



January 22, 2021

TO: Business Administrators
Los Angeles County School Districts,
Community College Districts, and Charter Schools

FROM: Alyssa Martinez, Manager
Business Advisory Services

SUBJECT: 2020-21 First Quarter Lottery Apportionment

Attached is the notice of apportionment from the California Department of Education detailing the release of the first quarter lottery apportionment for 2020-21 from the State Controller's Office (SCO). The Master Register is not attached, but is available on the SCO's website at:

https://www.sco.ca.gov/ard_payments_lottery.html

The Master Register lists the average daily attendance (ADA), apportionments, adjustments, and net paid amount on a quarterly and annual basis, with the unrestricted and restricted Proposition 20 amounts identified separately.

AMOUNT APPORTIONED

The apportionment totals \$330,432,655 statewide, of which Los Angeles County local educational agencies (LEA) receive \$94,022,895. The unrestricted lottery amounts are based on a rate of \$53.73 per unit of average daily attendance. The first quarter payment also includes prior year adjustments due to the reallocation of 2018-19 and 2019-20 lottery apportionments based on actual ADA reports.

SPENDING CONSTRAINTS

The unrestricted portion of the lottery apportionment is available for any educational use, but cannot be used to purchase real property, construct facilities, finance research, or any other noninstructional purpose per Government Code (GC) Section 8880.5.

Per Proposition 20, the restricted portion of the lottery apportionment must be used to purchase instructional materials as defined in Education Code (EC) Section 60010(h). The public hearing requirement established by EC Section 60119 applies to these funds.

CHARTER SCHOOLS

Charter schools are listed separately from their chartering agencies on both the Remittance Advice and the Master Register. Locally-funded charter schools will receive their lottery allocations through their chartering agency. Direct-funded charter schools will receive their allocation directly. Charter schools must comply with the spending constraints on lottery funds.

Charter schools should contact their authorizing agency, not the Los Angeles County Office of Education (LACOE), with questions regarding apportionments, timelines, forms, budget assumptions, or other issues.

Districts are asked to share this informational bulletin with their charter schools.

ACCOUNTING CONSIDERATIONS

Per GC Section 8880.5, all districts must maintain a separate account to record the receipt and expenditure of lottery funds. Districts should use Resource Code 1100, to track unrestricted lottery funds, and Resource Code 6300, to track restricted lottery funds.

This bulletin and its attachments are posted on the LACOE website at:

<https://www.lacoe.edu/Bulletins.aspx>

Use the “Search” box in the Bulletins section to locate a specific bulletin by number or keyword.

Please contact me by email at Martinez_Alyssa@lacoe.edu.

Approved:
Octavio Castelo, Director
Business Advisory Services

AM:vb
Attachment



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**California Department of Education
Official Letter**

January 20, 2021

Dear County Office of Education Chief Business Officials:

2020–21 First Quarter Lottery Apportionment

The State Controller's Office (SCO) distributed the 2020–21 first quarter lottery apportionment on December 30, 2020. The total apportioned to county offices of education, school districts, and charter schools is \$330,432,655.44 or \$53.73 (\$53.727124197) per unit of average daily attendance (ADA) for the unrestricted lottery apportionment. The first quarter payment also includes prior-year adjustments due to the recalculation of 2018–19 and 2019–20 lottery apportionments based on actual ADA reports.

To view a copy of the Master Register that lists the ADA, apportionment, adjustments, and net amount actually paid (Remittance Advice) to each county office, school district, charter school, and community college district on a quarterly and year-to-date basis, visit the SCO's web site at https://www.sco.ca.gov/ard_payments_lottery.html. The Master Register lists the following information:

- **Average Daily Attendance:** The ADA is the actual annual ADA reported for the 2019–20 fiscal year times the statewide average excused absence factor of 1.04446. The Master Register lists charter school ADA separately from the chartering agency.
- **Apportioned Amount:** The amount apportioned for the first quarter of 2020–21 consists of unrestricted (non-Proposition 20) lottery funding only. The SCO will distribute 2020–21 Proposition 20 funding when the total statewide lottery revenue for education has exceeded a specified level (typically not until the second or third quarter apportionment).
- **ADA Adjustment Amount:** The SCO allocates lottery funding based upon prior year annual ADA until the actual annual ADA is available for the current year. Every December, the SCO recalculates lottery funding for the prior two fiscal years according to actual annual ADA (adjusted by the factor of 1.04446) and funding rates per ADA, which change along with statewide ADA totals.

To compute a local educational agency's (LEA's) 2019–20 ADA adjustment amount:

- Multiply the LEA's 2018–19 annual ADA (as listed on the 2019–20 fourth quarter master register and adjusted by 1.04446) by the old 2019–20 rates of \$145.751899860 for the unrestricted lottery apportionment and \$45.281289370 for the Proposition 20 apportionment. This total is the amount apportioned during the 2019–20 fiscal year.
- Multiply the LEA's 2019–20 annual ADA (adjusted by 1.04446) by the new 2019–20 rates of \$144.581339809 for the unrestricted lottery apportionment and \$44.935913707 for the Proposition 20 apportionment. This total is the amount that the LEA should have received for the 2019–20 fiscal year (prior to any lottery revenue adjustments).
- The difference between the two calculations is the ADA adjustment amount for the 2019–20 fiscal year.

To compute a LEA's 2018–19 ADA adjustment amount:

- Multiply the LEA's 2018–19 annual ADA as listed on the 2019–20 fourth quarter master register (adjusted by 1.04446) by the old 2018–19 rates of \$168.671667686 for the unrestricted lottery apportionment and \$72.411845640 for the Proposition 20 apportionment. This total is the amount apportioned for the 2018–19 fiscal year.
- Multiply the LEA's revised (if no revision, use the same ADA as above) 2018–19 annual ADA (adjusted by 1.04446) by the new 2018–19 rates of \$168.384525400 for the unrestricted lottery apportionment and \$72.276893771 for the Proposition 20 apportionment. This total is the amount that the LEA should have received for the 2018–19 fiscal year.
- The difference between the two calculations is the ADA adjustment amount for the 2018–19 fiscal year.
- **Accounts Receivable Balance:** This amount represents the balance of any accounts receivable due to the State from a LEA.
- **Paid Amount:** This total reflects the actual amount paid by the SCO, including the first quarter apportionment and any prior year adjustments.
- **Non-Proposition 20:** The use of non-Proposition 20 lottery funds is unrestricted. However, pursuant to *Government Code* Section 8880.5, LEAs must use this lottery funding exclusively for the education of pupils and may not use this revenue for the acquisition of real property, construction of facilities, financing of research, or other non-instructional purposes.
- **Proposition 20:** Proposition 20 lottery funding is restricted for the purchase of instructional materials. California *Education Code* Section 60010 defines instructional materials.

The California Department of Education requests that county superintendents of schools inform LEAs immediately of this apportionment. If you have any questions regarding the lottery apportionment, please contact Julie Klein Briggs, Fiscal Consultant, by email at jbriggs@cde.ca.gov.

Sincerely,

Keith Smith, Education Fiscal Services Administrator
School Fiscal Services Division

KS:jkb

Last Reviewed: Thursday, January 21, 2021
