



July 28, 2009

The Honorable Arnold Schwarzenegger
Governor of California
State Capitol Building
Sacramento, California 95814

RE: California Community Colleges Lottery Receipts and Expenditures

Dear Governor Schwarzenegger:

Pursuant to a reporting requirement to the Governor and Legislature pursuant to Control Section 24.60 of the Budget Act of 2008, please find the attached summary of lottery receipts and expenditures as reported by our local community college districts for fiscal year 2007-08.

If you have any further questions on this report, please contact Christine Atalig at (916) 327-5772 or catalig@cccco.edu.

Sincerely,

A handwritten signature in black ink that reads 'Jack Scott'.

Jack Scott, Ph.D
Chancellor

Attachment: Lottery Expenditure Summary

cc: Members of the California State Legislature
Glen Thomas, Secretary of Education
Mike Genest, Director, Department of Finance
Mac Taylor, Legislative Analyst

**California Community Colleges
 Receipt and Expenditure of Lottery Proceeds
 by Community College District
 2007-08 Actual**

Pursuant to Section 24.60 of the Budget Act of 2008, attached is the summary of lottery receipts and expenditures for all 72 community college districts in 2007-08. The districts determine locally how to spend lottery revenue, except for revenue allocated for the sole purpose of purchasing instructional materials by Proposition 20, the Cardenas Textbook Act of 2000.

Total lottery revenue for 2007-08 was \$164.7 million, or about \$138 per student workload measures (FTES)*. These proceeds, plus the beginning balance of \$21.8 million, made a total of \$186.5 million of lottery revenue available for community colleges during the year. Lottery expenditures for 2007-08 totaled \$167 million, resulting in a \$19.6 million ending balance as of June 30, 2008.

Lottery expenditure summary:

Salaries and Benefits: \$61.1 million	37% of total
\$22.7 million Instructional Activities	
\$38.4 million Support and other activities	
Supplies and Materials: \$20.5 million	12% of total
\$15 million Instructional Activities	
\$5.5 million Support and other activities	
Other Operating Expenses & Services: \$75.5 million	45% of total
\$6.5 million Instructional Activities	
\$69 million Support and other activities	
Other – equipment, deferred maintenance, library books, financial aid, etc.: \$9.9 million	6% of total
\$2 million Instructional Activities	
\$7.9 million Support and other activities	

*Lottery payments are based on prior year full-time equivalent students (FTES). Therefore, 2007-08 calculations are based on 1,187,809 FTES from 2006-07.