



# California Community Colleges

## MEMORANDUM

November 13, 2020

FS 20-11 | Via Email

TO: Chief Executive Officers  
Chief Instructional Officers  
Chief Student Services Officers  
Chief Business Officers

FROM: Lizette Navarette, Vice Chancellor, College Finance and Facilities Planning

RE: Expansion of Allowable Uses of Restricted Proposition 20 Lottery Funds

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The allowable uses of restricted Proposition 20 lottery funds have been expanded by two recently enacted bills. Senate Bill 820 (the budget Omnibus bill) and Assembly Bill 2884 clarify the definition of “instructional materials” and expand the uses of lottery funds, as described below. Proposition 20 lottery funds may now be used for (1) laptops and hotspots for students, teachers, and faculty as learning resources and (2) student basic needs including housing and food assistance.

### **SENATE BILL (SB) 820 (CHAPTERED SEPTEMBER 20, 2020)**

Senate Bill 820 expands and clarifies the definition of “instructional materials” in Government Code section 8880.4.1(a), which specifies that instructional materials “include, but are not limited to, laptop computers and devices that provide internet access for use by pupils, students, teachers, and faculty as learning resources”.

### **ASSEMBLY BILL (AB) 2884 (CHAPTERED SEPTEMBER 29, 2020)**

Assembly Bill 2884 (Chapter 294/Statutes of 2020) makes legislative findings and declarations relating to the allocation of Lottery funds to community colleges. The bill expresses the intent of the Legislature to ensure that restricted Lottery funds allocated to community colleges are spent in full for the benefit of students. In addition, this bill expands the acceptable uses of restricted Lottery proceeds provided to California Community Colleges to include students’ basic needs. Specifically, the bill expands the

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uses of funds to include housing and food assistance for community college students. Housing and food assistance could include, but is not limited to, grants to students, housing vouchers, direct payments or reimbursements for housing, efforts to increase enrollment in CalFresh, and provision of food pantries or free meals. Colleges are encouraged to work with the Financial Aid Office to ensure that direct aid is included in the student's financial aid package and that all aid received does not exceed the cost of attendance.

### **BACKGROUND ON LOTTERY FUNDS**

In November 1984, California voters passed Proposition 37, the California State Lottery Act of 1984, as a means to provide supplemental funding to public education programs without imposing additional or increased taxes (California Government Code (GC) Section 8880.1).

In March 2000, Proposition 20, the Cardenas Textbook Act of 2000, was passed by California voters and amended the California State Lottery Act of 1984. Proposition 20 provides that, beginning in the 1998–99 fiscal year, one-half of statewide growth in lottery funds for education over the level set in the 1997–98 fiscal year must be allocated to school districts and community colleges for the purchase of instructional materials, as defined in California Education Code (EC) Sections 60010(h) and 60010(m)(1).

#### **Definition of “Instructional” and “Technology-Based” Materials**

Under EC Section 60010(h), “Instructional materials” means all materials that are designed for use by pupils and their teachers as a learning resource and help pupils to acquire facts, skills, or opinions or to develop cognitive processes. Under EC Section 60010(m)(1), “Technology-based materials” means basic or supplemental instructional materials that are designed for use by pupils and teachers as learning resources and that require the availability of electronic equipment in order to be used as a learning resource. Technology-based materials include, but are not limited to, software programs, lesson plans, and databases.

### **REPORT ON LOTTERY EXPENDITURES**

Districts should report any expenditures of the expanded allowable use categories on their 2020-21 CCFS-311 Annual Budget and Financial Report. The CCFS-311 Lottery Report will be redesigned to capture expenditures on housing and food assistance in order to

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incorporate that data into the annual Lottery Expenditure Report provided to the Legislature.

### **LOTTERY 2020-21 REVENUE PROJECTIONS**

The California State Lottery Commission is projecting total sales of \$7.12 billion for 2020-21 and estimates that this level of sales will result in \$1.5 billion for education. Based on these projections, the Chancellor's Office estimates that the lottery will provide \$199 per FTES (\$150 per FTES in unrestricted revenues and \$49 per FTES in Proposition 20 revenues) for 2020-21.

### **2019-20 FOURTH QUARTER APPORTIONMENT**

The State Controller's Office (SCO) distributed the 2019-20 fourth quarter lottery apportionment on September 30, 2020. The total apportioned to community colleges is \$49.88 million. Districts received roughly \$20.89 per FTES for unrestricted revenues and \$22.63 per FTES for the restricted Proposition 20 apportionment.

If you have any further questions about lottery funding or expenditures, please refer to the [State Controller's Office Lottery Educational Apportionments webpage](#), the [Chancellor's Office Lottery webpage](#), or contact [fiscalstandards@cccco.edu](mailto:fiscalstandards@cccco.edu).