

Study of the Validation of the Mission Resources Requirement Model

In June 1999, the Commission approved \$250 thousand for the purpose of contracting with a firm to validate the Mission Resources Requirement (MRR), the funding model for South Carolina higher education institutions. Pursuant to the State procurement process, the contract was awarded to MGT of America, Inc.

The scope of work was:

1. In consultation with the Funding Advisory Committee, the contractor should identify regional and national sector peers as well as individual institutional peers.
2. The contractor will evaluate the current (October 1, 1998) Mission Resources Requirement Model and make recommendations for revisions if necessary. The contractor will also generate accurate and comparable data for the current Mission Resources Requirement Model used in South Carolina compared to public institutions in other states. In identifying peer institutions, it is important that the study adheres to the mission of the higher education institutions in South Carolina as defined by Act 359.
3. The contractor should address the need for major changes in the definitions guidelines, and the way institutions report financial data to the reporting entities.
4. The contractor should collect and report additional data, including alternative funding resources available to peer institutions, which may affect the determination of need at the institutions. The items examined must include, but not be limited to:
 - a. Treatment of sales tax;
 - b. Grants available to private and not to public institutions;
 - c. Student fees collected as a percent of total revenue for undergraduate and graduate students (examine whether student's share varies by sector and level);
 - d. Fee waiver policies for undergraduates and graduate assistants.

Any unique and significant activities within all sectors should also be considered.

The Funding Advisory Committee provided oversight and monitored the study. The Committee consisted of the Vice President of Finance from each of the senior universities, the Finance Director from the State Board for Technical and Comprehensive Education (SBTCE), a member of the Governor's Education Committee, a member of the House Ways and Means staff, a member of the Senate Finance staff, a staff person from the Budget and Control Board, Budget Division, and was chaired by the Director of Finance at the Commission on Higher Education.

The study has been completed, and Dr. Mary McGowan-Moak of MGT will present the study to the Commission at its September 7, 2000 meeting.