



CALIFORNIA STATE UNIVERSITY, STANISLAUS

**Policy: Campus distribution of
Lottery Funds**

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Preamble

Until 2000, the CSU distributed lottery funds to campuses largely in the form of grants for specific purposes, such as Student Access, Faculty Mentor Program, Teacher Diversity, etc. While the CSU gave campuses some lottery dollars that were discretionary, these funds represented a relatively minor percentage of the total award. After 2000, the CSU decentralized the process and distributed most of the lottery dollars to campuses in a lump sum discretionary pool. The following policy governs these discretionary lottery dollars awarded to CSU Stanislaus.

Lottery funds, whose purpose is still determined by the CSU centrally such as the Pre-Doctoral Program, are outside the purview of this policy. Programs wishing to apply for system-wide lottery funds should contact the appropriate Vice President who may apply directly to the Chancellor's Office.

Net revenues from the California State Lottery vary with the state of the economy, as do most other state revenues. The CSU Board of Trustees approves revenue projections for lottery funds in December each year, but the Chancellor does not make allocations to campuses until mid-June. The distribution of funds occurs quarterly thereafter. Occasionally, when lottery dollars given to the CSU for distribution exceed the projected amount, the system office will make additional funds available later in the year, usually for specific purposes. A timetable for applying for lottery funds appears at the end of this document.

California Statutes

California law stipulates that lottery fund monies are to be used "exclusively for the education of pupils and students" and prohibits funds from being "spent for the acquisition of real property, construction of facilities, financing of research, or any other non-instructional purpose. (California Government Code Section 8880.5 (n))

California law also stipulates "that the net revenues of the California State Lottery shall not be used as substitute funds but rather shall supplement the total amount of money allocated for public education in California". (California Government Code Section 8880.1)

Guidelines from Chancellor's Office

At the same time, the CSU stated in its 2000-01 lottery report "Program Descriptions and Guidelines":

The flexibility given to the campuses in fiscal year 2000/01 with regard to their campus-based programs will remain in 2001/02 and beyond. The budgets previously designated for Access and Academic Development, CSU Scholarship Program for Future Scholars, and Teacher Recruitment are now included as part of the campus-based program allocations.

Traditionally, projects receiving Campus-Based Funds have included the purchase of new instructional

equipment, instructional equipment replacement, curriculum development, scholarships, and the acquisition of new library materials including periodicals, serials, monographs, and costs related to faculty early retirement programs.

(http://www.calstate.edu/budget/2000_01BudIndex/Lottery/2000-01_Lott_Rev_Bud.shtml)

In its "General Guidelines for Expenditures" the office of the Chancellor asserts:

The activity funded must represent a bona fide educational experience for students, or result in the development of materials to be used with students, or lead to the development of a program or course.

Lottery funds **may** not be used to pay faculty salaries for classroom instruction.

Lottery funds **may** not be used to finance increases in the rate of compensation paid to existing staff; thus, stipends and honoraria are not permissible.

Lottery funds **may** not be used to finance faculty overloads. However, existing faculty may work a summer period under a personal services contract.

Expenditure of any funds, including lottery funds, which are used for faculty development activities must be in accordance with the collective bargaining agreement, which includes a specific list of development activities.

Lottery funds should be used to augment and supplement state-funded budget programs so that lottery revenue is not used to replace current or prospective state funding.

Lottery funds may be used to pay for part-time instructors when such instructors are hired as replacement faculty for faculty members working for a CSU lottery designated program. "

(http://www.calstate.edu/budget/1998_99BudIndex/98_99_LottInfo/9899LottBud/GenGuide.shtml
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CSU Stanislaus Policy

1. A Lottery Fund Review Committee advises the President on the allocation of lottery funds at CSU Stanislaus by reviewing applications that it has solicited for lottery funding.
2. Applications for one-year, two-year, or three-year funding will be considered. Repeated application for support should not prejudice those who re-apply.
3. The Lottery Fund Review Committee (LFRC) is appointed by the University President. It is recommended that committee membership be drawn largely from the Faculty Budget Advisory Committee (FBAC), the University Budget Advisory Committee (UBAC), and the University Strategic Goals and Priorities Committee (USGPC). A majority of the members of LFRC shall be faculty. All faculty members of LFRC shall be nominated in accordance with the procedures of the academic senate.
 - a. Among the faculty members on the LFRC there shall be at least one faculty member from each college and at least one member of the library faculty,
 - b. Among the faculty members on the LFRC there shall be at least one faculty member of FBAC or UBAC.
 - c. An effort should also be made to assure that one or more members of LFRC is well acquainted with the needs in Student Affairs.

Representation need not be mutually exclusive; that is, a single member may represent two (or conceivably all) of areas a-c.

At least two student representatives will serve on the committee, selected from a list provided by ASI. In addition, the President shall appoint a representative to chair the committee and additional members, including staff representatives, at his or her discretion.

4. The Lottery Fund Review Committee meets as needed in order to:
 - a. Review campus proposals and recommend awards;
 - b. Take note when lottery funds are allocated by the CSU and apprise recipients of the amount of their actual award;
 - c. Review final program reports.
5. All recipients of lottery funds are required to prepare a report at the end of each fiscal year of the term of their award, documenting both their use of the funds and the degree to which their anticipated goals were achieved. The Assessment Subcommittee of UEPC is available for consultation on the development of both student learning goals and the measurement of outcomes. Recipients whose programs focus on student learning are encouraged to consult with this committee.
6. The allocation of lottery dollars should support the University's strategic goals and priorities. Every effort should be made to produce the greatest possible instructional benefit for each dollar spent.
7. Priorities for receipt of Lottery Fund support will undoubtedly change over time. In the short term, however, changes in the allocation process will take effect in 2004/05, with a request for proposals going out to the campus during the late Fall 2003 or Winter 2004 for programs to be funded in the 2004-05 fiscal year.
8. Units applying for lottery fund support should:
 - a. clearly state their goals for student learning (or education) in their application;
 - b. provide expenditure plans for each year of the term of the award;
 - c. demonstrate the impact of their program on student learning (or education) at the end of each year of the term of the award with a written report to the Lottery Fund Review Committee;
 - d. obtain signed approval from the appropriate unit manager and Vice President before submitting the application to the Lottery Fund Review Committee.
9. Lottery interest should not be spent during the year in which it is earned. Unless special permission is obtained to do otherwise, program funds that remain unexpended on June 30 will be pooled and reallocated in future years. All unexpended lottery funds from previous years and all interest on lottery funds shall be considered the same as other lottery funds and shall therefore be allocated in accordance with the provisions of the California Government Code, sections 8880-8880.14 and the provisions of this policy document.

Academic Year Timetable

September

- Early in September the President contacts the Executive Secretary of the Academic Senate and requests names of faculty members to serve on the Lottery Fund Review Committee.
- President solicits nominations of staff members to serve on the Lottery Fund Review Committee.
- President solicits nominations from ASI for at least two students to serve on the Lottery Fund Review Committee.

October

- President appoints Lottery Fund Review Committee.

November

- Lottery Fund Review Committee meets and receives its charge.
- Request for Proposals (RFP) distributed to eligible members of the campus community with program guidelines.

December

- CSU Board of Trustees receives projections of lottery revenues for the following fiscal year.

January

- (Governor submits next year's (NY) budget to California Legislature.)

February

- Programs that have received lottery funds for the current year (CY) prepare mid-year reports on expenditures and submit them to the appropriate Vice President or her/his designee.
- The appropriate Vice President, or her/his designee, reviews mid-year reports. Potential problem areas are identified and the appropriate VP contacted so that over-expenditures can be addressed.

March

- Proposals for lottery support are received by March 1 (tentatively).
- LFRC meets to review proposals for lottery support.

April

- LFRC makes recommendations to the President on next year's lottery fund recipients.

May

- The President (or LFRC) notifies lottery fund applicants of the success (or failure) of their applications.

June

- CSU notifies campuses in mid-June of their lottery allocation for the coming fiscal year.

- Lottery fund recipients are apprised of their actual award.

July

- Lottery fund recipients must apprise the appropriate Vice President no later than July 10 of their intended use of lottery funds for the coming year.
- Vice Presidents must inform the CSU Stanislaus Budget Office by July 15 of the intended use of all lottery dollars in their area for the coming year.

August

The CSUS Budget Office submits the University's lottery budget to CSU central administration by August 15 for the new fiscal year.

12/2/03 AS approved

1/21/04 President approved