

Department of the Lottery
Fiscal Year 2013-14 Base Budget Review - Agency Summary

Agency Description

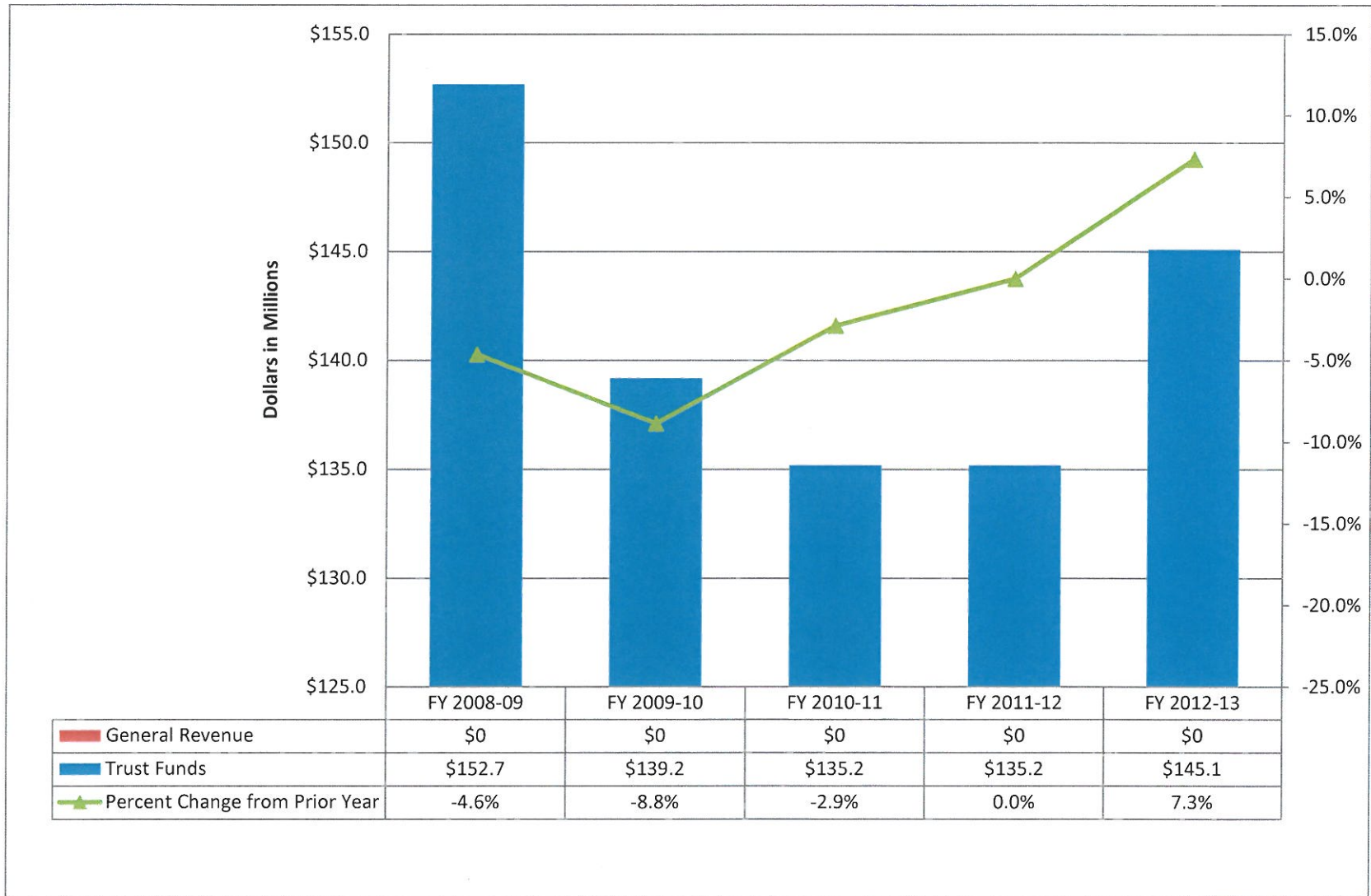
The Florida Lottery operates as an entrepreneurial business whose mission is to generate revenue for Florida's educational system by offering lottery products to the citizens and visitors of the state. Lottery operations are designed to maximize revenue in order to maximize transfers to the Educational Enhancement Trust Fund.

	FTE	Recurring	Nonrecurring	Total
Fiscal Year 2012-13 Appropriations:	423.00	144,774,536	4,571,961	149,346,497

Agency Funding Overview		Base Budget FY 2013-14*				
	Program	FTE	GR	State Trust Funds	Federal Funds	Total
1	Lottery Operations	423.00	0	145,078,056	0	145,078,056
2	Total	423.00	0	145,078,056	0	145,078,056

* Base budget differs from the FY 2012-13 appropriation as the base budget does not include any nonrecurring funds, but does include annualizations and other adjustments.

Department of the Lottery Funding History



Department of the Lottery

Fiscal Year 2013-14 Base Budget Review - Program & Service Description

A Program: Lottery Operations

1 Budget Entity/Service: Lottery Operations

The Florida Lottery operates as an entrepreneurial business whose mission is to generate revenue to enhance the quality of Florida's educational system, while offering innovative and entertaining Lottery products to the citizens and visitors of the state.

Department of the Lottery
Fiscal Year 2013-14 Base Budget Review - Trust Fund Summary

	Trust Fund	Controlling Statutory Authority	Statutory Purpose of Trust Fund	Specific Revenue Source(s)	FY 2013-14 Base Budget
1	Operating Trust Fund	s. 24.120, 24.121, and 24.114, F.S.; ch. 2006-79 L.O.F.	Operation and administration of the department and distribution of Lottery proceeds.	Revenues are primarily generated from on-line and instant ticket game sales. Other revenue includes investment income and miscellaneous fees.	\$145,078,056

**Department of the Lottery
FY 2013-14 Base Budget Review - Details**

#	Program: Lottery Operations	FTE	General Revenue Fund	State Trust Funds	Federal Funds	Total All Funds	Explanation
		423.00	\$ -	\$ 145,078,056	\$ -	\$ 145,078,056	
1	Budget Entity: Lottery Operations						
2	Brief Description of Entity: The Florida Lottery operates as an entrepreneurial business whose mission is to generate revenue to enhance the quality of Florida's educational system, while offering innovative and entertaining Lottery products to the citizens and visitors of the state.						
3	SALARIES & BENEFITS	423.00		25,529,406		25,529,406	The Salaries & Benefits appropriation category provides funding for 423.00 positions. The budget includes costs for salary and wages, employer contributions for FICA, state retirement, health, life, disability, and dental insurances (net of employee's contributions).
4	OTHER PERSONAL SERVICES			289,796		289,796	The OPS appropriation category provides funding for statutorily required Draw Auditors, Interns, and Temporary Employees to assist with duties and tasks as assigned within the Lottery. For FY 2013-14 The Lottery has requested a realignment of funding associated with the Draw Auditors be moved to Contracted Services. The funds remaining in the OPS category will be \$80,000. The amount of funding spent for Interns and Temporary Employment for FY 2011-12 was \$79,280
5	EXPENSES			5,372,614		5,372,614	The Expenses appropriation category primarily includes funding for rent (TLH headquarters and nine district offices), utilities, automobile (sales fleet) fuel and oil, office supplies and materials, travel, training, communication devices, copiers, subscriptions, and dues. Leases - \$3,280,000 Vehicles - \$650,000 Telephones - \$498,000 Utilities - \$450,000 Data Processing Equipment & Supplies - \$200,000 Other - \$294,614
6	OPERATING CAPITAL OUTLAY			101,000		101,000	The OCO appropriation category typically provides funding for the acquisition of furniture and equipment costing more than \$1,000 per item. These expenditures include nonrecurring appropriation for IT and security equipment.
7	ACQUISITION OF MOTOR VEHICLES			340,000		340,000	This special category provides funding for the purchase of approximately 17 motor vehicles for the sales force.
8	CONTRACTED SERVICES			3,028,717		3,028,717	This special category provides funding for vendor payments for a variety of outside services such as: outsourced IT services, fingerprinting and background checks, custodial & janitorial services, pest control and lawn services, building maintenance, fleet maintenance & repairs, and other equipment maintenance contracts and costs.
9	INSTANT TICKET PURCHASE			37,581,852		37,581,852	This special category provides funding for contract payments to the scratch-off games vendor - Scientific Games, Inc. Service fees are based on ticket sale price and volume.
10	ADVERTISING AGENCY FEES			3,156,945		3,156,945	This special category provides funding for contract payments to the advertising agencies for the General (St. Johns and Partners) and Hispanic (Machado/Garcia-Serra) markets. Ad Agency fees are 9.51% for General Market, and 9.167% for Hispanic Market of ad placement and production costs.

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#	Program: Lottery Operations	FTE	General Revenue Fund	State Trust Funds	Federal Funds	Total All Funds	Explanation
11	PAID ADVERTISING / PROMOTION			30,593,508		30,593,508	This special category provides funding for both general and hispanic media and productions costs for advertising placement, draw production, sponsorships, special events, and promotional items used at special events.
12	ON-LINE GAMES CONTRACT			28,418,103		28,418,103	This special category provides funding for contract payments to the gaming system vendor - GTECH Corporation. The Terminal gaming system contract is based on a percentage rate of the on-line ticket sales for a base system (12,000 units), additional equipment.
13	LOTTERY ITVM			5,010,600		5,010,600	This special category was created by the 2009 Legislature for \$3.9M to fund the lease payments for 1,000 Instant Ticket Vending Machines (ITVM) to be placed at various retailers throughout the state. The 2010 Legislature increased the funding base by approximately \$1M for an additional 250 ITVMs to bring the total number of ITVMs to 1,250. The base covers the cost required for 1,350 machines. An additional 150 machines are provided by the contractor at no cost.
14	LOTTERY FSVM			2,940,000		2,940,000	This special category was created by the 2012 Legislature for \$2.9M to fund the lease payments for 350 Full Service Vending Machines (FSVM) to be placed at various retailers throughout the state. Through price negotiations, the Lottery was able to obtain 408 for this amount and an addition 92 units is provided by the contractor for no additional cost.
15	RETAILER INCENTIVES			1,750,000		1,750,000	This special category provides funding to reward retailers who demonstrate extra effort with regard to sales of lottery products. Retailers may earn additional compensation by participating in sales promotion programs offered throughout the year.
16	RISK MANAGEMENT INSURANCE			208,568		208,568	This special category provides funding for premiums to the state self-insurance program administered by the Department of Financial Services.
17	SALARY INCENTIVE PAYMENTS			16,060		16,060	This special category provides funding for a supplemental salary additive to sworn law enforcement officers based on completion of additional training/education.
18	CONTRACTED LEGAL SERVICES			120,000		120,000	This special category provides funding for the payment of outside legal services contracted by the department. Legal services include: Trademark, Patents, Collective Bargaining & Labor Laws, and Civil and Administrative matters.
19	LEASE OR LEASE PURCHASE OF EQUIPMENT			375,000		375,000	This special category provides funding for the lease or lease-purchase of equipment that may be required by the department. Copiers/Postage Equipment - \$98,000 IT Related Equipment Leases - \$277,000
20	TRANSFERS TO DMS FOR HR SERVICES / STATEWIDE CONTRACT			147,142		147,142	This special category provides funding for the transfer of the statewide personnel assessment to the State Personnel System Trust Fund to fund the human resource outsourcing contract and the Division of Human Resource Management.

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#	Program: Lottery Operations	FTE	General Revenue Fund	State Trust Funds	Federal Funds	Total All Funds	Explanation
21	DATA PROCESSING SERVICES - SOUTHWOOD SRC			98,745		98,745	This special category provides funding for the transfer to the Southwood Shared Resource Center for IT related services such as: communications access, information processing, Internet services, custom application development infrastructure support and maintenance for Internet and mainframe applications, electronic commerce services, and legacy system operations and maintenance.
22	Total - Lottery Operations	423.00	0	145,078,056	0	145,078,056	