



SOUTH CAROLINA EDUCATION LOTTERY ACT  
FY 2004 – 2005 GUIDANCE FOR SOUTH CAROLINA PUBLIC LIBRARIES

TABLE OF CONTENTS

I. LEGISLATIVE OVERVIEW – SOUTH CAROLINA EDUCATION LOTTERY ACT.....	2
II. OVERVIEW OF FY 2004 – 2005 LOTTERY APPROPRIATIONS FOR PUBLIC LIBRARIES.....	3
III. SOUTH CAROLINA STATE LIBRARY FY 2004-2005 LOTTERY SPENDING GUIDANCE FOR PUBLIC LIBRARIES.....	4
IV. SOUTH CAROLINA STATE LIBRARY FY 2004 – 2005 PROJECTED LOTTERY SPENDING PLAN WORKSHEET FOR PUBLIC LIBRARIES.....	5
V. FY 2004 – 2005 FINAL/ACTUAL LOTTERY EXPENDITURES GUIDANCE FOR PUBLIC LIBRARIES REPORTING TO THE SOUTH CAROLINA STATE LIBRARY.....	6

## LEGISLATIVE OVERVIEW – SOUTH CAROLINA EDUCATION LOTTERY ACT

*For the complete text of the S.C. Education Lottery Act connect to [www.scstatehouse.net](http://www.scstatehouse.net).*

### Code Of Laws Of South Carolina Title 59. Education Chapter 150. South Carolina Education Lottery Act

**Section 59-150-350.** Account management; administration; educational purposes and programs; uncommitted funds; surplus funds. [SC ST SEC 59-150-350]

Funds made available from the Education Lottery Account must be used to provide Palmetto Fellows Scholarships to all eligible applicants, to provide LIFE Scholarships for eligible resident students attending four-year public institutions in those amounts provided by law; **to the South Carolina State Library for public library state aid, to be distributed to county public libraries on a per capita basis and to be used for educational technology delivery, upgrade, and maintenance;** to the Commission on Higher Education for...

**SECTION 59-150-355. Education Lottery appropriations and uses.** [SC ST SEC 59-150-355]

There is appropriated from the Education Lottery Account for the following education purposes and programs and funds for these programs and purposes shall be transferred by the Budget and Control Board as directed below. **These appropriations must be used to supplement and not supplant existing funds for education.** Distributions from the Education Lottery Account must be made on a quarterly basis by the last day of January, April, July, and October of each year, beginning in July 2002 if the account has accrued more than \$35,000,000 in net proceeds by that date. The Budget and Control Board is directed to prepare the subsequent Lottery Expenditure Account detail budget to reflect the appropriations of the Education Lottery Account as provided in this section.

**SECTION 59-150-390. Primary and secondary technology funding.** [SC ST SEC 59-150-390]

The State Department of Education, in consultation with the Budget and Control Board's Office of Information Resources, **the State Library**, and the Education Television Commission, shall administer primary and secondary technology funding provided for in Section 59-150-350. **These funds are intended to provide technology connectivity, hardware, software, and training** for the K-12 public schools throughout the State and, to the maximum extent possible, involve public-private sector collaborative efforts. Funds allocated to the local school districts for technology expenditures must be distributed based on the number of students eligible for the free and reduced lunch program in grades 1-3.

## OVERVIEW OF FY 2004 – 2005 LOTTERY APPROPRIATIONS FOR PUBLIC LIBRARIES

The State Library requires that all recipients of S.C. Education Lottery Act funds submit a projected lottery spending plan (see worksheet on page 4) to coincide with the deadline for submission of State Aid documents, September 13, 2004.

For FY05, the State Library's lottery funds appropriation, for aid to county libraries, as provided in Section 59-150-350(D), is \$3 million. A special proviso earmarks \$100,000 of the \$3 million for the South Carolina State Library to expend for its technology needs, which leaves public libraries with \$2.9 million, approximately 72.3 cents per capita. An additional \$2.3 million is expected from FY04 lottery surplus collections. Should the funds materialize as expected, an additional \$50,000 per each county library will be distributed.

The Education Lottery Commission on a quarterly basis deposits lottery funds. This is unchanged from FY04. Funds raised in the periods:

- ♦ July – September 2004 are scheduled for availability in mid-October 2004
- ♦ October – December 2004 are scheduled for availability in mid-January 2005
- ♦ January – March 2005 are scheduled for availability in mid-April 2005
- ♦ April – June 2005 are scheduled for availability in mid-July 2005

*NOTE: Because payment amounts depend on actual collections of lottery proceeds and amounts paid for scholarships, the State Library cannot assure that lottery funds will be distributed at the end of each quarter as specified in the S.C. Lottery Act. Because of this, libraries may experience a delay in receipt of quarterly payments. However, when lottery receipts exceed revenue estimates, earlier than expected payment distributions can occur.*

SOUTH CAROLINA STATE LIBRARY FY 2004-2005  
LOTTERY SPENDING GUIDANCE  
FOR  
PUBLIC LIBRARIES

Approved 2004 – 2005 lottery spending provisos allow public libraries to expend up to half of their total lottery funds for library materials (all formats) with the balance to be used for technology needs. Technology needs, as cited in the S.C. Education Lottery Act, are outlined as follows:

- Technology delivery,
- Technology upgrade,
- Technology maintenance
- Technology connectivity,
- Technology hardware,
- Technology software, and
- Technology training.

The State Library interprets the above as allowing expenditures for:

- *Computer hardware, peripherals, and software*
- *Telecommunications hardware and software*
- *Maintenance contracts for hardware/software*
- *Salaries for technology staff*
- *Technology training for staff*
- *Technology consultant services*
- *Furniture for computer operations*

Throughout the text of the South Carolina Education Lottery Act, the term “technology” is used in the context of referencing computer technology, i.e., upgrades, development, infrastructure, and the like. This is consistent whether the act refers to funding for colleges, universities, libraries, 2-year institutions, or primary and secondary schools. **It is recommended that decisions related to expenditure of lottery funds be evaluated in the context of the language of the legislation.**

It is also recommended that libraries define computer peripherals within the scope/context of the delivery of technology to citizens. The following is just one generally accepted/standard definition for computer peripheral:

*... a computer device, such as a CD-ROM drive or printer that is not part of the essential computer, i.e., the memory and microprocessor. Peripheral devices can be external -- such as a mouse, keyboard, printer, monitor, external Zip drive or scanner -- or internal, such as a CD-ROM drive, CD-R drive or internal modem. Internal peripheral devices are often referred to as integrated peripherals.*

It is recommended that use of lottery funds for furniture focus on spending that affords delivery of technology, such as to provide library furniture to accommodate computer equipment of any type housed in the library. This includes but is not limited to furniture to equip, establish or upgrade a new or existing computer lab with computer desks or to acquire technical furniture such as cabinets/enclosures for file servers and tower installations.

The South Carolina State Library recommends that libraries expend all lottery funds to coincide with the end of the state fiscal year—June 30, 2005. As with FY04, there is no specific provision in the Lottery Act to carry forward funds into a new fiscal year.

**SOUTH CAROLINA STATE LIBRARY FY 2004 – 2005 PROJECTED LOTTERY SPENDING PLAN  
WORKSHEET FOR PUBLIC LIBRARIES**

*Please send to Guynell Williams, Deputy Director, SC State Library. (Interagency Mail), 1500 Senate St., 29201, (U.S. Mail) POB 11469, Columbia, SC 29211, (Email) guynell@leo.scsl.state.sc.us or Fax (803-734-8676). Thank you. This form is also available at <http://www.statelibrary.sc.gov/lib/funding.html>.*

Library Name: \_\_\_\_\_

Library Director: \_\_\_\_\_

State \_\_\_\_\_ FY: \_\_\_\_\_

Date Submitted: \_\_\_\_\_

***Note:** The State Library recognizes that this is a projected spending plan only and that some changes may necessarily appear on final/actual expenditures reports submitted by libraries. Final reports are due at the end of the state FY. Projected spending plans are kept on file at the State Library and are made available to the library's consultant staff.*

Category	Projected Dollar Amount
1. Library Materials	
2. Computer furniture <i>(Please briefly describe)</i>	
3. Telecommunications hardware/software	
4. Technology maintenance	
5. Maintenance contracts for hardware/software	
6. Technology connectivity	
7. Computer hardware	
8. Computer software	
9. Computer Peripherals <i>(Please briefly describe)</i>	
10. Other Technology upgrade <i>(Use to describe upgrades not appropriate for categories 7-9.)</i>	
11. Technology training for staff	
12. Technology consultant services	
13. Salaries for technology staff	
14. Other <i>(Please briefly describe)</i>	
<b>TOTAL AMOUNT</b>	<b>\$</b>

*Note: For items 2, 9, 10 and 14, please attach a separate sheet. Thank you.*

**FY 2004 – 2005**

**FINAL/ACTUAL LOTTERY EXPENDITURES  
GUIDANCE FOR PUBLIC LIBRARIES  
REPORTING TO THE SOUTH CAROLINA STATE LIBRARY**

*NOTE: Please send to Guynell Williams, Deputy Director, SC State Library, (Interagency Mail), 1500 Senate St., 29201, (U.S. Mail) POB1469, Columbia, SC 29211, (Email) guynell@leo.scsl.state.sc.us or Fax (803-734-8676). Thank you.*

The South Carolina State Library recommends that libraries expend all lottery funds to coincide with the end of the state fiscal year—June 30, 2005. As with FY04, there is no specific provision in the Lottery Act to carry forward funds into a new fiscal year.

The South Carolina State Library needs a report of actual lottery funds expenditures. Please submit the report by July 20, 2005—three (3) weeks after the end of state FY 05. Please include the following information:

- Dollar amounts expended per category as applicable (refer to projected spending plan worksheet for categories);
- An itemized listing of expenditures for each applicable category (copies of invoices may be attached);
- Brief descriptive narrative about the impact of lottery funds on the improvement of delivery of services, programs or resources to citizens; and
- Additional statements or documentation, as applicable, that will assist the State Library in documenting the use of lottery dollars by South Carolina's public libraries.

*NOTE: At the request of the members of the General Assembly, the Legislative Audit Council (LAC) conducted an audit of the S.C. Education Lottery FY 2003 expenditures to determine whether funds were spent in compliance with the act. All public library FY 03 final expenditure reports and projected spending plans were submitted to the LAC for review and were very well received. Whenever there is an LAC audit, the South Carolina State Library provides copies of reports as requested.*

