



**2022 REPORT**

# Receipts and Expenditures of Lottery Proceeds Fiscal Year 2020-21

California Community Colleges Chancellor's Office | Eloy Ortiz Oakley, Chancellor





California  
Community  
Colleges

**ELOY ORTIZ OAKLEY**  
Chancellor

May 15, 2022

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

**RE: Receipts and Expenditures of Lottery Proceeds Fiscal Year 2020-21**

Dear Governor Newsom:

Pursuant to Section 24.60 of the Budget Act of 2020, please find enclosed the summary of lottery receipts and expenditures as reported by our local community college districts for the 2020-21 fiscal year.

If you have any further questions on this report, please contact Executive Vice Chancellor of Institutional Support & Success, Dr. Lizette Navarette at [lnavarette@cccco.edu](mailto:lnavarette@cccco.edu).

Sincerely,

A handwritten signature in black ink, appearing to read 'Eloy Ortiz Oakley'.

Eloy Ortiz Oakley, Chancellor

Enclosure: Report

**Chancellor's Office**

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# RECEIPTS AND EXPENDITURES OF LOTTERY PROCEEDS FISCAL YEAR 2020-21

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Prepared By

**California Community Colleges Chancellor's Office**

**College Finance and Facilities Planning Division**



## **CALIFORNIA COMMUNITY COLLEGES RECEIPTS AND EXPENDITURES OF LOTTERY PROCEEDS FISCAL YEAR 2020-21**

Control Section 24.60 of the Budget Act of 2020 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 2020-21, districts received a total of \$262.3 million in lottery revenues (unrestricted and restricted). Total FTES in 2019-20 was 1,157,463<sup>1</sup> providing approximately \$227 of lottery revenue per FTES. These proceeds, plus the beginning balance of \$92.9 million, provide a total of \$355.2 million of lottery revenue to districts throughout the fiscal year. In 2020-21, community colleges spent \$233.8 million of the available lottery funds, resulting in an ending balance of \$121.4 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 2020-21, districts reported a total of \$437,192 (see Table 4) used in accordance with the expanded definition of instructional materials expenditures. However, it’s 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 2019-2020 FTES reported as of October 15, 2021

**Table 1: 2020-21 Lottery Balance Summary**

Source	Unrestricted	Restricted (Prop 20)	Total
Adjusted Beginning Balance	\$7,902,666	\$84,967,320	\$92,869,986
Lottery Proceeds	188,635,989	73,710,599	262,346,588
Total Lottery Funds Available	196,538,655	158,677,919	355,216,574
Less Total Expenditures	184,475,121	49,327,163	233,802,284
<b>Ending Balance, June 30, 2021</b>	<b>\$12,063,534</b>	<b>\$109,350,756</b>	<b>\$121,414,290</b>

**Table 2: 2020-21 Lottery Expenditures–Unrestricted**

Expenditure Type	Instructional Activities	Support Activities	Other Activities <sup>2</sup>	Total	Percent of Total
Salaries and Benefits	\$13,881,872	\$44,540,640	\$59,556	\$58,482,068	32%
Supplies and Materials	551,390	2,125,221	162,683	2,839,294	1%
Operating Expenses and Services	4,905,407	112,709,271	2,306,023	119,920,701	65%
Other Expenses <sup>3</sup>	698,614	2,522,698	11,746	3,233,058	2%
<b>Total Expenditures</b>	<b>\$20,037,283</b>	<b>\$161,897,830</b>	<b>\$2,540,008</b>	<b>\$184,475,121</b>	<b>100%</b>

<sup>2</sup> Other Activities include community services, ancillary services, auxiliary operations, etc.

<sup>3</sup> Other Expenses include additional equipment, library books, etc.



**Table 3: 2020-21 Lottery Expenditures–Proposition 20 (Restricted)**

<b>Expenditure Type</b>	<b>Instructional Activities</b>	<b>Percent of Total</b>
Supplies and Materials	\$31,474,785	64%
Operating Expenses and Services	9,847,273	20%
Other Expenses	8,005,105	16%
<b>Total Expenditures</b>	<b>\$49,327,163</b>	<b>100%</b>

**Table 4: 2020-21 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	\$64,259
Noninstructional Supplies and Materials: For basic needs - food	37,456
Noninstructional Supplies and Materials: For basic needs - housing	-
Other Outgo: Direct Aid to Students	335,477
<b>Total Expenditures</b>	<b>\$437,192</b>



Front cover photo: Diablo Valley College.

Photo at right: Butte College.

Back cover photo: Santiago Canyon College.



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