

September 5, 2002

MEMORANDUM

To: Mr. Dalton B. Floyd, Jr., Chairman, and Members, Commission on Higher Education

From: Ms. Dianne Chinnes, Chairman, Committee on Academic Affairs and Licensing

**Consideration of *Guidelines* for Lottery-Funded Competitive Grants
Technology Program, FY 2002-03**

During the 2002 legislative session, the South Carolina General Assembly amended Section 59-150-355 of the South Carolina Code of Laws (1976) with HB 4879 to provide funds for the University Technology Grant Program (TGP) from the South Carolina Lottery. The legislation stipulates that the Commission shall administer a competitive grants program for the four-year teaching colleges and universities.

The bill allocates a total of \$21,700,000 to technology for the 20 public two-year and ten teaching sector institutions (\$10,596,317 from lottery proceeds from FY 2001-02 and \$11,103,683 from projected lottery revenue from FY 2002-03). Of this total, one half of one percent, or \$108,500, is to be re-directed to the Palmetto Fellows Scholarship program, and one half of the remainder, or \$10,795,750, is to flow through the Commission to the public two year institutions (see agenda item 3.02.I).

For the TGP, then, \$10,795,750 remains, minus \$40,000 to support the grant review process, leaving a total available for awards of \$10,755,750.

Worth noting are the following points:

- ❖ The legislation is broad, referring simply to “the development of technology and/or technology infrastructure” so examples provided in the *Guidelines* are illustrative, not exhaustive.
- ❖ Only funds made available from the “non-recurring” dollars, or approximately \$5 million, will be available for distribution upon approval of these *Guidelines*.

- ❖ “Recurring” funds will be available in quarterly disbursements in the fiscal year and will be subject to any reductions that may become necessary to make up for any shortfalls that may occur in lottery revenues supporting student scholarships.
- ❖ Because some portion of the funds are expected to be awarded late in the fiscal year, funds may be carried forward into the next fiscal year.
- ❖ We propose to have the CHE rank order the proposals and then distribute funds accordingly, as disbursements permit, until funds are exhausted.
- ❖ We have limited the number of proposals that may be submitted in an effort to ensure broad participation in and benefit from the program but still remain faithful to the legislative intent of a *competitive* grants program.

Recommendation

The staff suggests that the Committee on Academic Affairs and Licensing recommend to the Commission approval of the attached *Guidelines* for the Lottery-Funded Competitive Grants Technology Program FY 2002-03. The Committee will consider this item at its meeting on September 4 and will make its recommendation to the Commission on September 5.

Attachment: *Guidelines* for the Lottery-Funded Competitive Grants Technology Program