



February 3, 2023

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

**FROM:** Janelle de Leon, Manager  
Business Advisory Services

**SUBJECT:** 2022-23 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 2022-23 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](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 \$392,140,248.64 statewide, of which Los Angeles County local educational agencies (LEA) receive \$77,476,224. The unrestricted lottery amounts are based on a rate of \$70.28 per unit of average daily attendance. The first quarter payment also includes prior year adjustments due to the reallocation of 2020-21 and 2021-22 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 non-instructional 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 also 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 is available on the Los Angeles County Office of Education (LACOE) website at:

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

Use the “Search” function to locate a specific bulletin by number or keyword.

If you have questions, please contact Janelle de Leon at (562) 940-1645, or by e-mail at [deleon\\_janelle@lacoe.edu](mailto:deleon_janelle@lacoe.edu).

Approved:  
Octavio Castelo, Director  
Business Advisory Services

JY/JD:lm  
Attachment



Home / Finance & Grants / Allocations & Apportionments / Lottery

**California Department of Education  
Official Letter**

December 30, 2022

Dear County Office of Education Chief Business Officials:

**First Quarter Lottery Apportionment  
Fiscal Year 2022–23**

The State Controller's Office (SCO) distributed the 2022–23 First Quarter Lottery Apportionment on December 29, 2022. The total apportioned to county offices of education, school districts, and charter schools is \$392,140,248.64 which includes \$70.28 (\$70.277656963) per unit of average daily attendance (ADA) for the unrestricted Lottery apportionment only. The SCO will distribute 2022–23 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).

Also included in the total amount apportioned are prior-year adjustments for both the unrestricted and Proposition 20 Lottery revenues due to the recalculation of 2020–21 and 2021–22 Lottery apportionments based on respective 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](https://www.sco.ca.gov/ard_payments_lottery.html). The Master Register includes the following information:

- **Average Daily Attendance:** The ADA used in the calculation of 2022–23 Lottery funds is the annual ADA determined for the 2021–22 fiscal year multiplied by the statewide average excused absence factor of 1.04446. The Master Register lists charter school ADA separately from the chartering agency.

In fiscal year 2020–21, ADA for apportionment purposes was not collected due to Senate Bill (SB) 98 (Chapter 24, Statutes of 2020) and SB 820 (Chapter 110, Statutes of 2020), therefore, local educational agencies (LEAs) were funded on either 2019–20 ADA, adjusted according to provisions specified in *Education Code (EC)* Section 43502, or a 2020–21 ADA

proxy calculated pursuant to *EC* Section 43505 for LEAs meeting certain growth criteria. Pursuant to *EC* Sections 43502 and 43505, an LEA's 2019–20 ADA or ADA proxy shall be used for any calculation that would use 2020–21 ADA. The 2020–21 ADA provided to the SCO for purposes of Lottery funding was compiled in accordance with these statutes.

- **Apportioned Amount:** The amount apportioned for the first quarter of 2022–23 consists of unrestricted (non-Proposition 20) Lottery funding only. The SCO will distribute 2022–23 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 2021–22 ADA adjustment amount:

- Multiply the LEA's 2020–21 annual ADA (as listed on the 2021–22 fourth quarter master register and adjusted by 1.04446) by the old 2021–22 rates of \$179.763058320 per ADA for the unrestricted Lottery apportionment and \$85.031896368 per ADA for the Proposition 20 apportionment. This total is the amount apportioned during the 2021–22 fiscal year.
- Multiply the LEA's 2021–22 annual ADA (adjusted by 1.04446) by the new 2021–22 rates of \$194.806685232 for the unrestricted lottery apportionment and \$92.661053369 for the Proposition 20 apportionment. This total is the amount that the LEA should have received for the 2021–22 fiscal year (prior to any Lottery revenue adjustments).
- The difference between the two calculations is the ADA adjustment amount for the 2021–22 fiscal year.

To compute a LEA's 2020–21 ADA adjustment amount:

- Multiply the LEA's 2020–21 annual ADA as listed on the 2021–22 fourth quarter master register (adjusted by 1.04446) by the old 2020–21 rates of \$166.978535705 for the unrestricted Lottery apportionment and \$72.372321716 for the Proposition 20 apportionment. This total is the amount apportioned for the 2020–21 fiscal year.
- Multiply the LEA's revised (if no revision, use the same ADA as above) 2020–21 annual ADA (adjusted by 1.04446) by the new 2020–21 rates of \$167.075597652 for the unrestricted Lottery apportionment and \$72.418436912 for the Proposition 20 apportionment. This total is the amount that the LEA should have received for the 2019–20 fiscal year.
- The difference between the two calculations is the ADA adjustment amount for the 2020–21 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 net amount paid by the SCO which includes the first quarter apportioned amount, revenue and ADA adjustments and accounts receivable.

**Use of Funds, 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.

**Use of Funds, 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. For standardized account code structure coding, use Resource Code 1100, Lottery Unrestricted (Non-Proposition 20), or Resource Code 6300, Lottery Instructional Materials (Proposition 20), and Revenue Object Code 8560, State Lottery Revenue.

If you have any questions regarding the Lottery apportionment, please contact the Categorical Allocations and Audit Resolution Office at [CAAR@cde.ca.gov](mailto:CAAR@cde.ca.gov).

Sincerely,

Keith Smith, Education Fiscal Services Administrator  
School Fiscal Services Division

KS:jkb

Last Reviewed: Friday, December 30, 2022

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