



**2020 REPORT**

# Receipts and Expenditures of Lottery Proceeds Fiscal Year 2018-19

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





California  
Community  
Colleges

**ELOY ORTIZ OAKLEY**  
Chancellor

May 15, 2020

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

**RE: Receipts and Expenditures of Lottery Proceeds Fiscal Year 2018-19**

Dear Governor Newsom:

Pursuant to Section 24.60 of the Budget Act of 2018, please find enclosed the summary of lottery receipts and expenditures as reported by our local community college districts for the 2018-19 fiscal year.

If you have any further questions on this report, please contact Vice Chancellor for College Finance and Facilities Planning 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**

1102 Q Street, Sacramento, CA 95811 | 916.445.8752 | [www.cccco.edu](http://www.cccco.edu)



# RECEIPTS AND EXPENDITURES OF LOTTERY PROCEEDS FISCAL YEAR 2018-19

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Prepared By

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



## **RECEIPTS AND EXPENDITURES OF LOTTERY PROCEEDS FISCAL YEAR 2018-19**

Control Section 24.60 of the Budget Act of 2018 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 2018-19 was \$266.7 million and total FTES in 2017-18 was 1,173,920 resulting in lottery revenue of approximately \$227 per FTES. These proceeds, plus the beginning balance of \$73.8 million made a total of \$340.5 million of lottery revenue available for community colleges during the year. In 2018-19, community colleges spent \$251.3 million of the available revenue, resulting in an ending balance of \$89.2 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 twenty years, both the needs of students and the educational materials they require have evolved. Many community college districts now struggle to fully expend the lottery revenue subject to the narrow restrictions defined by Proposition 20. As a result, the Proposition 20's restricted portion of the unspent lottery ending balance has grown to \$81.2 million as of June 30, 2019.

## Lottery Balance Summary (2018-19)

| Source                             | Unrestricted     | Restricted (Prop 20) | Total            |
|------------------------------------|------------------|----------------------|------------------|
| Adjusted Beginning Balance         | \$ 7,688,782     | \$ 66,068,414        | \$ 73,757,196    |
| Lottery Proceeds                   | \$ 190,320,711   | \$ 76,415,931        | \$ 266,736,642   |
| Total Lottery Funds Available      | \$ 198,009,493   | \$ 142,484,345       | \$ 340,493,838   |
| Total Expenditures                 | (\$ 190,014,602) | (\$ 61,316,794)      | (\$ 251,331,396) |
| Ending Balance as of June 30, 2019 | \$ 7,994,891     | \$ 81,167,551        | \$ 89,162,442    |

## Lottery Expenditures–Unrestricted (2018-19)

| Expenditure Type                | Instructional Activities | Support Activities | Other Activities <sup>1</sup> | Total          | Percent of Total |
|---------------------------------|--------------------------|--------------------|-------------------------------|----------------|------------------|
| Salaries and Benefits           | \$ 16,289,139            | \$ 55,868,035      | \$ 73,043                     | \$ 72,230,217  | 38.0%            |
| Supplies and Materials          | \$ 1,002,825             | \$ 2,314,926       | \$ 56,979                     | \$ 3,374,730   | 1.8%             |
| Operating Expenses and Services | \$ 6,990,008             | \$ 101,607,901     | \$ 1,931,517                  | \$ 110,529,426 | 58.2%            |
| Other Expenses <sup>2</sup>     | \$ 732,846               | \$ 3,139,997       | \$ 7,386                      | \$ 3,880,229   | 2.0%             |
| Total Expended                  | \$ 25,014,818            | \$ 162,930,859     | \$ 2,068,925                  | \$ 190,014,602 | 100%             |

<sup>1</sup>Other Activities include community services, ancillary services, auxiliary operations, etc.

<sup>2</sup>Other Expenses include equipment library books, student aid, etc.

## Lottery Expenditures–Restricted (2018-19)

| Expenditure Type                | Instructional Activities | Percent of Total |
|---------------------------------|--------------------------|------------------|
| Supplies and Materials          | \$ 44,229,762            | 72.1%            |
| Operating Expenses and Services | \$ 10,224,279            | 16.7%            |
| Other Expenses <sup>2</sup>     | \$ 6,862,753             | 11.2%            |
| Total Expended                  | \$ 61,316,794            | 100%             |



Front cover photo: MiraCosta college 2019 graduation ceremony

Photo at right: College of San Mateo student ambassador retreat

Back cover photo: Students at Reedley College



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