

Allan Hancock College Excess Restricted Lottery (RL) Fund Balance

The excess restricted lottery fund balance is expected to be approximately \$1.7 million at the end of FY 2021-2022.

It is recommended that departments and programs expend other restricted funds that have expenditure deadlines before using or requesting RL funds.

PLAN TO SPEND DOWN BALANCE BEGINNING JULY 1, 2021

1. Up to \$300,000 will be allocated on a one-time basis based on program review needs, annual updated needs, equipment prioritization requests deemed as supplies, and emergency requests.
2. Approximately \$50,000 or 10% of the current ongoing RL budget will automatically be budgeted in expenditure FOAPS for two years.
3. Once the excess RL fund balance is spent down a minimum of \$100,000 will be reserved and carried over to the next year for one-time requests.
4. Once the excess RL fund balance is spent down, expenditure budgets will permanently be adjusted down to not exceed the expected annual revenue and to ensure the \$100,000 reserve.

Questions for RAC – Next Steps

1. What should the process be to request restricted lottery funds until SPOL is in place?
Eligible departments to request funds using revised RL form on myHancock
2. Should program review and annual update needs be given priority for one-time funds?
Approving Executive Cabinet Officer decision
3. Should departments use current request form on MyHancock? [RL Request Form](#)
Yes
4. Should the annual \$300,000 one-time funds be split between Academic Affairs (instructional needs), Student Services (basic student needs) and ITS (laptops/technology)? What %?
\$20,000 Student Instructional Printing
\$60,000 Technology
\$110,000 Academic Affairs
\$110,000 Student Services
5. How should this plan be communicated to departments/faculty?
Administrative Services will send an email in June with form link and instructions



Allan Hancock College Guidelines for Prop 20 Restricted Lottery Funding for Instructional Materials

Instructional Materials Expenditures

Proposition 20 states that Lottery funds are “for the purchase of instructional materials” and does not define instructional materials any further. However, definitions for instructional materials and technology-based materials may be found in Education Code sections [60010\(h\)](#) and [60010\(m\)\(1\)](#).

California Education Code Sections [60010\(h\)](#) and [60010\(m\)\(1\)](#):

(a) "**Basic instructional materials**" means instructional materials that are designed for use by pupils as a principal learning resource and that meet in organization and content the basic requirements of the intended course. ... (h) "**Instructional materials**" means all materials that are designed for use by pupils and their teachers as a learning resource and help pupils to acquire facts, skills, or opinions or to develop cognitive processes. Instructional materials may be printed or non-printed, and may include textbooks, technology-based materials, other educational materials, and tests.

... (m)(1) "**Technology-based materials**" means basic or supplemental instructional materials that are designed for use by pupils and teachers as learning resources and that require the availability of electronic equipment in order to be used as a learning resource. Technology-based materials include, but are not limited to, software programs, video disks, compact disks, optical disks, video and audiotapes, lesson plans, and databases.

The California Department of Education provides broad guidelines on lottery (see CDE [Use of Lottery Funds](#)); however, it does not provide advice on specific expenditures.

Allan Hancock Joint Community College District follows the Accounting Advisory No. [2000-01](#) issued by the State Chancellor's Office and further defines appropriate use of Lottery funds as follows:

- Supplies and materials are for instructional use. These are items of expendable nature, which are constantly being consumed and replaced without increasing the value of the physical properties of the district. Technology-based materials could fall into the category of supplies if they have a low unit cost and have a relatively short service life (less than one year).
- Students directly engage with the instructional material/software during course- or lab-work
- Instructional materials/software must be used to teach students skills or provide experience within the curriculum
- Prop 20 lottery expenses must have supporting documentation to show the payment for the activity is supported by the instructional experience
- Prop 20 lottery allocations must stay within Fund 12 Restricted Fund and may not be moved to another fund
- All expenditures must have a program (activity/TOP) code within the range 01000 through 49999, 61100 Learning Center, and 61200 Library

***Equipment vs. Supplies/Materials**

Expenditures must meet already established guidelines for distinguishing between supplies and equipment ([BAM appendix D](#)), which include determinations of useful life, contribution to the value of the district, cost, etc. The District has established a capital outlay threshold of \$500. Equipment costing less than \$500 per unit and/or having a service life less than 1 year is Prop 20 lottery eligible and should be recorded in account 431000. Equipment exceeding a unit cost of \$500 is not eligible.

