Revenue Opportunities

The revenue options are founded on the primary mission of the off-campus economic development and education sites: To link economic development with intellectual development creating a knowledge-based economy for South Carolina. Revenue plans for each site will be required to draw from four primary sources including new corporate research, real estate, community support, and expanded educational opportunities. All potential revenues identified below represent the total potential of all combined off-campus operations ramping up to a three year annual recurring value.

The committee projects that each site, through a combination of revenue sources and cost reductions, can achieve self-sufficiency within 36 months provided that the additional resources and requirements are provided. Further, this committee recommends that each site develop a detailed business plan for review to confirm revenue goals, assure site cooperation and establish new metrics for annual review.

Revenue Option 1: New Research
Goal $9 mm ($4.32mm Indirects)
This option directs the partial responsibility to each site to create new relationships that produce research, scholarships and gifts. This would include federal and state grants; with an emphasis on new corporate research.

Requirements for New Corporate Research Expansion
1. **New Indirect Model**: New model allocating 60% of indirects to provide incentive and measurement to establish new corporate research opportunities with each site.
2. **Corporate Agreements**: Create a dedicated process to provide a rapid response on CDAs and research agreements for corporate agreements only.

Revenue Option 2: Enhanced Indirect Recovery/Corporate Research
Goal $2-$3 mm
Establish new policy mandating full indirects for all corporate research under multiplier structure plus investigator incentives for GAD payments and Clemson content. Estimate includes all university research activities.

Revenue Option 3: Real Estate Revenues
Goal $600k to $800k
1. **CU-ICAR Real Estate**: Expand land use to a broader range of industrial and commercial users. After CU-ICAR satisfies land debt obligation in 2010-2011, an annual cash flow of approximately $400,000 to $700,000 is achievable.
2. **CURI Real Estate**: Release from SC procurement provisions concerning lease of buildings and property to develop $200,000 to $400,000 in annual revenues within three years after regulatory change.
3. **CU-AMC and GHS Patewood**: No significant revenue options under existing agreements.

Revenue Option 4: Community Investment and Affiliation Revenue
Goal $1.1mm - $1.3mm
Development Office: Task CU Development to structure three programs including funding economic development, affiliate member program plus annual sponsor goals of $500,000 per location.

Revenue Option 5: Education Expansion at Off-Campus Sites
Goal $1.1mm - $1.3mm
Allow undergraduate teaching opportunities (including distance learning), by increasing graduate teaching at the sites.

Cost Reductions
Cost reduction options at most of the off-campus sites are limited. CURI, Patewood and CU-AMC have little to no operational costs based for their current business models. The CU-ICAR Partnership Office does receive university funding support for operations. Over the next three years, costs in the CU-ICAR Partnership Office could be reduced, with some operations being combined or outsourced. Limited expansion of revenue is possible under Phase II staff reductions for all locations.

Cost Reduction Phase I: Restructure and Staff Reduction
Goal $200k - $300k

Cost Reduction Option 2: Critical Core Staff – Existing Agreements
Goal $200k - $300k