

**Council of Presidents Four-Year Sector
Lottery Technology Appropriation
Proposal for Legislative Change in Distribution Methodology**

The Legislature's investment in technology for the state's four-year universities by means of the 2002 lottery allocation is deeply appreciated by the presidents and chancellors. This investment recognizes the critical importance of technology infrastructure and its continuing support to the education of our students and the economic development of the state. Its benefits will be substantial.

However, to maximize these benefits and to minimize the administrative overhead required in securing them, we are seeking a modification in the legislation related to the distribution methodology of funds appropriated for technology to the four-year universities.

Whereas the current legislation calls for a grant application and awards process through the Commission on Higher Education, the Council of Presidents seeks a distribution methodology that recognizes the commonality of our continuing technology infrastructure needs and the impact of varying enrollments on our ability to meet those needs.

In its meeting of November 21, 2002, the Council of Presidents of South Carolina's public four-year universities unanimously agreed to seek a change in Section 3.A. of the 1976 Code as amended in Sections 59-150-370 and 59-150-350, which, in part, addressed "funds appropriated for technology ... to be awarded to public four-year universities." The change requested is ...

from:

Of the funds appropriated for technology, one-half must be used for University Technology Grant Program funds to be awarded to public four-year universities, excluding the University of South Carolina-Columbia, Clemson, and the Medical University of South Carolina. Grants must be awarded to institutions with grant proposals supporting the development of technology and/or technology infrastructure. The review process, to include the awarding of grants, is to be determined by the Commission on Higher Education.

to:

Of the funds appropriated for technology, one-half must be used for University Technology Grant Program funds to be awarded to public four-year universities, excluding the University of South Carolina-Columbia, Clemson, and the Medical University of South Carolina. Grants must be awarded to institutions consistent with the following formula: 35% of available dollars allocated equally among sector institutions with the remaining 65% prorated among institutions relative to total FTE enrollment in the previous academic year.

The Council of Presidents offers the following reasons for requesting this change in the distribution methodology.

1. Commonality of need across institutions. Four-year institutions' needs for technology are consistent across campuses and continuous over time. A distribution methodology that recognizes these realities is more useful and realistic than one requiring the invention of unique case statements in order to address annual competitive requests for proposals. Indeed, our colleagues in the technical colleges and the research institutions are allocated non-competitive funds in recognition of commonality of need without the burden of competition. We are seeking the same.

2. Reduction of administrative overhead. These legislatively provided resources for information technology are critical to the future of our institutions. Consequently, our information technology leadership, in consultation with numerous faculty and administration, has spent untold hours in preparing grant proposals to satisfy this year's distribution methodology. The Commission on Higher Education will spend additional hours and resources to secure the necessary consultation and analysis to assess the proposals. Yet, in most cases, institutions are requesting variations on the same themes, because the needs are the same. Legislative recognition of this similarity of need would allow institutions to reinvest time and energy into technology support rather than administrative overhead.

3. Percentage distribution rationale. Developing and maintaining a robust computer network and technology infrastructure is, in some degree, a "fixed cost" proposition, regardless of institutional size. Such infrastructure includes the acquisition, maintenance and continual upgrading of networking components, servers and information distribution channels. We estimate these costs to be 35% of the continuing costs of information technology. On the other hand, providing for the support and lifecycle replacement of computers, peripherals and labs across campuses are "variable cost" propositions, with FTE enrollments as the primary drivers of need. We estimate these costs to represent 65% of the continuing costs of information technology.

4. Accountability. The Council of Presidents is committed to accountability for the use of these important funds, and would willingly support an approach such as the following:
 - a. an annual report to the Commission on Higher Education detailing our use of lottery-allocated technology resources in support of institutional mission and goals; and,
 - b. a reassessment of this proposed change in legislation in three years to determine effectiveness.

Again, the presidents and chancellors of the state's four-year universities wish to thank the Legislature for its foresight in allocating lottery proceeds to critical information technology purposes within our institutions. Each of us looks forward to employing this requested change in distribution methodology for the best interests of our students and the State of South Carolina.

Allocation methodology approved: November 21, 2002
Four-Year Sector, Council of Presidents

Summary document submitted: December 4, 2002
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