



2021 REPORT

RECEIPTS AND EXPENDITURES OF LOTTERY PROCEEDS FISCAL YEAR 2019-20

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



California
Community
Colleges

ELOY ORTIZ OAKLEY
Chancellor

May 15, 2021

The Honorable Gavin Newsom
Governor of California
1303 10th Street, Suite 1173
Sacramento, CA 95814

RE: Receipts and Expenditures of Lottery Proceeds Fiscal Year 2019-20

Dear Governor Newsom:

Pursuant to Section 24.60 of the Budget Act of 2019, please find enclosed the summary of lottery receipts and expenditures as reported by our local community college districts for the 2019-20 fiscal year.

If you have any further questions on this report, please contact Vice Chancellor for Finance and Facilities Planning Lizette Navarette at lnavarette@cccco.edu.

Sincerely,

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

Eloy Ortiz Oakley, Chancellor

Enclosure: Report

RECEIPTS AND EXPENDITURES OF LOTTERY PROCEEDS FISCAL YEAR 2019-20

Prepared By

California Community Colleges Chancellor's Office

Finance and Facilities Planning

CALIFORNIA COMMUNITY COLLEGES RECEIPTS AND EXPENDITURES OF LOTTERY PROCEEDS FISCAL YEAR 2019-20

Control Section 24.60 of the Budget Act of 2019 requires the California Community Colleges Chancellor's Office to report to the Governor and the Legislature the amount of lottery funds received by community college districts and the purposes for which those funds were expended.

Lottery revenue is allocated to districts as a pro rata share of the prior year student workload measure, full-time equivalent students (FTES). Lottery revenue for 2019-20 was \$237.9 million and total FTES in 2018-19 was 1,149,083 resulting in lottery revenue of approximately \$207 per FTES. These proceeds, plus the beginning balance of \$86.9 million made a total of \$324.8 million of lottery revenue available for community colleges during the year. In 2019-20, community colleges spent \$235.8 million of the available revenue, resulting in an ending balance of \$88.9 million.

Proposition 20, passed in March 2000, restricts the use of a portion of lottery proceeds for the purchase of instructional materials including textbooks, technology-based materials, other education materials and tests. In the ensuing 20 years, both the needs of students and the educational materials they require have evolved.

In September 2020, two enacted bills expanded the allowable uses of Proposition 20 lottery funds. Senate Bill 820 (the budget Omnibus bill) and Assembly Bill 2884 clarified the definition of "instructional materials" and expanded the uses of lottery funds, as described below. Beginning in 2020-21, Proposition 20 lottery funds may be used for instructional materials to include, but not be limited to, (1) laptops and hotspots for students, teachers and faculty as learning resources and (2) student basic needs, including housing and food assistance.

Since basic needs expenditures became allowable starting in 2020-21, the Chancellor's Office does not have data on lottery funds used for basic needs in 2019-20. Our office is working to modify annual financial reports to collect additional information on the new allowable expenditures beginning in 2020-21.

LOTTERY BALANCE SUMMARY (2019-20)

Source	Unrestricted	Restricted (Prop 20)	Total
Adjusted Beginning Balance	\$9,825,171	\$77,084,005	\$86,909,176
Lottery Proceeds	\$175,797,419	\$62,114,110	\$237,911,529
Total Lottery Funds Available	\$185,622,590	\$139,198,115	\$324,820,705
Total Expenditures	\$177,682,946	\$58,160,256	\$235,843,202
Ending Balance as of June 30, 2020	\$7,939,644	\$81,037,859	\$88,977,503

LOTTERY EXPENDITURES–UNRESTRICTED (2019-20)

Expenditure Type	Instructional Activities	Support Activities	Other Activities ¹	Total	Percent of Total
Salaries and Benefits	\$18,597,275	\$44,922,618	\$56,465	\$63,576,358	35.8%
Supplies and Materials	\$608,978	\$2,686,038	\$140,293	\$3,435,309	1.9%
Operating Expenses and Services	\$4,185,953	\$96,171,182	\$5,175,381	\$105,532,516	59.4%
Other Expenses ²	\$1,281,415	\$3,854,610	\$2,738	\$5,138,763	2.9%
Total Expended	\$24,673,621	\$147,634,448	\$5,374,877	\$177,682,946	100%

LOTTERY EXPENDITURES–RESTRICTED (2019-20)

Expenditure Type	Instructional Activities	Percent of Total
Supplies and Materials	\$42,690,527	73.4%
Operating Expenses and Services	\$9,845,722	16.9%
Other Expenses	\$5,624,007	9.7%
Total Expended	\$58,160,256	100.0%

¹Other Activities include community services, ancillary services, auxiliary operations, etc.

²Other Expenses include equipment library books, student aid, etc.

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Photo at right: San Joaquin Delta College

Back cover photo: Mt. San Antonio College



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