Introduced by Assembly Member Berman

February 21, 2020

An act relating to the California State Lottery.

LEGISLATIVE COUNSEL’S DIGEST

AB 2884, as introduced, Berman. California State Lottery: revenue allocation.

(1) The California State Lottery Act of 1984, an initiative measure approved by the voters at the November 6, 1984, statewide general election, authorizes a California State Lottery and provides for its operation and administration by the California State Lottery Commission and the Director of the California State Lottery, with certain limitations. The act establishes the State Lottery Fund as a continuously appropriated fund for carrying out the purposes of the act.

Existing law requires that not less than 87% of the total annual revenues of the state lottery be returned to the public in the form of prizes and net revenues to benefit public education, as specified, and that no more than 13% be used for lottery expenses. Existing law, to become operative following notification from the Controller to the Legislature and the Governor that certain events have occurred, as specified, changes the revenue allocation formula so that not less than 84% of the total annual revenues of the state lottery be returned to the public in the form of prizes and net revenues to benefit public education, as specified, and that no more than 16% be used for lottery expenses.

Existing law requires, with respect to a specified percentage of total annual lottery revenues to be allocated for public education, that 50% of any increase over an amount calculated in the 1997-98 fiscal year
be allocated to school districts and community college districts for the purchase of instructional materials.

This bill would make legislative findings and declarations relating to the allocation of lottery funds to community colleges. The bill would express the intent of the Legislature to enact subsequent legislation that would best use this funding by expanding restricted lottery uses in a way that furthers the purposes of the California State Lottery Act of 1984.


The people of the State of California do enact as follows:

SECTION 1. (a) The Legislature finds and declares all of the following:

(1) The California Community Colleges is the nation’s largest system of higher education and a critical entry point to higher education and opportunities for upward mobility.

(2) While the bulk of community college funding comes from Proposition 98 general funds and property taxes, community college districts also receive restricted and unrestricted lottery funds. Community college districts are prohibited from using restricted lottery funds for anything beyond instructional materials pursuant to Section 8880.4 of the Government Code.

(3) According to the California Community Colleges Chancellor’s Office 2019 Lottery Expenditure Report, $87,894,078 went unused in the 2017–18 fiscal year. Most of that money falls into the restricted lottery funding category.

(4) Community colleges do not have the same needs for supplies traditionally found in K–12 school districts. As a result, some community college districts have a surplus of restricted lottery funds.

(b) Therefore, it is the intent of the Legislature to enact subsequent legislation that would best use this funding by expanding restricted lottery uses in a way that furthers the purposes of the California State Lottery Act of 1984.