purchasing for facilities. Facilities staff across campus now fully working together; further study may be forthcoming.
17	Implement on-campus store	New Grainger warehouse implemented and opened July 7th 2014; estimated savings of 10% per year in facilities purchasing, plus performance improvements from less employee downtime, which Huron estimates will equal $450,000 per year.

18	System-wide facilities service enhancements	Hired new VP for Facilities and focused on service relations with deans and auxiliary directors. Additional autonomy enhancements being studied for construction approvals to save in construction costs.
19	Human resources - Realign central organization	New management structure implemented along with system-wide partnership initiatives to enhance service levels and ensure alignment of HR services with customer needs.
20	Human resources - Define service levels	Implemented HR Partners Group to help assess and improve existing service levels, evaluate new initiatives, consider proposed changes to policies and processes and improve overall strategic partnerships.
21	Human resources - Streamline and document processes	Conducted systematic review of existing processes, with material improvements introduced in multiple areas, in include onboarding, transaction processing, communication and management training.
22	Implement HR system with enhanced reporting	New Oracle/PeopleSoft HR system is being implemented now, with go-live date of January 2016.
23	Human resources - Decrease state regulations	Participated on Task Force for implementation of Higher Education Efficiency and Administrative Procedures Act (HEEAPA), which resulted in increased delegation of HR responsibility to higher education institutions and streamlined the transaction processing. Additional recommendations that require legislative approval are being considered for a possible future implementation.
24	Simplify USC Columbia fees	Study and implementation in progress now, expected partial implementation in Spring 2015.
25	Charge differential tuition for USC Colleges via fees	Enrichment fees for several in-demand schools adjusted or added.
26	Enrollment - Create new capacity	Recent incoming freshmen classes at USC-Columbia set new records for size; new "On Your Time" programs launched to encourage students to take additional summer classes, among other things. Additional tuition revenue from larger freshmen class estimated to be over $10M/year.
27	Enrollment - Improve system-wide collaboration	New collaborations between Columbia and Palmetto College campuses in place.
28	Determine Banner strategy	New Banner student information system installed in the 2013 and 2014 fiscal years. A complementary finance and human resources module is being implemented next year as part of the *OneCarolina* initiative, but due to further study, will utilize an Oracle/PeopleSoft platform.
29	Create a multi-campus, multiple degree offering using online class offerings, but accredited through USC's existing campuses	Launched Palmetto College in 2013 and enrolled more than 600 students in the first year, generating approximately $3M in revenues.
30	Identify and provide support for classes with high rates of D, F, and Withdraw grades	Courses have been evaluated and supplemental instruction and tutoring have been expanded. In addition, cross-college advising was developed to assist students moving between colleges due to

		major changes or those not meeting upper division benchmarks. Student visits to supplemental instruction grew by 6,264 or 24.6% from 2010-2011 to 2013-2014. Student tutoring visits grew by 1,364 or 40% over the same period. Student visits to cross-college advising increased by 4,507 or 682%. Since fall 2010, student retention has increased from 85.9% to 88.1%, resulting in an annual gain of more than $4 million of net tuition and academic fees by the current fiscal year.
31	Change scholarship strategy to improve yield, student quality, and net tuition revenues	Partially implemented; results will be available following the start of the Fall 2014 academic term.
32	Re-organize the facilities department to improve economies of scale, scope	Implementation in progress.
33	Re-organize bursar's function to better fit new Banner student information system	Implementation completed; nearly $250,000 in annual savings estimated.

k) **FOR THOSE FINDINGS, RECOMMENDATIONS, OR ACTION ITEMS THAT HAVE NOT YET BEEN IMPLEMENTED, PLEASE EXPLAIN.** (Insert number of identified finding in (i) above and provide explanation)

No.	k.) EXPLANATION FOR EACH FINDING, RECOMMENDATIONI OR ACTION ITEM NOT YET IMPLEMENTED	
2	Implement eProcurement	Awaiting implementation of new financial system.
9	Create short-term improvements in partial acceptance of general education requirements	Additional study of this topic is ongoing.
10	Establish a directive from system leadership to create a long-term plan for one General Education Core	Additional study of this topic is ongoing.
11	Create a system governing council across all campuses to ensure adherence and allow for periodic review	Additional study of this topic is ongoing.
16	Simplify construction management policies	Requires changes at the state level.

Project Narrative

In the summer of 2010, USC entered into an agreement with Huron Consulting Services, LLC, to study USC as a system and recommend improvements in efficiency and effectiveness.

The first part of this project, called Task A, created a set of performance benchmarks relative to each USC campus, not including the Medical School (which was not included in the study). These benchmarks created a baseline understanding for how each campus at USC was performing from a financial, enrollment, and reputational perspective.

The second part of this initiative, titled Task B, assessed the effectiveness and efficiency of many of USC's administrative service areas, specifically Human Resources, Facilities, Procurement, Budgeting, and Enrollment Management, and identified possible ways in which operating productivity and overall effectiveness could be increased. In addition, Huron partnered with USC to develop a new strategic plan for USC's online learning offerings and recommended several changes to the System's governing structure and general education and curricular requirements.

After this initial review, USC retained Huron's services again to assist with implementation of several of its recommendations and to continue study in a number of areas. These subsequent efforts involved the planning and design for USC's new online offering, Palmetto College, a re-organization of USC's Bursar and facilities functions, a further study of USC's student retention initiative, and a review of USC's overall enrollment strategy.

As Task B and the subsequent implementation work involved are most germane to the state's proposed study, we have added additional details here regarding each facet of our work in these studies.

System Diagnosis

Huron's report began by assessing the current state of the USC system of campuses. It concluded that USC was too reliant on antiquated processes and technology, dependent on many specific employees at or past retirement age, and generally had too many duplicative processes and functions across the system and within campuses. Furthermore, Huron posited that a true "hub and spoke" system, where many services such as human resources, finance, budgeting, and IT are centralized, would create the most efficient and effective administrative structure across USC's eight campuses. As Huron noted, however, many of the core components of this current "hub" were in need of repair or replacement, as a trend of state budget cuts had made administrative and technological improvements nearly impossible in the prior decade. Huron found close to $38 million dollars in revenue enhancements and cost cutting opportunities in its work in Task B, but noted that many of these enhancements would take years to implement and, in some cases, a large up-front investment.

Procurement

Within procurement, Huron found the largest and most readily addressable area for cost savings. It concluded that so-called maverick spending—the purchase of supplies not listed on a negotiated contract—as well as suboptimal state contract pricing resulted in additional costs to the University totaling approximately $10 million per year.

Huron's first recommendation in procurement was to install a new e-procurement system, an online purchasing tool that automatically provides users with the best possible prices on a bundle of items that are pre-approved for purchase. Next, Huron recommended a new strategic sourcing initiative, whereby USC would re-negotiate its contracts in the areas where it spends the most money, areas such as office

supplies, computer hardware, and scientific supplies. Finally Huron made several recommendations regarding organizational and process improvements, designed to improve the speed and efficiency with which transactions were approved and processed at the University.

To date, USC has implemented a new contract for office supplies, with estimated first-year savings of close to $100,000. Additional areas for strategic sourcing initiatives are also under consideration, though state regulations regarding the use of state contracts for purchasing items may take away these opportunities for further cost reductions. Beyond this, USC intends to implement a new e-procurement system to further reduce maverick spending and take advantage of improved contracts. This new system will follow the implementation of OneCarolina.

Distance Education and Palmetto College

Huron recognized a significant opportunity for USC with improved offerings around distance education. It recommended a centralization of distance education assets and offerings, along with the launch of new Master's degree programs, baccalaureate degree completion programs, and enhanced programs for summer learning.

After the initial "Task B" study, Huron returned to USC to begin planning for a new offering, which became Palmetto College. Huron's initial architecture for Palmetto College recommended the creation of a new online college that was based on current degree offering at USC's existing campuses. Huron recommended the development of five to seven initial programs, all of which had direct vocational applications and were pre-existing bachelor's offerings. Moreover, Huron suggested a price point below the for-profit tuition level, a system for revenue sharing among the campuses that would encourage collaboration, and an early emphasis on recruiting degree completers.

In 2013, USC formally launched Palmetto College, which created one central support entity for seven initial baccalaureate online programs. Palmetto College, which has maintained reasonable tuition prices, enrolled over 600 students in its first year and is expecting growth of 20% or more in its second year. 2013-2014 tuition revenues totaled almost $3 million. Implementations of all aspects of Huron's recommendations are ongoing. New online Master's degree programs were launched last year as well, with USC outsourcing (per Huron's recommendations) much of the development and recruiting work for these programs. In addition, Palmetto College recently implemented a new tuition revenue sharing method that gained approval from all of USC's campuses, to further improve collaboration and cooperation in Palmetto College initiatives.

System Governance

USC also had Huron examine the reporting relationships of some of its top administrators and benchmark the number and type of direct reports at USC against relevant peers. The study examined the organizational structures of USC's President, Provost, and Chief Financial Officer and made several recommendations to reduce and centralize direct reports. Huron found that USC's President, Harris Pastides, had two to three more direct reports than Presidents at comparable systems/Universities and advised that a few of these roles be moved to the USC Provost. Huron recommended that USC's Provost, Michael Amiridis, add one to two direct reports, but also advised that USC seek ways, in the future, to slim down the Provost's number of direct reports. Finally, Huron recommended that USC's head of facilities and human resources be placed underneath the Chief Financial Officer's organization. All of these recommendations, Huron argued, would improve the quantity and quality of management, so that USC's leaders could spend additional time and focus with their new or remaining direct reports.

In response to this recommendation, USC moved the responsibilities for Graduate education from the President to the Provost's office. It also moved the head of facilities underneath the chief financial officer (now the chief administrative officer). Because of various personnel changes across 2011-2012, USC decided that several positions should stay in their current organizational space.

Facilities Management

Huron considered how facilities management could improve the efficiency and effectiveness of its service delivery in areas such as grounds keeping, custodial work, construction management, and maintenance and repair.

Huron's first recommendation was to install an on-campus warehouse that would provide USC's various facilities operations with easy access to commonly used items and parts. Huron's analysis found that, especially in USC's maintenance organization, USC staff were consuming a lot of time on a weekly basis driving to and from local home improvement stores to procure parts (while paying full retail rates in many cases.) To lower the costs of commonly used parts and supplies, USC recently opened a new on-campus warehouse, operated by Grainger. This warehouse has already significantly the reduced the time consumed by staff in procuring supplies; estimated purchasing costs are expected to drop by 10% per year. Huron's analysis predicts this 10% cost savings to equate to roughly $250,000 in annual savings, with an additional $200,000 in savings from more efficient personnel.

Beyond this, Huron recommended additional streamlining, consolidation, and cooperation among various facilities-oriented departments across campus. Partial implementation of this recommendation has occurred, with USC's facilities management teams now meeting each week to organize and collaborate on projects. Huron performed additional study on this topic in 2013 to provide USC with additional insights into how facilities could be further change. Consideration of newer Huron recommendations in this area is ongoing.

The largest cost-savings opportunity found by Huron in facilities concerned construction management. The study identified potential annual savings of $3 million to $8 million per year if the lengthy construction approval process run by USC's Board and the Council for Higher Education could be shortened from an average review period of 18 months. To date, USC has not made progress against this initiative, as it involves state level regulation changes.

Human Resources

Huron's analysis of USC's Human Resources organization concluded that the organization faced four main challenges in providing efficient and effective service. First, the organization was perceived around the campuses as largely transactional, and not a strategic service provider; related to this, the organization was undergoing large changes in leadership, which at the time hindered changes that would improve service. Beyond this, Huron found that the technology used to manage and process all forms of HR transactions was severely outdated and recommended the implementation of a new modern system which could improve processes, reduce paperwork, add to services, and reduce long-run costs through elimination of some positions that would be outmoded. Finally, Huron found that a bevy of state regulations, mostly related to forms and procedures, had created a larger-than-expected HR workforce that Universities in other states did not have.

As a result of these findings, Huron first recommended several parameters for a search for a new leader of USC's human resources organization. USC acted on these recommendations and hired Chris Byrd in 2011 to serve as its new Vice President of Human Resources. Next Huron recommended an improvement in training and other strategic services and also recommended a codification of service

levels between USC's schools and campuses, and HR. As of 2014, USC has installed several promising new training programs for management, which has not existed previously, and worked to better clarify services and expectations with the campuses and schools. In addition, HR has introduced a more comprehensive strategic planning process and a broad range of organizational development services, which have resulted in expanded partnerships with departments, schools and campuses across the system.

Prior to the Huron study, USC recognized the need to replace the technology used to process HR data and create reports. USC has contracted with Oracle to provide a new HR system as part of Phase II of the OneCarolina project that will replace all administrative systems. Implementation of this system, has already begun and USC expects this new system to be up and running in January 2016 following the implementation of the Finance system as of July 1, 2015.

General Education Requirements

To facilitate more transfers between USC campuses, USC asked Huron to study its current slate of general education requirements across its four four-year institutions (Aiken, Beaufort, Columbia, and Upstate). The study benchmarked the USC system's intra-campus articulation agreements with those from UNC, Georgia, and Florida and found that USC could improve the ease with which its students moved from campus-to-campus, relative to these benchmarks.

USC continues to study possible actions to take regarding the syncing of its system general education requirements and is further considering how it can coordinate the adjustment of these requirements across its four baccalaureate-granting institutions at the same time.

Enrollment Management

Huron's research into enrollment management challenges in the system found that USC had a strong pipeline for new students and was well-positioned for success, but that several improvements could help USC capitalize on its strengths.

First, the study recommended that USC's campuses better work together towards a goal of "system" admissions, whereby USC's various campuses could better share resources and, in some cases, steer students towards the best-fit USC campus. USC responded to this recommendation by implementing a new set of protocols where applicants to USC Columbia that may better fit at USC's Palmetto College campuses are given advice and communications to that end.

Beyond this, Huron's study found that USC had, across time, accumulated a large number of individual fees related to courses, technology, schools, and majors. To reduce student and parent frustration with overly complicated bills, USC is currently in the early stages of producing a final fee simplification proposal for review and, potentially, approval by the Board of Trustees.

The study also found that many of USC's schools were showing some capacity issues and that demand for some of USC's programs of study was unequal. To help pay for increases in capacity for its in-demand programs, Huron recommended the implementation and adjustment of several school-specific enrichment fees, similar to what many of USC's peers have created. Since 2011, several of these recommendations have been implemented, allowing USC Columbia to provide new resources to the expansion of its most in-demand programs.

Next, Huron agreed with USC's earlier findings that the technology used to administer enrollment processes was inadequate for its current needs. It recommended that USC invest in a new, centralized student information system that would improve service to students, reduce demands on USC staff in several areas, and allow USC to collect better data for use in future enrollment strategy initiatives. USC recently implemented a new student information system with *Banner* that went live in 2013.

While the implementation of *Banner,* as a part of *One Carolina*, is still new, USC is already receiving many benefits from this implementation. For example, USC asked Huron, in late 2013, to assess what staffing and organizational changes it could make to its Bursar's function as a result of the new *Banner* implementation. Huron's additional analysis allowed USC to reduce the Bursar's function by five full-time positions, resulting in an estimated annual cost savings of almost $250,000 per year.

Finally, Huron recommended that USC consider changes to its scholarship strategy at all of its four-year institutions, to better attract high-quality student, improve selectivity, increase yield on admitted students, and enhance net tuition revenues. While not fully implemented in all areas, USC followed up on this recommendation with additional Huron work on its scholarship use at USC Columbia in 2012 and 2013. Partially as a result of changes following these recommendations, USC Columbia's new first-time freshmen class is expected to be the largest and most competitive applicant pool for the most sought after scholarships. Additional implementations of Huron's recommendations from this study are ongoing.

Budgeting and Incentives

Huron's study examined USC's budgeting system and how its distribution of tuition revenues to the various schools in Columbia might affect incentives around growth, collaboration, and innovation. After interviews with the Deans of each of USC Columbia's schools, Huron recommended the implementation of a revised budgeting system, which would encourage entrepreneurial actions by the Deans by aligning tuition revenue allocations with new student enrollments. Moreover, Huron recommended that USC create a larger strategic fund from a percentage of tuition revenues, for use by the President and Provost to provide funding for campus-wide initiatives that were under-funded. Finally, the report recommended that USC create a modest "tax" on the dollars remaining in each school's budget at the end of the year to provide disincentives for the hoarding of annual budget dollars by individual schools.

USC decided to keep most of the aspects of its current hybrid budgeting model, but retained a modest tax on unused budget dollars. USC's current centralized budget system reduced the need for a central strategic fund for large initiatives and, as a result, new University-wide projects, such as OneCarolina*, have been more easily funded and accounted for as a result of the current budgeting model. The hybrid model provides incentives for colleges to utilize the summer term and seek cost savings across the full academic year. Further, the hybrid model allowed the University to navigate the period of state budget reductions from 2008-2012 without closing any academic units.

Student Retention

As a follow-up to its Task B work, Huron examined current retention practices at USC Columbia and examined data from previous years to try and understand what unintended obstacles to retaining students may exist at USC. Among several findings, the study found a strong correlation between drop-outs and enrollment in a handful of large classes that had high rates of students receiving grades of D, F, or withdrawal. Huron's study also found that USC's current first-year program for undergraduates had created a very positive effect on first-year retention at the University, out performing many of USC's peers.

Huron recommended that USC increase its efforts towards supplemental instruction in these so-called "weed out" classes to increase the number of students that passed these classes with grades of C or higher. USC evaluated opportunities for supplemental instruction resulting in 6,264 or 24.6% growth in student supplemental instruction visits from 2010-2011 to 2013-2014. In addition, USC looked beyond the largest classes and targeted tutoring expansion to slightly smaller classes that also cause completion challenges for students. Student tutoring visits have grown by 1,364, or 40%, from 2010-2011 to 2013-2014. USC's expansion of cross-college advising was in direct response to student feedback and an identified need to better support students changing majors and moving between colleges. Cross-college advising visits expanded by 4,507 or 682% from 2010-2011 to 2013-2014. These efforts, in conjunction with a more integrated approach to student support and the identification of a team of support individuals for each incoming student (student advisor, student success coach, career coach, U101 instructor, resident hall mentor), resulted in first-to-second year retention increasing from 85.9% in fall 2010 to 88.1% in fall 2013. In addition, 6-year graduation rates have increased from 67.5% to 72.8% over the same period.

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The following survey is to be completed to determine whether your institution has already undergone, is currently undergoing, or has contracted to undergo an internal or external performance improvement audit, operating efficiency study, or similar cost management review. The survey is being conducted by the Commission in response to requirements of Part C of Proviso 118.16 of Act 286 of 2014 (FY 2014-15 Appropriations Act).

The information below should be completed and returned to the SC Commission on Higher Education not later than noon on Thursday, July 31. Please email the completed information in **word format** to the attention of Dr. Argentini Anderson, aanderson@che.sc.gov, 803-737-2276.

In the footer below, please insert your Institution Name in "Type Text"

Institution Name: Winthrop University	**Date Submitted: 8/8/14**

Survey Contact Information:

Name: Karen C. Jones

Title: Associate Vice President of Academic Affairs

Email: jonesk@winthrop.edu

Phone No.:   803-323-3708

1) Within the past ten years, has your institution already undergone, is currently undergoing, or has contracted to undergo an internal or external performance improvement audit, operating efficiency study, or similar cost management review.

<div align="center">YES__X__   or   NO____   (check one)</div>

If YES to item 1, please insert the number by category below. If none, insert 0.

Number:	
2	Completed
	Contracted and work has begun (in process)
	Contracted but not yet started
	Planned, not yet contracted

If NO to item 1, please indicate the date of the last such review completed:

==**For each of the reported review indicated above or for the last review completed if none within the past ten years, please complete the information on the next page. Duplicate for each separate review if more than one report.**==

1. STUDY NAME: Periodic Facilities Management Internal Efficiency Reviews

a) **DATE REVIEW COMPLETED:** 2003, 2004, 2008

b) **ANTICIPATED COMPLETION DATE IF IN PROCESS**:

c) **ANTICIPATED START DATE IF CONTRACTED OR PLANNED**:

d) **INDICATE WHETHER THE REVIEW IS <u>EXTERNAL</u> (CONDUCTED BY A REVIEW TEAM EXTERNAL TO THE INSTITUTION) OF <u>INTERNAL</u> (CONDUCTED BY AN INTERNAL INSTITUTIONAL REVIEW TEAM)**: Internal

e) **VENDOR NAME IF EXTERNAL**:

f) **PLEASE LIST REVIEW TEAM MEMBERS AND CREDENTIALS IF INTERNAL**: Bob Reid, Director of Purchasing and Risk Management and Walter Hardin, Associate Vice President for Facilities Management

g) **PLEASE DESCRIBE THE SCOPE OF THE REVIEW**: As new facilities have been constructed or procured and the University has faced increased energy and maintenance cost, Facilities Management has conducted several focused cost management reviews of physical plant operations.

h) **PLEASE PROVIDE THE COST OF THE REVIEW OR IF PLANNED, THE ANTICIPATED COST IF KNOWN**:

i) **FOR COMPLETED REVIEWS, PLEASE REPORT EACH IDENTIFIED FINDING, RECOMMENDATION, AND/OR ACTION ITEM AND ASSOCIATED ESTIMATED COST SAVINGS OF EACH**. *Please complete the table and add rows as needed for each finding.*

No.	i.) FINDING, RECOMMENDATION, or ACTION ITEM	ASSOCIATED COST SAVINGS	IMPLEMENTED? YES or NO
1	Surplus aging fleet of passenger vehicles for University travel and replace with long term contract for rental cars on an as-needed basis	$35,000 per year	Yes, in 2003
2	Surplus aging compactor garbage truck and replace with external provider.	Cost to replace truck and dumpsters	Yes, in 2003
3	Enact energy savings initiatives including providing web accessible energy management and improved occupied and unoccupied schedules, replace two chillers and main pumps, connect the west campus to the main chiller plant, retrofit steam trap inefficiencies, replace 12,000 light fixtures and install low flow water faucets and toilets in all campus buildings.	Projected: $674,000 per year	Yes, implemented in 2003 and completed in 2006
4	Create Central Steam Plant to use steam for humidity control in the summer for four new facilities on campus by creating a team of three boilers (two gas fired and one electrode) that can operate at any steam demand level at high efficiency.	Provide steam all year round for four new facilities without significant increase in energy cost.	Yes, in 2004
5	Study costs and benefits of outsourcing Custodial Services	Provide custodial services for the newly opened Lois Rhame West Wellness Center.	No

j) **FOR THOSE FINDINGS, RECOMMENDATIONS, OR ACTION ITEMS ABOVE THAT HAVE BEEN IMPLEMENTED, PLEASE DOCUMENT THE COST SAVINGS OR EFFICIENCIES THAT HAVE BEEN REALIZED AS A RESULT.** (Insert number of identified finding in (i) above and report documented cost saving or efficiencies.)

No.	j.) COST SAVINGS OR EFFICIENCIES THAT HAVE BEEN REALIZED FOR IMPLEMENTED
1	Approximately $35,000 per year. This practice removed the competition in the annual budget for vehicle replacement and saved annual operations costs including one FTE, multiple contracts with local repair shops, and labor for internal billing for vehicle use.
2	Truck and dumpster replacement costs were saved, as were two FTEs, periodic overtime pay, and a contract with the county landfill for tipping fees.
3	Most years, the energy savings resulting from these changes amount to approximately $704,000.
4	Cost of the project was under $1M, with funds provided by ICPF and the ConserFund from the State Energy Office. Savings are difficult to measure, as summer steam was not provided before, however, the boilers operate at over 80% efficiency, and the University's steam costs have been half of the cost of gas and oil during periods of time when energy prices have spiked. Ultimately, the initiative saved sufficient funds to pay for itself and has allowed the University to use steam for gas curtailments in winter months (there were seven curtailments in 2013 and 2014).

k) **FOR THOSE FINDINGS, RECOMMENDATIONS, OR ACTION ITEMS THAT HAVE NOT YET BEEN IMPLEMENTED, PLEASE EXPLAIN.** (Insert number of identified finding in (i) above and provide explanation)

No.	k.) EXPLANATION FOR EACH FINDING, RECOMMENDATION OR ACTION ITEM NOT YET IMPLEMENTED
5	Nine providers did a Best Value Bid proposal for providing custodial services for the newly opened Lois Rhame West Center. The low provider cost was slightly lower than Winthrop's self-performed costs and also did not include special services or over time services which were included in the Winthrop cost. The low provider did not provide employee benefits (health insurance, sick leave, vacation) and Winthrop chose not to make this change.

2. STUDY NAME: Readiness Winthrop

    a)   **DATE REVIEW COMPLETED:** 2010

    b)   **ANTICIPATED COMPLETION DATE IF IN PROCESS**:

    c)   **ANTICIPATED START DATE IF CONTRACTED OR PLANNED**:

    d)   **INDICATE WHETHER THE REVIEW IS <u>EXTERNAL</u> (CONDUCTED BY A REVIEW TEAM EXTERNAL TO THE INSTITUTION) OF <u>INTERNAL</u> (CONDUCTED BY AN INTERNAL INSTITUTIONAL REVIEW TEAM)**: Internal

    e)   **VENDOR NAME IF EXTERNAL**:

    f)   **PLEASE LIST REVIEW TEAM MEMBERS AND CREDENTIALS IF INTERNAL**: Anthony DiGiorgio, President; J.P. McKee, Vice President for Finance and Business, Tom Moore, Vice President of Academic Affairs, Frank Ardaiolo, Vice President for Student Life

    g)   **PLEASE DESCRIBE THE SCOPE OF THE REVIEW**: Department heads were asked to study costs in their areas and provide suggestions to improve efficiencies.

    h)   **PLEASE PROVIDE THE COST OF THE REVIEW OR IF PLANNED, THE ANTICIPATED COST IF KNOWN**:

    i)   **FOR COMPLETED REVIEWS, PLEASE REPORT EACH IDENTIFIED FINDING, RECOMMENDATION, AND/OR ACTION ITEM AND ASSOCIATED ESTIMATED COST SAVINGS OF EACH**. *Please complete the table and add rows as needed for each finding.*

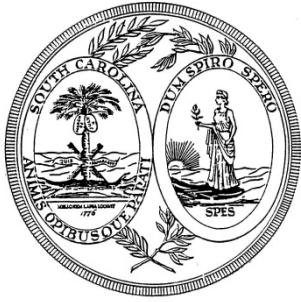| No.	i.) FINDING, RECOMMENDATION, or ACTION ITEM	ASSOCIATED COST SAVINGS	IMPLEMENTED? YES or NO
1	Eliminate one postage meter machine at the Post Office.	$21,000	Yes
2	Replace one Post Office FTE with a part-time temporary position.	$14,120	Yes
3	Consolidate mail delivery on campus to one centralized drop point per building.	Reduce mail delivery route by half	Partial (6 buildings)
4	Replace mail delivery van with golf cart.	Reduce cost of gas, vehicle maintenance, and auto insurance	No
5	Eliminate pharmacy services at Student Health Services, possibly by contracting with an independent pharmacy to provide discounted prescriptions to students and serve as consulting pharmacist, and procure an electronic medical records system to work more efficiently, require less storage space for physical records, and serve more students.	$110,000 to $124,000 over a 5 year period, depending on EMR system purchased	Yes (implementation of EMR is in process)
6	Move to a fully-automated switchboard	$6,500 in first year and $8,000 year thereafter	No
7	Move to a bulk paper purchasing model for Printing Services Reduce Printing Services staff by 5 to 3.5	Varies per year Salary and fringe savings	Yes
8	Increase efficiency in Financial and Human Resource Services with use of electronic systems	Modest savings	Yes

j) **FOR THOSE FINDINGS, RECOMMENDATIONS, OR ACTION ITEMS ABOVE THAT HAVE BEEN IMPLEMENTED, PLEASE DOCUMENT THE COST SAVINGS OR EFFICIENCIES THAT HAVE BEEN REALIZED AS A RESULT.** (Insert number of identified finding in (i) above and report documented cost saving or efficiencies.)

No.	j.) COST SAVINGS OR EFFICIENCIES THAT HAVE BEEN REALIZED FOR IMPLEMENTED
1	$10,000 in lease and maintenance cost of postage meter, $10,000 held on the meter for postage, and $1,000 in meter supplies.
2	One Post Office vacant full-time position was replaced with a temporary part-time worker, resulting in savings of $14,120 per year in salary plus fringes.
5	Approximately $24,000 saved per year by eliminating pharmacy.
7	Approximately $200,000 in savings.
8	Mandating direct deposit of payroll checks and delivering student bills, vacancy notices, and Personnel Action Forms electronically resulted in printing and postage savings.

k) **FOR THOSE FINDINGS, RECOMMENDATIONS, OR ACTION ITEMS THAT HAVE NOT YET BEEN IMPLEMENTED, PLEASE EXPLAIN.** (Insert number of identified finding in (i) above and provide explanation)

No.	k.) EXPLANATION FOR EACH FINDING, RECOMMENDATION OR ACTION ITEM NOT YET IMPLEMENTED
3	Not fully implemented for all buildings because this would shift the burden of mail distribution to departments rather than create overall savings.
4	Capacity of vehicle is necessary for large deliveries and deliveries to and from Winthrop Coliseum.
6	Automated switchboard is in use during evenings and weekends, but the switchboard is staffed during business hours in order to provide greater customer service.

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South Carolina
Commission on Higher Education

MEMORANDUM

TO: Presidents of Public Institutions receiving Funding in the FY 2014-15 Appropriations Act for a Higher Education Efficiency, Effectiveness and Accountability Review

COPY: Corresponding Chief Financial Officers and Legislative Liaisons

FROM: Richard C. Sutton, Executive Director

DATE: July 22, 2014

RE: Survey pursuant to Proviso 118.16 of Act 286 of 2014 of Higher Education Institutions receiving funding for the Higher Education Efficiency, Effectiveness, and Accountability Review

In the FY 2014-15 Appropriations Act (Act 286 of 2014), Proviso 118.16 provides non-recurring revenue to selected higher education institutions for purposes of a Higher Education Efficiency, Effectiveness, and Accountability Review. The institutions receiving funding include the three research universities and all of the comprehensive teaching universities with the exception of South Carolina State University.

As directed in the Act these funds are to be utilized by a thirteen-member steering committee to procure, execute, and oversee implementation of the South Carolina Higher Education Efficiency, Effectiveness and Accountability Review. Attached for your information is a copy of the applicable section of Proviso 118.16 regarding the funding, committee, and related direction in conducting and procuring the study (Attachment 1).

The Commission on Higher Education is tasked with conducting a survey on behalf of the study committee by August 1. The Commission is also tasked with selecting by a majority vote of the Commission three institutional representatives to serve on the study committee to include a president, trustee, and chief financial officer. Separate correspondence on this selection will be forthcoming. As Executive Director, I also serve on the committee.

The primary purpose of this correspondence is to request the necessary information for the survey. You will find the provisions relating to the survey in the last paragraph of Attachment 1.

A survey instrument is enclosed for purposes of collecting the necessary information (Attachment 2, *see separate file sent with this communication*). We understand the August 1 deadline in the proviso is fast approaching. **In order that we keep to the timetable as closely as possible, please respond to the enclosed survey not later than the close of business on Thursday, July 31.** If you have any questions, please contact Ms. Julie Carullo (jcarullo@che.sc.gov or 803/737-2292). Thanks for your assistance with this obligatory process.

ATTACHMENT 1

FY 2014-15 Appropriations Act (Act 286 of 2014), EXCERPT
(Accessed online 7/17/2014 http://www.scstatehouse.gov/sess120_2013-2014/appropriations2014/tap1b.htm#s118)

Part 1B, Proviso 118.16 (SR: Non-recurring Revenue), Excerpt regarding Higher Education Efficiency, Effectiveness, and Accountability Study.

…

(B) The appropriations in this provision are listed in priority order. Item (1) must be funded first and each remaining item must be fully funded before any funds are allocated to the next item. Provided, however, that any individual item may be partially funded in the order in which it appears to the extent that revenues are available. The State Treasurer shall disburse the following appropriations by September 30, 2014, for the purposes stated:

….

(17) H09 - The Citadel
(a) Higher Education Efficiency, Effectiveness and Accountability Review $81,290;
…
(18) H12 - Clemson University
(a) Higher Education Efficiency, Effectiveness and Accountability Review $596,066;
…
(19) H15 - University of Charleston
(a) Higher Education Efficiency, Effectiveness and Accountability Review $176,755;
…
(20) H17 - Coastal Carolina University
(a) Higher Education Efficiency, Effectiveness and Accountability Review $81,842;
…
(21) H18 - Francis Marion University
(a) Higher Education Efficiency, Effectiveness and Accountability Review $107,372;
…
(22) H21 - Lander University
(a) Higher Education Efficiency, Effectiveness and Accountability Review $55,958;
…
(24) H27 - University of South Carolina-Columbia Campus
(a) Higher Education Efficiency, Effectiveness and Accountability Review $971,902;
…
(25) H29 - University of South Carolina-Aiken Campus
(a) Higher Education Efficiency, Effectiveness and Accountability Review $58,922;
…
(26) H34 - University of South Carolina-Upstate Campus
(a) Higher Education Efficiency, Effectiveness and Accountability Review $82,157;
…
(27) H36 - University of South Carolina-Beaufort Campus
(a) Higher Education Efficiency, Effectiveness and Accountability Review $23,779;
…
(31) H47 - Winthrop University
(a) Higher Education Efficiency, Effectiveness and Accountability Review $81,917;
…
(32) H51 - Medical University of South Carolina
(a) Higher Education Efficiency, Effectiveness and Accountability Review $352,825;
…
(C) The funds provided in this act for the Higher Education Efficiency, Effectiveness and Accountability Review shall be utilized by a thirteen member steering committee to procure, execute, and oversee implementation of the South Carolina Higher Education Efficiency, Effectiveness and Accountability Review. The committee shall serve as the primary client for the vendor selected to complete the review. When selecting the vendor, the committee must follow the competitive bidding process as set forth in the State's Consolidated Procurement Code. Appointments to the committee shall include:

2

(1) the Speaker of the House of Representatives or his designee;
(2) the Chairman of the House Ways and Means Committee or his designee;
(3) the Majority Leader of the House of Representatives or his designee;
(4) The Minority Leader of the House of Representatives or his designee;
(5) the President Pro Tempore of the Senate or his designee;
(6) the Chairman of the Senate Finance Committee or his designee;
(7) the Majority Leader of the Senate or his designee;
(8) the Minority Leader of the Senate or his designee;
(9) the Governor or her designee;
(10) the Executive Director of the Commission on Higher Education; and
(11) a college or university president, a college or university trustee and a college or university chief financial officer, each selected by a majority vote of the Commission on Higher Education.

The committee shall notify institutions of the amount of the funds to be transferred to the committee to complete the review, and institutions shall transfer the funds. However, the committee may not request an amount from an institution that exceeds the amount provided to it in this act for this purpose.

To the extent that there are direct costs associated with implementation of the vendors recommendations, funds not utilized by the committee for the review shall be used by institutions to implement the vendor's recommendations. Further, any funds transferred to the committee from institutions, but not utilized by the committee for the review, must be transferred back to the institutions and shall only be used by the institutions for implementing vendor recommendations.

The committee shall deliver the vendor's initial findings and recommendations to the Governor and the General Assembly by February 1, 2015. Each institution is strongly encouraged to implement the recommendations identified by the review. It is the intent of the General Assembly that any savings realized from these reviews shall be retained by each institution.

The Commission on Higher Education, on behalf of the committee, must survey each institution that is provided funds in this act for the Higher Education Efficiency, Effectiveness and Accountability Review to determine if the institution has already undergone, is currently undergoing, or has contracted to undergo an internal or external performance improvement audit, operating efficiency study, or similar cost management review. The survey shall ascertain whether or not the review was internal or external, when the review was completed, when it will be completed (if ongoing), or when it anticipates it will begin (if already planned or contracted). The vendor name if an external review team or the composition of the review team, including their credentials, if internal, must be included, as must the scope of the review and its cost. For institutions where a review has been completed, it must report the findings, recommendations, or action items that were identified by the review team, if any, including estimated cost savings associated with the items. Further, a listing of findings, recommendations or action items of the review team that have already been implemented by the institution, including cost savings or efficiencies that have been realized as a result, must be documented. Findings or recommendations made by the review team, but not yet implemented by the institution, if any, must be explained by the institution. Survey results must be provided by the Commission on Higher Education to the committee no later than August 1, 2014. After public discussion of the survey responses, the committee shall select the institutions for the review. The existence of any such review, either completed or ongoing, does not guarantee an exemption for an institution from this review. Exemptions, if any, either for an entire institution or component thereof can only be granted by the committee.

3

2014 Higher Education Effectiveness, Efficiency, and Accountability Study Survey

The following survey is to be completed to determine whether your institution has already undergone, is currently undergoing, or has contracted to undergo an internal or external performance improvement audit, operating efficiency study, or similar cost management review. The survey is being conducted by the Commission in response to requirements of Part C of Proviso 118.16 of Act 286 of 2014 (FY 2014-15 Appropriations Act).

The information below should be completed and returned to the SC Commission on Higher Education not later than noon on Thursday, July 31. Please email the completed information in **word format** to the attention of Dr. Argentini Anderson, aanderson@che.sc.gov, 803-737-2276.

In the footer below, please insert your Institution Name in "Type Text"

Institution Name:	Date Submitted:
Survey Contact Information: *Name:* *Title:* *Email:* *Phone No.:*	

1) Within the past ten years, has your institution already undergone, is currently undergoing, or has contracted to undergo an internal or external performance improvement audit, operating efficiency study, or similar cost management review.

<div align="center">YES_____   or   NO_____   (check one)</div>

If YES to item 1, please insert the number by category below. If none, insert 0.

Number:	
	Completed
	Contracted and work has begun (in process)
	Contracted but not yet started
	Planned, not yet contracted

If NO to item 1, please indicate the date of the last such review completed:

==**For each of the reported review indicated above or for the last review completed if none within the past ten years, please complete the information on the next page. Duplicate for each separate review if more than one report.**==

1. STUDY NAME:

    a) DATE REVIEW COMPLETED:

    b) ANTICIPATED COMPLETION DATE IF IN PROCESS:

    c) ANTICIPATED START DATE IF CONTRACTED OR PLANNED:

    d) INDICATE WHETHER THE REVIEW IS <u>EXTERNAL</u> (CONDUCTED BY A REVIEW TEAM EXTERNAL TO THE INSTITUTION) OF <u>INTERNAL</u> (CONDUCTED BY AN INTERNAL INSTITUTIONAL REVIEW TEAM):

    e) VENDOR NAME IF EXTERNAL:

    f) PLEASE LIST REVIEW TEAM MEMBERS AND CREDENTIALS IF INTERNAL:

    g) PLEASE DESCRIBE THE SCOPE OF THE REVIEW:

    h) PLEASE PROVIDE THE COST OF THE REVIEW OR IF PLANNED, THE ANTICIPATED COST IF KNOWN:

    i) FOR COMPLETED REVIEWS, PLEASE REPORT EACH IDENTIFIED FINDING, RECOMMENDATION, AND/OR ACTION ITEM AND ASSOCIATED ESTIMATED COST SAVINGS OF EACH. *Please complete the table and add rows as needed for each finding.*

No.	i.) FINDING, RECOMMENDATION, or ACTION ITEM	ASSOCIATED COST SAVINGS	IMPLEMENTED? YES or NO
1			
2			
3			
4			
5			

    j) FOR THOSE FINDINGS, RECOMMENDATIONS, OR ACTION ITEMS ABOVE THAT HAVE BEEN IMPLEMENTED, PLEASE DOCUMENT THE COST SAVINGS OR EFFICIENCIES THAT HAVE BEEN REALIZED AS A RESULT. (Insert number of identified finding in (i) above and report documented cost saving or efficiencies.)

No.	j.) COST SAVINGS OR EFFICIENCIES THAT HAVE BEEN REALIZED FOR IMPLEMENTED

    k) FOR THOSE FINDINGS, RECOMMENDATIONS, OR ACTION ITEMS THAT HAVE NOT YET BEEN IMPLEMENTED, PLEASE EXPLAIN. (Insert number of identified finding in (i) above and provide explanation)

No.	k.) EXPLANATION FOR EACH FINDING, RECOMMENDATIONI OR ACTION ITEM NOT YET IMPLEMENTED