





## INTEROFFICE MEMO

Gary Grief, Executive Director      Tom Hanson, Acting Charitable Bingo Operations Director

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**To:** J. Winston Krause, Chairman  
Cindy Fields, Commissioner  
Mark A. Franz, Commissioner  
Robert Rivera, Commissioner  
Erik C. Saenz, Commissioner

**From:** Kathy Pyka, Controller *KP*

**Date:** June 1, 2020

**Re:** FY 2021 Operating Budget

The FY 2021 Operating Budget was provided under separate email distribution on June 1, 2020.

The Operating Budget for FY 2021 is \$254,758,174 and reflects 306.9 Full Time Equivalent Positions (FTE's). The budget was developed in accordance with appropriation amounts outlined in House Bill 1 adjusted for Rider and Article IX funding provisions.

The initial draft of the budget was developed by the Office of the Controller and delivered to division management for their direct input. The final draft was developed after receiving feedback from the divisions and reviewed by executive management.

Attached to this memorandum is a briefing document of the Agency Budget.

Please feel free to contact me at 512-344-5410 if you need additional information or have any questions.

Attachment: FY 2021 Operating Budget Briefing document

## Texas Lottery Commission FY 2021 Operating Budget

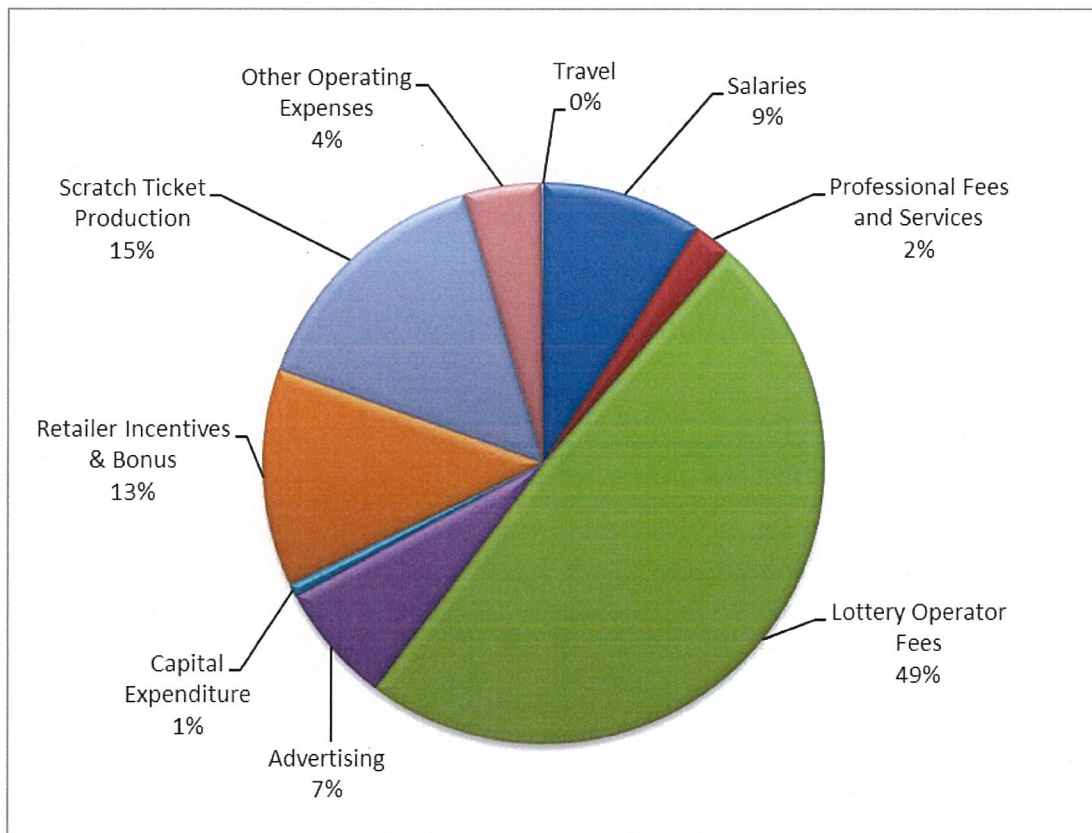
### Budget

FY 2021 Operating Budget	Budget	FTEs
Lottery Dedicated Account	\$ 252,530,672	272.90
General Revenue	2,227,503	34.00
Total	\$ 254,758,174	306.90

FY 2020 Operating Budget	Budget	FTEs
Lottery Dedicated Account	\$ 255,143,392	277.80
General Revenue	2,450,170	38.00
Total	\$ 257,593,563	315.80

FY 2021 Increase (Decrease) From FY 2020	Budget	FTEs
Lottery Dedicated Account	\$ (2,612,721)	(4.90)
General Revenue	(222,667)	(4.00)
Total	\$ (2,835,388)	(8.90)

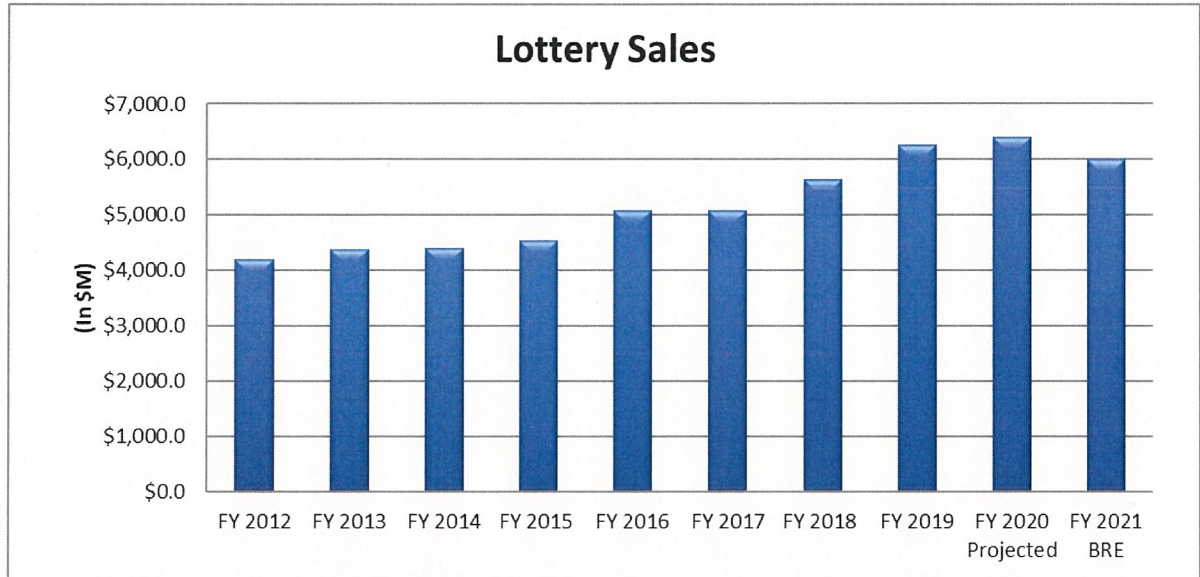
### Summary by Object of Expense



- 77% of the Lottery Dedicated Budget is contractual outsourced services.

### Lottery Sales Projection

- The budget was developed using the Comptroller's Biennial Revenue Estimate (BRE) of \$5.99B for FY 2021



### Appropriation Authority

#### Lottery Dedicated Account

- Original Appropriation. \$251,488,529.
- Rider 9: Retailer Incentive. Estimated appropriation of 0.5% of sales. Appropriation of \$29.9M included in the budget.
- Rider 10: Lottery Operator Contract. Estimated appropriation of 2.0773% of sales based on Comptroller's Biennial Revenue Estimate (BRE) of \$5.99B.
- Rider 11: Appropriation for Increased Fees-Unexpended Balance Authority. The budget reflects \$1.5M of Rider 11 funds estimated to be earned in FY 2020 and carried forward to FY 2021.
- Rider 11: Appropriation for Increased Fees. Estimated appropriation of 1.49% of the amount by which sales exceed \$5.99B. Should BRE sales target of \$5.99B be exceeded, budget increase authority is available.
- Article IX, Section 17.03 Payroll Contribution-Health Insurance. Required transfer of 1% of Salaries and Wages, or \$207K, to the Employees Retirement System for group health insurance.
- Article IX, Section 17.06 Payroll Contribution-Retirement. Required transfer of 0.5% of Salaries and Wages, or \$103K, to the Employees Retirement System for retirement program.
- Article IX, Section 8.02 Third Party Reimbursement. \$481K in funding for contracts reimbursed by Lottery Operator vendor.



### General Revenue

- Original Appropriation. \$2,549,315.
- Rider 14: Bingo Third Party Reimbursement. Budget does not reflect appropriation for third party reimbursements at this time. As funds become available the budget will be amended.
- Article IX, Section 17.03 Payroll Contribution-Health Insurance. Required transfer of 1% of Salaries and Wages, or \$20K, to the Employees Retirement System for group health insurance.
- Article IX, Section 17.06 Payroll Contribution-Retirement. Required transfer of 0.5% of Salaries and Wages, or \$10K, to the Employees Retirement System for retirement program.

### General Restrictions

- Rider 2: Capital Budget Authority. Budget includes \$1,925,887 in capital authority.
  - \$110,750 for Lottery Drawing Equipment.
  - \$1,815,137 for Construction Required for TX Capital Complex Building
- FTE Cap: Budget reflects 306.9 FTE's representing 16.6 FTE's under cap restriction of 323.5 FTE's.

### **Budget Highlights**

- Lottery Operator Fees are reflected at \$124.4M, or 49% of the Commission budget.
- The Advertising budget is reflected at \$17.8M or 7% of budget.
- 12.5% of the budget, or \$31.9M, is dedicated to the Retailer Incentive and Bonus Programs.
- Salaries are \$23.4M, or 9% of Budget.
- Scratch Ticket Production, including Printing and Licensing Fees, is budgeted at \$38.1M or 15% of the Budget.
- The balance of the budget, or \$19.1M, or 7.5% relates to Other Operating, Professional Fees, Travel and Capital Outlay.
- FTE's are budgeted at 306.9 FTE's, including a FTE reduction of 4.9 positions in the Lottery Dedicated Account and 4.0 positions in the General Revenue Account.

### **Unbudgeted Appropriation**

- \$628,448 in Lottery Account appropriation is unbudgeted.
- \$292,305 of General Revenue appropriation is unbudgeted.

Texas Lottery Commission  
FY 2021 Operating Budget, Final  
Agency Summary

		Budgeted Amount	General Revenue	Lottery
1001	Salaries & Wages	\$ 22,618,314	\$ 1,967,174	\$ 20,651,141
1003	Longevity Pay	437,340	32,880	404,460
1004	Merit Pool	384,511	33,442	351,069
2001	Professional Fees and Services	5,439,316	90,989	5,348,327
2002	Lottery Operator Fees	124,355,799	-	124,355,799
2003	Advertising	17,784,448	-	17,784,448
2004	Retailer Bonuses	29,932,075	-	29,932,075
2005	Printing and Reproduction	36,862,950	-	36,862,950
2009	Other Operating Expenses	14,584,392	60,768	14,523,624
3000	Travel	317,141	36,250	280,891
3001	Out of State Travel	116,000	6,000	110,000
4000	Grants	-	-	-
5000	Capital Expenditures	1,925,887	-	1,925,887
	Total Budget	<u>\$ 254,758,174</u>	<u>\$ 2,227,503</u>	<u>\$ 252,530,672</u>
	FTE's	<u>306.90</u>	<u>34.00</u>	<u>272.90</u>
1002	Payroll Related Costs	<u>\$ 7,561,302</u>	<u>\$ 657,626</u>	<u>\$ 6,903,676</u>
Method of Finance:				
	Original Appropriation	254,037,844	2,549,315	251,488,529
	Rider 10, Lottery Operator Contract	-	-	-
	Rider 11, Appropriation of Increased Revenue UB	1,500,000	-	1,500,000
	Article IX, Section 17.03 Payroll Cont-Health Ins 1.0%	(226,606)	(19,672)	(206,935)
	Article IX, Section 17.06 Payroll Cont-Retirement 0.5%	(113,303)	(9,836)	(103,467)
	Article IX, Section. 8.02 Reimbursements and Payments	480,987	-	480,987
	Total, Method of Finance	<u>\$ 255,678,921</u>	<u>\$ 2,519,807</u>	<u>\$ 253,159,114</u>
	Variance, Unbudgeted Appropriation	<u>\$ 920,747</u>	<u>\$ 292,305</u>	<u>\$ 628,442</u>

Texas Lottery Commission  
FY 2021 Operating Budget, Final  
Division: Executive  
Summary 100

	Budgeted Amount	General Revenue	Lottery
1001 Salaries & Wages	\$ 402,717	\$ -	\$ 402,717
1003 Longevity Pay	7,680	-	7,680
1004 Merit Pool	30,976	-	30,976
2001 Professional Fees and Services	5,000	-	5,000
2002 Lottery Operator Fees	-	-	-
2003 Advertising	-	-	-
2004 Retailer Bonuses	-	-	-
2005 Printing and Reproduction	-	-	-
2009 Other Operating Expenses	68,538	-	68,538
3000 Travel	22,100	-	22,100
3001 Out of State Travel	110,000	-	110,000
4000 Grants	-	-	-
5000 Capital Expenditures	-	-	-
Total Budget	<u>647,012</u>	<u>-</u>	<u>647,012</u>
FTE's	<u>3.00</u>	<u>-</u>	<u>3.00</u>
1002 Payroll Related Costs	\$ 134,628	\$ -	\$ 134,628

Texas Lottery Commission  
FY 2021 Operating Budget, Final  
Division: Governmental Affairs  
Section Budget: 0110 Governmental Affairs

		Budgeted Amount	General Revenue	Lottery
1001	Salaries & Wages	\$ 440,884	\$ -	\$ 440,884
1003	Longevity Pay	7,860	-	7,860
1004	Merit Pool	4,839	-	4,839
2001	Professional Fees and Services	-	-	-
2002	Lottery Operator Fees	-	-	-
2003	Advertising	-	-	-
2004	Retailer Bonuses	-	-	-
2005	Printing and Reproduction	-	-	-
2009	Other Operating Expenses	13,807	-	13,807
3000	Travel	-	-	-
3001	Out of State Travel	-	-	-
4000	Grants	-	-	-
5000	Capital Expenditures	-	-	-
	Total Budget	<u>\$ 467,389</u>	<u>\$ -</u>	<u>\$ 467,389</u>
	FTE's	<u>4.00</u>	<u>-</u>	<u>4.00</u>
1002	Payroll Related Costs	\$ 147,387	\$ -	\$ 147,387



Texas Lottery Commission  
FY 2021 Operating Budget, Final  
Division: Media Relations  
Summary 120

	Budgeted Amount	General Revenue	Lottery
1001 Salaries & Wages	\$ 391,217	\$ -	\$ 391,217
1003 Longevity Pay	3,680	-	3,680
1004 Merit Pool	4,883	-	4,883
2001 Professional Fees and Services	-	-	-
2002 Lottery Operator Fees	-	-	-
2003 Advertising	-	-	-
2004 Retailer Bonuses	-	-	-
2005 Printing and Reproduction	-	-	-
2009 Other Operating Expenses	38,084	-	38,084
3000 Travel	5,000	-	5,000
3001 Out of State Travel	-	-	-
4000 Grants	-	-	-
5000 Capital Expenditures	-	-	-
Total Budget	<u>\$ 442,864</u>	<u>-</u>	<u>\$ 442,864</u>
FTE's	<u>5.00</u>	<u>-</u>	<u>5.00</u>
1002 Payroll Related Costs	\$ 130,784	\$ -	\$ 130,784

Texas Lottery Commission  
FY 2021 Operating Budget, Final  
Division: Enforcement  
Summary 130

	Budgeted Amount	General Revenue	Lottery
1001 Salaries & Wages	\$ 1,294,240	\$ -	\$ 1,294,240
1003 Longevity Pay	27,560	-	27,560
1004 Merit Pool	19,670	-	19,670
2001 Professional Fees and Services	42,749	-	42,749
2002 Lottery Operator Fees	-	-	-
2003 Advertising	-	-	-
2004 Retailer Bonuses	-	-	-
2005 Printing and Reproduction	-	-	-
2009 Other Operating Expenses	22,942	-	22,942
3000 Travel	70,000	-	70,000
3001 Out of State Travel	-	-	-
4000 Grants	-	-	-
5000 Capital Expenditures	-	-	-
Total Budget	<u>\$ 1,477,161</u>	<u>-</u>	<u>\$ 1,477,161</u>
FTE's	<u>16.00</u>	<u>-</u>	<u>16.00</u>
1002 Payroll Related Costs	\$ 432,665	\$ -	\$ 432,665

Texas Lottery Commission  
FY 2021 Operating Budget, Final  
Division: Office of the Controller  
Summary 200

	Budgeted Amount	General Revenue	Lottery
1001 Salaries & Wages	\$ 1,850,752	\$ -	\$ 1,850,752
1003 Longevity Pay	37,040	-	37,040
1004 Merit Pool	27,574	-	27,574
2001 Professional Fees and Services	76,000	-	76,000
2002 Lottery Operator Fees	-	-	-
2003 Advertising	-	-	-
2004 Retailer Bonuses	-	-	-
2005 Printing and Reproduction	-	-	-
2009 Other Operating Expenses	74,300	-	74,300
3000 Travel	2,500	-	2,500
3001 Out of State Travel	-	-	-
4000 Grants	-	-	-
5000 Capital Expenditures	-	-	-
Total Budget	<u>\$ 2,068,166</u>	<u>\$ -</u>	<u>\$ 2,068,166</u>
FTE's	<u>22.00</u>	<u>-</u>	<u>22.00</u>
1002 Payroll Related Costs	\$ 618,706	\$ -	\$ 618,706

Texas Lottery Commission  
FY 2021 Operating Budget, Final  
Division: Human Resources  
Section Budget: 0300 Human Resources

	Budgeted Amount	General Revenue	Lottery
1001 Salaries & Wages	\$ 668,361	\$ -	\$ 668,361
1003 Longevity Pay	10,860	-	10,860
1004 Merit Pool	8,777	-	8,777
2001 Professional Fees and Services	4,990	-	4,990
2002 Lottery Operator Fees	-	-	-
2003 Advertising	1,000	-	1,000
2004 Retailer Bonuses	-	-	-
2005 Printing and Reproduction	-	-	-
2009 Other Operating Expenses	22,198	-	22,198
3000 Travel	1,000	-	1,000
3001 Out of State Travel	-	-	-
4000 Grants	-	-	-
5000 Capital Expenditures	-	-	-
Total Budget	<u>\$ 717,185</u>	<u>\$ -</u>	<u>\$ 717,185</u>
FTE's	<u>7.00</u>	<u>-</u>	<u>7.00</u>
1002 Payroll Related Costs	\$ 223,433	\$ -	\$ 223,433



Texas Lottery Commission  
FY 2021 Operating Budget, Final  
Division: Internal Audit  
Summary 400

	Budgeted Amount	General Revenue	Lottery
1001 Salaries & Wages	\$ -	\$ -	\$ -
1003 Longevity Pay	-	-	-
1004 Merit Pool	-	-	-
2001 Professional Fees and Services	300,000	-	300,000
2002 Lottery Operator Fees	-	-	-
2003 Advertising	-	-	-
2004 Retailer Bonuses	-	-	-
2005 Printing and Reproduction	-	-	-
2009 Other Operating Expenses	-	-	-
3000 Travel	-	-	-
3001 Out of State Travel	-	-	-
4000 Grants	-	-	-
5000 Capital Expenditures	-	-	-
Total Budget	<u>300,000</u>	<u>-</u>	<u>300,000</u>
FTE's	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
1002 Payroll Related Costs	\$ -	\$ -	\$ -

Texas Lottery Commission  
FY 2021 Operating Budget, Final  
Division: Legal Services  
Summary 500

	Budgeted Amount	General Revenue	Lottery
1001 Salaries & Wages	\$ 1,289,759	\$ -	\$ 1,289,759
1003 Longevity Pay	21,020	-	21,020
1004 Merit Pool	18,102	-	18,102
2001 Professional Fees and Services	51,000	-	51,000
2002 Lottery Operator Fees	-	-	-
2003 Advertising	-	-	-
2004 Retailer Bonuses	-	-	-
2005 Printing and Reproduction	-	-	-
2009 Other Operating Expenses	58,575	-	58,575
3000 Travel	2,500	-	2,500
3001 Out of State Travel	-	-	-
4000 Grants	-	-	-
5000 Capital Expenditures	-	-	-
Total Budget	<u>\$ 1,440,956</u>	<u>\$ -</u>	<u>\$ 1,440,956</u>
FTE's	<u>12.50</u>	<u>-</u>	<u>12.50</u>
1002 Payroll Related Costs	\$ 431,166	\$ -	\$ 431,166

Texas Lottery Commission  
FY 2021 Operating Budget, Final  
Division: Lottery Operations  
Summary 600

	Budgeted Amount	General Revenue	Lottery
1001 Salaries & Wages	\$ 8,575,892	\$ -	\$ 8,575,892
1003 Longevity Pay	\$ 192,660	-	192,660
1004 Merit Pool	\$ 142,604	-	142,604
2001 Professional Fees and Services	\$ 3,563,932	-	3,563,932
2002 Lottery Operator Fees	\$ 124,355,799	-	124,355,799
2003 Advertising	\$ 17,783,448	-	17,783,448
2004 Retailer Bonuses	\$ 29,932,075	-	29,932,075
2005 Printing and Reproduction	\$ 36,702,950	-	36,702,950
2009 Other Operating Expenses	\$ 6,691,986	-	6,691,986
3000 Travel	\$ 162,291	-	162,291
3001 Out of State Travel	\$ -	-	-
4000 Grants	\$ -	-	-
5000 Capital Expenditures	110,750	-	110,750
Total Budget	<u>\$ 228,214,387</u>	<u>\$ -</u>	<u>\$ 228,214,387</u>
FTE's	<u>\$ 137.00</u>	<u>\$ -</u>	<u>\$ 137.00</u>
1002 Payroll Related Costs	\$ 2,866,921	\$ -	\$ 2,866,921

Texas Lottery Commission  
FY 2021 Operating Budget, Final  
Division: Administration  
Summary 700

	Budgeted Amount	General Revenue	Lottery
1001 Salaries & Wages	\$ 5,737,319	\$ -	\$ 5,737,319
1003 Longevity Pay	96,100	-	96,100
1004 Merit Pool	93,645	-	93,645
2001 Professional Fees and Services	1,304,656	-	1,304,656
2002 Lottery Operator Fees	-	-	-
2003 Advertising	-	-	-
2004 Retailer Bonuses	-	-	-
2005 Printing and Reproduction	160,000	-	160,000
2009 Other Operating Expenses	7,533,194	-	7,533,194
3000 Travel	15,500	-	15,500
3001 Out of State Travel	-	-	-
4000 Grants	-	-	-
5000 Capital Expenditures	1,815,137	-	1,815,137
Total Budget	<u>\$ 16,755,552</u>	<u>\$ -</u>	<u>\$ 16,755,552</u>
FTE's	<u>66.40</u>	<u>-</u>	<u>66.40</u>
1002 Payroll Related Costs	\$ 1,917,986	\$ -	\$ 1,917,986



Texas Lottery Commission  
FY 2021 Operating Budget, Final  
Division: Bingo  
Summary 800

	Budgeted Amount	General Revenue	Lottery
1001 Salaries & Wages	\$ 1,967,174	\$ 1,967,174	\$ -
1003 Longevity Pay	32,880	32,880	-
1004 Merit Pool	33,442	33,442	-
2001 Professional Fees and Services	90,989	90,989	-
2002 Lottery Operator Fees	-	-	-
2003 Advertising	-	-	-
2004 Retailer Bonuses	-	-	-
2005 Printing and Reproduction	-	-	-
2009 Other Operating Expenses	60,768	60,768	-
3000 Travel	36,250	36,250	-
3001 Out of State Travel	6,000	6,000	-
4000 Grants	-	-	-
5000 Capital Expenditures	-	-	-
Total Budget	<u>\$ 2,227,503</u>	<u>\$ 2,227,503</u>	<u>\$ -</u>
FTE's	<u>34.00</u>	<u>34.00</u>	<u>-</u>
1002 Payroll Related Costs	\$ 657,626	\$ 657,626	\$ -

Texas Lottery Commission  
FY 2021 Operating Budget, Final  
By Strategy

		13005 A.1.1.	13012 A.1.2.	13006 A.1.3. Marketing & Promotion	13008 A.1.4.	13009 A.1.5.	13014 A.1.6.	13015 A.1.7. Scratch Ticket Prod. Cont.	13007 A.1.8. Mass Media Advert. Cont.	13017 A.1.9.	13019 A.1.10.	13023 A.1.11. Retailer Commissions
Goal A	FY 2021 Budgeted Amount	Lottery Operations	Lottery Field Oper.		Security	Central Admin.	Lottery Oper. Cont.			Drawing & Broadcast	Retailer Bonus	
0100 Executive	\$ 647,012			\$ 4,954	\$ 2,332	639,725						
0110 Governmental Relations	467,389					467,389						
0120 Media Relations	442,864			442,864								
0130 Enforcement	1,477,161				1,477,161							
0200 Office of the Controller	2,068,166					2,068,166						
0300 Human Resources	717,185					717,185						
0400 Internal Audit	300,000					300,000						
0500 Legal Services	1,440,956				224,521	1,216,435						
0600 Lottery Operations	402,519			402,519								
0601 Lottery Operator Contract	124,355,799						124,355,799					
0602 Retailer Bonus	2,010,000										2,010,000	
0603 Scratch Ticket Contract	38,109,355							38,109,355				
0604 Retailer Incentive	29,932,075											29,932,075
0605 Drawing & Broadcast Studio	2,150,000									2,150,000		
0606 Security	761,854				761,854							
0607 Drawings & Validations	2,229,118				2,229,118							
0608 Claim Centers	3,136,846		3,136,846									
0609 Retailer Services	2,372,840	2,372,840										
0611 Lottery Products	1,282,622			1,282,622								
0612 Promotions & Advertising	712,304			712,304								
0613 Promotional Events & Items	2,975,607			2,975,607								
0615 Advertising	17,783,448								17,783,448			
0700 Administration	569,479					569,479						
0702 Security Contracts	1,130,445				1,130,445							
0703 Facilities	7,501,223	7,501,223										
0704 Graphics	363,543			363,543								
0706 Contracts/Purchasing	531,334					531,334						
0707 Information Resources	6,182,141					6,182,141						
0708 Security Study	-					-						
0709 3rd Party Reimbursement	477,387	-	-	-	-	477,387	-	-	-	-	-	-
Total Budget	\$ 252,530,672	\$ 9,874,063	\$ 3,136,846	\$ 6,184,412	\$ 5,825,431	\$ 13,169,241	\$ 124,355,799	\$ 38,109,355	\$ 17,783,448	\$ 2,150,000	\$ 2,010,000	\$ 29,932,075
Reconciliation	-											
Base Appropriation	\$ 251,488,529	\$ 8,790,878	\$ 3,129,002	\$ 6,624,190	\$ 5,593,742	\$ 12,733,126	\$ 124,355,799	\$ 38,109,355	\$ 17,783,448	\$ 2,409,414	\$ 2,027,500	\$ 29,932,075
Rider 10, Lottery Operator Contract	-											
Rider 11, Appropriation of Increased Fees-UB	1,500,000	1,124,465	51,083		271,514	52,938						
Article IX, Section 17.03 Payroll Cont-Health Ins	(206,935)	(27,520)	(28,826)	(27,611)	(28,950)	(94,028)						
Article IX, Section 17.06 Payroll Cont-Retirement	(103,467)	(13,760)	(14,413)	(13,806)	(14,475)	(47,014)						
Article IX, Section 14.01 Appropriation Transfers-Initial	-	-	-	-	-	46,832	-	-	-	(46,832)	-	-
Article IX, Section. 8.02 Third Party Reimbursements	480,987	-	-	-	3,600	477,387	-	-	-	-	-	-
Total Budget	\$ 253,159,114	\$ 9,874,064	\$ 3,136,846	\$ 6,582,773	\$ 5,825,431	\$ 13,169,241	\$ 124,355,799	\$ 38,109,355	\$ 17,783,448	\$ 2,362,582	\$ 2,027,500	\$ 29,932,075
Over/Under	\$ 628,442	\$ 0	\$ (0)	\$ 398,361	\$ (0)	\$ (0)	\$ -	\$ -	\$ -	\$ 212,582	\$ 17,500	\$ -
Transfer Out Limitation	\$ 11,818,260	\$ 1,758,176	\$ 625,800	\$ 1,324,838	\$ 1,118,748	\$ 2,546,625	\$ -	\$ -	\$ 3,556,690	\$ 481,883	\$ 405,500	\$ -
Amount Remaining in Transfer Limitation	\$ 11,771,428	\$ 1,758,176	\$ 625,800	\$ 1,324,838	\$ 1,118,748	\$ 2,546,625	\$ -	\$ -	\$ 3,556,690	\$ 435,051	\$ 405,500	\$ -

		Budgeted	13004	13010	13003	13020						
		Amount	B.1.1.	B.1.2.	B.1.3.	B.1.4.						
Goal B			Bingo Licensing	Bingo Educ. & Dev.	Bingo Law Compl.	Bingo Prize Fee Coll.						
0802	Accounting Services	224,312				224,312						
0803	Licensing Services	489,715	489,715									
0804	Auditors	1,420,193			1,420,193							
0805	Education	93,282	-	93,282	-	-						
	Total Budget	\$ 2,227,503	\$ 489,715	\$ 93,282	\$ 1,420,193	\$ 224,312						
	Reconciliation	\$ -										
	Base Appropriation	\$ 2,549,315	\$ 672,772	\$ 110,483	\$ 1,449,216	\$ 316,844						
	Rider 8, Local Bingo Prize Fees	-				-						
	Article IX, Section 14.01 Appropriation Transfers-Initial	-										
	Article IX, Section 17.03 Payroll Cont-Health Ins	(19,672)	(3,655)	(832)	(13,055)	(2,129)						
	Article IX, Section 17.06 Payroll Cont-Retirement	(9,836)	(1,827)	(416)	(6,528)	(1,065)						
	Total Budget	\$ 2,519,807	\$ 667,290	\$ 109,235	\$ 1,429,633	\$ 313,650						
	Over/Under	\$ 292,305	\$ 177,574	\$ 15,952	\$ 9,440	\$ 89,338						
	Transfer Out Limitation	\$ 509,863	\$ 134,554	\$ 22,097	\$ 289,843	\$ 63,369						
	Amount Remaining in Transfer Limitation	\$ 509,863	\$ 134,554	\$ 22,097	\$ 289,843	\$ 63,369						

Texas Lottery Commission  
FY 2021 Operating Budget  
Review of Transfer Authority

Strategy	House Bill 1 Base Appropriation	Rider 10 Lottery Operator Contract	Rider 11 Appropriation of Increased Revenues	Article IX, Sec. 8.02/ Rider 14 Third Party Reimbursement	Article IX, Section 14.01 Appropriations Transfer	Article IX, Section 17.03 Payroll Cont- Health Ins	Article IX, Section 17.06 Payroll Cont- Retirement	Revised HB 1 Appropriation	Proposed Appropriation Transfers for FY 2021 Operating Budget	Adjusted Appropriation	FY 2021 Operating Budget	Appropriation Authority currently Unbudgeted	Appropriation Transfer Out Allowed 20.0%	Transfer Authority Remaining
A.1.1. Lottery Operations	\$ 8,790,878		\$ 1,124,465			\$ (27,520)	\$ (13,760)	9,874,064		\$ 9,874,064	\$ 9,874,063	0	\$ 1,758,176	\$ 1,758,176
A.1.2. Lottery Field Operations	3,129,002		51,083			(28,826)	(14,413)	3,136,846		3,136,846	3,136,846	(0)	625,800	625,800
A.1.3. Marketing and Promotion	6,624,190					(27,611)	(13,806)	6,582,773		6,582,773	6,184,412	398,361	1,324,838	1,324,838
A.1.4. Security	5,593,742		271,514	3,600		(28,950)	(14,475)	5,825,431		5,825,431	5,825,431	(0)	1,118,748	1,118,748
A.1.5. Central Administration	12,733,126		52,938	477,387		(94,028)	(47,014)	13,122,409	46,832	13,169,241	13,169,241	(0)	2,546,625	2,546,625
A.1.6. Lottery Operator Contract(s)	124,355,799	-						124,355,799		124,355,799	124,355,799	-	-	-
A.1.7. Scratch Ticket Production Contract(s)	38,109,355							38,109,355		38,109,355	38,109,355	-	-	-
A.1.8. Mass Media Advertising Contract(s)	17,783,448							17,783,448		17,783,448	17,783,448	-	3,556,690	3,556,690
A.1.9. Drawing & Broadcast Contract(s)	2,409,414							2,409,414	(46,832)	2,362,582	2,150,000	212,582	481,883	435,051
A.1.10. Retailer Bonus	2,027,500							2,027,500		2,027,500	2,010,000	17,500	405,500	405,500
A.1.11. Retailer Commissions	29,932,075							29,932,075		29,932,075	29,932,075	-	-	-
<b>Total, Agency Wide FUND 5025</b>	<b>\$ 251,488,529</b>	<b>\$ -</b>	<b>\$ 1,500,000</b>	<b>\$ 480,987</b>	<b>\$ -</b>	<b>\$ (206,935)</b>	<b>\$ (103,467)</b>	<b>\$ 253,159,114</b>	<b>\$ -</b>	<b>\$ 253,159,114</b>	<b>\$ 252,530,672</b>	<b>\$ 628,442</b>	<b>\$ 11,818,260</b>	<b>\$ 11,771,428</b>
B.1.1. Bingo Licensing	672,772					(3,655)	(1,827)	667,290		667,290	489,715	177,574	134,554	134,554
B.1.2. Bingo Education & Development	110,483					(832)	(416)	109,235		109,235	93,282	15,952	22,097	22,097
B.1.3. Bingo Law Compliance Field Operations	1,449,216					(13,055)	(6,528)	1,429,633		1,429,633	1,420,193	9,440	289,843	289,843
B.1.4. Bingo Prize Fee Collection & Acct.	316,844					(2,129)	(1,065)	313,650		313,650	224,312	89,338	63,369	63,369
<b>Total, Agency Wide FUND 0001</b>	<b>\$ 2,549,315</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (19,672)</b>	<b>\$ (9,836)</b>	<b>\$ 2,519,807</b>	<b>\$ -</b>	<b>\$ 2,519,807</b>	<b>\$ 2,227,503</b>	<b>\$ 292,305</b>	<b>\$ 509,863</b>	<b>\$ 509,863</b>

**Rider 11 Appropriation of Increased Revenues-FY21**

FY 2021 Sales Estimate	\$ 6,000,000,000
Rider 11 Base Sales Level	\$ 5,893,653,000
Excess Sales over Base Sales Level	\$ 106,347,000
Additional appn of 1.49% of Excess Sales	1.49%
Rider 11 Estimated Appropriation Increase	\$ 1,584,570

**Rider 10 Lottery Operator Contract**

FY 2021 Sales Estimate	\$ 6,000,000,000
Sales x 2.2099%	\$ 132,594,000
Strategy A.1.6 Base	\$ 124,355,799
Rider 10 Est Lottery Operator Contract Increase	\$ 8,238,201

**Rider 9b Retailer Commissions**

FY 2021 Sales Estimate	\$ 6,000,000,000
Sales x 0.05%	\$ 30,000,000
Strategy A.1.12 Base	\$ 29,932,075
Rider 9b Retailer Commission Increase	\$ 67,925



Texas Lottery Commission  
FY 2021 Operating Budget, Final  
Agency Summary

		FY 2021 over FY 2020	FY 2020 Budgeted Amount	FY 2021 Budgeted Amount	Executive	Govt. Affairs	Media Relations	Enforcement	Office of the Controller	Human Resources	Internal Audit	Legal	Lottery Operations	Administration	Bingo
1001	Salaries & Wages	\$ 156,057	\$ 22,462,258	\$ 22,618,314	\$ 402,717	\$ 440,884	\$ 391,217	\$ 1,294,240	\$ 1,850,752	\$ 668,361	\$ -	\$ 1,289,759	\$ 8,575,892	\$ 5,737,319	\$ 1,967,174
1003	Longevity Pay	2,200	435,140	437,340	7,680	7,860	3,680	27,560	37,040	10,860	-	21,020	192,660	96,100	32,880
1004	Merit Pool	2,653	381,858	384,511	30,976	4,839	4,883	19,670	27,574	8,777	-	18,102	142,604	93,645	33,442
2001	Professional Fees and Services	(220,312)	5,659,628	5,439,316	5,000	-	-	42,749	76,000	4,990	300,000	51,000	3,563,932	1,304,656	90,989
2002	Lottery Operator Fees	(5,645,074)	130,000,873	124,355,799	-	-	-	-	-	-	-	-	124,355,799	-	-
2003	Advertising	46,165	17,738,283	17,784,448	-	-	-	-	-	1,000	-	-	17,783,448	-	-
2004	Retailer Bonuses	509,117	31,432,958	31,942,075	-	-	-	-	-	-	-	-	31,942,075	-	-
2005	Printing and Reproduction	(7,662)	36,870,612	36,862,950	-	-	-	-	-	-	-	-	36,702,950	160,000	-
2009	Other Operating Expenses	529,685	12,044,707	12,574,392	68,538	13,807	38,084	22,942	74,300	22,198	-	58,575	4,681,986	7,533,194	60,768
3000	Travel	(20,678)	337,819	317,141	22,100	-	5,000	70,000	2,500	1,000	-	2,500	162,291	15,500	36,250
3001	Out of State Travel	(1,500)	117,500	116,000	110,000	-	-	-	-	-	-	-	-	-	6,000
4000	Grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5000	Capital Expenditures	1,813,961	111,926	1,925,887	-	-	-	-	-	-	-	-	110,750	1,815,137	-
	Total Budget	\$ (2,835,388)	\$ 257,593,563	\$ 254,758,174	\$ 647,012	\$ 467,389	\$ 442,864	\$ 1,477,161	\$ 2,068,166	\$ 717,185	\$ 300,000	\$ 1,440,956	\$ 228,214,387	\$ 16,755,552	\$ 2,227,503
	FTE's	(8.90)	315.80	306.90	3.00	4.00	5.00	16.00	22.00	7.00	-	12.50	137.00	66.40	34.00
% of Total Budget:															
1001	Salaries & Wages		8.7%	8.9%	1.8%	1.9%	1.7%	5.7%	8.2%	3.0%	0.0%	5.7%	37.9%	25.4%	8.7%
1003	Longevity Pay		0.2%	0.2%	1.8%	1.8%	0.8%	6.3%	8.5%	2.5%	0.0%	4.8%	44.1%	22.0%	7.5%
1004	Merit Pool		0.1%	0.2%	8.1%	1.3%	1.3%	5.1%	7.2%	2.3%	0.0%	4.7%	37.1%	24.4%	8.7%
2001	Professional Fees and Services		2.2%	2.1%	0.1%	0.0%	0.0%	0.8%	1.4%	0.1%	5.5%	0.9%	65.5%	24.0%	1.7%
2002	Lottery Operator Fees		50.5%	48.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%
2003	Advertising		6.9%	7.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%
2004	Retailer Bonuses		12.2%	12.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%
2005	Printing and Reproduction		14.3%	14.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	99.6%	0.4%	0.0%
2009	Other Operating Expenses		4.7%	4.9%	0.5%	0.1%	0.3%	0.2%	0.6%	0.2%	0.0%	0.5%	37.2%	59.9%	0.5%
3000	Travel		0.1%	0.1%	7.0%	0.0%	1.6%	22.1%	0.8%	0.3%	0.0%	0.8%	51.2%	4.9%	11.4%
3001	Out of State Travel		0.0%	0.0%	94.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	5.2%
4000	Grants		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
5000	Capital Expenditures		0.0%	0.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	5.8%	94.2%	0.0%
	Total Budget		100.0%	100.0%	0.3%	0.2%	0.2%	0.6%	0.8%	0.3%	0.1%	0.6%	89.6%	6.6%	0.9%
	% of Total FTE's		100.0%	100.0%	1.0%	1.3%	1.6%	5.2%	7.2%	2.3%	0.0%	4.1%	44.6%	21.6%	11.1%
	Average Salary per FTE budgeted		\$ 71,128	\$ 73,699	\$ 134,239	\$ 110,221	\$ 78,243	\$ 80,890	\$ 84,125	\$ 95,480	-	\$ 103,181	\$ 62,598	\$ 86,405	\$ 57,858