



LEGISLATIVE APPROPRIATIONS REQUEST

FOR FISCAL YEARS 2016 AND 2017

Submitted to the
Governor's Office of Budget, Planning and Policy
and the Legislative Budget Board

by

Texas Lottery Commission

August 12, 2014

Legislative Appropriations Request

for Fiscal Years 2016 and 2017

**Submitted to the
Governor's Office of Budget, Planning and Policy
and the Legislative Budget Board**

by

Texas Lottery Commission

Commission Members

**J. Winston Krause
Jodie Baggett
John W. Townes, III
Mary Ann Williamson**

Dates of Term

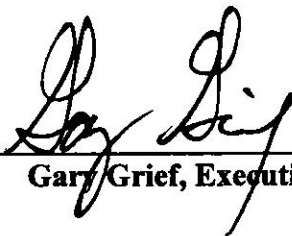
**February 4, 2013 – February 1, 2019
September 16, 2013 – February 1, 2017
January 15, 2014 – February 1, 2015
March 11, 2014 – February 1, 2017**

Hometown

**Austin, Texas
Ozona, Texas
Granbury, Texas
Weatherford, Texas**

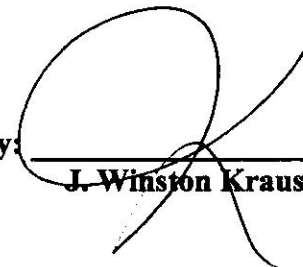
Submitted: August 12, 2014

Submitted by:



Gary Grief, Executive Director

Approved by:



J. Winston Krause, Chairman

**Legislative Appropriations Request
for Fiscal Years 2016 and 2017
Texas Lottery Commission**

Table of Contents

	Page Number
1. Statement, Chart and Certification	
Administrator's Statement.....	1.A.
Organizational Chart.....	1.B.
Certification of Dual Submission.....	1.C.
2. Summary of Request	
Summary of Base Request by Strategy.....	2.A.
Summary of Base Request by MOF.....	2.B.
Summary of Base Request by OOE.....	2.C.
Summary of Base Request Objective Outcomes.....	2.D.
Summary of Total Request by Strategy.....	2.F.
Summary of Total Request Objective Outcomes.....	2.G.
3. Strategy Request	
Strategy 01-01-01 Lottery Operations.....	3.A. Page 01
Strategy 01-01-02 Lottery Field Operations.....	3.A. Page 05
Strategy 01-01-03 Marketing and Promotion.....	3.A. Page 08
Strategy 01-01-04 Security.....	3.A. Page 11
Strategy 01-01-05 Central Administration.....	3.A. Page 14
Strategy 01-01-06 Lottery Operator Contract(s).....	3.A. Page 17
Strategy 01-01-07 Instant Ticket Production Contract(s).....	3.A. Page 19
Strategy 01-01-08 Mass Media Advertising Contract(s).....	3.A. Page 21
Strategy 01-01-09 Drawing and Broadcast Services Contract(s).....	3.A. Page 23
Strategy 01-01-10 Market Research Services Contract(s).....	3.A. Page 25
Strategy 01-01-11 Retailer Bonus.....	3.A. Page 27
Strategy 01-01-12 Retailer Commission.....	3.A. Page 29
Strategy 02-01-01 Bingo Licensing.....	3.A. Page 31
Strategy 02-01-02 Bingo Education and Development.....	3.A. Page 34
Strategy 02-01-03 Bingo Law Compliance Field Operations.....	3.A. Page 37
Strategy 02-01-04 Bingo Prize Fee Collections and Accounting.....	3.A. Page 40
Rider Revisions and Additions Request.....	3.B.
Rider Appropriations and Unexpended Balances Request.....	3.C.

5. Capital Budget
Capital Budget Project Schedule-Base..... 5.A.
Capital Budget Project Information..... 5.B.
Capital Budget Allocation to Strategies-Base..... 5.C.

6. Supporting Schedules
Historically Underutilized Business (HUB) Supporting Schedule..... 6.A.
Estimated Revenue Collections Supporting Schedule 6.E.
10 Percent Biennial Base Reduction Options..... 6.I.

7. Administrative and Support Costs
Indirect Administrative and Support Costs..... 7.A.

Administrator's Statement

8/7/2014 8:35:50AM

84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

362 Texas Lottery Commission

Names, Terms of Office, Hometowns of Commission Members

J. Winston Krause	February 4, 2013 – February 1, 2019	Austin, TX
Jodie Baggett	September 16, 2013 – February 1, 2017	Ozona, TX
John W. Townes, III	January 15, 2014 – February 1, 2015	Granbury, TX
Mary Ann Williamson	March 11, 2014 – February 1, 2017	Weatherford, TX

Texas Lottery Sales and Revenue

The Texas Lottery continues to generate record amounts of revenue through the responsible sale of lottery products. The Texas Lottery has generated well over \$21.6 billion for the state of Texas since the first ticket was sold in 1992. Prior to 1997, the lottery proceeds were allocated to the General Revenue Fund. Since 1997, lottery proceeds have been dedicated to the Foundation School Fund to support public education in our state. The Texas Lottery has contributed more than \$15.9 billion to the Foundation School Fund for that purpose.

Other Texas Lottery funds such as unclaimed prizes revert back to the state for programs authorized by the Texas Legislature. Beginning in FY 2010, certain Texas Lottery proceeds from specific instant ticket games also benefit the Fund for Veterans' Assistance. Since that time, the Texas Lottery Commission has transferred nearly \$27.5 million to the Fund for Veterans' Assistance with a record amount of revenue transferred during FY 2014.

In FY 2013, the Texas Lottery Commission transferred \$1.15 billion to the Foundation School Fund and \$6.2 million to the Fund for Veterans' Assistance. Including unclaimed prize money, total revenue transferred to the state was \$1.21 billion, establishing a new record for total annual state revenue. This also marks the tenth consecutive year the agency has reached the \$1 billion mark in total transfers since 2004. The Commission's revenue transfer in FY 2013 was based on overall lottery sales of \$4.38 billion, also the highest level of total sales in the agency's history.

In addition to transfers to the Foundation School Fund and the Fund for Veterans' Assistance, the Texas Lottery Commission also contributed revenue from other sources such as unclaimed prizes and collection of debts owed to the state.

During FY 2013, the Texas Lottery Commission transferred \$59.9 million in unclaimed prizes to the state. This brings the total to \$785.1 million since the first statutory change addressing unclaimed prizes in 1999. The biggest beneficiaries to date have been the General Revenue Fund and the Multi-Categorical Teaching Hospital Account (UTMB), which have received \$431.3 million and \$171.5 million respectively in unclaimed prizes. Beginning with the 2014 – 2015 biennium, unclaimed prizes previously transferred to General Revenue Fund are transferred to the Foundation School Fund.

The Commission also assists in collecting debts owed to the state of Texas. Before the Commission pays a claimant his or her prize, agency staff checks to ensure that the winner does not have outstanding debts to the state. This effort has garnered more than \$8.2 million for the state over the past three years to satisfy debt that might have otherwise gone unpaid.

Charitable Bingo Revenue and Business Activities

Since the first licenses were issued in 1982, charitable bingo has had positive benefits for charities, players, and state, county and municipal governments in Texas. Gross receipts from the conduct of charitable bingo total more than \$17.7 billion, bingo prizes awarded have been in excess of \$13 billion, and allocations to local jurisdictions have totaled approximately \$288.9 million. By the end of calendar year 2013, the total amount of charitable distributions from the conduct of bingo totaled \$1.1 billion.

Funding and capital budget authority was received for the 2014-2015 biennium to redesign the current automated system used daily by agency staff for the administration

Administrator's Statement

8/7/2014 8:35:50AM

84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

362 Texas Lottery Commission

and management of the charitable bingo program. All charitable bingo business processes are being reviewed in conjunction with the design and implementation of the new Bingo Operating Service System (BOSS). A number of needed modifications to the bingo division's business processes, procedures, administrative rules, and how the accounting of some licensing transactions are recorded in the bingo system have been identified during the continued course of this review.

Examples of current business processes needing modifications that have been identified include:

- The accounting for overpayments and under-payments of license fees
- The accounting of temporary license fees and amendments
- The applications and accounting of escrow accounts which are statutorily allowed to be established by licensed non-profit organizations
- The application of license and bond refunds
- The accounting for bonds
- The calculation of rental taxes

Lottery Administrative Expenses

The sale of lottery tickets is used to pay for all costs of Texas Lottery operations. This includes the payment of prizes to the holders of winning tickets, retailer commissions, and all other costs incurred in the operation and administration of the lottery. The State Lottery Act limits the combined total of retailer compensation and agency administration to no more than 12 percent of gross ticket revenues. Of this 12 percent, the State Lottery Act mandates that no less than five percent be allocated to retailers as commissions, with the remaining seven percent of ticket sales allowed to be expended on administration of the Texas Lottery. The Commission returns any "unspent administrative funds" to the Foundation School Fund.

A major part of the agency's budget is concentrated in the Lottery Operations Division budget, which accounts for the commission paid to the lottery operator. The current lottery operator contract, which became effective September 1, 2011, includes a compensation rate to the lottery operator of 2.2099 percent of gross sales. This contract expires August 31, 2020. This is by far the largest contract, valued at approximately \$937 million over the initial nine-year term, managed by the agency.

Exceptional Items

The Commission does not have any exceptional item requests for this biennium.

Rider Revisions

The Commission is requesting a new Rider outlined as New Rider 701 to provide for unexpended balance authority for the Automated Charitable Bingo System Capital Budget project from FY 2015 to FY 2016.

10% General Revenue-Related Base Reduction

If the 10% across the board reductions were implemented for the FY2016-17 biennium, the Commission would be required to reduce \$3,324,449 from the Bingo administrative budget of \$5,545,890. This would reflect a reduction of 31.0 FTE's from the current 47.0 FTE's budgeted, or a 66% reduction in FTE's.

The 10% budget reduction amount was computed by the LBB using amounts expended and budgeted in FY 2014-15 including the following items in the calculation:

- a. A one-time capital expenditure biennial appropriation of \$2.5 million that will not be requested in the FY 2016-17 base budget.

362 Texas Lottery Commission

b. Rider 8 appropriation designated for local bingo prize fees amounting to \$25,271,000.

From the \$3,324,449 required reduction, \$2,777,100 can be attributed to these two budget line items that are not part of the administrative budget in FY 2016-17. Concurrent with LBB directive, the agency funded the entire 10% reduction from the Bingo administrative budget, exempting the Prize Fee Rider from the reduction. Excluding the Prize Fee Allocation funds, 91% of Bingo's budget is salary related.

The reduction in overall staffing of the Bingo Division would severely limit the operating capabilities of the division and would drastically reduce the number of audits and investigations which regulate licensees' compliance with the Bingo Enabling Act and increase the amount of time to process bingo tax revenue and license applications. While it cannot be quantified, it is likely that revenue would be negatively impacted due to the reduced resources to regulate and administer charitable bingo related activities in the state of Texas.

Agency's Exempt Position

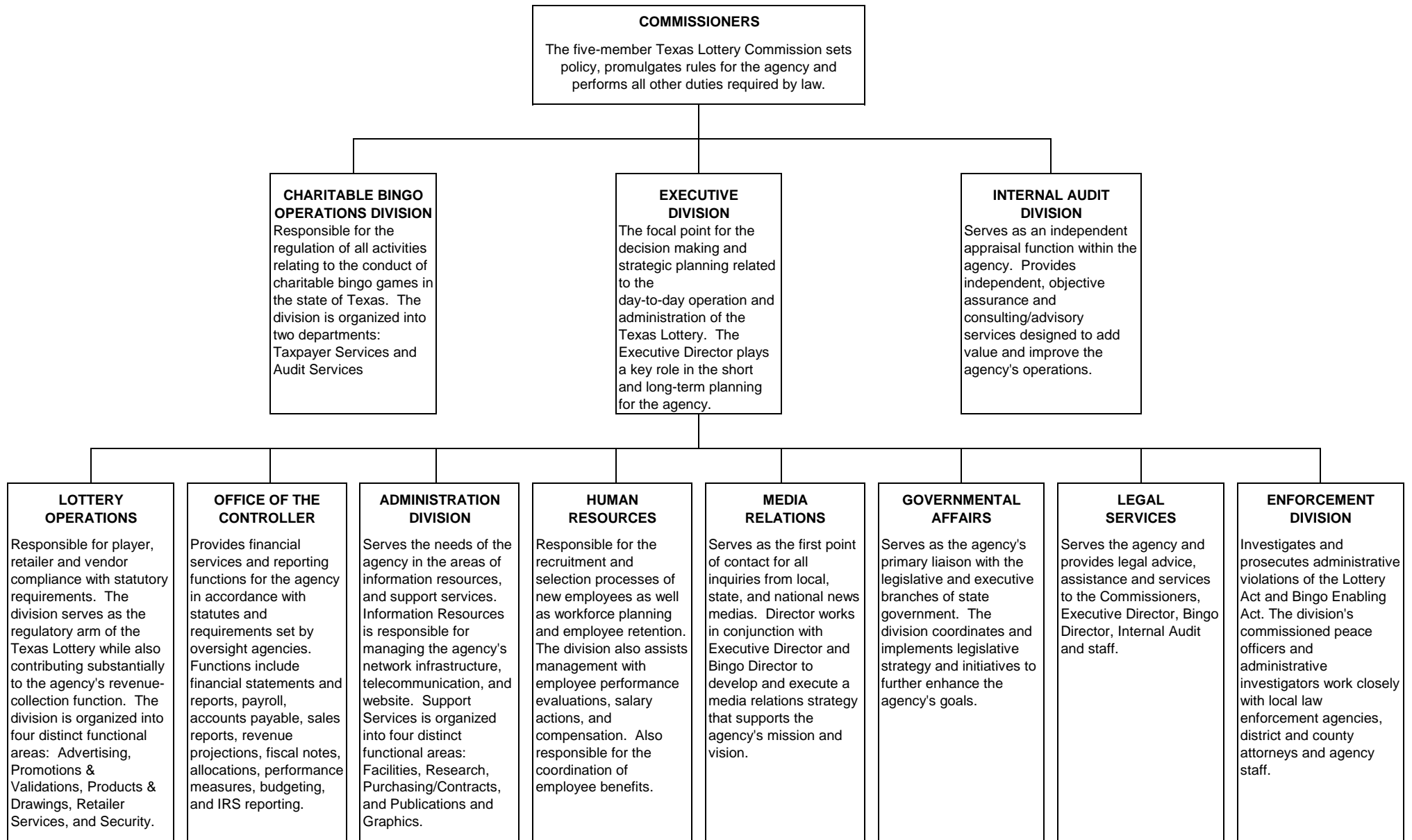
The current rate for the Executive Director position in the agency's Schedule of Exempt Positions is a Salary Group 6. A report by the State Auditor's Office on executive compensation at state agencies (Report No. 12-708) categorized the position as a "Tier 1 Position" within state government and recommended the Executive Director position be classified within Salary Group 7. In order to be flexible in its recruitment and retention of an Executive Director, it is important to maintain a competitive salary rate for this position.

Agency Statutory Authority to Conduct Background Checks

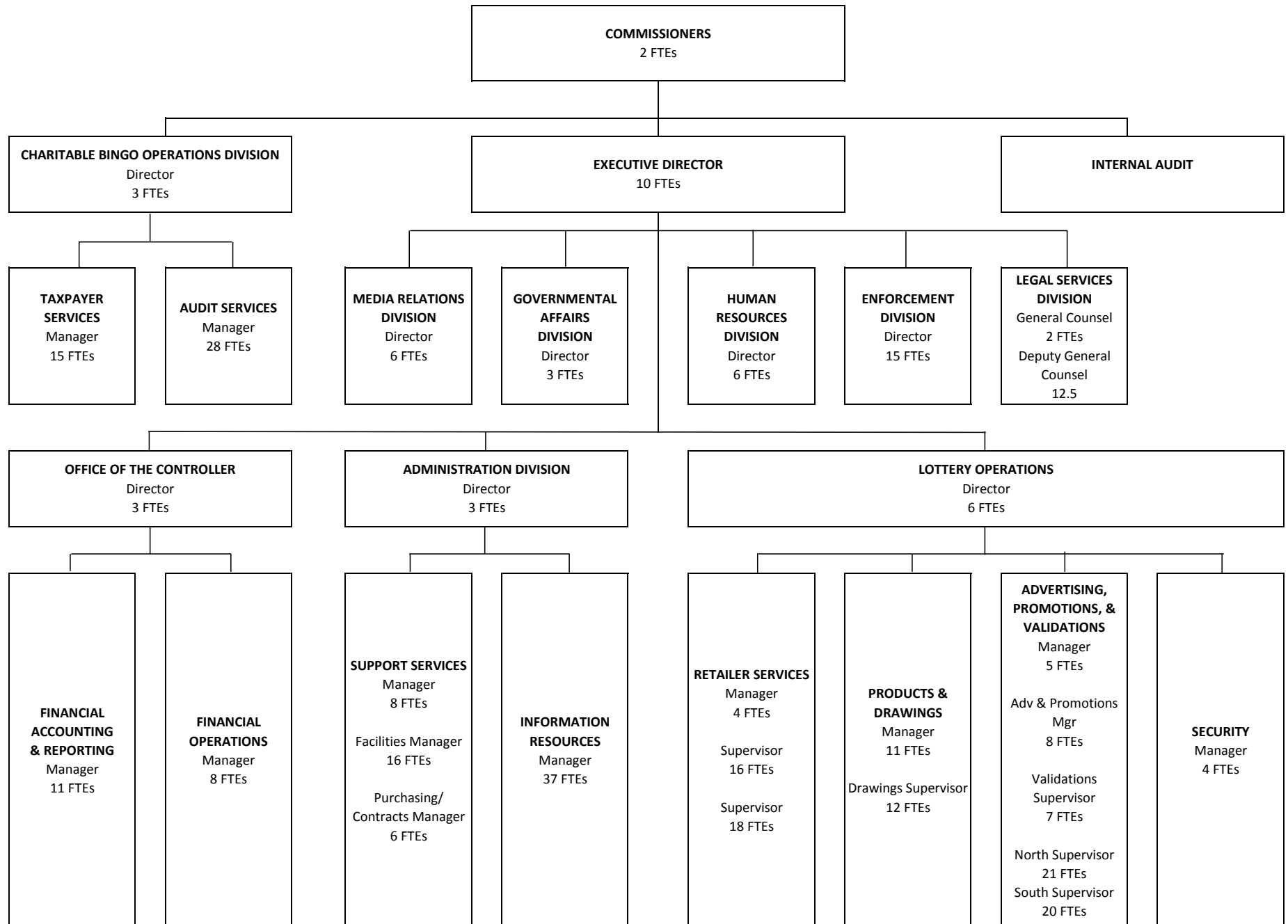
The Commission's Enforcement Division conducts background investigations of Texas Lottery applicants, bingo workers, bingo and lottery licensees, contract vendors, and contract vendor employees. Authority is granted to the Commission under Chapters 411, 466 and 467 of the Texas Government Code and the Bingo Enabling Act, Occupations Code, Chapter 2001.

TEXAS LOTTERY COMMISSION ORGANIZATIONAL STRUCTURE

Descriptions



TEXAS LOTTERY COMMISSION ORGANIZATIONAL STRUCTURE
AGENCY FTEs 326.5



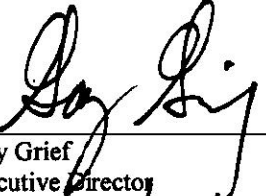


CERTIFICATE

Agency Name: **Texas Lottery Commission**

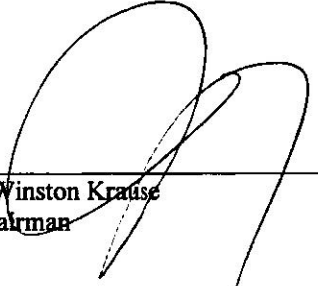
This is to certify that the information contained in the agency Legislative Appropriations Request filed with the Legislative Budget Board (LBB) and the Governor's Office of Budget, Planning and Policy (GOBPP) is accurate to the best of my knowledge and that the electronic submission to the LBB via the Automated Budget and Evaluation System of Texas (ABEST) and the PDF file submitted via the LBB Document Submission application are identical.

Additionally, should it become likely at any time that unexpended balances will accrue for any account, the LBB and the GOBPP will be notified in writing in accordance with Article IX, Section 7.01 (2014-15 GAA).




Gary Grief
Executive Director
8/12/14

Date



J. Winston Krause
Chairman

Date



Kathy Pyka
Controller
8/12/14

Date

362 Texas Lottery Commission

Goal / Objective / STRATEGY	Exp 2013	Est 2014	Bud 2015	Req 2016	Req 2017
1 Run Self-supporting, Revenue-producing, and Secure Lottery					
1 <i>Generate Revenue through Ticket Sales</i>					
1 LOTTERY OPERATIONS	6,654,913	7,422,145	7,093,726	7,234,247	7,237,819
2 LOTTERY FIELD OPERATIONS	2,432,986	2,648,678	2,687,317	2,728,129	2,728,823
3 MARKETING AND PROMOTION	4,797,716	5,191,247	5,625,638	5,670,709	5,671,475
4 SECURITY	4,533,311	5,960,032	5,866,200	6,376,057	6,158,769
5 CENTRAL ADMINISTRATION	11,451,792	12,157,149	13,156,737	13,205,068	13,204,707
6 LOTTERY OPERATOR CONTRACT(S)	88,820,461	97,017,925	87,821,426	87,821,426	87,821,426
7 INSTANT TICKET PRODUCT. CONTRACT(S)	19,489,734	26,874,338	26,000,000	26,000,000	26,000,000
8 MASS MEDIA ADVERTISING CONTRACT(S)	35,257,474	32,813,697	32,000,000	32,000,000	32,000,000
9 DRAWING & BROADCAST CONTRACT(S)	2,770,001	3,524,699	2,945,571	2,945,571	2,945,571
10 MARKET RESEARCH CONTRACT(S)	548,270	460,030	745,920	552,620	552,620
11 RETAILER BONUS	2,511,391	4,200,000	4,200,000	4,200,000	4,200,000

2.A. Summary of Base Request by Strategy

8/7/2014 8:35:51AM

84th Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

362 Texas Lottery Commission					
Goal / Objective / STRATEGY	Exp 2013	Est 2014	Bud 2015	Req 2016	Req 2017
12 RETAILER COMMISSIONS	14,916,075	19,250,000	19,250,000	19,250,000	19,250,000
TOTAL, GOAL 1	\$194,184,124	\$217,519,940	\$207,392,535	\$207,983,827	\$207,771,210
2 Enforce Bingo Laws/Rules for Fairness to Ensure Proceeds Used Lawfully					
1 Curtail Violations of Bingo Laws/Rules					
1 BINGO LICENSING	848,758	2,018,705	2,042,233	792,233	792,233
2 BINGO EDUCATION AND DEVELOPMENT	112,408	166,467	176,924	176,924	176,924
3 BINGO LAW COMPLIANCE FIELD OPER	974,398	1,644,995	1,622,157	1,622,157	1,622,157
4 BINGO PRIZE FEE COLLECTION & ACCT	13,132,788	12,816,637	12,817,131	181,631	181,631
TOTAL, GOAL 2	\$15,068,352	\$16,646,804	\$16,658,445	\$2,772,945	\$2,772,945
TOTAL, AGENCY STRATEGY REQUEST	\$209,252,476	\$234,166,744	\$224,050,980	\$210,756,772	\$210,544,155
TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST*				\$12,635,500	\$12,635,500
GRAND TOTAL, AGENCY REQUEST	\$209,252,476	\$234,166,744	\$224,050,980	\$223,392,272	\$223,179,655

2.A. Summary of Base Request by Strategy

8/7/2014 8:35:51AM

84th Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

362 Texas Lottery Commission

Goal / Objective / STRATEGY	Exp 2013	Est 2014	Bud 2015	Req 2016	Req 2017
<u>METHOD OF FINANCING:</u>					
General Revenue Funds:					
1 General Revenue Fund	15,068,352	16,646,804	16,658,445	15,408,445	15,408,445
SUBTOTAL	\$15,068,352	\$16,646,804	\$16,658,445	\$15,408,445	\$15,408,445
General Revenue Dedicated Funds:					
5025 Lottery Acct	194,184,124	217,519,940	207,392,535	207,983,827	207,771,210
SUBTOTAL	\$194,184,124	\$217,519,940	\$207,392,535	\$207,983,827	\$207,771,210
TOTAL, METHOD OF FINANCING	\$209,252,476	\$234,166,744	\$224,050,980	\$223,392,272	\$223,179,655

*Rider appropriations for the historical years are included in the strategy amounts.

2.B. Summary of Base Request by Method of Finance

8/7/2014 8:35:51AM

84th Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

Agency code:	362	Agency name:	Texas Lottery Commission			
METHOD OF FINANCING		Exp 2013	Est 2014	Bud 2015	Req 2016	Req 2017
<u>GENERAL REVENUE</u>						
<u>1</u>	General Revenue Fund					
	REGULAR APPROPRIATIONS					
	Regular Appropriations from MOF Table (2012-13 GAA)	\$16,006,806	\$0	\$0	\$0	\$0
	Regular Appropriations from MOF Table (2014-15 GAA)	\$0	\$3,983,744	\$3,983,744	\$0	\$0
	Regular Appropriations from MOF Table	\$0	\$0	\$0	\$2,772,945	\$2,772,945
	RIDER APPROPRIATION					
	Rider 9, Local Bingo Prize Fees (2012-13 GAA)	\$364,259	\$0	\$0	\$0	\$0
	Art IX, Sec 8.03, Reimbursements and Payments (2012-13 GAA)	\$31,083	\$0	\$0	\$0	\$0
	Art IX, Sec 18.32, Contingency HB 2728 (2012-13 GAA)	\$37,687	\$0	\$0	\$0	\$0

2.B. Summary of Base Request by Method of Finance

8/7/2014 8:35:51AM

84th Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

Agency code: 362	Agency name: Texas Lottery Commission				
METHOD OF FINANCING	Exp 2013	Est 2014	Bud 2015	Req 2016	Req 2017
<u>GENERAL REVENUE</u>					
Rider 8, Local Bingo Prize Fees (2014-15 GAA)	\$0	\$12,635,500	\$12,635,500	\$0	\$0
Rider 15, Bingo Third Party Reimbursements (2014-15 GAA)	\$0	\$6,000	\$0	\$0	\$0
Rider 8, Local Bingo Prize Fees	\$0	\$0	\$0	\$12,635,500	\$12,635,500
<i>TRANSFERS</i>					
Art IX, Sec 17.06 Salary Increase for General State Employees (2014-15 GAA)	\$0	\$21,560	\$39,201	\$0	\$0
<i>LAPSED APPROPRIATIONS</i>					
Regular Appropriations from MOF Table (2012-13 GAA)	\$(83,796)	\$0	\$0	\$0	\$0
Rider 15, Contingent Revenue (2012-13 GAA)	\$(1,250,000)	\$0	\$0	\$0	\$0

2.B. Summary of Base Request by Method of Finance

8/7/2014 8:35:51AM

84th Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

Agency code: 362		Agency name: Texas Lottery Commission				
METHOD OF FINANCING		Exp 2013	Est 2014	Bud 2015	Req 2016	Req 2017
<u>GENERAL REVENUE</u>						
Art IX, Sec 18.32, Contingency HB 2728 (2012-13 GAA)		\$(37,687)	\$0	\$0	\$0	\$0
TOTAL,	General Revenue Fund	\$15,068,352	\$16,646,804	\$16,658,445	\$15,408,445	\$15,408,445
TOTAL, ALL	GENERAL REVENUE	\$15,068,352	\$16,646,804	\$16,658,445	\$15,408,445	\$15,408,445

GENERAL REVENUE FUND - DEDICATED**5025** GR Dedicated - Lottery Account No. 5025*REGULAR APPROPRIATIONS*

Regular Appropriations from MOF Table (2012-13 GAA)

\$174,234,238	\$0	\$0	\$0	\$0
---------------	-----	-----	-----	-----

Regular Appropriations from MOF Table (2014-15 GAA)

\$0	\$204,272,591	\$203,115,034	\$0	\$0
-----	---------------	---------------	-----	-----

Regular Appropriations from MOF Table

\$0	\$0	\$0	\$207,538,928	\$207,326,311
-----	-----	-----	---------------	---------------

RIDER APPROPRIATION

2.B. Summary of Base Request by Method of Finance

8/7/2014 8:35:51AM

84th Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

Agency code:	362	Agency name:	Texas Lottery Commission			
METHOD OF FINANCING		Exp 2013	Est 2014	Bud 2015	Req 2016	Req 2017
<u>GENERAL REVENUE FUND - DEDICATED</u>						
Rider 10, Retailer Commission (2012-13 GAA)		\$14,916,075	\$0	\$0	\$0	\$0
Rider 11, Lottery Operator Contract (2012-13 GAA)		\$12,823,750	\$0	\$0	\$0	\$0
Rider 12, Appropriation of Increased Revenue (2012-13 GAA)		\$8,646,268	\$0	\$0	\$0	\$0
Art IX, Sec 8.03, Reimbursements and Payments (2012-13 GAA)		\$672,187	\$0	\$0	\$0	\$0
Rider 9, Retailer Commission (2014-15 GAA)		\$0	\$2,700,750	\$620,000	\$0	\$0
Rider 10, Lottery Operator Contract (2014-15 GAA)		\$0	\$9,550,083	\$0	\$0	\$0
Rider 11, Appropriation of Increased Revenue (2014-15 GAA)		\$0	\$6,439,035	\$0	\$0	\$0

2.B. Summary of Base Request by Method of Finance

8/7/2014 8:35:51AM

84th Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

Agency code: 362	Agency name: Texas Lottery Commission				
METHOD OF FINANCING	Exp 2013	Est 2014	Bud 2015	Req 2016	Req 2017
<u>GENERAL REVENUE FUND - DEDICATED</u>					
Art IX, Sec 8.03, Reimbursements and Payments (2014-15 GAA)	\$0	\$559,189	\$444,899	\$0	\$0
Art IX, Sec 8.03, Reimbursements and Payments	\$0	\$0	\$0	\$444,899	\$444,899
<i>TRANSFERS</i>					
Art IX, Sec 17.06 Salary Increase for General State Employees (2014-15 GAA)	\$0	\$199,042	\$332,602	\$0	\$0
<i>LAPSED APPROPRIATIONS</i>					
Regular Appropriations from MOF Table (2012-13 GAA)	\$(14,642,883)	\$0	\$0	\$0	\$0
Rider 12, Appropriation of Increased Revenue (2012-13 GAA)	\$(8,646,268)	\$0	\$0	\$0	\$0
Rider 9, Retailer Commission (2014-15 GAA)	\$0	\$(2,700,750)	\$(620,000)	\$0	\$0

2.B. Summary of Base Request by Method of Finance

8/7/2014 8:35:51AM

84th Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

Agency code: 362		Agency name: Texas Lottery Commission				
METHOD OF FINANCING		Exp 2013	Est 2014	Bud 2015	Req 2016	Req 2017
<u>GENERAL REVENUE FUND - DEDICATED</u>						
<i>UNEXPENDED BALANCES AUTHORITY</i>						
Rider 12, Appropriation of Increased Revenue (2012-13 GAA)						
		\$6,180,757	\$0	\$0	\$0	\$0
Rider 11, Appropriation of Increased Revenue (2014-15 GAA)						
		\$0	\$(3,500,000)	\$3,500,000	\$0	\$0
TOTAL,	GR Dedicated - Lottery Account No. 5025	\$194,184,124	\$217,519,940	\$207,392,535	\$207,983,827	\$207,771,210
TOTAL, ALL	GENERAL REVENUE FUND - DEDICATED	\$194,184,124	\$217,519,940	\$207,392,535	\$207,983,827	\$207,771,210
TOTAL,	GR & GR-DEDICATED FUNDS	\$209,252,476	\$234,166,744	\$224,050,980	\$223,392,272	\$223,179,655
GRAND TOTAL		\$209,252,476	\$234,166,744	\$224,050,980	\$223,392,272	\$223,179,655

2.B. Summary of Base Request by Method of Finance

8/7/2014 8:35:51AM

84th Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

Agency code: 362	Agency name: Texas Lottery Commission				
METHOD OF FINANCING	Exp 2013	Est 2014	Bud 2015	Req 2016	Req 2017
FULL-TIME-EQUIVALENT POSITIONS					
REGULAR APPROPRIATIONS					
Regular Appropriations from MOF Table (2012-13 GAA)	309.5	0.0	0.0	0.0	0.0
Regular Appropriations from MOF Table (2014-15 GAA)	0.0	326.5	326.5	0.0	0.0
Regular Appropriations from MOF Table	0.0	0.0	0.0	326.5	326.5
RIDER APPROPRIATION					
Art IX, Sec 18.32 Contingency HB 2728 (2012-13 GAA)	1.0	0.0	0.0	0.0	0.0
UNAUTHORIZED NUMBER OVER (BELOW) CAP					
Unauthorized Number Over (Below) Cap	(10.2)	0.0	0.0	0.0	0.0
TOTAL, ADJUSTED FTES	300.3	326.5	326.5	326.5	326.5
NUMBER OF 100% FEDERALLY FUNDED FTES					
	0.0	0.0	0.0	0.0	0.0

2.C. Summary of Base Request by Object of Expense

8/7/2014 8:35:52AM

84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)**362 Texas Lottery Commission**

OBJECT OF EXPENSE	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
1001 SALARIES AND WAGES	\$18,264,763	\$20,373,127	\$21,022,805	\$21,022,805	\$21,022,805
1002 OTHER PERSONNEL COSTS	\$749,816	\$573,841	\$661,519	\$661,519	\$661,519
2001 PROFESSIONAL FEES AND SERVICES	\$6,406,143	\$8,688,870	\$8,037,422	\$7,062,122	\$7,069,122
2002 FUELS AND LUBRICANTS	\$5,237	\$4,000	\$5,000	\$5,000	\$5,000
2003 CONSUMABLE SUPPLIES	\$155,396	\$155,295	\$163,200	\$163,200	\$163,200
2004 UTILITIES	\$373,274	\$364,967	\$359,186	\$359,186	\$359,186
2005 TRAVEL	\$305,221	\$511,823	\$490,318	\$490,318	\$490,318
2006 RENT - BUILDING	\$3,342,425	\$3,393,507	\$3,422,095	\$3,513,000	\$3,515,728
2007 RENT - MACHINE AND OTHER	\$840,460	\$1,019,962	\$908,353	\$908,353	\$908,353
2009 OTHER OPERATING EXPENSE	\$165,551,230	\$186,338,553	\$176,134,881	\$176,271,269	\$176,348,924
4000 GRANTS	\$12,999,759	\$12,635,500	\$12,635,500	\$0	\$0
5000 CAPITAL EXPENDITURES	\$258,752	\$107,299	\$210,701	\$300,000	\$0
OOE Total (Excluding Riders)	\$209,252,476	\$234,166,744	\$224,050,980	\$210,756,772	\$210,544,155
OOE Total (Riders)				\$12,635,500	\$12,635,500
Grand Total	\$209,252,476	\$234,166,744	\$224,050,980	\$223,392,272	\$223,179,655

2.D. Summary of Base Request Objective Outcomes
84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation system of Texas (ABEST)

8/7/2014 8:35:53AM

362 Texas Lottery Commission					
<i>Goal/ Objective / Outcome</i>	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
1 Run Self-supporting, Revenue-producing, and Secure Lottery					
1 <i>Generate Revenue through Ticket Sales</i>					
KEY 1 Percent of Retailers Satisfied with Lottery Commission					
	96.37%	95.00%	95.00%	95.00%	95.00%
2 Per Capita Net Lottery Sales					
	169.64	167.63	149.48	147.26	145.08
3 % of Net Lottery Sales Spent on Agency Administration					
	4.44%	4.61%	5.13%	5.13%	5.13%
4 Percentage of Bad Debt to Lottery Sales					
	0.01%	0.02%	0.02%	0.02%	0.02%
5 Ratio of Advertising Expense to Net Lottery Sales					
	0.82%	0.75%	0.81%	0.81%	0.81%
KEY 6 State Revenue Received Per Advertising Dollar Expended					
	33.74	36.76	33.84	33.84	33.84
7 Percent of Licensees with No Recent Violations					
	98.90%	98.00%	98.00%	98.00%	98.00%
8 Percentage of Eligible Players Served					
	38.01%	38.51%	36.00%	36.00%	36.00%

2.D. Summary of Base Request Objective Outcomes
84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation system of Texas (ABEST)

8/7/2014 8:35:53AM

362 Texas Lottery Commission					
Goal/ Objective / Outcome	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
2 Enforce Bingo Laws/Rules for Fairness to Ensure Proceeds Used Lawfully					
1 Curtail Violations of Bingo Laws/Rules					
1 Percent of Licensees with No Recent Violations					
	95.60%	91.00%	91.00%	91.00%	91.00%
2 Percentage of Bingo Audits Referred for Disciplinary Action					
	60.00%	65.00%	65.00%	65.00%	65.00%
KEY 3 Percent of Complaints Referred for Disciplinary Action					
	6.92%	8.00%	8.00%	8.00%	8.00%
4 Percent of Documented Complaints Completed within Six Months					
	93.85%	85.00%	85.00%	85.00%	85.00%
KEY 5 Net Bingo Games Revenue Received by Charitable Orgs (in Millions)					
	27.64	25.00	25.00	25.00	25.00
KEY 6 % of Organizations Who Met the Statutory Charitable Distribution Req					
	99.18%	96.00%	96.00%	96.00%	96.00%
7 Percentage of Organizations Receiving an Audit					
	2.25%	21.39%	21.39%	21.39%	21.39%
8 Percentage of Organizations Receiving an Inspection					
	17.49	31.35	31.35	31.35	31.35

2.F. Summary of Total Request by Strategy
84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE : 8/7/2014
TIME : 8:35:53AM

Agency code: 362 Agency name: Texas Lottery Commission

Goal/Objective/STRATEGY	Base 2016	Base 2017	Exceptional 2016	Exceptional 2017	Total Request 2016	Total Request 2017
1 Run Self-supporting, Revenue-producing, and Secure Lottery						
1 <i>Generate Revenue through Ticket Sales</i>						
1 LOTTERY OPERATIONS	\$7,234,247	\$7,237,819	\$0	\$0	\$7,234,247	\$7,237,819
2 LOTTERY FIELD OPERATIONS	2,728,129	2,728,823	0	0	2,728,129	2,728,823
3 MARKETING AND PROMOTION	5,670,709	5,671,475	0	0	5,670,709	5,671,475
4 SECURITY	6,376,057	6,158,769	0	0	6,376,057	6,158,769
5 CENTRAL ADMINISTRATION	13,205,068	13,204,707	0	0	13,205,068	13,204,707
6 LOTTERY OPERATOR CONTRACT(S)	87,821,426	87,821,426	0	0	87,821,426	87,821,426
7 INSTANT TICKET PRODUCT. CONTRACT(S)	26,000,000	26,000,000	0	0	26,000,000	26,000,000
8 MASS MEDIA ADVERTISING CONTRACT(S)	32,000,000	32,000,000	0	0	32,000,000	32,000,000
9 DRAWING & BROADCAST CONTRACT(S)	2,945,571	2,945,571	0	0	2,945,571	2,945,571
10 MARKET RESEARCH CONTRACT(S)	552,620	552,620	0	0	552,620	552,620
11 RETAILER BONUS	4,200,000	4,200,000	0	0	4,200,000	4,200,000
12 RETAILER COMMISSIONS	19,250,000	19,250,000	0	0	19,250,000	19,250,000
TOTAL, GOAL 1	\$207,983,827	\$207,771,210	\$0	\$0	\$207,983,827	\$207,771,210

2.F. Summary of Total Request by Strategy
84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE : 8/7/2014
TIME : 8:35:53AM

Agency code: 362	Agency name: Texas Lottery Commission					
Goal/Objective/STRATEGY	Base 2016	Base 2017	Exceptional 2016	Exceptional 2017	Total Request 2016	Total Request 2017
2 Enforce Bingo Laws/Rules for Fairness to Ensure Proceeds Used Law						
1 Curtail Violations of Bingo Laws/Rules						
1 BINGO LICENSING	\$792,233	\$792,233	\$0	\$0	\$792,233	\$792,233
2 BINGO EDUCATION AND DEVELOPMENT	176,924	176,924	0	0	176,924	176,924
3 BINGO LAW COMPLIANCE FIELD OPER	1,622,157	1,622,157	0	0	1,622,157	1,622,157
4 BINGO PRIZE FEE COLLECTION & ACCT	181,631	181,631	0	0	181,631	181,631
TOTAL, GOAL 2	\$2,772,945	\$2,772,945	\$0	\$0	\$2,772,945	\$2,772,945
TOTAL, AGENCY STRATEGY REQUEST	\$210,756,772	\$210,544,155	\$0	\$0	\$210,756,772	\$210,544,155
TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST	\$12,635,500	\$12,635,500	\$0	\$0	\$12,635,500	\$12,635,500
GRAND TOTAL, AGENCY REQUEST	\$223,392,272	\$223,179,655	\$0	\$0	\$223,392,272	\$223,179,655

2.F. Summary of Total Request by Strategy
84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE : 8/7/2014
TIME : 8:35:53AM

Agency code: 362	Agency name: Texas Lottery Commission					
Goal/Objective/STRATEGY	Base 2016	Base 2017	Exceptional 2016	Exceptional 2017	Total Request 2016	Total Request 2017
General Revenue Funds:						
1 General Revenue Fund	\$15,408,445	\$15,408,445	\$0	\$0	\$15,408,445	\$15,408,445
	\$15,408,445	\$15,408,445	\$0	\$0	\$15,408,445	\$15,408,445
General Revenue Dedicated Funds:						
5025 Lottery Acct	207,983,827	207,771,210	0	0	207,983,827	207,771,210
	\$207,983,827	\$207,771,210	\$0	\$0	\$207,983,827	\$207,771,210
TOTAL, METHOD OF FINANCING	\$223,392,272	\$223,179,655	\$0	\$0	\$223,392,272	\$223,179,655
FULL TIME EQUIVALENT POSITIONS	326.5	326.5	0.0	0.0	326.5	326.5

2.G. Summary of Total Request Objective Outcomes
84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation system of Texas (ABEST)

Date : 8/7/2014
Time: 8:35:54AM

Agency code: **362** Agency name: **Texas Lottery Commission**

Goal/ Objective / Outcome

		BL 2016	BL 2017	Excp 2016	Excp 2017	Total Request 2016	Total Request 2017
1	Run Self-supporting, Revenue-producing, and Secure Lottery						
1	Generate Revenue through Ticket Sales						
KEY	1 Percent of Retailers Satisfied with Lottery Commission						
		95.00%	95.00%			95.00%	95.00%
	2 Per Capita Net Lottery Sales						
		147.26	145.08			147.26	145.08
	3 % of Net Lottery Sales Spent on Agency Administration						
		5.13%	5.13%			5.13%	5.13%
	4 Percentage of Bad Debt to Lottery Sales						
		0.02%	0.02%			0.02%	0.02%
	5 Ratio of Advertising Expense to Net Lottery Sales						
		0.81%	0.81%			0.81%	0.81%
KEY	6 State Revenue Received Per Advertising Dollar Expended						
		33.84	33.84			33.84	33.84
	7 Percent of Licensees with No Recent Violations						
		98.00%	98.00%			98.00%	98.00%
	8 Percentage of Eligible Players Served						
		36.00%	36.00%			36.00%	36.00%
2	Enforce Bingo Laws/Rules for Fairness to Ensure Proceeds Used Lawfully						

2.G. Summary of Total Request Objective Outcomes
84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation system of Texas (ABEST)

Date : 8/7/2014

Time: 8:35:54AM

Agency code: **362**

Agency name: **Texas Lottery Commission**

Goal/ Objective / Outcome

	BL 2016	BL 2017	Excp 2016	Excp 2017	Total Request 2016	Total Request 2017
1 <i>Curtail Violations of Bingo Laws/Rules</i>						
1 Percent of Licensees with No Recent Violations						
	91.00%	91.00%			91.00%	91.00%
2 Percentage of Bingo Audits Referred for Disciplinary Action						
	65.00%	65.00%			65.00%	65.00%
KEY 3 Percent of Complaints Referred for Disciplinary Action						
	8.00%	8.00%			8.00%	8.00%
4 Percent of Documented Complaints Completed within Six Months						
	85.00%	85.00%			85.00%	85.00%
KEY 5 Net Bingo Games Revenue Received by Charitable Orgs (in Millions)						
	25.00	25.00			25.00	25.00
KEY 6 % of Organizations Who Met the Statutory Charitable Distribution Req						
	96.00%	96.00%			96.00%	96.00%
7 Percentage of Organizations Receiving an Audit						
	21.39%	21.39%			21.39%	21.39%
8 Percentage of Organizations Receiving an Inspection						
	31.35	31.35			31.35	31.35

362 Texas Lottery Commission

GOAL:	1	Run Self-supporting, Revenue-producing, and Secure Lottery	Statewide Goal/Benchmark:	4	0
OBJECTIVE:	1	Generate Revenue through Ticket Sales	Service Categories:		
STRATEGY:	1	Lottery Operations	Service: 03	Income: A.2	Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
Output Measures:						
KEY 1	Number of Retailer Business Locations Licensed	17,103.00	17,218.00	17,333.00	17,333.00	17,333.00
2	Number of Denials or Revocations of Licenses	228.00	190.00	210.00	210.00	210.00
3	Dollars Collected via the Debt Set-off Program (Thousands)	3,875,877.85	2,500,000.00	2,500,000.00	2,500,000.00	2,500,000.00
4	# New Licenses Issued to Individual Retailers	2,199.00	2,035.00	2,100.00	2,100.00	2,100.00
5	# Licenses Renewed to Individual Retailers	8,930.00	5,912.00	8,200.00	6,050.00	8,300.00
Efficiency Measures:						
1	Average Cost Per Retailer Location License Issued	146.58	168.00	169.00	176.00	183.00
Objects of Expense:						
1001	SALARIES AND WAGES	\$2,611,946	\$2,892,254	\$2,918,604	\$2,918,604	\$2,918,604
1002	OTHER PERSONNEL COSTS	\$83,324	\$104,591	\$119,338	\$119,338	\$119,338
2001	PROFESSIONAL FEES AND SERVICES	\$7,700	\$14,000	\$9,000	\$9,000	\$9,000
2002	FUELS AND LUBRICANTS	\$5,237	\$4,000	\$5,000	\$5,000	\$5,000
2003	CONSUMABLE SUPPLIES	\$135,441	\$121,200	\$131,200	\$131,200	\$131,200
2004	UTILITIES	\$115,529	\$113,791	\$131,528	\$131,528	\$131,528
2005	TRAVEL	\$7,159	\$16,223	\$13,000	\$13,000	\$13,000
2006	RENT - BUILDING	\$2,966,578	\$3,003,212	\$3,031,082	\$3,121,987	\$3,124,715

362 Texas Lottery Commission

GOAL:	1	Run Self-supporting, Revenue-producing, and Secure Lottery	Statewide Goal/Benchmark:	4	0
OBJECTIVE:	1	Generate Revenue through Ticket Sales	Service Categories:		
STRATEGY:	1	Lottery Operations	Service: 03	Income: A.2	Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
2007	RENT - MACHINE AND OTHER	\$251,133	\$257,332	\$253,332	\$253,332	\$253,332
2009	OTHER OPERATING EXPENSE	\$444,682	\$895,542	\$481,642	\$531,258	\$532,102
5000	CAPITAL EXPENDITURES	\$26,184	\$0	\$0	\$0	\$0
TOTAL, OBJECT OF EXPENSE		\$6,654,913	\$7,422,145	\$7,093,726	\$7,234,247	\$7,237,819
Method of Financing:						
5025	Lottery Acct	\$6,654,913	\$7,422,145	\$7,093,726	\$7,234,247	\$7,237,819
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$6,654,913	\$7,422,145	\$7,093,726	\$7,234,247	\$7,237,819
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$7,234,247	\$7,237,819
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$6,654,913	\$7,422,145	\$7,093,726	\$7,234,247	\$7,237,819
FULL TIME EQUIVALENT POSITIONS:		53.5	55.6	55.6	55.6	55.6
STRATEGY DESCRIPTION AND JUSTIFICATION:						

362 Texas Lottery Commission

GOAL:	1	Run Self-supporting, Revenue-producing, and Secure Lottery	Statewide Goal/Benchmark:	4	0
OBJECTIVE:	1	Generate Revenue through Ticket Sales	Service Categories:		
STRATEGY:	1	Lottery Operations	Service: 03	Income: A.2	Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
------	-------------	----------	----------	----------	---------	---------

Activities relating to this strategy include vendor and retailer compliance with Texas Government Code Chapters 466 and 467 and applicable administrative rules. The strategy ensures the needs of the Commission and its customers are met in certain areas of vendor compliance, instant ticket warehousing/distribution, retailer services, prize payments, retailer inspections and support services.

The strategy goals are met by providing necessary services to our players and retailers along with overseeing certain key activities of the Lottery Operator. Communication and education of players and retailers are done through the use of the agency web site, newsletters, brochures, public seminars retailer training and visits as well as through a toll-free hotline. The strategy oversees recruitment of new retailers and monitors retailer satisfaction with lottery operations and services. The strategy encourages voluntary compliance from our retailers and players regarding licensing rules and prize payment policies. The strategy also provides oversight of the Lottery Operator in the areas of ticket warehousing/distribution, retailer service levels, instant game accounting and on-line terminal installations. Finally, this strategy provides for certain agency-wide functions such as facilities support, mail center functions, and certain administrative services.

The statutory and constitutional provisions authorizing this strategy are Texas Gov't Code 466 and 467, Texas Occupational Code Chapter 2001, and Texas Constitution Article III, Section 47(e).

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

362 Texas Lottery Commission

GOAL:	1	Run Self-supporting, Revenue-producing, and Secure Lottery	Statewide Goal/Benchmark:	4	0
OBJECTIVE:	1	Generate Revenue through Ticket Sales	Service Categories:		
STRATEGY:	1	Lottery Operations	Service: 03	Income: A.2	Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
------	-------------	----------	----------	----------	---------	---------

External factors impacting this strategy include: 1) The number of lottery retailer locations licensed and/or applying for licenses; 2) The sales level of lottery tickets; 3) Potential change of the Lottery Operator and/or change in scope of Lottery Operator contract; 4) Changes to the agency's enabling statutes and/or administrative rules; 5) The number of licensed retailer and the desire of new retailers to obtain Lottery sales agent licenses; 6) The propensity of lottery retailers and players to adhere to the Lottery Act and/or the agency's applicable rules; 7) The impact of judicial decisions and legislative enactments as they relate to or impact the operation and administration of the agency; 8) Decisions made by local law enforcement authorities; 9) Natural disaster or other catastrophic event; and 10) The general state of the Texas economy.

Internal factors impacting this strategy include: 1) The efficient and effective alignment of the Commission's staff, financial and information technology resources; 2) The number and scope of contracted services brought in-house; 3) Staff turnover; 4) The ability of the staff to react quickly and responsively to changes in the external factors; 5) Organizational restructuring; 6) Retailer recruitment efforts; and 7) Long-range business planning.

3.A. Strategy Request
84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

8/7/2014 8:35:54AM

362 Texas Lottery Commission

GOAL:	1	Run Self-supporting, Revenue-producing, and Secure Lottery	Statewide Goal/Benchmark:	4	0
OBJECTIVE:	1	Generate Revenue through Ticket Sales	Service Categories:		
STRATEGY:	2	Lottery Field Operations	Service: 03	Income: A.2	Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
Output Measures:						
1	Number of Prize Checks Processed from Claim Centers (Thousands)	62,623.00	56,991.00	57,000.00	57,000.00	57,000.00
Objects of Expense:						
1001	SALARIES AND WAGES	\$2,181,025	\$2,355,181	\$2,400,698	\$2,400,698	\$2,400,698
1002	OTHER PERSONNEL COSTS	\$101,257	\$83,539	\$92,566	\$92,566	\$92,566
2001	PROFESSIONAL FEES AND SERVICES	\$0	\$14,000	\$10,000	\$10,000	\$10,000
2003	CONSUMABLE SUPPLIES	\$1,425	\$4,000	\$3,000	\$3,000	\$3,000
2005	TRAVEL	\$80,557	\$112,300	\$112,300	\$112,300	\$112,300
2006	RENT - BUILDING	\$2,000	\$2,800	\$2,800	\$2,800	\$2,800
2007	RENT - MACHINE AND OTHER	\$940	\$600	\$600	\$600	\$600
2009	OTHER OPERATING EXPENSE	\$65,782	\$76,258	\$65,353	\$106,165	\$106,859
TOTAL, OBJECT OF EXPENSE		\$2,432,986	\$2,648,678	\$2,687,317	\$2,728,129	\$2,728,823
Method of Financing:						
5025	Lottery Acct	\$2,432,986	\$2,648,678	\$2,687,317	\$2,728,129	\$2,728,823
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$2,432,986	\$2,648,678	\$2,687,317	\$2,728,129	\$2,728,823

362 Texas Lottery Commission

GOAL:	1	Run Self-supporting, Revenue-producing, and Secure Lottery	Statewide Goal/Benchmark:	4	0
OBJECTIVE:	1	Generate Revenue through Ticket Sales	Service Categories:		
STRATEGY:	2	Lottery Field Operations	Service: 03	Income: A.2	Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$2,728,129	\$2,728,823
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$2,432,986	\$2,648,678	\$2,687,317	\$2,728,129	\$2,728,823
FULL TIME EQUIVALENT POSITIONS:		49.5	50.7	50.7	50.7	50.7

STRATEGY DESCRIPTION AND JUSTIFICATION:

Activities relating to this strategy include player and retailer compliance with Texas Government Code Chapters 466 and 467 and applicable administrative rules. The strategy ensures the needs of the Commission and the public are met in the areas of customer service, payment of prizes and retailer support in communities throughout the State.

The strategy goals are met by providing customer service and educational information to our players and retailers via the field claim center locations. Field personnel also gather survey data from retailer licensees in support of the agency's Marketing and Customer Service efforts. Through such communication and education, the strategy encourages voluntary compliance from our players regarding prize payment policies. Lottery Field Operations coordinates with Headquarters Claim Center Operations, Lottery Operations Security Department and Enforcement Division staff when violations are detected.

The statutory and constitutional provisions authorizing this strategy are Texas Gov't Code 466 and 467, and Texas Constitution Article III, Section 47(e).

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

362 Texas Lottery Commission

GOAL:	1	Run Self-supporting, Revenue-producing, and Secure Lottery	Statewide Goal/Benchmark:	4	0
OBJECTIVE:	1	Generate Revenue through Ticket Sales	Service Categories:		
STRATEGY:	2	Lottery Field Operations	Service: 03	Income: A.2	Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
------	-------------	----------	----------	----------	---------	---------

External factors impacting this strategy include: 1) The sales level of lottery tickets; 2) Changes to the agency's enabling statutes and/or administrative rules; 3) The propensity of lottery retailers and players to adhere to the Lottery Act and/or the agency's applicable rules; 4) The impact of judicial decisions and legislative enactments as they relate to or impact the operation and administration of the agency; and 5) Natural disaster or other catastrophic event; and 6) The general state of the Texas economy.

Internal factors impacting this strategy include: 1) The efficient and effective alignment of the Commission's staff, financial and information technology resources; 2) Staff turnover; 3) The ability of the staff to react quickly and responsively to changes in the external factors; 4) Changes to the number and location of field claim center locations; 5) Organizational restructuring; and 6) Long-range business planning.

362 Texas Lottery Commission

GOAL:	1	Run Self-supporting, Revenue-producing, and Secure Lottery	Statewide Goal/Benchmark:	4	0
OBJECTIVE:	1	Generate Revenue through Ticket Sales	Service Categories:		
STRATEGY:	3	Marketing and Promotion	Service: 03	Income: A.2	Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
Output Measures:						
1	Number of Newsletters Distributed to Retailers	104,590.00	105,700.00	106,400.00	106,400.00	106,400.00
2	Number of Retailer Visits	499,105.00	447,668.00	450,658.00	450,658.00	450,658.00
3	Number of Retailer Surveys Completed	4,415.00	4,216.00	4,200.00	4,200.00	4,200.00
Efficiency Measures:						
KEY 1	Average Cost Per Survey Issued	1.85	1.72	1.76	1.76	1.76
Objects of Expense:						
1001	SALARIES AND WAGES	\$2,217,320	\$2,495,216	\$2,651,242	\$2,651,242	\$2,651,242
1002	OTHER PERSONNEL COSTS	\$74,818	\$72,255	\$82,009	\$82,009	\$82,009
2001	PROFESSIONAL FEES AND SERVICES	\$15,060	\$179,732	\$54,000	\$54,000	\$54,000
2003	CONSUMABLE SUPPLIES	\$8,416	\$4,200	\$4,700	\$4,700	\$4,700
2004	UTILITIES	\$93	\$150	\$50	\$50	\$50
2005	TRAVEL	\$97,670	\$162,008	\$99,000	\$99,000	\$99,000
2006	RENT - BUILDING	\$360,726	\$375,050	\$375,050	\$375,050	\$375,050
2007	RENT - MACHINE AND OTHER	\$108,610	\$123,500	\$123,850	\$123,850	\$123,850
2009	OTHER OPERATING EXPENSE	\$1,903,574	\$1,779,136	\$2,235,737	\$2,280,808	\$2,281,574
5000	CAPITAL EXPENDITURES	\$11,429	\$0	\$0	\$0	\$0

362 Texas Lottery Commission

GOAL:	1	Run Self-supporting, Revenue-producing, and Secure Lottery	Statewide Goal/Benchmark:	4	0
OBJECTIVE:	1	Generate Revenue through Ticket Sales	Service Categories:		
STRATEGY:	3	Marketing and Promotion	Service: 03	Income: A.2	Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
TOTAL, OBJECT OF EXPENSE		\$4,797,716	\$5,191,247	\$5,625,638	\$5,670,709	\$5,671,475
Method of Financing:						
5025	Lottery Acct	\$4,797,716	\$5,191,247	\$5,625,638	\$5,670,709	\$5,671,475
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$4,797,716	\$5,191,247	\$5,625,638	\$5,670,709	\$5,671,475
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$5,670,709	\$5,671,475
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$4,797,716	\$5,191,247	\$5,625,638	\$5,670,709	\$5,671,475
FULL TIME EQUIVALENT POSITIONS:		33.1	35.7	36.7	36.7	36.7

STRATEGY DESCRIPTION AND JUSTIFICATION:

Activities relating to this strategy include lottery product development, market research, promotional and sales functions of the Texas Lottery Commission. Staff performs activities that determine the interests, opinions, awareness levels and purchase behaviors of adult Texans in order to facilitate the planning, development, and implementation of effective and entertaining games. Other activities include introducing lottery products to adult Texans across the State of Texas; educating players and providing opportunities to learn about lottery products; communicating game information, marketing ideas and operational information to Lottery retailers.

The statutory and constitutional provisions authorizing this strategy are Texas Gov't Code 466 and 467, and Texas Constitution Article III, Section 47(e).

362 Texas Lottery Commission

GOAL:	1	Run Self-supporting, Revenue-producing, and Secure Lottery	Statewide Goal/Benchmark:	4	0
OBJECTIVE:	1	Generate Revenue through Ticket Sales	Service Categories:		
STRATEGY:	3	Marketing and Promotion	Service: 03	Income: A.2	Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
------	-------------	----------	----------	----------	---------	---------

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

External factors impacting this strategy include: 1) The general impact of judicial decisions and legislative enactments as they relate to or impact the operation and administration of the agency; 2) The willingness of the general public to learn about and participate in lottery games; 3) The number of licensed retailers and the desire of new retailers to obtain Lottery sales agent licenses; 4) The willingness of retailers and players to participate in research; 5) Natural disaster or other catastrophic event; and 6) The general state of the Texas economy.

Internal factors impacting this strategy include: 1) The efficient and effective alignment of the Commission's staff, financial and information technology resources; 2) The effective dissemination of information within the agency and to the general public; 3) Organizational restructuring; 4) Staff turnover; 5) Long-range business planning; and 6) Research and development of emerging technologies and product lines.

362 Texas Lottery Commission

GOAL:	1	Run Self-supporting, Revenue-producing, and Secure Lottery	Statewide Goal/Benchmark:	4	0
OBJECTIVE:	1	Generate Revenue through Ticket Sales	Service Categories:		
STRATEGY:	4	Security	Service: 03	Income: A.2	Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
Output Measures:						
1	Number of Lottery Investigations Initiated	1,170.00	1,190.00	1,200.00	1,200.00	1,200.00
2	Number of Lottery Investigations Completed	745.00	750.00	775.00	775.00	775.00
3	Number of Lottery Background Investigations Completed	417.00	416.00	450.00	450.00	450.00
Efficiency Measures:						
1	Average Time to Complete Investigations (Days)	36.92	60.00	60.00	60.00	60.00
2	Average Cost Per Complete Investigation	234.86	275.00	275.00	275.00	275.00
3	Average Time to Complete Lottery Background Investigations (Days)	11.19	40.00	40.00	40.00	40.00
Objects of Expense:						
1001	SALARIES AND WAGES	\$2,135,001	\$2,328,805	\$2,462,203	\$2,462,203	\$2,462,203
1002	OTHER PERSONNEL COSTS	\$50,626	\$39,850	\$56,010	\$56,010	\$56,010
2001	PROFESSIONAL FEES AND SERVICES	\$1,270,463	\$1,657,536	\$1,543,698	\$2,011,698	\$2,018,698
2003	CONSUMABLE SUPPLIES	\$6,013	\$7,200	\$6,800	\$6,800	\$6,800
2005	TRAVEL	\$52,212	\$62,188	\$65,500	\$65,500	\$65,500
2007	RENT - MACHINE AND OTHER	\$208,425	\$354,629	\$225,916	\$225,916	\$225,916
2009	OTHER OPERATING EXPENSE	\$657,181	\$1,402,525	\$1,295,372	\$1,247,930	\$1,323,642
5000	CAPITAL EXPENDITURES	\$153,390	\$107,299	\$210,701	\$300,000	\$0

362 Texas Lottery Commission

GOAL:	1	Run Self-supporting, Revenue-producing, and Secure Lottery	Statewide Goal/Benchmark:	4	0
OBJECTIVE:	1	Generate Revenue through Ticket Sales	Service Categories:		
STRATEGY:	4	Security	Service: 03	Income: A.2	Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
TOTAL, OBJECT OF EXPENSE		\$4,533,311	\$5,960,032	\$5,866,200	\$6,376,057	\$6,158,769
Method of Financing:						
5025	Lottery Acct	\$4,533,311	\$5,960,032	\$5,866,200	\$6,376,057	\$6,158,769
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$4,533,311	\$5,960,032	\$5,866,200	\$6,376,057	\$6,158,769
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$6,376,057	\$6,158,769
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$4,533,311	\$5,960,032	\$5,866,200	\$6,376,057	\$6,158,769
FULL TIME EQUIVALENT POSITIONS:		35.1	37.2	37.2	37.2	37.2

STRATEGY DESCRIPTION AND JUSTIFICATION:

Activities relating to this strategy include protecting and maintaining the security and integrity of lottery games, systems and drawings, assures the physical security of all commission operating sites, and investigates possible regulatory and criminal violations related to both lottery and bingo. Investigate complaints, conduct background investigations on prospective employees, applicants of licenses under the State Lottery Act and Bingo Enabling Act and Texas Lottery vendors. Investigators also act as liaison with local law enforcement agencies.

The statutory and constitutional provisions authorizing this strategy are Texas Gov't Code 466 and 467, Texas Occupations Code Chapter 2001, and Texas Constitution Article III, Section 47 (b), (c), and (e).

362 Texas Lottery Commission

GOAL:	1	Run Self-supporting, Revenue-producing, and Secure Lottery	Statewide Goal/Benchmark:	4	0
OBJECTIVE:	1	Generate Revenue through Ticket Sales	Service Categories:		
STRATEGY:	4	Security	Service: 03	Income: A.2	Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
------	-------------	----------	----------	----------	---------	---------

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

External factors impacting this strategy include: 1) The impact of judicial decisions and legislative enactments as they relate to or impact the operation and administration of the Lottery and/or the regulation and administration of charitable bingo; 2) Other types of gaming; 3) Natural disaster or other catastrophic event; and 4) The general state of the Texas economy.

Internal factors impacting this strategy include: 1) The efficient and effective alignment of the Commission's staff, financial and information technology resources; 2) The ability of the staff to react quickly and responsively to changes in the external factors; 3) New lottery games and variations to existing games; 4) Changes in or elimination of contracted services; 5) Organizational restructuring; 6) Staff turnover; 7) Long-range business planning; and 8) Changes to the agency's policies, procedures, rules or regulations.

3.A. Strategy Request
84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

8/7/2014 8:35:54AM

362 Texas Lottery Commission

GOAL:	1	Run Self-supporting, Revenue-producing, and Secure Lottery	Statewide Goal/Benchmark:	4	0
OBJECTIVE:	1	Generate Revenue through Ticket Sales	Service Categories:		
STRATEGY:	5	Central Administration	Service: 09	Income: A.2	Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
Objects of Expense:						
1001	SALARIES AND WAGES	\$7,536,213	\$7,943,568	\$8,190,362	\$8,190,362	\$8,190,362
1002	OTHER PERSONNEL COSTS	\$297,510	\$201,824	\$241,236	\$241,236	\$241,236
2001	PROFESSIONAL FEES AND SERVICES	\$1,704,598	\$1,489,559	\$1,377,119	\$1,377,119	\$1,377,119
2003	CONSUMABLE SUPPLIES	\$3,870	\$17,395	\$16,200	\$16,200	\$16,200
2004	UTILITIES	\$256,573	\$251,026	\$227,608	\$227,608	\$227,608
2005	TRAVEL	\$41,572	\$91,559	\$125,478	\$125,478	\$125,478
2006	RENT - BUILDING	\$13,121	\$12,445	\$13,163	\$13,163	\$13,163
2007	RENT - MACHINE AND OTHER	\$259,297	\$268,366	\$289,120	\$289,120	\$289,120
2009	OTHER OPERATING EXPENSE	\$1,300,954	\$1,881,407	\$2,676,451	\$2,724,782	\$2,724,421
5000	CAPITAL EXPENDITURES	\$38,084	\$0	\$0	\$0	\$0
TOTAL, OBJECT OF EXPENSE		\$11,451,792	\$12,157,149	\$13,156,737	\$13,205,068	\$13,204,707
Method of Financing:						
5025	Lottery Acct	\$11,451,792	\$12,157,149	\$13,156,737	\$13,205,068	\$13,204,707
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$11,451,792	\$12,157,149	\$13,156,737	\$13,205,068	\$13,204,707

362 Texas Lottery Commission

GOAL:	1	Run Self-supporting, Revenue-producing, and Secure Lottery	Statewide Goal/Benchmark:	4	0
OBJECTIVE:	1	Generate Revenue through Ticket Sales	Service Categories:		
STRATEGY:	5	Central Administration	Service: 09	Income: A.2	Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$13,205,068	\$13,204,707
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$11,451,792	\$12,157,149	\$13,156,737	\$13,205,068	\$13,204,707
FULL TIME EQUIVALENT POSITIONS:		99.1	100.3	99.3	99.3	99.3

STRATEGY DESCRIPTION AND JUSTIFICATION:

Activities relating to this strategy include the executive and support functions of the Texas Lottery Commission through executive management, financial services, information technology, legal services, governmental affairs, human resources, and internal audit.

The primary functions carried out through this strategy are agency management, providing legal advice, counsel and assistance to agency staff and Commissioners; responding to open records request; agency records management; media relations; and providing human resources support to staff and employment recruitment. Additional functions include operation and maintenance of the agency's information technology infrastructure; financial services, and acting as liaison with the Texas Legislature and other governmental entities.

The Internal Audit Division is responsible for identifying, assessing, and monitoring internal controls to minimize risk exposure of the agency's operations to ensure the security and integrity of the games.

The statutory and constitutional provisions authorizing this strategy are Texas Gov't Code 466 and 467, Texas Occupations Code Chapter 2001, and Texas Constitution Article III, Section 47 (b), (c), and (e).

362 Texas Lottery Commission

GOAL:	1	Run Self-supporting, Revenue-producing, and Secure Lottery	Statewide Goal/Benchmark:	4	0
OBJECTIVE:	1	Generate Revenue through Ticket Sales	Service Categories:		
STRATEGY:	5	Central Administration	Service: 09	Income: A.2	Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
------	-------------	----------	----------	----------	---------	---------

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

External factors impacting this strategy include: 1) Changes to the agency's enabling statutes and other applicable laws; 2) The level of lottery ticket sales and revenues to the state; 3) The number of lottery players and prize winners; 4) The impact of judicial decisions and legislative enactments as they relate to or impact the operation and administration of the lottery and/or the regulation and administration of charitable bingo; 5) Technology developments which require changes to the agency's information technology infrastructure; and 6) Lottery industry advances that change the competitive market climate.

Internal factors impacting this strategy include 1) Long-range business planning; 2) The efficient alignment of agency resources; 3) The effective use of management information systems supporting the agency; 4) Organizational restructuring; and 5) Requests for support services from other areas of the agency and from the general public.

362 Texas Lottery Commission

GOAL:	1	Run Self-supporting, Revenue-producing, and Secure Lottery	Statewide Goal/Benchmark:	4	0
OBJECTIVE:	1	Generate Revenue through Ticket Sales	Service Categories:		
STRATEGY:	6	Lottery Operator Contract(s). Estimated and Nontransferable.	Service: 03	Income: A.2	Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
Objects of Expense:						
2009	OTHER OPERATING EXPENSE	\$88,820,461	\$97,017,925	\$87,821,426	\$87,821,426	\$87,821,426
TOTAL, OBJECT OF EXPENSE		\$88,820,461	\$97,017,925	\$87,821,426	\$87,821,426	\$87,821,426
Method of Financing:						
5025	Lottery Acct	\$88,820,461	\$97,017,925	\$87,821,426	\$87,821,426	\$87,821,426
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$88,820,461	\$97,017,925	\$87,821,426	\$87,821,426	\$87,821,426
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$87,821,426	\$87,821,426
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$88,820,461	\$97,017,925	\$87,821,426	\$87,821,426	\$87,821,426
FULL TIME EQUIVALENT POSITIONS:						
STRATEGY DESCRIPTION AND JUSTIFICATION:						

362 Texas Lottery Commission

GOAL:	1	Run Self-supporting, Revenue-producing, and Secure Lottery	Statewide Goal/Benchmark:	4	0
OBJECTIVE:	1	Generate Revenue through Ticket Sales	Service Categories:		
STRATEGY:	6	Lottery Operator Contract(s). Estimated and Nontransferable.	Service: 03	Income: A.2	Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
------	-------------	----------	----------	----------	---------	---------

Activities relating to this strategy include contracting for vendor services for instant ticket and on-line gaming system design, operation and maintenance; lottery management system design, operation and maintenance; telecommunications network design, operation and maintenance; terminal installation, maintenance and repair; marketing research personnel and services; promotions personnel and services; field sales personnel and services; instant ticket and on-line ticket stock warehousing; instant ticket and on-line ticket stock packing; instant ticket and on-line ticket distribution; ticket order processing and telemarketing; hotline support system; and facilities. The system provides the ability to control, monitor and report all lottery activity.

The statutory and constitutional provisions authorizing this strategy are Texas Gov't Code 466 and 467, and Texas Constitution Article III, Section 47(e).

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

External factors impacting this strategy include: 1) The award of a new lottery operator contract; 2) The availability of qualified vendors; 3) Changes to the agency's enabling statutes and other applicable laws; 4) The impact of judicial decisions and legislative enactment as they relate to or impact the operation and administration of the agency; 5) The sales level of lottery tickets; and 6) The general state of the Texas economy.

Internal factors impacting this strategy include: 1) The efficient and effective alignment of the Commission's staff, financial and information technology resources; 2) The ability of the agency to monitor and enforce the requirements of the Lottery Operator contract; and 3) The ability of the staff to react quickly and responsively to changes in the external factors.

362 Texas Lottery Commission

GOAL:	1	Run Self-supporting, Revenue-producing, and Secure Lottery	Statewide Goal/Benchmark:	4	0
OBJECTIVE:	1	Generate Revenue through Ticket Sales	Service Categories:		
STRATEGY:	7	Instant Ticket Production Contract(s)	Service: 03	Income: A.2	Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
Objects of Expense:						
2009	OTHER OPERATING EXPENSE	\$19,489,734	\$26,874,338	\$26,000,000	\$26,000,000	\$26,000,000
TOTAL, OBJECT OF EXPENSE		\$19,489,734	\$26,874,338	\$26,000,000	\$26,000,000	\$26,000,000
Method of Financing:						
5025	Lottery Acct	\$19,489,734	\$26,874,338	\$26,000,000	\$26,000,000	\$26,000,000
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$19,489,734	\$26,874,338	\$26,000,000	\$26,000,000	\$26,000,000
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$26,000,000	\$26,000,000
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$19,489,734	\$26,874,338	\$26,000,000	\$26,000,000	\$26,000,000

FULL TIME EQUIVALENT POSITIONS:

STRATEGY DESCRIPTION AND JUSTIFICATION:

Activities relating to this strategy include contracting for instant ticket development and manufacturing services through an instant ticket vendor(s). Due to the substantial portion of total sales that instant tickets comprise, it is important that there is a strategy to support the development and acquisition of quality instant tickets. Other services under this contract include production of coupons, conducting second chance drawings, sales monitoring and trend analysis of instant tickets.

The statutory and constitutional provisions authorizing this strategy are Texas Gov't Code 466 and 467, and Texas Constitution Article III, Section 47(e).

362 Texas Lottery Commission

GOAL:	1	Run Self-supporting, Revenue-producing, and Secure Lottery	Statewide Goal/Benchmark:	4	0
OBJECTIVE:	1	Generate Revenue through Ticket Sales	Service Categories:		
STRATEGY:	7	Instant Ticket Production Contract(s)	Service: 03	Income: A.2	Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
------	-------------	----------	----------	----------	---------	---------

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

External factors impacting this strategy include: 1) The availability of qualified vendors; 2) Changes to the agency's enabling statutes and other applicable laws; 3) The impact of judicial decisions and legislative enactment as they relate to or impact the operation and administration of the Lottery; 4) The sales level of lottery tickets; and 5) The general state of the Texas economy.

Internal factors impacting this strategy include: 1) The efficient alignment of agency resources; 2) The ability of the agency to monitor and enforce the requirements of the contract; and 3) The ability of the staff to react quickly and responsively to changes in the external factors.

362 Texas Lottery Commission

GOAL:	1	Run Self-supporting, Revenue-producing, and Secure Lottery	Statewide Goal/Benchmark:	4	0
OBJECTIVE:	1	Generate Revenue through Ticket Sales	Service Categories:		
STRATEGY:	8	Mass Media Advertising Contract(s)	Service: 03	Income: A.2	Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
Output Measures:						
	1 \$ Amount of Advertising Budget Spent on Print Advertising (Millions)	1.98	1.57	1.60	1.60	1.60
	2 \$ Amount of Advertising Budget Spent on Radio Advertising Millions)	4.97	5.28	5.00	5.00	5.00
KEY 3	Dollar Amount of Advertising Budget Spent on TV Advertising (Millions)	10.97	12.50	12.00	12.00	12.00
	4 \$ Amt of Advertising Budget Spent on Other Advertising (Millions)	17.33	13.44	13.40	13.40	13.40
Efficiency Measures:						
KEY 1	Percentage of Adult Texans Aware of Lottery Advertising	59.93 %	58.93 %	59.00 %	59.00 %	59.00 %
Objects of Expense:						
2009	OTHER OPERATING EXPENSE	\$35,257,474	\$32,813,697	\$32,000,000	\$32,000,000	\$32,000,000
TOTAL, OBJECT OF EXPENSE		\$35,257,474	\$32,813,697	\$32,000,000	\$32,000,000	\$32,000,000
Method of Financing:						
5025	Lottery Acct	\$35,257,474	\$32,813,697	\$32,000,000	\$32,000,000	\$32,000,000
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$35,257,474	\$32,813,697	\$32,000,000	\$32,000,000	\$32,000,000

362 Texas Lottery Commission

GOAL:	1	Run Self-supporting, Revenue-producing, and Secure Lottery	Statewide Goal/Benchmark:	4	0
OBJECTIVE:	1	Generate Revenue through Ticket Sales	Service Categories:		
STRATEGY:	8	Mass Media Advertising Contract(s)	Service: 03	Income: A.2	Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$32,000,000	\$32,000,000
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$35,257,474	\$32,813,697	\$32,000,000	\$32,000,000	\$32,000,000

FULL TIME EQUIVALENT POSITIONS:

STRATEGY DESCRIPTION AND JUSTIFICATION:

Activities relating to this strategy include contracting for the production of radio, television, internet and print advertising, as well as the planning, buying and placement of electronic and print media across the State of Texas. Additionally this strategy provides for the production and placement of outdoor signage and point-of-sale materials, as well as related advertising services. The advertising services vendor(s) support the Texas Lottery in achieving the following goals: Enhancing the marketing effectiveness of the Texas Lottery; effectively reaching and educating the public to increase sales and enhance the awareness of Texas Lottery games. The statutory and constitutional provisions authorizing this strategy are Texas Gov't Code 466 and 467, and Texas Constitution Article III, Section 47(e).

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

External factors impacting this strategy include: 1) The availability of qualified vendors; 2) The impact of judicial decisions and legislative enactment as they relate to or impact the operation and administration of the Lottery; 3) The confidence of the general public in the lottery games; 4) The expansion of media communication vehicles and decline in media reach; and 5) The general state of the Texas economy.

Internal factors impacting this strategy include: 1) The efficient alignment of agency resources; 2) The ability of the agency to monitor and enforce the requirements of the contract; 3) The ability of the staff to react quickly and responsively to changes in the external factors; and 4) the effective dissemination of information within the agency and to the general public.

362 Texas Lottery Commission

GOAL:	1	Run Self-supporting, Revenue-producing, and Secure Lottery	Statewide Goal/Benchmark:	4	0
OBJECTIVE:	1	Generate Revenue through Ticket Sales	Service Categories:		
STRATEGY:	9	Drawing and Broadcast Services Contract(s)	Service: 03	Income: A.2	Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
Objects of Expense:						
2001	PROFESSIONAL FEES AND SERVICES	\$2,770,001	\$3,524,699	\$2,945,571	\$2,945,571	\$2,945,571
TOTAL, OBJECT OF EXPENSE		\$2,770,001	\$3,524,699	\$2,945,571	\$2,945,571	\$2,945,571
Method of Financing:						
5025	Lottery Acct	\$2,770,001	\$3,524,699	\$2,945,571	\$2,945,571	\$2,945,571
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$2,770,001	\$3,524,699	\$2,945,571	\$2,945,571	\$2,945,571
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$2,945,571	\$2,945,571
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$2,770,001	\$3,524,699	\$2,945,571	\$2,945,571	\$2,945,571
FULL TIME EQUIVALENT POSITIONS:						
STRATEGY DESCRIPTION AND JUSTIFICATION:						

362 Texas Lottery Commission

GOAL:	1	Run Self-supporting, Revenue-producing, and Secure Lottery	Statewide Goal/Benchmark:	4	0
OBJECTIVE:	1	Generate Revenue through Ticket Sales	Service Categories:		
STRATEGY:	9	Drawing and Broadcast Services Contract(s)	Service: 03	Income: A.2	Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
------	-------------	----------	----------	----------	---------	---------

Activities relating to this strategy include supervision of the broadcast and production of all Texas on-line game drawings. The broadcast drawings for all on-line Lottery Games are held in a secure drawings studio located at the Texas Lottery's headquarters. The drawings are held in accordance with the State Lottery Act and applicable administrative rules and procedures.

Drawing and broadcast services vendors may provide broadcast television production, webcasting animated random numbers selection and/or satellite transmission services for the broadcast of Texas Lottery on-line game draws. The vendor is required to purchase, install and maintain equipment necessary for the broadcast of Texas Lottery on-line game draws.

The statutory and constitutional provisions authorizing this strategy are Texas Gov't Code 466 and 467, and Texas Constitution Article III, Section 47(e).

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

External factors impacting this strategy include: 1) The availability of qualified vendors; and 2) The impact of judicial decisions and legislative enactment as they relate to or impact the operation and administration of the Lottery.

Internal factors impacting this strategy include: 1) New Lottery on-line games and new variations of established games; 2) The potential automation of on-line Lottery game drawings; 3) The ability of the agency to monitor and enforce the requirements of the contract; and 4) The ability of the staff to react quickly and responsively to changes in the external factors.

362 Texas Lottery Commission

GOAL:	1	Run Self-supporting, Revenue-producing, and Secure Lottery	Statewide Goal/Benchmark:	4	0
OBJECTIVE:	1	Generate Revenue through Ticket Sales	Service Categories:		
STRATEGY:	10	Market Research Services Contract(s)	Service: 03	Income: A.2	Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
Objects of Expense:						
2001	PROFESSIONAL FEES AND SERVICES	\$548,270	\$460,030	\$745,920	\$552,620	\$552,620
TOTAL, OBJECT OF EXPENSE		\$548,270	\$460,030	\$745,920	\$552,620	\$552,620
Method of Financing:						
5025	Lottery Acct	\$548,270	\$460,030	\$745,920	\$552,620	\$552,620
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$548,270	\$460,030	\$745,920	\$552,620	\$552,620
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$552,620	\$552,620
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$548,270	\$460,030	\$745,920	\$552,620	\$552,620
FULL TIME EQUIVALENT POSITIONS:						
STRATEGY DESCRIPTION AND JUSTIFICATION:						

362 Texas Lottery Commission

GOAL:	1	Run Self-supporting, Revenue-producing, and Secure Lottery	Statewide Goal/Benchmark:	4	0
OBJECTIVE:	1	Generate Revenue through Ticket Sales	Service Categories:		
STRATEGY:	10	Market Research Services Contract(s)	Service: 03	Income: A.2	Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
------	-------------	----------	----------	----------	---------	---------

Activities relating to this strategy include contracting for market research services vendors for the conduct of various research projects in an effort to better understand player purchase behavior and assist in developing sound marketing strategies. Contracted services include, but are not limited to, demographic studies; monthly tracking studies; monthly retailer research surveys; quarterly instant ticket focus groups; focus groups and mini-labs regarding other products or general lottery policy issues; annual segmentation survey; quantitative research; and other research services as deemed necessary and appropriate by the Texas Lottery.

The statutory and constitutional provisions authorizing this strategy are Texas Gov't Code 466 and 467, and Texas Constitution Article III, Section 47(e).

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

External factors impacting this strategy include: 1) The availability of qualified vendors; 2) The impact of judicial decisions and legislative enactment as they relate to or impact the operation and administration of the agency; 3) The willingness of retailers and players to participate in research; and 4) The general state of the Texas economy.

Internal factors include: 1) The efficient alignment of agency resources; 2) The effective dissemination and use of research data within the agency and by contracted vendors; 3) The number and frequency of new game launches or game changes; and 4) The ability of the staff to react quickly and responsively to changes in the external factors.

362 Texas Lottery Commission

GOAL:	1	Run Self-supporting, Revenue-producing, and Secure Lottery	Statewide Goal/Benchmark:	4	0
OBJECTIVE:	1	Generate Revenue through Ticket Sales	Service Categories:		
STRATEGY:	11	Retailer Bonus	Service: 03	Income: A.2	Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
Objects of Expense:						
2009	OTHER OPERATING EXPENSE	\$2,511,391	\$4,200,000	\$4,200,000	\$4,200,000	\$4,200,000
TOTAL, OBJECT OF EXPENSE		\$2,511,391	\$4,200,000	\$4,200,000	\$4,200,000	\$4,200,000
Method of Financing:						
5025	Lottery Acct	\$2,511,391	\$4,200,000	\$4,200,000	\$4,200,000	\$4,200,000
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$2,511,391	\$4,200,000	\$4,200,000	\$4,200,000	\$4,200,000
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$4,200,000	\$4,200,000
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$2,511,391	\$4,200,000	\$4,200,000	\$4,200,000	\$4,200,000

FULL TIME EQUIVALENT POSITIONS:

STRATEGY DESCRIPTION AND JUSTIFICATION:

Activities relating to this strategy include maximizing revenue to the State of Texas by providing lottery sales agents with incentive bonuses in accordance with Commission statutes, rules and procedures.

The statutory and constitutional provisions authorizing this strategy are Texas Gov't Code 466 and 467, and Texas Constitution Article III, Section 47(e).

362 Texas Lottery Commission

GOAL:	1	Run Self-supporting, Revenue-producing, and Secure Lottery	Statewide Goal/Benchmark:	4	0
OBJECTIVE:	1	Generate Revenue through Ticket Sales	Service Categories:		
STRATEGY:	11	Retailer Bonus	Service: 03	Income: A.2	Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
------	-------------	----------	----------	----------	---------	---------

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

External factors impacting this strategy include: 1) The number of retailers that qualify for a bonus; 2) the value of the bonuses; and 3) The impact of judicial decisions and legislative enactment as they relate to or impact the operation and administration of the Lottery.

Internal factors impacting this strategy include: 1) The efficient alignment of agency resources.

362 Texas Lottery Commission

GOAL:	1	Run Self-supporting, Revenue-producing, and Secure Lottery	Statewide Goal/Benchmark:	4	0
OBJECTIVE:	1	Generate Revenue through Ticket Sales	Service Categories:		
STRATEGY:	12	Retailer Commissions. Estimated and Nontransferable.	Service: 03	Income: A.2	Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
Objects of Expense:						
2009	OTHER OPERATING EXPENSE	\$14,916,075	\$19,250,000	\$19,250,000	\$19,250,000	\$19,250,000
TOTAL, OBJECT OF EXPENSE		\$14,916,075	\$19,250,000	\$19,250,000	\$19,250,000	\$19,250,000
Method of Financing:						
5025	Lottery Acct	\$14,916,075	\$19,250,000	\$19,250,000	\$19,250,000	\$19,250,000
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$14,916,075	\$19,250,000	\$19,250,000	\$19,250,000	\$19,250,000
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$19,250,000	\$19,250,000
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$14,916,075	\$19,250,000	\$19,250,000	\$19,250,000	\$19,250,000

FULL TIME EQUIVALENT POSITIONS:

STRATEGY DESCRIPTION AND JUSTIFICATION:

Activities relating to this strategy include maximizing revenue to the State of Texas by providing lottery sales agents with incentive bonuses in accordance with Commission statutes, rules and procedures.

The statutory and constitutional provisions authorizing this strategy are Texas Gov't Code 466 and 467, and Texas Constitution Article III, Section 47(e).

362 Texas Lottery Commission

GOAL:	1	Run Self-supporting, Revenue-producing, and Secure Lottery	Statewide Goal/Benchmark:	4	0
OBJECTIVE:	1	Generate Revenue through Ticket Sales	Service Categories:		
STRATEGY:	12	Retailer Commissions. Estimated and Nontransferable.	Service: 03	Income: A.2	Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
------	-------------	----------	----------	----------	---------	---------

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

External factors impacting this strategy include: 1) The number of retailers that qualify for an incentive; 2) the value of the incentives; and 3) The impact of judicial decisions and legislative enactment as they relate to or impact the operation and administration of the Lottery.

Internal factors impacting this strategy include: 1) The efficient alignment of agency resources.

362 Texas Lottery Commission

GOAL:	2	Enforce Bingo Laws/Rules for Fairness to Ensure Proceeds Used Lawfully	Statewide Goal/Benchmark:	7	0
OBJECTIVE:	1	Curtail Violations of Bingo Laws/Rules	Service Categories:		
STRATEGY:	1	Determine Eligibility and Process Applications	Service: 17	Income: A.2	Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
Output Measures:						
KEY 1	Number of Licenses Issued to Individuals and Organizations	10,048.00	9,000.00	9,000.00	9,000.00	9,000.00
2	Number of Applications Processed	10,453.00	9,400.00	9,400.00	9,400.00	9,400.00
3	Number of Worker Registry Applications Processed	6,176.00	3,400.00	3,400.00	3,400.00	3,400.00
Efficiency Measures:						
1	Average Bingo License (New) Processing Time (Days)	80.32	65.00	65.00	65.00	65.00
2	Average Bingo License (Renewal) Processing Time (Days)	42.55	40.00	40.00	40.00	40.00
3	Average Cost Per License Issued	30.74	25.00	25.00	25.00	25.00
Explanatory/Input Measures:						
1	Number of Annual License Holders	1,591.00	1,550.00	1,550.00	1,550.00	1,550.00
Objects of Expense:						
1001	SALARIES AND WAGES	\$509,271	\$607,667	\$640,366	\$640,366	\$640,366
1002	OTHER PERSONNEL COSTS	\$58,360	\$26,741	\$22,908	\$22,908	\$22,908
2001	PROFESSIONAL FEES AND SERVICES	\$90,051	\$1,349,314	\$1,352,114	\$102,114	\$102,114
2003	CONSUMABLE SUPPLIES	\$231	\$500	\$500	\$500	\$500
2007	RENT - MACHINE AND OTHER	\$12,055	\$15,535	\$15,535	\$15,535	\$15,535
2009	OTHER OPERATING EXPENSE	\$149,125	\$18,948	\$10,810	\$10,810	\$10,810

362 Texas Lottery Commission

GOAL:	2	Enforce Bingo Laws/Rules for Fairness to Ensure Proceeds Used Lawfully	Statewide Goal/Benchmark:	7	0
OBJECTIVE:	1	Curtail Violations of Bingo Laws/Rules	Service Categories:		
STRATEGY:	1	Determine Eligibility and Process Applications	Service:	17	
			Income:	A.2	
			Age:	B.3	

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
5000	CAPITAL EXPENDITURES	\$29,665	\$0	\$0	\$0	\$0
TOTAL, OBJECT OF EXPENSE		\$848,758	\$2,018,705	\$2,042,233	\$792,233	\$792,233
Method of Financing:						
1	General Revenue Fund	\$848,758	\$2,018,705	\$2,042,233	\$792,233	\$792,233
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$848,758	\$2,018,705	\$2,042,233	\$792,233	\$792,233
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$792,233	\$792,233
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$848,758	\$2,018,705	\$2,042,233	\$792,233	\$792,233
FULL TIME EQUIVALENT POSITIONS:		9.5	11.0	11.0	11.0	11.0
STRATEGY DESCRIPTION AND JUSTIFICATION:						

362 Texas Lottery Commission

GOAL:	2	Enforce Bingo Laws/Rules for Fairness to Ensure Proceeds Used Lawfully	Statewide Goal/Benchmark:	7	0
OBJECTIVE:	1	Curtail Violations of Bingo Laws/Rules	Service Categories:		
STRATEGY:	1	Determine Eligibility and Process Applications	Service:	17	Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
------	-------------	----------	----------	----------	---------	---------

Activities relating to this strategy include licensing persons or organizations and placing individuals on the Registry of Approved Bingo Workers in accordance with the Bingo Enabling Act (Act). To assist with the efficient and timely issuance of licenses, current and prospective licensees are provided streamlined applications, clear instructions on the application process and the option to complete applications electronically. The Charitable Bingo Operations Division (CBOD) has made all applications used in the licensing and registration process available on the agency's website.

Upon receipt Licensing Services Section staff rigorously reviews license applications and worker registrations in an effort to accurately determine the eligibility of applicants and to enhance quality and consistency of the process.

CBOD encourages voluntary compliance with Bingo licensing requirements. This strategy promotes communication and cooperation between licensees and the CBOD so that qualified applicants and licensees are well versed on the Act and Charitable Bingo Administrative Rules (Rules) requirements. Communications with bingo licensees and applicants will continue to improve with the efficient utilization of planned technologies.

These strategies are authorized under Texas Occupations Code Chapter 2001; Article III, Section 47 of the Texas Constitution; and Texas Government Code Chapter 467.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

External factors impacting this strategy include: 1) The number of licensed individuals and organizations; 2) The number of applications submitted by individuals and organizations; 3) The number of individuals seeking to be placed on the Registry of Approved Bingo Workers; 4) The ability and willingness of applicants and licensees to cooperate with the licensing process; 5) The willingness of applicants and licensees to utilize the website for information. 6) Changes to the Act; and 7) The impact of judicial decisions and legislative enactment as they relate to or impact the regulation and administration of charitable bingo.

Internal factors impacting this strategy include: 1) The CBOD's operating system; 2) The ability to disseminate information to applicants and licensees; 3) The capability for applicants to apply on-line; and 4) available staff resources.

362 Texas Lottery Commission

GOAL:	2	Enforce Bingo Laws/Rules for Fairness to Ensure Proceeds Used Lawfully	Statewide Goal/Benchmark:	7	0
OBJECTIVE:	1	Curtail Violations of Bingo Laws/Rules	Service Categories:		
STRATEGY:	2	Provide Education and Training for Bingo Regulatory Requirements	Service: 17	Income: A.2	Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
Output Measures:						
1	Number of Individuals Receiving Education	849.00	600.00	600.00	600.00	600.00
Efficiency Measures:						
1	Average Cost of Bingo Training Class	250.00	0.00	0.00	0.00	0.00
Objects of Expense:						
1001	SALARIES AND WAGES	\$105,632	\$156,179	\$168,203	\$168,203	\$168,203
1002	OTHER PERSONNEL COSTS	\$5,720	\$5,637	\$6,567	\$6,567	\$6,567
2009	OTHER OPERATING EXPENSE	\$1,056	\$4,651	\$2,154	\$2,154	\$2,154
TOTAL, OBJECT OF EXPENSE		\$112,408	\$166,467	\$176,924	\$176,924	\$176,924
Method of Financing:						
1	General Revenue Fund	\$112,408	\$166,467	\$176,924	\$176,924	\$176,924
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$112,408	\$166,467	\$176,924	\$176,924	\$176,924
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$176,924	\$176,924
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$112,408	\$166,467	\$176,924	\$176,924	\$176,924
FULL TIME EQUIVALENT POSITIONS:		2.2	3.0	3.0	3.0	3.0

362 Texas Lottery Commission

GOAL:	2	Enforce Bingo Laws/Rules for Fairness to Ensure Proceeds Used Lawfully	Statewide Goal/Benchmark:	7	0
OBJECTIVE:	1	Curtail Violations of Bingo Laws/Rules	Service Categories:		
STRATEGY:	2	Provide Education and Training for Bingo Regulatory Requirements	Service: 17	Income: A.2	Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
------	-------------	----------	----------	----------	---------	---------

STRATEGY DESCRIPTION AND JUSTIFICATION:

Activities relating to this strategy include the education and development of all licensed organizations that conduct Charitable Bingo activities in this state. Education and development is a key factor in the CBOD initiative to encourage voluntary compliance with bingo licensing requirements.

Utilizing a variety of programs, the Charitable Bingo Operations Division (CBOD) educates applicants and licensees on the requirements of the Bingo Enabling Act (Act) and the Charitable Bingo Administrative Rules (Rules). CBOD uses both instructor-led seminars and an on-line version of the Operator Training Program. The online version is available seven days a week to any party with access to a computer. Operator training provides easy to understand details on licensing requirements, record keeping requirements, up to date information on changes in the Act or Rules, conducting bingo; administering and operating bingo; and promoting bingo.

In addition to seminars and online training, CBOD publishes informational newsletters, such as the Bingo Bulletin, and maintains the Charitable Bingo website which contains relevant information relating to regulatory requirements. These activities contribute to the education and development of licensees.

The education and development of licensees will continue to expand and improve with the implementation of this strategy.

These strategies are authorized under Texas Occupations Code Chapter 2001; Article III, Section 47 of the Texas Constitution; and Texas Government Code Chapter 467.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

362 Texas Lottery Commission

GOAL:	2	Enforce Bingo Laws/Rules for Fairness to Ensure Proceeds Used Lawfully	Statewide Goal/Benchmark:	7	0
OBJECTIVE:	1	Curtail Violations of Bingo Laws/Rules	Service Categories:		
STRATEGY:	2	Provide Education and Training for Bingo Regulatory Requirements	Service: 17	Income: A.2	Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
------	-------------	----------	----------	----------	---------	---------

External factors impacting this strategy include: 1) The number of licensed individuals and organizations; 2) The willingness of applicants and licensees to utilize the wide variety of training programs offered; 3) The impact of judicial decisions and legislative enactments as they relate to or impact the regulation and administration of charitable bingo; and 4) Changes to the Act or Rules.

Internal factors impacting this strategy include: 1) The CBOD's operating system; 2) the effectiveness of the Operator Training Program and other educational efforts; and 3) available staff resources.

362 Texas Lottery Commission

GOAL:	2	Enforce Bingo Laws/Rules for Fairness to Ensure Proceeds Used Lawfully	Statewide Goal/Benchmark:	7	0
OBJECTIVE:	1	Curtail Violations of Bingo Laws/Rules	Service Categories:		
STRATEGY:	3	Bingo Law Compliance Field Operations	Service: 17	Income: A.2	Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
Output Measures:						
	1 Number of Inspections Conducted	272.00	469.00	469.00	469.00	469.00
	2 Number of Bingo Audits and Reviews Completed	35.00	100.00	100.00	100.00	100.00
KEY	3 Number of Bingo Complaints Completed	130.00	180.00	180.00	180.00	180.00
	4 \$ Amt of Adjustments to Charitable Distributions by Audit & Inspection	37,769.00	15,000.00	15,000.00	15,000.00	15,000.00
	5 Number of Bingo Background Investigations Completed	254.00	500.00	400.00	400.00	500.00
Efficiency Measures:						
	1 Average Time for Bingo Complaint Completion (Days)	71.50	75.00	75.00	75.00	75.00
	2 Average Cost Per Bingo Complaint Completed	334.54	350.00	350.00	350.00	350.00
	3 Average Time to Conduct Compliance Audit (Hours)	196.49	200.00	200.00	200.00	200.00
	4 Average Time to Complete Bingo Background Investigations (Days)	21.46	40.00	40.00	40.00	40.00
	5 Average Cost per Bingo Audit Completed	5,260.83	8,693.00	8,693.00	8,693.00	8,693.00
Objects of Expense:						
1001	SALARIES AND WAGES	\$844,219	\$1,437,937	\$1,446,513	\$1,446,513	\$1,446,513
1002	OTHER PERSONNEL COSTS	\$71,600	\$36,373	\$36,623	\$36,623	\$36,623
2003	CONSUMABLE SUPPLIES	\$0	\$500	\$500	\$500	\$500

362 Texas Lottery Commission

GOAL:	2	Enforce Bingo Laws/Rules for Fairness to Ensure Proceeds Used Lawfully	Statewide Goal/Benchmark:	7	0
OBJECTIVE:	1	Curtail Violations of Bingo Laws/Rules	Service Categories:		
STRATEGY:	3	Bingo Law Compliance Field Operations	Service: 17	Income: A.2	Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
2004	UTILITIES	\$1,079	\$0	\$0	\$0	\$0
2005	TRAVEL	\$26,051	\$67,545	\$75,040	\$75,040	\$75,040
2009	OTHER OPERATING EXPENSE	\$31,449	\$102,640	\$63,481	\$63,481	\$63,481
TOTAL, OBJECT OF EXPENSE		\$974,398	\$1,644,995	\$1,622,157	\$1,622,157	\$1,622,157
Method of Financing:						
1	General Revenue Fund	\$974,398	\$1,644,995	\$1,622,157	\$1,622,157	\$1,622,157
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$974,398	\$1,644,995	\$1,622,157	\$1,622,157	\$1,622,157
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$1,622,157	\$1,622,157
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$974,398	\$1,644,995	\$1,622,157	\$1,622,157	\$1,622,157
FULL TIME EQUIVALENT POSITIONS:		15.4	29.0	29.0	29.0	29.0
STRATEGY DESCRIPTION AND JUSTIFICATION:						

362 Texas Lottery Commission

GOAL:	2	Enforce Bingo Laws/Rules for Fairness to Ensure Proceeds Used Lawfully	Statewide Goal/Benchmark:	7	0
OBJECTIVE:	1	Curtail Violations of Bingo Laws/Rules	Service Categories:		
STRATEGY:	3	Bingo Law Compliance Field Operations	Service:	17	Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
------	-------------	----------	----------	----------	---------	---------

Activities relating to this strategy include regulating licensees' compliance with the Bingo Enabling Act (Act) and the Charitable Bingo Administrative Rules (Rules). Utilizing a system of enforcement including conducting inspections, reviews, audits, and complaint investigations, the Charitable Bingo Operations Division (CBOD) supervises bingo conducted in this state so that the games are fairly conducted and the proceeds derived from bingo are used for charitable purposes.

The Audit Services Department is responsible for evaluating compliance with bingo laws and can recommend administrative disciplinary action as appropriate. Administrative actions will occur as violations are detected and appropriate Commission Orders are issued for acts of non-compliance.

The Audit Services Department is also responsible for performing testing on bingo products for use in the state of Texas.

These strategies are authorized under Texas Occupations Code Chapter 2001; Article III, Section 47 of the Texas Constitution; and Texas Government Code Chapter 467.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

External factors impacting this strategy include: 1) The number of licensed individuals and organizations; 2) The willingness of licensees to cooperate with the audit process; 3) The level of licensee compliance with the Bingo Enabling Act and Administrative Rules, 4) The impact of judicial decisions and legislative enactments as they relate to or impact the regulation and administration of charitable bingo; and 5) Changes to the Act or Rules.

Internal factors impacting this strategy include: 1) The CBOD's operating system; 2) The effectiveness of the auditor training program, and 3) available staff resources.

362 Texas Lottery Commission

GOAL:	2	Enforce Bingo Laws/Rules for Fairness to Ensure Proceeds Used Lawfully	Statewide Goal/Benchmark:	7	0
OBJECTIVE:	1	Curtail Violations of Bingo Laws/Rules	Service Categories:		
STRATEGY:	4	Bingo Prize Fee Collections and Accounting	Service: 17	Income: A.2	Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
Output Measures:						
KEY 1	Number of Days to Allocate Payments to Local Jurisdictions	11.00	6.00	6.00	6.00	6.00
2	Percentage of Licensees Who Fail to Pay	3.10 %	5.00 %	5.00 %	5.00 %	5.00 %
3	Number of Bingo Reports Processed	6,131.00	7,000.00	7,000.00	7,000.00	7,000.00
Objects of Expense:						
1001	SALARIES AND WAGES	\$124,136	\$156,320	\$144,614	\$144,614	\$144,614
1002	OTHER PERSONNEL COSTS	\$6,601	\$3,031	\$4,262	\$4,262	\$4,262
2003	CONSUMABLE SUPPLIES	\$0	\$300	\$300	\$300	\$300
2009	OTHER OPERATING EXPENSE	\$2,292	\$21,486	\$32,455	\$32,455	\$32,455
4000	GRANTS	\$12,999,759	\$12,635,500	\$12,635,500	\$0	\$0
TOTAL, OBJECT OF EXPENSE		\$13,132,788	\$12,816,637	\$12,817,131	\$181,631	\$181,631
Method of Financing:						
1	General Revenue Fund	\$13,132,788	\$12,816,637	\$12,817,131	\$181,631	\$181,631
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$13,132,788	\$12,816,637	\$12,817,131	\$181,631	\$181,631

Rider Appropriations:

362 Texas Lottery Commission

GOAL:	2	Enforce Bingo Laws/Rules for Fairness to Ensure Proceeds Used Lawfully	Statewide Goal/Benchmark:	7	0
OBJECTIVE:	1	Curtail Violations of Bingo Laws/Rules	Service Categories:		
STRATEGY:	4	Bingo Prize Fee Collections and Accounting	Service: 17	Income: A.2	Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
	1 General Revenue Fund					
	8 1 Local Bingo Prize Fee				\$12,635,500	\$12,635,500
	TOTAL, RIDER & UNEXPENDED BALANCES APPROP				\$12,635,500	\$12,635,500
	TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)				\$12,817,131	\$12,817,131
	TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)	\$13,132,788	\$12,816,637	\$12,817,131	\$181,631	\$181,631
	FULL TIME EQUIVALENT POSITIONS:	2.9	4.0	4.0	4.0	4.0
	STRATEGY DESCRIPTION AND JUSTIFICATION:					

362 Texas Lottery Commission

GOAL:	2	Enforce Bingo Laws/Rules for Fairness to Ensure Proceeds Used Lawfully	Statewide Goal/Benchmark:	7	0
OBJECTIVE:	1	Curtail Violations of Bingo Laws/Rules	Service Categories:		
STRATEGY:	4	Bingo Prize Fee Collections and Accounting	Service: 17	Income: A.2	Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
------	-------------	----------	----------	----------	---------	---------

Activities relating to this strategy include managing financial data reported by licensees and collected by the Charitable Bingo Operations Division (CBOD). Under this strategy, licensees conducting charitable bingo and leasing bingo premises remit prize fees and rental taxes quarterly to the State of Texas.

To assist with the efficient and timely filing of quarterly returns, current licensees are provided with the capability to complete and submit returns electronically. This is another CBOD initiative to encourage voluntary compliance with bingo licensing requirements.

Compliance with reporting requirements of the Act and Charitable Bingo Administrative Rules (Rules) is determined with this strategy. When necessary, CBOD uses an automated system to notify licensees of non-compliance of regulatory matters in a timely manner.

This strategy supports the effectiveness of the CBOD in processing quarterly prize fees and tax returns and maximizing interest to the state.

These strategies are authorized under Texas Occupations Code Chapter 2001; Article III, Section 47 of the Texas Constitution; and Texas Government Code Chapter 467.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

External factors impacting this strategy include: 1) The number of licensed organizations; 2) The number of licensees timely filing and remitting the prize fee or rental taxes due; 3) The number of licensees utilizing electronic filing; 4) The impact of judicial decisions and legislative enactments as they relate to or impact the regulation and administration of charitable bingo; and 5) The ability of licensees to correctly report their bingo activities.

Internal factors impacting this strategy include: 1) The CBOD's operating system; 2) the effectiveness of the delinquent taxpayer contact program, and 3) available staff resources.

SUMMARY TOTALS:

OBJECTS OF EXPENSE:	\$209,252,476	\$234,166,744	\$224,050,980	\$210,756,772	\$210,544,155
METHODS OF FINANCE (INCLUDING RIDERS):				\$223,392,272	\$223,179,655
METHODS OF FINANCE (EXCLUDING RIDERS):	\$209,252,476	\$234,166,744	\$224,050,980	\$210,756,772	\$210,544,155
FULL TIME EQUIVALENT POSITIONS:	300.3	326.5	326.5	326.5	326.5

3.B. Rider Revisions and Additions Request

Agency Code: 362	Agency Name: Texas Lottery Commission	Prepared By: Kathy Pyka	Date: 08/12/2014	Request Level: Base																																																																	
Current Rider Number	Page # 2014-15 GAA	Proposed Rider Language																																																																			
2.	VII-10	<p>Capital Budget. None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in the provision as appropriations either for "Lease Payments to the Master Equipment Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code § 1232.103. Upon approval from the Legislative Budget Board, capital budgeted funds listed below under "Acquisition of Information Resource Technologies" may be used to lease information resources hardware and/or software versus the purchase of information resources hardware and/or software, if determined by commission management to be in the best interest of the State of Texas.</p> <table style="width: 100%; margin-top: 20px;"> <thead> <tr> <th style="width: 60%;"></th> <th style="width: 10%; text-align: right;"><u>2014</u></th> <th style="width: 10%; text-align: right;"><u>2016</u></th> <th style="width: 10%; text-align: right;"><u>2015</u></th> <th style="width: 10%; text-align: right;"><u>2017</u></th> </tr> </thead> <tbody> <tr> <td>a. Repair or Rehabilitation of Buildings and Facilities</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td> (1) New Draw Games-Studio Remodel</td> <td style="text-align: right;">\$</td> <td style="text-align: right;">775,000</td> <td></td> <td style="text-align: right;">0</td> </tr> <tr> <td>b. Acquisition of Information Resource Technologies</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td> (1) Automated Charitable Bingo System (ACBS) Redesign</td> <td style="text-align: right;">\$</td> <td style="text-align: right;">1,250,000</td> <td style="text-align: right;">\$</td> <td style="text-align: right;">1,250,000</td> </tr> <tr> <td>c. Acquisition of Capital Equipment and Items</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td> (1) Capitalized Lottery Drawing Equipment</td> <td style="text-align: right;">\$</td> <td style="text-align: right;">300,000</td> <td style="text-align: right;">\$</td> <td style="text-align: right;">0</td> </tr> <tr> <td> (2) New Drawing Equipment</td> <td style="text-align: right;">\$</td> <td style="text-align: right;">143,100</td> <td></td> <td style="text-align: right;">0</td> </tr> <tr> <td> Total, Capital Budget</td> <td style="text-align: right;">\$</td> <td style="text-align: right;"><u>443,100</u></td> <td style="text-align: right;">\$</td> <td style="text-align: right;"><u>300,000</u></td> </tr> <tr> <td colspan="5" style="margin-top: 10px;">Method of Financing (Capital Budget):</td> </tr> <tr> <td>General Revenue Fund</td> <td></td> <td style="text-align: right;">1,250,000</td> <td></td> <td style="text-align: right;">1,250,000</td> </tr> <tr> <td>GR Dedicated – Lottery Account No. 5025</td> <td style="text-align: right;">\$</td> <td style="text-align: right;"><u>1,218,100</u></td> <td style="text-align: right;">\$</td> <td style="text-align: right;"><u>300,000</u></td> </tr> <tr> <td> Total, Method of Financing</td> <td style="text-align: right;">\$</td> <td style="text-align: right;"><u>2,468,100</u></td> <td style="text-align: right;">\$</td> <td style="text-align: right;"><u>1,250,000</u></td> </tr> </tbody> </table> <p style="margin-top: 10px;"><i>This rider revision is requested to reflect the FY 2016-17 Capital Budget Request submitted as a baseline request. An explanation of the capital budget item requested is included in the Capital Budget Supporting Schedules.</i></p>				<u>2014</u>	<u>2016</u>	<u>2015</u>	<u>2017</u>	a. Repair or Rehabilitation of Buildings and Facilities					(1) New Draw Games-Studio Remodel	\$	775,000		0	b. Acquisition of Information Resource Technologies					(1) Automated Charitable Bingo System (ACBS) Redesign	\$	1,250,000	\$	1,250,000	c. Acquisition of Capital Equipment and Items					(1) Capitalized Lottery Drawing Equipment	\$	300,000	\$	0	(2) New Drawing Equipment	\$	143,100		0	Total, Capital Budget	\$	<u>443,100</u>	\$	<u>300,000</u>	Method of Financing (Capital Budget):					General Revenue Fund		1,250,000		1,250,000	GR Dedicated – Lottery Account No. 5025	\$	<u>1,218,100</u>	\$	<u>300,000</u>	Total, Method of Financing	\$	<u>2,468,100</u>	\$	<u>1,250,000</u>
	<u>2014</u>	<u>2016</u>	<u>2015</u>	<u>2017</u>																																																																	
a. Repair or Rehabilitation of Buildings and Facilities																																																																					
(1) New Draw Games-Studio Remodel	\$	775,000		0																																																																	
b. Acquisition of Information Resource Technologies																																																																					
(1) Automated Charitable Bingo System (ACBS) Redesign	\$	1,250,000	\$	1,250,000																																																																	
c. Acquisition of Capital Equipment and Items																																																																					
(1) Capitalized Lottery Drawing Equipment	\$	300,000	\$	0																																																																	
(2) New Drawing Equipment	\$	143,100		0																																																																	
Total, Capital Budget	\$	<u>443,100</u>	\$	<u>300,000</u>																																																																	
Method of Financing (Capital Budget):																																																																					
General Revenue Fund		1,250,000		1,250,000																																																																	
GR Dedicated – Lottery Account No. 5025	\$	<u>1,218,100</u>	\$	<u>300,000</u>																																																																	
Total, Method of Financing	\$	<u>2,468,100</u>	\$	<u>1,250,000</u>																																																																	

3.B. Rider Revisions and Additions Request (continued)

3.	VII-10	<p>Operate Lottery. Pursuant to Government Code, Chapter 466, appropriations made to Goal A, Operate Lottery, shall not exceed twelve percent of the gross revenue from the sale of lottery tickets. This appropriation shall be used for the administration of the lottery and for retailer commissions.</p> <p><i>The Commission is not requesting any revisions to this Rider.</i></p>
4.	VII-10	<p>Appropriation: Payment of Prizes. In addition to the amounts appropriated above for the administration of the lottery and retailer commissions, there is hereby appropriated pursuant to Government Code, Chapter 466, out of the State Lottery Account in the General Revenue Fund, sufficient funds for the payment of prizes to the holders of winning tickets.</p> <p><i>The Commission is not requesting any revisions to this Rider.</i></p>
5.	VII-10	<p>Limitation: Pooled Reserve Fund. Pursuant to Government Code, Chapter 466, the Executive Director of the Texas Lottery Commission shall maintain balances in a pooled reserve fund to cover the potential loss of state revenue as a result of lottery retailer defaults. The Executive Director of the Texas Lottery Commission shall transfer all pooled reserve fund revenues and balances that exceed \$5 million to the Foundation School Fund No. 193 monthly.</p> <p><i>The Commission is not requesting any revisions to this Rider.</i></p>
6.	VII-10	<p>Appropriations Limited to Revenue Collections. Fees, fines, rental taxes, and other miscellaneous revenues as authorized and generated by the operation of charity bingo shall cover, at a minimum, the cost of the appropriations made above for the strategy items in Goal B, Enforce Bingo Laws, as well as the “other direct and indirect costs” associated with this goal, appropriated elsewhere in this Act. “Other direct and indirect costs” for Goal B, Enforce Bingo Laws, are estimated to be \$823,339 <u>xxx</u> for fiscal year 2014 <u>2016</u> and \$878,971 <u>xxx</u> for fiscal year 2015 <u>2017</u>. In the event that actual and/or projected revenue collections are insufficient to offset the costs identified by this provision, the Legislative Budget Board may direct that the Comptroller of Public Accounts reduce the appropriation authority provided above to be within the amount of revenue expected to be available.</p> <p><i>This rider revision is requested to reflect updated estimates of other direct and indirect costs for the FY 2016-17 biennium. The amounts are to be provided by the Legislative Budget Board.</i></p>
7.	VII-11	<p>Petty Cash Fund Authorized. The Texas Lottery Commission is authorized to establish a petty cash fund to be used by Commission employees for the purchase of evidence and/or information and other expenses deemed necessary for agency security and enforcement activities, including audits and expenses, incurred by auditing. The petty cash fund, not to exceed \$1,500, may be maintained in cash or at a local bank and shall be subject to such rules and regulations as the executive director may recommend and the commission may adopt.</p> <p><i>The Commission is not requesting any revisions to this Rider.</i></p>

3.B. Rider Revisions and Additions Request (continued)

8.	VII-11	<p>Local Bingo Prize Fees. In addition to the amounts appropriated above in Strategy B.1.4, Bingo Prize Fee Collections and Accounting, bingo prize fees collected pursuant to Texas Occupations Code, Section 2001.502 for allocation to counties and municipalities as required by the Texas Occupations Code, Section 2001.503, are appropriated to the Texas Lottery Commission, estimated to be \$12,635,500 in fiscal year 2014 <u>2016</u> and \$12,635,500 in fiscal year 2015 <u>2017</u>.</p> <p><i>This rider revision is requested to reflect updated fiscal years.</i></p>
9.	VII-11	<p>Retailer Commissions.</p> <ul style="list-style-type: none"> a. Pursuant to Government Code, Chapter 466, an amount equal to 5 percent of gross sales shall be made available for the purpose of paying retailer commissions. b. The amounts included above in Strategy A.1.12, Retailer Commissions, include an estimated amount equal to one-half of one percent of gross sales each fiscal year that is in addition to the 5 percent retailer commission amount in subsection (a) above and may only be used for the purpose of paying sales performance retailer commissions. Any unobligated and unexpended balances of appropriations for the fiscal year ending August 31, 2014 <u>2016</u>, are appropriated to the agency for the same purposes for the fiscal year beginning September 1, 2014 <u>2016</u>. Prior to providing an additional retail commission above 5 percent of gross sales, the Texas Lottery Commission shall provide a report to the Governor and the Legislative Budget Board outlining the Texas Lottery Commission's plans to implement a retailer sales performance commission or similar sales performance incentive program and the projected benefits of the program to lottery ticket sales and state revenues. <p><i>This rider revision is requested to reflect updated fiscal years.</i></p>
10.	VII-11	<p>Lottery Operator Contract. The amounts included above in Strategy A.1.6, Lottery Operator Contract, are estimated appropriations out of the State Lottery Account in the General Revenue Fund and may only be used for payment of lottery operator contractual obligations. The estimated amount appropriated for fiscal year 2014 <u>2016</u> is an amount equal to 2.2099 percent of gross sales in fiscal year 2014 <u>2016</u>; and the estimated amount appropriated in fiscal year 2015 <u>2017</u> is an amount equal to 2.2099 percent of gross sales in fiscal year 2015 <u>2017</u>.</p> <p><i>This rider revision is requested to reflect updated fiscal years.</i></p>

3.B. Rider Revisions and Additions Request (continued)

11.	VII-11	<p>Appropriation of Increased Revenues. In addition to the amounts appropriated above, there is hereby appropriated out of the State Lottery Account in the General Revenue Fund, an amount equal to 1.49 percent of the amount by which gross sales exceed \$3,958,000,000 <u>\$3,974,000,000</u> in fiscal year 2014 <u>2016</u> and the amount by which gross sales exceed \$3,974,000,000 <u>\$3,974,000,000</u> in fiscal year 2015 <u>2017</u> for the purpose of fulfilling contractual obligations and other administrative costs in administration of the Lottery. Any unexpended balances remaining from this appropriation as of August 31, 2014-2016, are hereby appropriated for the same purposes for the fiscal year beginning September 1, 2014 <u>2016</u>.</p> <p><i>This rider revision is requested to reflect current estimate of lottery sales from the 2013 Biennial Revenue Estimate and to reflect updated fiscal years. The sales estimate for fiscal years 2016 and 2017 will require modification following issuance of the 2015 Biennial Revenue Estimate.</i></p>
12.	VII-11	<p>Instant Ticket Game Closure. The commission shall provide a semi-annual report, on April 1 and October 1, to the Legislative Budget Board detailing the number of instant ticket games closed and the amount of time to end the sale of each game following closure.</p> <p><i>The Commission is not requesting any revisions to this Rider.</i></p>
13.	VII-11	<p>Sale of Lottery. None of the funds appropriated above may be spent for the purpose of exploring, investigating, negotiating, calculating, or otherwise taking any action that would result in selling the Texas Lottery.</p> <p><i>The Commission is not requesting any revisions to this Rider.</i></p>
14.	VII-11	<p>Contingent Revenue. Out of the amounts appropriated above to the Lottery Commission in Strategy B.1.3, Bingo Law Compliance Field Operations, the amount of \$612,438 in 2014 and \$612,438 in 2015 in General Revenue are contingent upon the Lottery Commission assessing or increasing fees sufficient to generate, during the 2014-15 biennium, \$1,563,912 in excess of \$5,913,000 (Object Code 3152), contained in the Comptroller of Public Accounts' Biennial Revenue Estimate for fiscal years 2014 and 2015. Also, the "Number of Full Time Equivalents (FTE)" figure indicated above includes 14.0 FTEs in each fiscal year contingent upon the Lottery Commission generating the amount of revenue indicated above. The Lottery Commission, upon completion of necessary actions to assess or increase such additional fees, shall furnish copies of the Lottery Commission's minutes and other information supporting the estimated revenues to be generated for the 2014-15 biennium under the revised fee structure to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purposes. For informational purposes, the amount of increased revenue identified above reflects amounts sufficient to cover direct appropriations of \$1,224,876 and other direct and indirect costs (estimated to be \$339,036 for the 2014-15 biennium).</p> <p><i>The Commission is requesting deletion of this Rider.</i></p>

3.B. Rider Revisions and Additions Request (continued)

15.	VII-12	<p>Bingo Third Party Reimbursements. Included in amounts appropriated above in Strategy B.1.3, Bingo Law Compliance Field Operations, is an estimated \$60,000 in fiscal year 2014 <u>2016</u> and \$60,000 in fiscal year 2015 <u>2017</u> in General Revenue Funds collected from third party reimbursements by the Bingo division in accordance with Texas Occupations Code §§2001.205(b), 2001.209(b), 2001.437(e), and 2001.560(d).</p> <p><i>This rider revision is requested to reflect updated fiscal years.</i></p>
16.	VII-12	<p>Sunset Contingency. Funds appropriated above for fiscal year 2015 are made contingent on the continuation of the Texas Lottery Commission by the Eighty third Legislature. In the event that the agency is not continued, the funds appropriated for fiscal year 2014 or as much thereof as may be necessary are to be used to provide for the phase out of the agency operations.</p> <p><i>The Commission is requesting deletion of this Rider.</i></p>
701	Article VII	<p><u>Unexpended Balances and Capital Authority: Automated Charitable Bingo System.</u> In addition to amounts appropriated above, the Texas Lottery Commission is hereby appropriated any unexpended balances in the Automated Charitable Bingo System capital budget item in Rider 2 as of August 31, 2015 are appropriated for the same purpose in the state fiscal biennium beginning September 1, 2015.</p> <p><i>The Commission is requesting unexpended balance authority for the Automated Charitable Bingo System Capital Budget project from fiscal year 2015 to fiscal year 2016.</i></p>

3.C. Rider Appropriations and Unexpended Balances Request
84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/7/2014
TIME: 8:35:55AM

Agency Code: 362 Texas Lottery Commission

RIDER	STRATEGY	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
8 1	Local Bingo Prize Fee					
	2-1-4 BINGO PRIZE FEE COLLECTION & ACCT	\$12,999,759	\$12,635,500	\$12,635,500	\$12,635,500	\$12,635,500
OBJECT OF EXPENSE:						
	4000 GRANTS	\$12,999,759	\$12,635,500	\$12,635,500	\$12,635,500	\$12,635,500
Total, Object of Expense		\$12,999,759	\$12,635,500	\$12,635,500	\$12,635,500	\$12,635,500
METHOD OF FINANCING:						
	1 General Revenue Fund	\$12,999,759	\$12,635,500	\$12,635,500	\$12,635,500	\$12,635,500
Total, Method of Financing		\$12,999,759	\$12,635,500	\$12,635,500	\$12,635,500	\$12,635,500

Description/Justification for continuation of existing riders or proposed new rider

In addition to the amounts appropriated above in Strategy B.1.4, Bingo Prize Fee Collection and Accounting, bingo prize fees collected pursuant to Texas Occupations Code, Section 2001.502 for allocation to counties and municipalities as required by the Texas Occupations Code, Section 2001.503, are appropriated to the Texas Lottery Commission, estimated to be \$12,635,500 in fiscal year 2014 and \$12,635,500 in fiscal year 2015.

3.C. Rider Appropriations and Unexpended Balances Request
84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/7/2014**
TIME: **8:35:55AM**

Agency Code: 362 Texas Lottery Commission

RIDER	STRATEGY	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
SUMMARY:						
OBJECT OF EXPENSE TOTAL		\$12,999,759	\$12,635,500	\$12,635,500	\$12,635,500	\$12,635,500
METHOD OF FINANCING TOTAL		\$12,999,759	\$12,635,500	\$12,635,500	\$12,635,500	\$12,635,500

5.A. Capital Budget Project Schedule
84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/7/2014**
TIME : **8:35:55AM**

Agency code: **362**

Agency name: **Texas Lottery Commission**

Category Code / Category Name

Project Sequence/Project Id/ Name

OOE / TOF / MOF CODE			Est 2014	Bud 2015	BL 2016	BL 2017
5003 Repair or Rehabilitation of Buildings and Facilities						
<i>3/3 New Draw Games- Studio Remodel</i>						
OBJECTS OF EXPENSE						
<u>Capital</u>						
General	2009	OTHER OPERATING EXPENSE	\$775,000	\$0	\$0	\$0
Capital Subtotal OOE, Project			3	\$775,000	\$0	\$0
Subtotal OOE, Project			3	\$775,000	\$0	\$0
TYPE OF FINANCING						
<u>Capital</u>						
General	CA	5025 Lottery Acct	\$775,000	\$0	\$0	\$0
Capital Subtotal TOF, Project			3	\$775,000	\$0	\$0
Subtotal TOF, Project			3	\$775,000	\$0	\$0
Capital Subtotal, Category			5003	\$775,000	\$0	\$0
Informational Subtotal, Category			5003			
Total, Category			5003	\$775,000	\$0	\$0

5005 Acquisition of Information Resource Technologies

*4/4 Automated Charitable Bingo System (ACBS)
Redesign*

OBJECTS OF EXPENSE

Capital

General	2001	PROFESSIONAL FEES AND SERVICES	\$1,250,000	\$1,250,000	\$0	\$0
Capital Subtotal OOE, Project			4	\$1,250,000	\$1,250,000	\$0
						\$0

5.A. Capital Budget Project Schedule
84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/7/2014**
TIME : **8:35:55AM**

Agency code: **362**

Agency name: **Texas Lottery Commission**

Category Code / Category Name

Project Sequence/Project Id/ Name

OOE / TOF / MOF CODE				Est 2014	Bud 2015	BL 2016	BL 2017
Subtotal OOE, Project 4				\$1,250,000	\$1,250,000	\$0	\$0
TYPE OF FINANCING							
<u>Capital</u>							
General	CA	1	General Revenue Fund	\$1,250,000	\$1,250,000	\$0	\$0
Capital Subtotal TOF, Project 4				\$1,250,000	\$1,250,000	\$0	\$0
Subtotal TOF, Project 4				\$1,250,000	\$1,250,000	\$0	\$0
Capital Subtotal, Category 5005				\$1,250,000	\$1,250,000	\$0	\$0
Informational Subtotal, Category 5005							
Total, Category 5005				\$1,250,000	\$1,250,000	\$0	\$0
5007 Acquisition of Capital Equipment and Items							
<i>1/1 Capitalized Lottery Drawing Equipment</i>							
OBJECTS OF EXPENSE							
<u>Capital</u>							
General	5000		CAPITAL EXPENDITURES	\$107,299	\$192,701	\$300,000	\$0
Capital Subtotal OOE, Project 1				\$107,299	\$192,701	\$300,000	\$0
Subtotal OOE, Project 1				\$107,299	\$192,701	\$300,000	\$0
TYPE OF FINANCING							
<u>Capital</u>							
General	CA	5025	Lottery Acct	\$107,299	\$192,701	\$300,000	\$0
Capital Subtotal TOF, Project 1				\$107,299	\$192,701	\$300,000	\$0
Subtotal TOF, Project 1				\$107,299	\$192,701	\$300,000	\$0

5.A. Capital Budget Project Schedule
84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/7/2014**
TIME : **8:35:55AM**

Agency code: **362**

Agency name: **Texas Lottery Commission**

Category Code / Category Name

Project Sequence/Project Id/ Name

OOE / TOF / MOF CODE		Est 2014	Bud 2015	BL 2016	BL 2017
<i>2/2 New Drawing Equipment</i>					
OBJECTS OF EXPENSE					
<u>Capital</u>					
General	5000 CAPITAL EXPENDITURES	\$0	\$0	\$0	\$0
	Capital Subtotal OOE, Project 2	\$0	\$0	\$0	\$0
	Subtotal OOE, Project 2	\$0	\$0	\$0	\$0
TYPE OF FINANCING					
<u>Capital</u>					
General	CA 5025 Lottery Acct	\$0	\$0	\$0	\$0
	Capital Subtotal TOF, Project 2	\$0	\$0	\$0	\$0
	Subtotal TOF, Project 2	\$0	\$0	\$0	\$0
	Capital Subtotal, Category 5007	\$107,299	\$192,701	\$300,000	\$0
	Informational Subtotal, Category 5007				
	Total, Category 5007	\$107,299	\$192,701	\$300,000	\$0
AGENCY TOTAL -CAPITAL		\$2,132,299	\$1,442,701	\$300,000	\$0
AGENCY TOTAL -INFORMATIONAL					
AGENCY TOTAL		\$2,132,299	\$1,442,701	\$300,000	\$0

5.A. Capital Budget Project Schedule
84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/7/2014**
TIME : **8:35:55AM**

Agency code: **362**

Agency name: **Texas Lottery Commission**

Category Code / Category Name

Project Sequence/Project Id/ Name

OOE / TOF / MOF CODE		Est 2014	Bud 2015	BL 2016	BL 2017
METHOD OF FINANCING:					
<u>Capital</u>					
General	1 General Revenue Fund	\$1,250,000	\$1,250,000	\$0	\$0
General	5025 Lottery Acct	\$882,299	\$192,701	\$300,000	\$0
Total, Method of Financing-Capital		\$2,132,299	\$1,442,701	\$300,000	\$0
Total, Method of Financing		\$2,132,299	\$1,442,701	\$300,000	\$0
TYPE OF FINANCING:					
<u>Capital</u>					
General	CA CURRENT APPROPRIATIONS	\$2,132,299	\$1,442,701	\$300,000	\$0
Total, Type of Financing-Capital		\$2,132,299	\$1,442,701	\$300,000	\$0
Total,Type of Financing		\$2,132,299	\$1,442,701	\$300,000	\$0

5.B. Capital Budget Project Information
84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/7/2014
TIME: 8:35:56AM

Agency Code:	362	Agency name:	Texas Lottery Commission
Category Number:	5007	Category Name:	ACQUISITN CAP EQUIP ITEMS
Project number:	1	Project Name:	Capitalized Lottery Drawing Equip.

PROJECT DESCRIPTION

General Information

In order to meet the goals of the agency, carry out the agency mission and to ensure the integrity and security of all games, the agency is required to purchase lottery drawing related equipment on a routine basis. In addition future opportunities such as new games and add-on features to current games may require the procurement of equipment. Postponing new games and features could affect the opportunity to provide incremental revenue to the state. Postponing replacement equipment could have a detrimental affect on the integrity and security of games should equipment fail.

Number of Units / Average Unit Cost 0

Estimated Completion Date N/A

Additional Capital Expenditure Amounts Required	2018	2019
	0	0

Type of Financing CA CURRENT APPROPRIATIONS

Projected Useful Life 3-7 years

Estimated/Actual Project Cost \$300,000

Length of Financing/ Lease Period 0

ESTIMATED/ACTUAL DEBT OBLIGATION PAYMENTS

	2016	2017	2018	2019	Total over project life
	0	0	0	0	0

REVENUE GENERATION / COST SAVINGS

<u>REVENUE COST FLAG</u>	<u>MOF CODE</u>	<u>AVERAGE AMOUNT</u>
---------------------------------	------------------------	------------------------------

Explanation: Lottery drawing-equipment is used in the critical function of conducting lottery and ensuring the security and integrity of games.

Project Location: Texas Lottery Commission Headquarters, Austin, Texas

Beneficiaries: Agency staff and the general public.

Frequency of Use and External Factors Affecting Use:

The draw machines may be used twice a week or up to multiple times a day to conduct on-line draws.

Agency code: 362 Agency name: Texas Lottery Commission

Category Code/Name

Project Sequence/Project Id/Name

Goal/Obj/Str	Strategy Name	Est 2014	Bud 2015	BL 2016	BL 2017
--------------	---------------	----------	----------	---------	---------

5003 Repair or Rehabilitation of Buildings and Facilities

3/3 New Draw Games- Studio Remodel

GENERAL BUDGET

Capital	1-1-1	LOTTERY OPERATIONS	775,000	0	\$0	\$0
		TOTAL, PROJECT	\$775,000	\$0	\$0	\$0

5005 Acquisition of Information Resource Technologies

4/4 ACBS Redesign

GENERAL BUDGET

Capital	2-1-1	BINGO LICENSING	1,250,000	1,250,000	0	0
		TOTAL, PROJECT	\$1,250,000	\$1,250,000	\$0	\$0

5007 Acquisition of Capital Equipment and Items

1/1 Capitalized Lottery Drawing Equip.

GENERAL BUDGET

Capital	1-1-4	SECURITY	107,299	192,701	300,000	0
		TOTAL, PROJECT	\$107,299	\$192,701	\$300,000	\$0

2/2 New Drawing Equipment

GENERAL BUDGET

Capital	1-1-4	SECURITY	0	0	0	0
		TOTAL, PROJECT	\$0	\$0	\$0	\$0

5.C. Capital Budget Allocation to Strategies (Baseline)
84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/7/2014**
TIME: **8:35:56AM**

Agency code: **362** Agency name: **Texas Lottery Commission**

Category Code/Name

Project Sequence/Project Id/Name

Goal/Obj/Str	Strategy Name	Est 2014	Bud 2015	BL 2016	BL 2017
	TOTAL CAPITAL, ALL PROJECTS	\$2,132,299	\$1,442,701	\$300,000	\$0
	TOTAL INFORMATIONAL, ALL PROJECTS				
	TOTAL, ALL PROJECTS	\$2,132,299	\$1,442,701	\$300,000	\$0

6.A. Historically Underutilized Business Supporting Schedule
84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: **8/7/2014**
Time: **8:35:56AM**

Agency Code: **362** Agency: **Texas Lottery Commission**

COMPARISON TO STATEWIDE HUB PROCUREMENT GOALS

A. Fiscal Year 2012 - 2013 HUB Expenditure Information

Statewide HUB Goals	Procurement Category	% Goal	HUB Expenditures FY 2012			Total Expenditures FY 2012		HUB Expenditures FY 2013			Total Expenditures FY 2013	
			% Actual	Diff	Actual \$		% Goal	% Actual	Diff	Actual \$		
32.7%	Special Trade Construction	32.7 %	7.9%	-24.8%	\$3,287	\$41,479	28.0 %	0.6%	-27.4%	\$1,220	\$189,166	
23.6%	Professional Services	23.6 %	75.7%	52.1%	\$596,550	\$788,265	23.6 %	76.0%	52.4%	\$840,006	\$1,104,667	
24.6%	Other Services	24.6 %	26.6%	2.0%	\$37,643,248	\$141,760,412	24.6 %	30.2%	5.6%	\$45,127,638	\$149,389,921	
21.0%	Commodities	21.0 %	42.9%	21.9%	\$1,211,547	\$2,825,431	21.0 %	45.7%	24.7%	\$1,190,755	\$2,606,543	
	Total Expenditures		27.1%		\$39,454,632	\$145,415,587		30.8%		\$47,159,619	\$153,290,297	

B. Assessment of Fiscal Year 2012 - 2013 Efforts to Meet HUB Procurement Goals

Attainment:

The agency attained or exceeded three of four, or 75% of the applicable agency HUB procurement goals in fiscal year 2012.

The agency attained or exceeded three of four, or 75% of the applicable agency HUB procurement goals in fiscal year 2013

Applicability:

The "Heavy Construction" and "Building Construction" categories were not applicable to agency operations in either Fiscal Year 2012 or 2013, since the agency did not have any strategies or programs relating to heavy or building construction.

Factors Affecting Attainment:

Special Trade Construction continues to be challenging for the TLC. As a tenant agency, the majority of contract decisions for renovations and lease improvements are not subject to the agency's control.

"Good-Faith" Efforts:

Included the agency's HUB Coordinator in procurements over \$100,000 to assist in identifying subcontracting opportunities and evaluating subcontracting plans.

Provided potential proposers/bidders with lists of certified HUBs for subcontracting opportunities.

Held pre-bid/proposal conferences, offered one-on-one workshops, and provided HUB subcontracting plan draft reviews to assist bidders/proposers with HUB subcontracting requirements.

Participated in statewide HUB forums and other outreach events to provide information about agency procurement processes and contract opportunities.

Hosted an annual HUB Forum at agency headquarters which included networking sessions with key staff and TLC contractors.

Placed advertisements in minority publications throughout the state.

Made HUB information available via the TLC Web site.

Provided HUB participation updates to Texas Lottery Commissioners.

6.A. Historically Underutilized Business Supporting Schedule
84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: **8/7/2014**
Time: **8:35:56AM**

Agency Code: **362** Agency: **Texas Lottery Commission**

Worked to establish new mentor protégé relationships.
Assisted eligible vendors to become certified or re-certified as HUBs.
Continued to maintain a minority lottery retailer percentage of more than 40%.

6.E. Estimated Revenue Collections Supporting Schedule
84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: **362** Agency name: **Texas Lottery Commission**

FUND/ACCOUNT	Act 2013	Exp 2014	Exp 2015	Bud 2016	Est 2017
<u>1</u> General Revenue Fund					
Beginning Balance (Unencumbered):	\$0	\$0	\$0	\$0	\$0
Estimated Revenue:					
3152 Bingo Operators/Lessors	2,942,390	3,948,080	3,535,493	3,535,493	3,948,080
3153 Bingo Equipment	71,300	91,200	81,250	81,250	81,250
3155 Bingo Investigation or Audit	0	14,000	0	0	0
3166 Bingo Rental Tax	1,209,425	1,085,801	1,147,613	1,147,613	1,147,613
3170 Bingo Prize Fees	27,467,492	27,651,421	27,559,457	27,559,457	27,559,457
3719 Fees/Copies or Filing of Records	488	1,969	1,229	1,229	1,229
3727 Fees - Administrative Services	377	882	630	630	630
3770 Administrative Penalties	141,913	46,450	94,182	94,182	94,182
3795 Other Misc Government Revenue	136	0	0	0	0
3802 Reimbursements-Third Party	30,595	34,245	32,420	32,420	32,420
Subtotal: Actual/Estimated Revenue	31,864,116	32,874,048	32,452,274	32,452,274	32,864,861
Total Available	\$31,864,116	\$32,874,048	\$32,452,274	\$32,452,274	\$32,864,861
DEDUCTIONS:					
Expended/Budgeted	(15,068,352)	(16,646,804)	(16,658,445)	(16,658,445)	(16,658,445)
Transfer-Employee Benefits	(390,787)	(467,744)	(701,740)	(701,740)	(701,740)
Benefit Replacement Pay	(13,015)	(9,844)	(10,000)	(10,000)	(10,000)
Total, Deductions	\$(15,472,154)	\$(17,124,392)	\$(17,370,185)	\$(17,370,185)	\$(17,370,185)
Ending Fund/Account Balance	\$16,391,962	\$15,749,656	\$15,082,089	\$15,082,089	\$15,494,676

REVENUE ASSUMPTIONS:

Revenues are projected to remain relatively flat, with the exception of 3152 Bingo Operator/Lessor license fee. The increase in FY14 -17 is based on increased license fees sufficient to generate funds appropriated in Rider 14, Contingent Revenue.

CONTACT PERSON:

Kathy Pyka

6.E. Estimated Revenue Collections Supporting Schedule
84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: **362** Agency name: **Texas Lottery Commission**

FUND/ACCOUNT	Act 2013	Exp 2014	Exp 2015	Bud 2016	Est 2017
<u>5025</u> Lottery Acct					
Beginning Balance (Unencumbered):	\$0	\$0	\$0	\$0	\$0
Estimated Revenue:					
3176 Lottery License Application Fees	319,591	281,236	300,414	300,414	300,414
3177 Lottery Ticket Sales	4,376,286,456	4,390,150,000	3,974,000,000	3,974,000,000	3,974,000,000
3178 Lottery Security Proceeds	61,788	56,820	59,304	59,304	59,304
3719 Fees/Copies or Filing of Records	12,045	11,998	12,022	12,022	12,022
3727 Fees - Administrative Services	396,245	350,158	373,202	373,202	373,202
3802 Reimbursements-Third Party	425,704	773,428	444,899	444,899	444,899
Subtotal: Actual/Estimated Revenue	4,377,501,829	4,391,623,640	3,975,189,841	3,975,189,841	3,975,189,841
Total Available	\$4,377,501,829	\$4,391,623,640	\$3,975,189,841	\$3,975,189,841	\$3,975,189,841
DEDUCTIONS:					
Expended/Budgeted	(181,359,676)	(207,966,134)	(207,390,325)	(207,981,617)	(207,769,000)
Transfer - Employee Benefits	(3,979,187)	(4,130,654)	(4,130,654)	(4,130,654)	(4,130,654)
Benefit Replacement Pay	(84,953)	(71,682)	(71,682)	(71,682)	(71,682)
Unemployment Benefits	(698)	(3,723)	(2,210)	(2,210)	(2,210)
Rider 11, Lottery Operator Contract (2012-13 GAA)	(12,823,750)	0	0	0	0
Rider 10, Lottery Operator Contract (2014-15 GAA)	0	(9,550,083)	0	0	0
Lottery Winnings/Installment Payments	(2,767,359,068)	(2,754,174,975)	(2,493,101,911)	(2,493,101,911)	(2,493,101,911)
Retailer Commissions	(218,892,925)	(219,507,550)	(198,700,000)	(198,700,000)	(198,700,000)
Transfers to Foundation School Fund	(1,148,515,795)	(1,190,741,963)	(1,069,127,188)	(1,068,113,047)	(1,069,127,188)
Transfers to Department of State Health Services	(5,750,000)	(5,411,953)	(4,397,812)	(5,411,953)	(4,397,812)
Transfers to Texas Veterans Commission	(6,178,158)	(10,150,204)	(9,390,000)	(9,390,000)	(9,390,000)
Transfers to General Revenue	(53,657,834)	0	0	0	0
Total, Deductions	\$(4,398,602,044)	\$(4,401,708,921)	\$(3,986,311,782)	\$(3,986,903,074)	\$(3,986,690,457)
Ending Fund/Account Balance	\$ (21,100,215)	\$ (10,085,281)	\$ (11,121,941)	\$ (11,713,233)	\$ (11,500,616)

REVENUE ASSUMPTIONS:

Revenue for FY 2015-17 is projected to remain relatively flat.

6.E. Estimated Revenue Collections Supporting Schedule
84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: **362** Agency name: **Texas Lottery Commission**

FUND/ACCOUNT	Act 2013	Exp 2014	Exp 2015	Bud 2016	Est 2017
---------------------	-----------------	-----------------	-----------------	-----------------	-----------------

CONTACT PERSON:

Kathy Pyka

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/7/2014
Time: 8:35:57AM

Agency code: **362** Agency name: **Texas Lottery Commission**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2016	2017	Biennial Total	2016	2017	Biennial Total	

1 Bingo Administrative Reduction

Category: Across the Board Reductions

Item Comment: If the 10% across the board reductions were implemented for FY2016-17 biennium, the Commission would be required to reduce \$3,324,449 from an administrative budget of \$5,545,890. This would reflect a reduction of 31.0 FTE's from the current 47.0 FTE's budgeted.

The 10% budget reduction amount was computed by the LBB using amounts expended and budgeted in FY 2014-15 including \$2.5 million of appropriation for a one-time capital expenditure that will not be requested in the FY 2016-17 base budget and the appropriation designated in Rider 8 for local bingo prize fees. From the \$3,324,449 required reduction, \$2,777,100 can be attributed to these two budget line items. Concurrent with LBB directive, the agency funded the entire 10% reduction from the Bingo administrative budget, exempting the Prize Fee Rider from reduction. Excluding the Prize Fee Allocation Rider, 91% of Bingo's budget is salary related. This would result in eliminating Strategy B.1.2 (Bingo Education) and greatly reducing overall operating budget of the remaining 3 strategies.

A plan to reduce 5% or \$1,662,225 of the \$3,324,449 would be to eliminate 4 of 11 FTEs in Strategy B.1.1 (Bingo Licensing), 7 of 29 FTEs in Strategy B.1.3. (Bingo Law Compliance Field Operation) and 1 of 4 FTEs in B.1.4. (Bingo Prize Fee Collection and Accounting). The entire Strategy B.1.2 (Bingo Education) and its 3 FTEs would be eliminated. This 5% reduction represents a 32% reduction in overall staffing and would severely limit the operating capabilities of the Bingo division. This reduction would drastically reduce the number of audits and investigations which regulate licensees' compliance with the Bingo Enabling Act and increase the amount of time to process bingo tax revenue and license applications. While it cannot be quantified it is likely that revenue would be negatively impacted due to the reduced resources to regulate and administer charitable bingo related activities in the state of Texas.

Strategy: 2-1-1 Determine Eligibility and Process Applications

General Revenue Funds

1 General Revenue Fund	\$0	\$0	\$0	\$249,590	\$249,590	\$499,180
General Revenue Funds Total	\$0	\$0	\$0	\$249,590	\$249,590	\$499,180

Strategy: 2-1-2 Provide Education and Training for Bingo Regulatory Requirements

General Revenue Funds

1 General Revenue Fund	\$0	\$0	\$0	\$174,443	\$174,443	\$348,886
General Revenue Funds Total	\$0	\$0	\$0	\$174,443	\$174,443	\$348,886

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/7/2014
Time: 8:35:57AM

Agency code: **362** Agency name: **Texas Lottery Commission**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2016	2017	Biennial Total	2016	2017	Biennial Total	
Strategy: 2-1-3 Bingo Law Compliance Field Operations							
<u>General Revenue Funds</u>							
1 General Revenue Fund	\$0	\$0	\$0	\$369,854	\$369,853	\$739,707	
General Revenue Funds Total	\$0	\$0	\$0	\$369,854	\$369,853	\$739,707	
Strategy: 2-1-4 Bingo Prize Fee Collections and Accounting							
<u>General Revenue Funds</u>							
1 General Revenue Fund	\$0	\$0	\$0	\$37,226	\$37,226	\$74,452	
General Revenue Funds Total	\$0	\$0	\$0	\$37,226	\$37,226	\$74,452	
Item Total	\$0	\$0	\$0	\$831,113	\$831,112	\$1,662,225	
FTE Reductions (From FY 2016 and FY 2017 Base Request)				15.0	15.0		

2 Bingo Administrative Reduction

Category: Across the Board Reductions

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/7/2014
Time: 8:35:57AM

Agency code: 362 Agency name: Texas Lottery Commission

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET																																								
	2016	2017	Biennial Total	2016	2017	Biennial Total																																									
<p>Item Comment: If the 10% across the board reductions were implemented for FY2016-17 biennium, the Commission would be required to reduce \$3,324,449 from an administrative budget of \$5,545,890. This would reflect a reduction of 31.0 FTE's from the current 47.0 FTE's budgeted, or a 66% reduction.</p> <p>The 10% budget reduction amount was computed by the LBB using amounts expended and budgeted in FY 2014-15 including \$2.5 million of appropriation for a one-time capital expenditure that will not be requested in the FY 2016-17 base budget and the appropriation designated in Rider 8 for local bingo prize fees. From the \$3,324,449 required reduction, \$2,777,100 can be attributed to these two budget line items. Concurrent with LBB directive, the agency funded the entire 10% reduction from the Bingo administrative budget, exempting the Prize Fee Rider from the reduction. Excluding the Prize Fee Allocation Rider, 91% of Bingo's budget is salary related. This would result in reducing even further the overall operating budget of the remaining 3 strategies.</p> <p>A plan to reduce an additional 5% or \$1,662,224 of the \$3,324,449 would be to eliminate another 3 of 11 FTEs in Strategy B.1.1 (Bingo Licensing), 11 of 29 FTEs in Strategy B.1.3. (Bingo Law Compliance Field Operation) and 2 of 4 FTEs in B.1.4. (Bingo Prize Fee Collection and Accounting). This 5% reduction represents another 34% reduction in overall staffing and would severely limit the operating capabilities of the Bingo division. This reduction would drastically reduce the number of audits and investigations which regulate licensees' compliance with the Bingo Enabling Act and increase the amount of time to process bingo tax revenue and license applications. While it cannot be quantified it is likely that revenue would be negatively impacted due to the reduced resources to regulate and administer charitable bingo related activities in the state of Texas.</p> <p>Strategy: 2-1-1 Determine Eligibility and Process Applications</p> <p><u>General Revenue Funds</u></p> <table> <tr> <td>1 General Revenue Fund</td><td>\$0</td><td>\$0</td><td>\$0</td><td>\$187,192</td><td>\$187,192</td><td>\$374,384</td><td></td></tr> <tr> <td>General Revenue Funds Total</td><td>\$0</td><td>\$0</td><td>\$0</td><td>\$187,192</td><td>\$187,192</td><td>\$374,384</td><td></td></tr> </table> <p>Strategy: 2-1-3 Bingo Law Compliance Field Operations</p> <p><u>General Revenue Funds</u></p> <table> <tr> <td>1 General Revenue Fund</td><td>\$0</td><td>\$0</td><td>\$0</td><td>\$569,468</td><td>\$569,468</td><td>\$1,138,936</td><td></td></tr> <tr> <td>General Revenue Funds Total</td><td>\$0</td><td>\$0</td><td>\$0</td><td>\$569,468</td><td>\$569,468</td><td>\$1,138,936</td><td></td></tr> </table> <p>Strategy: 2-1-4 Bingo Prize Fee Collections and Accounting</p> <p><u>General Revenue Funds</u></p> <table> <tr> <td>1 General Revenue Fund</td><td>\$0</td><td>\$0</td><td>\$0</td><td>\$74,452</td><td>\$74,452</td><td>\$148,904</td><td></td></tr> </table>								1 General Revenue Fund	\$0	\$0	\$0	\$187,192	\$187,192	\$374,384		General Revenue Funds Total	\$0	\$0	\$0	\$187,192	\$187,192	\$374,384		1 General Revenue Fund	\$0	\$0	\$0	\$569,468	\$569,468	\$1,138,936		General Revenue Funds Total	\$0	\$0	\$0	\$569,468	\$569,468	\$1,138,936		1 General Revenue Fund	\$0	\$0	\$0	\$74,452	\$74,452	\$148,904	
1 General Revenue Fund	\$0	\$0	\$0	\$187,192	\$187,192	\$374,384																																									
General Revenue Funds Total	\$0	\$0	\$0	\$187,192	\$187,192	\$374,384																																									
1 General Revenue Fund	\$0	\$0	\$0	\$569,468	\$569,468	\$1,138,936																																									
General Revenue Funds Total	\$0	\$0	\$0	\$569,468	\$569,468	\$1,138,936																																									
1 General Revenue Fund	\$0	\$0	\$0	\$74,452	\$74,452	\$148,904																																									

6.I. Percent Biennial Base Reduction Options**10 % REDUCTION**

84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/7/2014

Time: 8:35:57AM

Agency code: **362** Agency name: **Texas Lottery Commission**

<u>Item Priority and Name/ Method of Financing</u>	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2016	2017	Biennial Total	2016	2017	Biennial Total	
General Revenue Funds Total	\$0	\$0	\$0	\$74,452	\$74,452	\$148,904	
Item Total	\$0	\$0	\$0	\$831,112	\$831,112	\$1,662,224	
FTE Reductions (From FY 2016 and FY 2017 Base Request)				16.0	16.0		
AGENCY TOTALS							
General Revenue Total				\$1,662,225	\$1,662,224	\$3,324,449	\$3,324,449
GR Dedicated Total							\$42,438,083
Agency Grand Total	\$0	\$0	\$0	\$1,662,225	\$1,662,224	\$3,324,449	
Difference, Options Total Less Target							\$(42,438,083)
Agency FTE Reductions (From FY 2016 and FY 2017 Base Request)				31.0	31.0		

7.A. Indirect Administrative and Support Costs

8/7/2014 8:35:57AM

84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

362 Texas Lottery Commission

Strategy		Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
1-1-1	Lottery Operations					
OBJECTS OF EXPENSE:						
1001	SALARIES AND WAGES	\$2,004,634	\$ 1,952,530	\$ 2,005,001	\$ 2,005,001	\$ 2,005,001
1002	OTHER PERSONNEL COSTS	79,139	49,608	59,054	59,054	59,054
2001	PROFESSIONAL FEES AND SERVICES	453,424	366,135	337,119	337,119	337,119
2003	CONSUMABLE SUPPLIES	1,029	4,277	3,966	3,966	3,966
2004	UTILITIES	68,248	61,701	55,719	55,719	55,719
2005	TRAVEL	11,058	22,505	30,717	30,717	30,717
2006	RENT - BUILDING	3,490	3,059	3,221	3,221	3,221
2007	RENT - MACHINE AND OTHER	68,974	65,964	70,776	70,776	70,776
2009	OTHER OPERATING EXPENSE	346,054	462,451	655,195	667,028	666,938
5000	CAPITAL EXPENDITURES	10,130	0	0	0	0
Total, Objects of Expense		\$3,046,180	\$2,988,230	\$3,220,768	\$3,232,601	\$3,232,511
METHOD OF FINANCING:						
5025	Lottery Acct	3,046,180	2,988,230	3,220,768	3,232,601	3,232,511
Total, Method of Financing		\$3,046,180	\$2,988,230	\$3,220,768	\$3,232,601	\$3,232,511
FULL TIME EQUIVALENT POSITIONS		26.3	24.6	24.3	24.3	24.3

7.A. Indirect Administrative and Support Costs

8/7/2014 8:35:57AM

84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

362 Texas Lottery Commission						
Strategy		Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
1-1-2	Lottery Field Operations					
OBJECTS OF EXPENSE:						
1001	SALARIES AND WAGES	\$1,853,909	\$ 1,780,154	\$ 1,828,089	\$ 1,828,089	\$ 1,828,089
1002	OTHER PERSONNEL COSTS	73,187	45,229	53,844	53,844	53,844
2001	PROFESSIONAL FEES AND SERVICES	419,331	333,810	307,373	307,373	307,373
2003	CONSUMABLE SUPPLIES	952	3,898	3,616	3,616	3,616
2004	UTILITIES	63,117	56,255	50,802	50,802	50,802
2005	TRAVEL	10,227	20,518	28,007	28,007	28,007
2006	RENT - BUILDING	3,228	2,789	2,938	2,938	2,938
2007	RENT - MACHINE AND OTHER	63,787	60,141	64,532	64,532	64,532
2009	OTHER OPERATING EXPENSE	320,035	421,623	597,384	608,171	608,091
5000	CAPITAL EXPENDITURES	9,369	0	0	0	0
Total, Objects of Expense		\$2,817,142	\$2,724,417	\$2,936,585	\$2,947,372	\$2,947,292
METHOD OF FINANCING:						
5025	Lottery Acct	2,817,142	2,724,417	2,936,585	2,947,372	2,947,292
Total, Method of Financing		\$2,817,142	\$2,724,417	\$2,936,585	\$2,947,372	\$2,947,292
FULL TIME EQUIVALENT POSITIONS		24.4	22.5	22.2	22.2	22.2

7.A. Indirect Administrative and Support Costs

8/7/2014 8:35:57AM

84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

362 Texas Lottery Commission

Strategy		Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
1-1-3	Marketing and Promotion					
OBJECTS OF EXPENSE:						
1001	SALARIES AND WAGES	\$1,239,707	\$ 1,253,495	\$ 1,322,743	\$ 1,322,743	\$ 1,322,743
1002	OTHER PERSONNEL COSTS	48,940	31,848	38,960	38,960	38,960
2001	PROFESSIONAL FEES AND SERVICES	280,406	235,052	222,405	222,405	222,405
2003	CONSUMABLE SUPPLIES	637	2,745	2,616	2,616	2,616
2004	UTILITIES	42,206	39,612	36,759	36,759	36,759
2005	TRAVEL	6,839	14,448	20,265	20,265	20,265
2006	RENT - BUILDING	2,158	1,964	2,126	2,126	2,126
2007	RENT - MACHINE AND OTHER	42,654	42,348	46,693	46,693	46,693
2009	OTHER OPERATING EXPENSE	214,007	296,886	432,247	440,052	439,994
5000	CAPITAL EXPENDITURES	6,265	0	0	0	0
Total, Objects of Expense		\$1,883,819	\$1,918,398	\$2,124,814	\$2,132,619	\$2,132,561
METHOD OF FINANCING:						
5025	Lottery Acct	1,883,819	1,918,398	2,124,814	2,132,619	2,132,561
Total, Method of Financing		\$1,883,819	\$1,918,398	\$2,124,814	\$2,132,619	\$2,132,561
FULL TIME EQUIVALENT POSITIONS		16.3	15.8	16.0	16.0	16.0

7.A. Indirect Administrative and Support Costs

8/7/2014 8:35:57AM

84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

362 Texas Lottery Commission

Strategy		Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
1-1-4 Security						
OBJECTS OF EXPENSE:						
1001	SALARIES AND WAGES	\$1,315,069	\$ 1,306,717	\$ 1,340,762	\$ 1,340,762	\$ 1,340,762
1002	OTHER PERSONNEL COSTS	51,915	33,200	39,490	39,490	39,490
2001	PROFESSIONAL FEES AND SERVICES	297,452	245,032	225,434	225,434	225,434
2003	CONSUMABLE SUPPLIES	675	2,861	2,652	2,652	2,652
2004	UTILITIES	44,772	41,294	37,259	37,259	37,259
2005	TRAVEL	7,254	15,061	20,541	20,541	20,541
2006	RENT - BUILDING	2,290	2,047	2,155	2,155	2,155
2007	RENT - MACHINE AND OTHER	45,247	44,146	47,329	47,329	47,329
2009	OTHER OPERATING EXPENSE	227,016	309,491	438,135	446,047	445,988
5000	CAPITAL EXPENDITURES	6,646	0	0	0	0
Total, Objects of Expense		\$1,998,336	\$1,999,849	\$2,153,757	\$2,161,669	\$2,161,610
METHOD OF FINANCING:						
5025	Lottery Acct	1,998,336	1,999,849	2,153,757	2,161,669	2,161,610
Total, Method of Financing		\$1,998,336	\$1,999,849	\$2,153,757	\$2,161,669	\$2,161,610
FULL TIME EQUIVALENT POSITIONS		17.3	16.5	16.3	16.3	16.3

7.A. Indirect Administrative and Support Costs

8/7/2014 8:35:57AM

84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

362 Texas Lottery Commission

Strategy		Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
2-1-1 Determine Eligibility and Process Applications						
OBJECTS OF EXPENSE:						
1001	SALARIES AND WAGES	\$355,709	\$ 386,057	\$ 396,414	\$ 396,414	\$ 396,414
1002	OTHER PERSONNEL COSTS	14,042	9,809	11,676	11,676	11,676
2001	PROFESSIONAL FEES AND SERVICES	80,457	72,393	66,653	66,653	66,653
2003	CONSUMABLE SUPPLIES	183	845	784	784	784
2004	UTILITIES	12,110	12,200	11,016	11,016	11,016
2005	TRAVEL	1,962	4,450	6,073	6,073	6,073
2006	RENT - BUILDING	619	605	637	637	637
2007	RENT - MACHINE AND OTHER	12,239	13,043	13,993	13,993	13,993
2009	OTHER OPERATING EXPENSE	61,405	91,436	129,540	131,879	131,862
5000	CAPITAL EXPENDITURES	1,798	0	0	0	0
Total, Objects of Expense		\$540,524	\$590,838	\$636,786	\$639,125	\$639,108
METHOD OF FINANCING:						
5025	Lottery Acct	540,524	590,838	636,786	639,125	639,108
Total, Method of Financing		\$540,524	\$590,838	\$636,786	\$639,125	\$639,108
FULL TIME EQUIVALENT POSITIONS		4.7	4.9	4.8	4.8	4.8

7.A. Indirect Administrative and Support Costs

8/7/2014 8:35:57AM

84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

362 Texas Lottery Commission

Strategy		Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
2-1-2 Provide Education and Training for Bingo Regulatory Requirements						
OBJECTS OF EXPENSE:						
1001	SALARIES AND WAGES	\$82,145	\$ 105,649	\$ 108,113	\$ 108,113	\$ 108,113
1002	OTHER PERSONNEL COSTS	3,243	2,684	3,184	3,184	3,184
2001	PROFESSIONAL FEES AND SERVICES	18,580	19,811	18,178	18,178	18,178
2003	CONSUMABLE SUPPLIES	42	231	214	214	214
2004	UTILITIES	2,797	3,339	3,004	3,004	3,004
2005	TRAVEL	453	1,218	1,656	1,656	1,656
2006	RENT - BUILDING	143	166	174	174	174
2007	RENT - MACHINE AND OTHER	2,826	3,569	3,816	3,816	3,816
2009	OTHER OPERATING EXPENSE	14,180	25,023	35,329	35,967	35,962
5000	CAPITAL EXPENDITURES	415	0	0	0	0
Total, Objects of Expense		\$124,824	\$161,690	\$173,668	\$174,306	\$174,301
METHOD OF FINANCING:						
5025	Lottery Acct	124,824	161,690	173,668	174,306	174,301
Total, Method of Financing		\$124,824	\$161,690	\$173,668	\$174,306	\$174,301
FULL TIME EQUIVALENT POSITIONS		1.1	1.3	1.3	1.3	1.3

7.A. Indirect Administrative and Support Costs

8/7/2014 8:35:57AM

84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

362 Texas Lottery Commission

Strategy		Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
2-1-3 Bingo Law Compliance Field Operations						
OBJECTS OF EXPENSE:						
1001	SALARIES AND WAGES	\$576,520	\$ 1,018,365	\$ 1,045,090	\$ 1,045,090	\$ 1,045,090
1002	OTHER PERSONNEL COSTS	22,759	25,874	30,782	30,782	30,782
2001	PROFESSIONAL FEES AND SERVICES	130,402	190,961	175,720	175,720	175,720
2003	CONSUMABLE SUPPLIES	296	2,230	2,067	2,067	2,067
2004	UTILITIES	19,628	32,182	29,043	29,043	29,043
2005	TRAVEL	3,180	11,738	16,011	16,011	16,011
2006	RENT - BUILDING	1,004	1,595	1,680	1,680	1,680
2007	RENT - MACHINE AND OTHER	19,836	34,405	36,892	36,892	36,892
2009	OTHER OPERATING EXPENSE	99,523	241,196	341,515	347,682	347,636
5000	CAPITAL EXPENDITURES	2,913	0	0	0	0
Total, Objects of Expense		\$876,061	\$1,558,546	\$1,678,800	\$1,684,967	\$1,684,921
METHOD OF FINANCING:						
5025	Lottery Acct	876,061	1,558,546	1,678,800	1,684,967	1,684,921
Total, Method of Financing		\$876,061	\$1,558,546	\$1,678,800	\$1,684,967	\$1,684,921
FULL TIME EQUIVALENT POSITIONS		7.6	12.9	12.7	12.7	12.7

7.A. Indirect Administrative and Support Costs

8/7/2014 8:35:57AM

84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

362 Texas Lottery Commission

Strategy		Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
2-1-4 Bingo Prize Fee Collections and Accounting						
OBJECTS OF EXPENSE:						
1001	SALARIES AND WAGES	\$108,521	\$ 140,601	\$ 144,150	\$ 144,150	\$ 144,150
1002	OTHER PERSONNEL COSTS	4,284	3,572	4,246	4,246	4,246
2001	PROFESSIONAL FEES AND SERVICES	24,546	26,365	24,237	24,237	24,237
2003	CONSUMABLE SUPPLIES	56	308	285	285	285
2004	UTILITIES	3,695	4,443	4,006	4,006	4,006
2005	TRAVEL	599	1,621	2,208	2,208	2,208
2006	RENT - BUILDING	189	220	232	232	232
2007	RENT - MACHINE AND OTHER	3,734	4,750	5,089	5,089	5,089
2009	OTHER OPERATING EXPENSE	18,734	33,301	47,106	47,956	47,950
5000	CAPITAL EXPENDITURES	548	0	0	0	0
Total, Objects of Expense		\$164,906	\$215,181	\$231,559	\$232,409	\$232,403
METHOD OF FINANCING:						
5025	Lottery Acct	164,906	215,181	231,559	232,409	232,403
Total, Method of Financing		\$164,906	\$215,181	\$231,559	\$232,409	\$232,403
FULL TIME EQUIVALENT POSITIONS		1.4	1.8	1.7	1.7	1.7

7.A. Indirect Administrative and Support Costs

8/7/2014 8:35:57AM

84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

362 Texas Lottery Commission					
	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
GRAND TOTALS					
Objects of Expense					
1001 SALARIES AND WAGES	\$7,536,214	\$7,943,568	\$8,190,362	\$8,190,362	\$8,190,362
1002 OTHER PERSONNEL COSTS	\$297,509	\$201,824	\$241,236	\$241,236	\$241,236
2001 PROFESSIONAL FEES AND SERVICES	\$1,704,598	\$1,489,559	\$1,377,119	\$1,377,119	\$1,377,119
2003 CONSUMABLE SUPPLIES	\$3,870	\$17,395	\$16,200	\$16,200	\$16,200
2004 UTILITIES	\$256,573	\$251,026	\$227,608	\$227,608	\$227,608
2005 TRAVEL	\$41,572	\$91,559	\$125,478	\$125,478	\$125,478
2006 RENT - BUILDING	\$13,121	\$12,445	\$13,163	\$13,163	\$13,163
2007 RENT - MACHINE AND OTHER	\$259,297	\$268,366	\$289,120	\$289,120	\$289,120
2009 OTHER OPERATING EXPENSE	\$1,300,954	\$1,881,407	\$2,676,451	\$2,724,782	\$2,724,421
5000 CAPITAL EXPENDITURES	\$38,084	\$0	\$0	\$0	\$0
Total, Objects of Expense	\$11,451,792	\$12,157,149	\$13,156,737	\$13,205,068	\$13,204,707
Method of Financing					
5025 Lottery Acct	\$11,451,792	\$12,157,149	\$13,156,737	\$13,205,068	\$13,204,707
Total, Method of Financing	\$11,451,792	\$12,157,149	\$13,156,737	\$13,205,068	\$13,204,707
Full-Time-Equivalent Positions (FTE)	99.1	100.3	99.3	99.3	99.3

