



Receipts and Expenditures of Lottery Proceeds

California Community Colleges Chancellor's Office | Sonya Christian, Chancellor



California
Community
Colleges

SONYA CHRISTIAN
Chancellor

May 7, 2026

Secretary of the Senate
Erika Contreras
State Capitol, Room 305
Sacramento, CA 95814

RE: California Community Colleges Receipts and Expenditures of Lottery Proceeds for Fiscal Year 2024-25

Dear Secretary Contreras,

Pursuant to Section 24.60 of the Budget Act of 2024, please find enclosed the summary of lottery receipts and expenditures as reported by our local community college districts for the 2024-25 fiscal year.

If you have questions about this report, please contact Chris Ferguson, Executive Vice Chancellor of Finance and Strategic Initiatives, at Chris.Ferguson@CCCCO.edu.

Sincerely,

A handwritten signature in black ink that reads "Sonya Christian".

Sonya Christian, Chancellor

Enclosure: Report

CC:
Office of the Governor
Sue Parker, Chief Clerk of the Assembly
Office of Legislative Counsel

RECEIPTS AND EXPENDITURES OF LOTTERY PROCEEDS FISCAL YEAR 2024-25

Prepared By

California Community Colleges Chancellor's Office
College Finance and Facilities Planning Division

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SUMMARY

Control Section 24.60 of the Budget Act of 2024 requires the California Community Colleges Chancellor's Office to report to the Governor and Legislature on the receipt and expenditure of lottery funds by community college districts.

Community college districts continue to receive lottery funds based on prior-year full-time equivalent student (FTES) workload. For the 2024–25 fiscal year, districts collectively received \$304.7 million in lottery revenues, including both unrestricted and Proposition 20 (restricted) funds. This reflects a decrease from the prior year's total of \$366.7 million. Total FTES for 2023–24 was 1,089,367¹, equating to approximately \$280 per FTES, down from approximately \$327 per FTES in the prior year.

When combined with a beginning balance of \$213.0 million, districts had \$517.8 million in total lottery funds available in 2024–25. Of this amount, \$313.8 million was expended, resulting in an ending balance of \$203.9 million (see Table 1).

Unrestricted lottery funds were used primarily for operating expenses and services, which accounted for the majority of expenditures (65.3%), followed by salaries and benefits (32.9%). Proposition 20 (restricted) funds were used exclusively for instructional purposes, with supplies and materials representing the largest category of expenditures at 61.1%, followed by operating expenses and other allowable instructional costs. This distribution remains consistent with the statutory requirement that these funds support instructional materials. A detailed breakdown of receipts and expenditures is provided in Tables 2 and 3.

Use of expanded allowable expenditures under Senate Bill 820 and Assembly Bill 2884 increased significantly in 2024–25. Districts reported \$6.6 million in spending under the expanded definition of instructional materials, compared to \$1.1 million in 2023–24. This growth reflects increased awareness and implementation of expanded allowable uses, particularly in the areas of direct student aid (\$4.5 million) and basic needs support such as food assistance (\$1.9 million). A detailed breakdown of receipts and expenditures on the expanded allowable expenditures is provided in Table 4.

Overall, the 2024–25 fiscal year reflects a continued shift toward greater reliance on lottery funds as a stable, flexible funding source, particularly as districts adapt to the expiration of federal relief funding. At the same time, increased utilization of expanded allowable uses demonstrates a growing emphasis on supporting student access, basic needs, and direct aid, aligning lottery expenditures more closely with student success and equity priorities.

This shift is further illustrated by broader general fund trends. As shown in Figure 1, the composition of general fund revenues has changed notably over the past four fiscal years. Federal funding has declined significantly, decreasing from 12% in 2021–22 to 3% in both 2023–24 and 2024–25, reflecting the expiration of one-time pandemic-related relief funds. Over the same period, the state share of revenues increased from 52% in 2021–22 to a peak of 64% in 2023–24, before moderating slightly to 57% in 2024–25. Local revenues have remained relatively stable but show a gradual increase, rising from 37% in 2021–22 to 40% in 2024–25.

1 Final 2023–2024 FTES reported as of October 18, 2025

These trends highlight a continued shift away from temporary federal funding and toward more stable, ongoing revenue sources. As federal support has diminished, lottery funds—alongside other state and local resources—are becoming increasingly important in supporting district operations and student services.

LOTTERY DATA

Table 1: 2024-25 Lottery Balance Summary

Source	Unrestricted	Restricted (Prop 20)	Total
Adjusted Beginning Balance	\$19,811,235	\$193,232,797	\$213,044,032
Lottery Proceeds	207,280,249	97,461,889	304,742,138
Total Lottery Funds Available	227,091,484	290,694,686	517,786,170
Less Total Expenditures	206,930,430	106,872,434	313,802,864
Ending Balance, June 30, 2025	\$20,161,054	\$183,822,252	\$203,983,306

Table 2: 2024-25 Lottery Expenditures—Unrestricted

Expenditure Type	Instructional Activities	Support Activities	Other Activities ²	Total	Percent of Total
Salaries and Benefits	\$23,599,389	\$42,181,515	\$2,211,940	\$67,992,844	32.9%
Supplies and Materials	267,573	2,374,090	459,234	3,100,897	1.5%
Operating Expenses and Services	3,459,390	111,265,736	18,386,476	135,111,602	65.3%
Other Expenses ³	48,020	598,143	78,924	725,087	0.4%
Total Expenditures	\$27,374,372	\$158,419,484	\$21,136,574	\$206,930,430	100.0%

Table 3: 2024-25 Lottery Expenditures—Proposition 20 (Restricted)

Expenditure Type	Instructional Activities	Percent of Total
Supplies and Materials	\$65,318,824	61.1%
Operating Expenses and Services	19,334,941	18.1%
Other Expenses	22,218,669	20.8%
Total Expenditures	\$106,872,434	100%

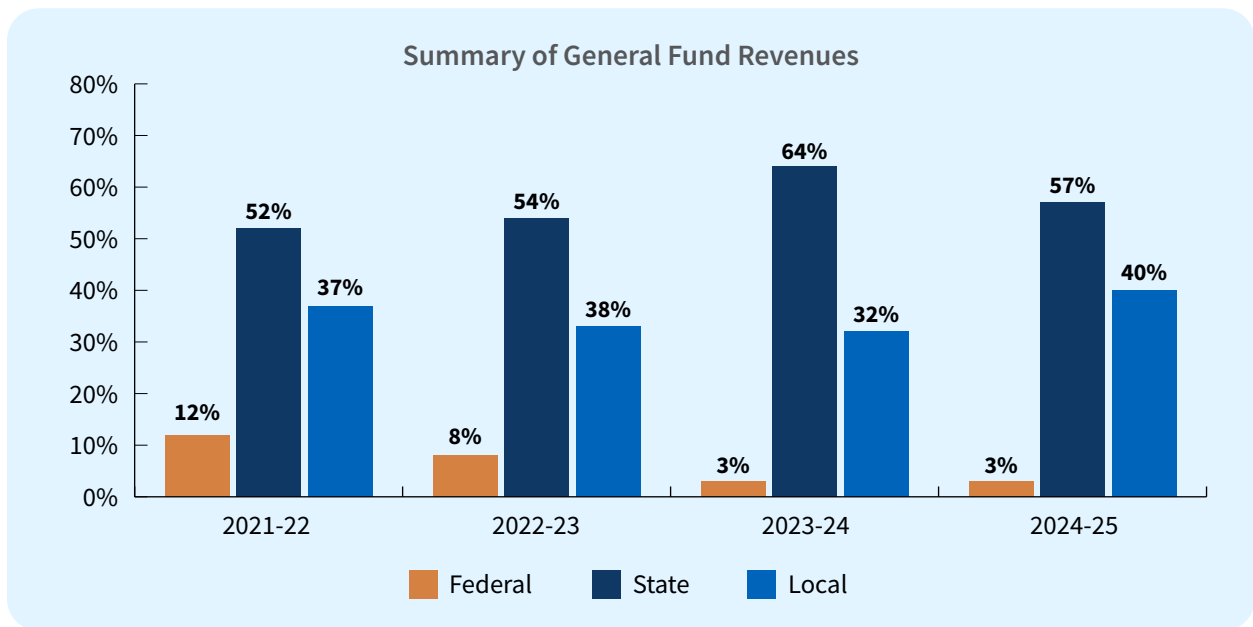
2 Other Activities include community services, ancillary services, auxiliary operations, etc.

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

Table 4: 2024-25 Expanded Uses of Proposition 20 Lottery Funds

Expenditure Type	Instructional & Support Restricted
Instructional Supplies and Materials: For laptops, hotspots, internet devices	\$221,475
Noninstructional Supplies and Materials: For basic needs – food	1,887,379
Noninstructional Supplies and Materials: For basic needs – housing	-
Other Outgo: Direct Aid to Students	4,544,325
Total Expenditures	\$6,653,179

Figure 1: General Fund Revenue Sources by Fiscal Year



Front cover photo:
Barstow College

Photo at right:
Cuyamaca College

Back cover photo:
Los Medanos College



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California Community Colleges Chancellor's Office
1102 Q Street | Suite 4400 | Sacramento, CA 95811
www.cccco.edu