

ASSEMBLY BILL

No. 2215

Introduced by Assembly Members Medina and Baker

February 18, 2016

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

LEGISLATIVE COUNSEL'S DIGEST

AB 2215, as introduced, Medina. California State Lottery Act: California State University Lottery Education Fund: California State University Trust Fund.

(1) The California State Lottery Act of 1984, enacted by initiative, 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 California State Lottery Education Fund and provides for direct payments from the fund to various entities, including the Board of Trustees of the California State University. The act requires funds received by the trustees to be deposited in, and expended from, the California State University Lottery Education Fund or, at the discretion of the trustees, deposited in local trust accounts.

Existing law establishes the California State University Trust Fund and specifies its sources of revenue. Existing law provides that all money received by the fund shall augment the support appropriation to the California State University for the fiscal year to which the collections apply.

This bill would require the trustees to deposit funds received from the California State Lottery Education Fund in the California State University Trust Fund instead of the California State University Lottery

Education Fund. The bill would continue to allow the trustees, in their discretion, to deposit the funds in local trust accounts.

(2) The California State Lottery Act of 1984, an initiative measure, specifies 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.

This bill would declare that its provisions further the purposes of the act, as specified, and that the act shall not be interpreted to expand the lawful uses of funds allocated from the California State Lottery Education Fund to the trustees.

Vote: $\frac{2}{3}$. 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) (1) Payments shall be made directly to public school
11 districts, including county superintendents of schools, serving
12 kindergarten and grades 1 to 12, inclusive, or any part thereof, on
13 the basis of an equal amount for each unit of average daily
14 attendance, as defined by law and adjusted pursuant to subdivision
15 (l).
16 (2) For purposes of this paragraph, in each of the 2008–09,
17 2009–10, 2010–11, 2011–12, 2012–13, 2013–14, and 2014–15
18 fiscal years, the number of units of average daily attendance in
19 each of those fiscal years for programs for public school districts,
20 including county superintendents of schools, serving kindergarten
21 and grades 1 to 12, inclusive, shall include the same amount of
22 average daily attendance for classes for adults and regional
23 occupational centers and programs used in the calculation made
24 pursuant to this subdivision for the 2007–08 fiscal year.

1 (b) Payments shall also be made directly to public school
2 districts serving community colleges, on the basis of an equal
3 amount for each unit of average daily attendance, as defined by
4 law.

5 (c) Payments shall also be made directly to the Board of Trustees
6 of the California State University on the basis of an amount for
7 each unit of equivalent full-time enrollment. Funds received by
8 the trustees shall be deposited in and expended from the California
9 State University ~~Fund, which is hereby created~~ *Trust Fund* or, at
10 the discretion of the trustees, deposited in local trust accounts in
11 accordance with subdivision (j) of Section 89721 of the Education
12 Code.

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

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

19 (f) Payments shall also be made directly to the Department of
20 the Youth Authority for educational programs serving kindergarten
21 and grades 1 to 12, inclusive, or any part thereof, on the basis of
22 an equal amount for each unit of average daily attendance, as
23 defined by law.

24 (g) Payments shall also be made directly to the two California
25 Schools for the Deaf, the California School for the Blind, and the
26 three Diagnostic Schools for Neurologically Handicapped Children,
27 on the basis of an amount for each unit of equivalent full-time
28 enrollment.

29 (h) Payments shall also be made directly to the State Department
30 of Developmental Services and the State Department of State
31 Hospitals for clients with developmental or mental disabilities who
32 are enrolled in state hospital education programs, including
33 developmental centers, on the basis of an equal amount for each
34 unit of average daily attendance, as defined by law.

35 (i) No Budget Act or other statutory provision shall direct that
36 payments for public education made pursuant to this chapter be
37 used for purposes and ~~programs (including programs, including~~
38 ~~workload adjustments and maintenance of the level of service)~~
39 *service*, authorized by Chapters 498, 565, and 1302 of the Statutes

1 of 1983, Chapter 97 or 258 of the Statutes of 1984, or Chapter 1
2 of the Statutes of the 1983–84 Second Extraordinary Session.

3 (j) School districts and other agencies receiving funds distributed
4 pursuant to this chapter may at their option utilize funds allocated
5 by this chapter to provide additional funds for those purposes and
6 programs prescribed by subdivision (i) for the purpose of
7 enrichment or expansion.

8 (k) As a condition of receiving any moneys pursuant to
9 subdivision (a) or (b), each school district and county
10 superintendent of schools shall establish a separate account for the
11 receipt and expenditure of those moneys, which account shall be
12 clearly identified as a lottery education account.

13 (l) Commencing with the 1998–99 fiscal year, and each year
14 thereafter, for purposes of subdivision (a), average daily attendance
15 shall be increased by the statewide average rate of excused
16 absences for the 1996–97 fiscal year as determined pursuant to the
17 provisions of Chapter 855 of the Statutes of 1997. The statewide
18 average excused absence rate, and the corresponding adjustment
19 factor required for the operation of this subdivision, shall be
20 certified to the Controller by the Superintendent of Public
21 Instruction.

22 (m) It is the intent of this chapter that all funds allocated from
23 the California State Lottery Education Fund shall be used
24 exclusively for the education of pupils and students and no funds
25 shall be spent for acquisition of real property, construction of
26 facilities, financing of research, or any other noninstructional
27 purpose.

28 SEC. 2. The Legislature finds and declares both of the
29 following:

30 (a) This act furthers the purpose of the California State Lottery
31 Act of 1984, enacted by Proposition 37 at the November 6, 1984,
32 general election by eliminating inefficient administrative
33 procedures that the Board of Trustees of the California State
34 University and the Controller utilize on a quarterly basis.

35 (b) This act shall not be interpreted to expand the lawful uses
36 of funds allocated from the California State Lottery Education
37 Fund to the Board of Trustees of the California State University.

O