

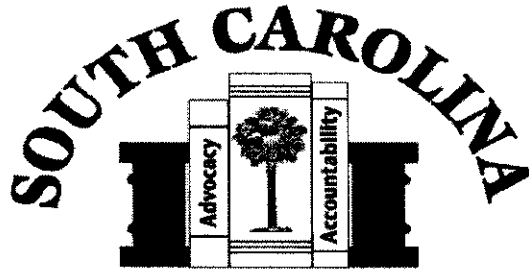
***Notice of Agenda Change for  
Executive Committee Meeting and Agenda Item 3.01  
for the Commission Meeting  
Scheduled for  
February 6, 2003***

The Commission on Higher Education is **removing Agenda Item 3.01:**  
***Consideration of Revision to Distribution of Lottery Funds for the Technology  
Grants Program (Staff Recommendation)*** from the February 6 meeting of the  
Commission.

The Executive Committee and the Commission will consider the substitute:

Agenda Item 3.01: ***Council of Presidents Four-Year Sector Lottery Technology  
Appropriation Proposal for Legislative Change in Distribution Methodology.***  
Please see attached document.

John E. Smalls  
Interim Executive Director



## **Commission on Higher Education**

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## **MEMORANDUM**

**DATE:** January 31, 2003

**TO:** Dalton B. Floyd, Jr., Chairman  
and Members of the Executive Committee

**FROM:** John E. Smalls, Interim Executive Director

The **Executive Committee** will meet at **9:30 a.m.**, in the **Large Conference Room** immediately prior to the full Commission Meeting.

Please find attached a staff recommendation related to the Technology Grants Program which I would like to discuss with you at the meeting of the Executive Committee scheduled for Thursday, February 6 at 9:30 a.m.

Speaking on behalf of the Council of College Presidents, Dr. Tony Digiorgio made a presentation to the Committee on Academic Affairs in January requesting Commission support of elimination of the competitive grants program for the four-year sector.

Given the fact that a bill supporting that change was filed on January 30, the staff has reviewed the Council's proposal and would like the Executive Committee and the Commission to consider the staff recommendation.

Consideration of Revision to Distribution of Lottery Funds for  
The Technology Grants Program

**Background**

At its last meeting, the Commission awarded Lottery Funds to the four-year institutions for technology grants under the competitive grants program stipulated under the enabling legislation. The same legislation allocated an equal amount of money to the two-year institutions but did not require a competitive grants program.

Dr. Tony DiGiorgio, speaking on behalf of the Council of College Presidents, had previously made a short presentation to the Committee on Academic Affairs, and he requested that the Commission support a change to the legislation which would eliminate the competitive grants program and distribute the funds on the basis of a formula. The proposed formula allocates 35% of the available dollars equally among the eligible institutions, with the remaining 65% to be prorated among the eligible institutions based on the total FTE enrollment in the immediately previous year. Legislation proposing this change was filed on January 30.

While the advantages and disadvantages of a competitive grants program can certainly be enumerated, clearly the lack of consistency in allocation methodology between the two-year and the four-year sectors has been a concern. As the recent competitive grants showed, the technology program is essential for funding what are, in general, very basic technology needs that include, among other things, purchasing hardware and software for instructional and/or administrative use, converting traditional classrooms to multimedia or "smart classrooms," promoting wireless learning environments and establishing related laptop labs, libraries, or banks, and providing extensive faculty training to use new instructional technologies.

At the same time, however, the lottery funds can and should be used to promote innovative activities and statewide projects that significantly advance the capabilities and capacities of the entire higher education system. Three such projects come immediately to mind: First, there is the electronic library project, endorsed as a high priority by the higher education community but not funded despite over a decade of effort and despite the development of similar statewide initiatives throughout our region and the nation which have worked successfully to expand access and reach rural and underserved populations. The second is funds to negotiate statewide licenses for instructional software as it migrates to new generation formats. A third could be the upgrading of the Commission's data collection (MIS) system to make more data more readily accessible to broader audiences. Both of these projects, and any other project, considered by the Commission will benefit greatly the institutions individually and collectively will move the entire higher education community forward.

The staff believes that it is critically important to balance the needs of the institutions with statewide needs and therefore recommends that the legislation be changed for *both* the two-year and four-year sectors as described below.

**Recommendation**

The staff recommends that the Lottery legislation be changed for both the two-year and the four-year sectors as follows:

60% of the available funds will be distributed to the two-and four-year institutions (excluding the research universities as stipulated in legislation) based on a methodology developed by the Commission in consultation with the institutions, and 40% will be distributed to the Commission on Higher Education to be used to support statewide technology projects as determined by the Commission; any funds not used for statewide technology projects will be allocated to the institutions utilizing the Commission-approved methodology.