

A Needs Determination Study **Public Higher Education in South Carolina**

Background – An examination of the funding model used to determine the educational and general needs of South Carolina's public institutions as compared to other states is possibly more critical now than at any other time in South Carolina's history. A time when a major new initiative for higher education has been implemented (Act 359-Performance Funding), and a time when the state has implemented major higher education student financial aid/Scholarship programs (LIFE Scholarships (*Legislative Incentives for Future Excellence*), Need-Based Program and Palmetto Fellow Scholarships). The purpose of this study, therefore, is to generate accurate and comparative data for determining the educational and general (E&G) needs of public institutions in South Carolina, as compared to public institutions in other states.

The system under study includes 12 public senior colleges and universities, five two-year campuses of the University of South Carolina, and 16 public two-year technical colleges.

As a coordinating agency, the Commission on Higher Education (CHE) has a legislative mandate which requires that it, in part, require the public colleges and universities, including the technical colleges, to submit their appropriation requests for State funding to the Commission. The Commission, in turn, adopts and/or modifies those requests and submits its recommendations to the Governor's office and appropriate committees of the General Assembly on behalf of all of the institutions.

The requests are based on a determination of need model called the Mission Resources Requirement (MRR) which identifies the total amount of money the institutions should receive, based on nationally and regionally comparable costs for institutions of similar mission, size, and complexity of programs, minus student support.

The Commission maintains CHEMIS (*Commission on Higher Education Management Information System*), a student unit record management information system that captures information from the higher education institutions in South Carolina on student enrollment and completions, faculty, facilities, and courses on a semester basis. The CHE also collects and maintains information from IPEDS (*Integrated Postsecondary Education Data System*), and a number of other reports required of the public institutions. All IPEDS data, reports and CHEMIS data (within the federal Student Privacy Act guidelines) will be available to the successful contractor at no cost.

The Funding Advisory Committee will oversee and monitor the study. This Committee consists 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 chaired by the Director of Finance at the Commission on Higher Education.

Scope of Work

- I. **In consultation with the Funding Advisory Committee, the contractor should identify regional and national sector peers as well as individual institutional peers.**
- II. **The contractor will evaluate the current (October 1, 1998) Mission Resources Requirement Model (see attached MRR) and make recommendations for revisions if necessary.**

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. The mission as defined is:

"The General Assembly has determined that the mission for higher education in South Carolina is to be a global leader in providing a coordinated, comprehensive system of excellence in education by providing instruction, research, and life-long learning opportunities which are focused on economic development and benefit the State of South Carolina."

Further, the study should classify institutions by the following four sectors, which were also defined in Act 359. They are:

Sector I- ***Research Institutions***-college-level baccalaureate education, master's, professional, and doctor of philosophy degrees which lead to continued education or employment;

Sector II – ***Four –year colleges and universities*** - college-level baccalaureate education and selected master's degrees which lead to employment or continued education, or both, except for doctoral degrees currently being offered;

Sector III - ***Two-year institutions-branches of the University of South Carolina***-college-level pre-baccalaureate education necessary to confer associates' degrees which lead to continued education at a four-year or research institution; and

Sector IV - ***State technical and comprehensive education system***- all post-secondary vocational, technical and occupational diploma and associate degree programs leading directly to employment or maintenance of employment and associate degree programs which enable students to gain access to other post-secondary education.

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

- III. **Contractor should address the need for major changes in the definitions guidelines, and the way institutions report financial data to the reporting entities.**
- IV. **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 limited to:**
 1. **Treatment of sales tax;**
 2. **Grants available to private and not to public institutions;**
 3. **Student fees collected as a percent of total revenue for undergraduate and graduate students (examine whether student's share varies by sector and level);**
 4. **Fee waiver policies for undergraduates and graduate assistants.**

(In doing the comparisons, it is of extreme importance that the contractor performs the following functions:

1. Identify and reconcile support documents from regional and national reports addressing funding E&G needs for higher education. The reports examined must include, but not limited to:
 - Southern Regional Education Board (SREB) – *State Data Exchange*
 - Research Associates of Washington-1. *Higher Education Revenues and Expenditures: Study of Institutional Costs. 2. Higher Education Revenues & Expenditures: Institutional Data Volume and 3. State Profiles: Financing Public Higher Education*
 - National Center for Education Statistics (NCES)- 1. *-IPEDS Finance Survey. 2. IPEDS Institutional Characteristics Survey/ Directory of Postsecondary Institutions*
 - College and University Personnel Association (CUPA) - *National faculty Salary Survey by Discipline and Rank in Public Four-year Colleges and Universities*
 - The Association of Higher Education Facilities Officers (APPA) – *Comparative Costs and Staffing for College and University Facilities*
 - National Association of College and University Business Officers (NACUBO)- *Comparative Financial Statistics for Public Two-Year Colleges: National Sample*
2. Review the definitions and guidelines for reporting the information to the various entities to determine clarity, consistency and uniformity.
3. Review a representative sample of reports from South Carolina's institutions and from institutions in other states to determine if reported information is in conformity with the definition and guidelines.

Suggested Time-line (With the assumption that the Study begins July 1, 1999)

A preliminary draft of the final report should be submitted by October 1, 1999. The contractor will be required to make an oral presentation to the Funding Advisory

Committee shortly after submitting the final report. In addition, it is expected that the contractor will meet monthly, if necessary, with the Funding Advisory Committee during the project to discuss the progress of the study. The project will commence on July 1, 1999 and the final report will be due in the Commission office by November 30, 1999.

Contract Term

The term of the contract shall be for the period beginning two weeks after the award date and conclude with the final report due in the Commission on Higher Education office three months after the start date.

Proposal Contents

As a minimum, the proposed contractor must submit or adhere to the following information:

- A. A brief review of previous studies of higher education that are similar in scope.
- B. A statement of understanding the structure of higher education, including South Carolina.
- C. A step-by-step breakdown of the tasks the contractor proposes to carry out in terms of methodology and format.
- D. A schedule or presentation of timelines to be followed.
- E. A line-item budget with narrative explanation for each line-item together with proposed payment terms.
- F. A description of the contractor's organization and its staff qualifications; and resumes of professional, managerial, and senior technical personnel who will be directly involved in the project.
- G. All proposed contractors must attend the pre-bid conference

Award Criteria

Proposal will be evaluated by the Funding Advisory Committee on the basis of the following criteria listed in order of importance with the assigned values:

- A. 35% - Soundness of the contractor's approach to the problems and needs presented by the project including contractor's methodology for achieving specific tasks and objectives.
- B. 35% - Experience and capacity of contractor including recent, related experience, qualifications of project personnel and contractor's ability to commit capable staff and support a project of this size.
- C. 20% - Demonstrated understanding of the problems and needs presented by the project, including understanding of coordination of various types of systems in higher education.
- D. 10% - Cost effectiveness and reasonableness of contractor's proposed budget.