

Introduced by Senator MargettFebruary 21, 2007

An act to amend Section 8880.5 of the Government Code, relating to the California State Lottery.

LEGISLATIVE COUNSEL'S DIGEST

SB 393, as introduced, Margett. Lottery Act: allocations for education: use of funds.

(1) The California State Lottery Act of 1984 authorizes the operation of the California State Lottery and provides for the distribution of not less than 34% of the revenues for the support of public education to be allocated on an equal per capita basis. The act states that its intent is that all funds allocated from the California State Lottery Education Fund are required to be used exclusively for the education of pupils and students and prohibits the use of funds for acquisition of real property, construction of facilities, financing of research, or any other noninstructional purpose.

This bill would prohibit funds allocated from the California State Lottery Education Fund from being used to pay salaries and employee benefits.

(2) The California State Lottery Act of 1984, an initiative statute, provides that none of its provisions may be changed, except to further its purpose by a bill passed by a $\frac{2}{3}$ vote of each house of the Legislature and signed by the Governor. The California Constitution authorizes the Legislature to propose to the voters, for approval, an amendment of an initiative statute.

The bill would provide that the changes to the Lottery Act specified in (1), would take effect only when submitted to and approved by the

voters. The bill would require its provisions to be submitted for approval by the voters.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

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

1 SECTION 1. Section 8880.5 of the Government Code is
2 amended to read:

3 8880.5. Allocations for education:

4 The California State Lottery Education Fund is created within
5 the State Treasury, and is continuously appropriated for carrying
6 out the purposes of this chapter. The Controller shall draw warrants
7 on this fund and distribute them quarterly in the following manner,
8 provided that the payments specified in subdivisions (a) to (g),
9 inclusive, shall be equal per capita amounts.

10 (a) Payments shall be made directly to public school districts,
11 including county superintendents of schools, serving kindergarten
12 and grades 1 to 12, inclusive, or any part thereof, on the basis of
13 an equal amount for each unit of average daily attendance, as
14 defined by law and adjusted pursuant to subdivision (l).

15 (b) Payments shall also be made directly to ~~public school~~
16 ~~districts serving community colleges, on the basis of an equal~~
17 ~~amount for each unit of average daily attendance, as defined by~~
18 ~~law~~ *community college districts, on the basis of an amount for*
19 *each unit of equivalent full-time enrollment.*

20 (c) Payments shall also be made directly to the Board of Trustees
21 of the California State University on the basis of an amount for
22 each unit of equivalent full-time enrollment. Funds received by
23 the trustees shall be deposited in and expended from the California
24 State University Lottery Education Fund, which is hereby created
25 or, at the discretion of the trustees, deposited in local trust accounts
26 in accordance with subdivision (j) of Section 89721 of the
27 Education Code.

28 (d) Payments shall also be made directly to the Regents of the
29 University of California on the basis of an amount for each unit
30 of equivalent full-time enrollment.

31 (e) Payments shall also be made directly to the Board of
32 Directors of the Hastings College of the Law on the basis of an
33 amount for each unit of equivalent full-time enrollment.

1 (f) Payments shall also be made directly to the ~~Department of~~
2 ~~the Youth Authority~~ *Department of Corrections and Rehabilitation,*
3 *Division of Juvenile Facilities,* for educational programs serving
4 kindergarten and grades 1 to 12, inclusive, or any part thereof, on
5 the basis of an equal amount for each unit of average daily
6 attendance, as defined by law.

7 (g) Payments shall also be made directly to the two California
8 Schools for the Deaf, the California School for the Blind, and the
9 three Diagnostic Schools for Neurologically Handicapped Children,
10 on the basis of an amount for each unit of equivalent full-time
11 enrollment.

12 (h) Payments shall also be made directly to the State Department
13 of Developmental Services and the State Department of Mental
14 Health for clients with developmental or mental disabilities who
15 are enrolled in state hospital education programs, including
16 developmental centers, on the basis of an equal amount for each
17 unit of average daily attendance, as defined by law.

18 (i) No Budget Act or other statutory provision shall direct that
19 payments for public education made pursuant to this chapter be
20 used for purposes and programs ~~(including, including workload~~
21 ~~adjustments and maintenance of the level of service)~~ *service,*
22 authorized by Chapters 498, 565, and 1302 of the Statutes of 1983,
23 Chapter 97 or 258 of the Statutes of 1984, or Chapter 1 of the
24 Statutes of the 1983–84 Second Extraordinary Session.

25 (j) School districts and other agencies receiving funds distributed
26 pursuant to this chapter may at their option utilize funds allocated
27 by this chapter to provide additional funds for those purposes and
28 programs prescribed by subdivision (i) for the purpose of
29 enrichment or expansion.

30 (k) As a condition of receiving any moneys pursuant to
31 subdivision (a) or (b), each district and county superintendent of
32 schools shall establish a separate account for the receipt and
33 expenditure of those moneys, which account shall be clearly
34 identified as a lottery education account.

35 (l) Commencing with the 1998–99 fiscal year, and each year
36 thereafter, for the purposes of subdivision (a), average daily
37 attendance shall be increased by the statewide average rate of
38 excused absences for the 1996–97 fiscal year as determined
39 pursuant to ~~the provisions of~~ Chapter 855 of the Statutes of 1997.
40 The statewide average excused absence rate, and the corresponding

1 adjustment factor required for the operation of this subdivision,
2 shall be certified to the State Controller by the Superintendent of
3 Public Instruction.

4 (m) It is the intent of this chapter that all funds allocated from
5 the California State Lottery Education Fund shall be used
6 exclusively for the education of pupils and students and no funds
7 shall be spent for *salaries, employee benefits*, acquisition of real
8 property, construction of facilities, financing of research, or any
9 other noninstructional purpose.

10 SEC. 2. Section 1 of this act amends the California State
11 Lottery Act of 1984, an initiative statute, and shall become effective
12 only when submitted to and approved by the voters. The Secretary
13 of State shall submit Section 1 of this act for approval by the voters
14 at a statewide election in accordance with Section 9040 of the
15 Elections Code.

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