



**2023 REPORT**

# Receipts and Expenditures of Lottery Proceeds Fiscal Year 2021-22

California Community Colleges Chancellor's Office | Daisy Gonzales, Ph.D, Interim Chancellor

# RECEIPTS AND EXPENDITURES OF LOTTERY PROCEEDS FISCAL YEAR 2021-22

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Prepared By

**California Community Colleges Chancellor's Office**

College Finance and Facilities Planning Division



California  
Community  
Colleges

**DAISY GONZALES, Ph.D**  
Interim Chancellor

May 15, 2023

The Honorable Gavin Newsom  
Governor of California  
State Capitol  
Sacramento, CA 95814

**RE: Receipts and Expenditures of Lottery Proceeds Fiscal Year 2021-22**

Dear Governor Newsom:

Pursuant to Section 24.60 of the Budget Act of 2021, please find enclosed the summary of lottery receipts and expenditures as reported by our local community college districts for the 2021-22 fiscal year.

If you have any further questions on this report, please contact Vice Chancellor of Fiscal Health and Accounting Wrenna Finche at [WFinche@CCCCO.edu](mailto:WFinche@CCCCO.edu).

Sincerely,

A handwritten signature in cursive script that reads "Daisy Gonzales".

Daisy Gonzales, Ph.D,  
Interim Chancellor

Enclosure: Report

## CALIFORNIA COMMUNITY COLLEGES RECEIPTS AND EXPENDITURES OF LOTTERY PROCEEDS FISCAL YEAR 2021-22

Control Section 24.60 of the Budget Act of 2021 requires the California Community Colleges Chancellor’s Office to report to the Governor and Legislature the amount of lottery funds received by community college districts and the purposes for which those funds were expended.

California community college districts receive a pro rata share of the lottery based on prior-year student workload measure, full-time equivalent students (FTES). For 2021-22, districts received a total of \$286.3 million in lottery revenues (unrestricted and restricted). Total FTES in 2020-21 was 1,143,467<sup>1</sup> providing approximately \$250 of lottery revenue per FTES. These proceeds, plus the beginning balance of \$126.1 million provide a total of \$412.4 million of lottery revenue to districts throughout the fiscal year. In 2021-22, community colleges spent \$264.4 million of the available lottery funds, resulting in an ending balance of \$148.0 million (see Table 1). For a further breakdown of receipts and expenditures, see Tables 2 and 3.

In September 2020, Senate Bill 820 (the budget Omnibus bill) and Assembly Bill 2884 clarified the definition of “instructional materials” and expanded the use of lottery funds to include, but not limited to, (1) laptops and hotspots for students, teachers, and faculty as learning resources and (2) student basic needs, including housing and food assistance. During 2021-22, districts reported a total of \$1.9 million (see table 4) used in accordance with the expanded definition of instructional materials expenditures. However, it is also important to note that in 2019-20 and 2020-21, districts received over \$4.5 billion in one-time federal funding available primarily for direct aid to students, with some funding also allowed for institutional operations and support. Specifically, districts received approximately \$4.4 billion in federal stimulus funds from the Higher Education Emergency Relief Fund, as authorized by the Coronavirus Aid, Relief, and Economic Security (CARES) Act, Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA), and the American Rescue Plan (ARP) Act. In 2020-21 and 2021-22, an additional \$250 million for student emergency financial assistance grants was available from the ARP Act, State Fiscal Recovery Funds. To meet the deadlines to expend federal stimulus funds, most districts prioritized the use and expenditure of the federal funds and carried over lottery revenue funds for future use. As federal stimulus funds are depleted, lottery revenue funds are expected to serve as a prominent source for student basic needs assistance.

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<sup>1</sup> Final 2020-2021 FTES reported as of October 15, 2022

**Table 1: 2021-22 Lottery Balance Summary**

Source	Unrestricted	Restricted (Prop 20)	Total
Adjusted Beginning Balance	\$14,029,099	\$112,114,230	\$126,143,329
Lottery Proceeds	201,994,702	84,286,786	286,281,488
Total Lottery Funds Available	216,023,801	196,401,016	412,424,817
Less Total Expenditures	201,491,940	62,920,538	264,412,478
<b>Ending Balance, June 30, 2022</b>	<b>\$14,531,861</b>	<b>\$133,480,478</b>	<b>\$148,012,339</b>

**Table 2: 2021-22 Lottery Expenditures—Unrestricted**

Expenditure Type	Instructional Activities	Support Activities	Other Activities <sup>2</sup>	Total	Percent of Total
Salaries and Benefits	\$14,875,994	\$46,627,116	\$3,603,402	\$65,106,512	32%
Supplies and Materials	670,676	2,312,650	6,063	2,989,389	2%
Operating Expenses and Services	5,156,229	122,703,302	692,960	128,552,491	64%
Other Expenses <sup>3</sup>	1,530,818	3,302,042	10,688	4,843,548	2%
<b>Total Expenditures</b>	<b>\$22,233,717</b>	<b>\$174,945,110</b>	<b>\$4,313,113</b>	<b>\$201,491,940</b>	<b>100%</b>

2 Other Activities include community services, ancillary services, auxiliary operations, etc.

3 Other Expenses include additional equipment, library books, etc.



**Table 3: 2021-22 Lottery Expenditures–Proposition 20 (Restricted)**

<b>Expenditure Type</b>	<b>Instructional Activities</b>	<b>Percent of Total</b>
Supplies and Materials	\$40,809,347	65%
Operating Expenses and Services	13,120,584	21%
Other Expenses	8,990,607	14%
<b>Total Expenditures</b>	<b>\$62,920,538</b>	<b>100%</b>

**Table 4: 2021-22 Expanded Uses of Proposition 20 Lottery Funds**

<b>Expenditure Type</b>	<b>Instructional &amp; Support Restricted</b>
Instructional Supplies and Materials: For laptops, hotspots, internet devices	\$1,044,960
Noninstructional Supplies and Materials: For basic needs - food	678,650
Noninstructional Supplies and Materials: For basic needs - housing	-
Other Outgo: Direct Aid to Students	192,134
<b>Total Expenditures</b>	<b>\$1,915,744</b>

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