



# OPERATING BUDGET

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FOR FISCAL YEAR 2014

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

by

Texas Lottery Commission

December 1, 2013

# Operating Budget

For Fiscal Year 2014

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Governor's Office of Budget, Planning and Policy  
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The Texas Lottery Commission

December 1, 2013

**Texas Lottery Commission  
Operating Budget for Fiscal Year 2014**

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**II.A. SUMMARY OF BUDGET BY STRATEGY**  
83rd Regular Session, Fiscal Year 2014 Operating Budget  
Automated Budget and Evaluation System of Texas (ABEST)

DATE : 11/20/2013  
TIME : 4:56:43PM

Agency code: 362 Agency name: Texas Lottery Commission

<b>Goal/Objective/STRATEGY</b>	<b>EXP 2012</b>	<b>EXP 2013</b>	<b>BUD 2014</b>
<b>1 Run Self-supporting, Revenue-producing, and Secure Lottery</b>			
1 <i>Generate Revenue through Ticket Sales</i>			
1 LOTTERY OPERATIONS	\$6,794,341	\$6,642,953	\$7,847,141
2 LOTTERY FIELD OPERATIONS	\$2,441,880	\$2,432,125	\$2,648,678
3 MARKETING AND PROMOTION	\$4,339,858	\$4,569,959	\$5,420,957
4 SECURITY	\$4,328,141	\$4,560,158	\$5,968,514
5 CENTRAL ADMINISTRATION	\$11,541,806	\$11,488,969	\$13,201,780
6 LOTTERY OPERATOR CONTRACT(S)	\$89,215,099	\$88,823,061	\$87,467,842
7 INSTANT TICKET PRODUCT. CONTRACT(S)	\$18,099,487	\$17,870,518	\$22,500,000
8 MASS MEDIA ADVERTISING CONTRACT(S)	\$32,928,934	\$35,982,256	\$32,000,000
9 DRAWING & BROADCAST CONTRACT(S)	\$1,460,970	\$2,770,964	\$3,665,699
10 MARKET RESEARCH CONTRACT(S)	\$448,947	\$548,270	\$745,920
11 RETAILER BONUS	\$16,550,446	\$17,440,016	\$4,200,000
12 RETAILER COMMISSIONS	\$0	\$0	\$19,250,000
<b>TOTAL, GOAL 1</b>	<b>\$188,149,909</b>	<b>\$193,129,249</b>	<b>\$204,916,531</b>
<b>2 Enforce Bingo Laws/Rules for Fairness to Ensure Proceeds Used Lawfully</b>			
1 <i>Curtail Violations of Bingo Laws/Rules</i>			
1 BINGO LICENSING	\$797,419	\$848,140	\$2,005,235
2 BINGO EDUCATION AND DEVELOPMENT	\$126,016	\$112,408	\$137,581
3 BINGO LAW COMPLIANCE FIELD OPER	\$987,628	\$974,848	\$1,681,351
4 BINGO PRIZE FEE COLLECTION & ACCT	\$197,801	\$133,030	\$12,816,637
5 BINGO PRIZE FEE ALLOCATIONS	\$12,883,219	\$12,999,759	\$0
<b>TOTAL, GOAL 2</b>	<b>\$14,992,083</b>	<b>\$15,068,185</b>	<b>\$16,640,804</b>

**II.A. SUMMARY OF BUDGET BY STRATEGY**  
 83rd Regular Session, Fiscal Year 2014 Operating Budget  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE : 11/20/2013  
 TIME : 4:56:49PM

Agency code: 362                      Agency name: Texas Lottery Commission

<b>Goal/Objective/STRATEGY</b>	<b>EXP 2012</b>	<b>EXP 2013</b>	<b>BUD 2014</b>
<b>General Revenue Funds:</b>			
1 General Revenue Fund	\$14,992,083	\$15,068,185	\$16,640,804
	<b>\$14,992,083</b>	<b>\$15,068,185</b>	<b>\$16,640,804</b>
<b>General Revenue Dedicated Funds:</b>			
5025 Lottery Acct	\$188,149,909	\$193,129,249	\$204,916,531
	<b>\$188,149,909</b>	<b>\$193,129,249</b>	<b>\$204,916,531</b>
<b>TOTAL, METHOD OF FINANCING</b>	<b>\$203,141,992</b>	<b>\$208,197,434</b>	<b>\$221,557,335</b>
<b>FULL TIME EQUIVALENT POSITIONS</b>	<b>305.5</b>	<b>301.5</b>	<b>326.5</b>

**II.B. SUMMARY OF BUDGET BY METHOD OF FINANCE**  
 83rd Regular Session, Fiscal Year 2014 Operating Budget  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 11/20/2013  
 TIME: 4:56:58PM

Agency code: 362 Agency name: Texas Lottery Commission

METHOD OF FINANCING	Exp 2012	Exp 2013	Bud 2014
<b><u>GENERAL REVENUE</u></b>			
<b>1</b> General Revenue Fund			
<i>REGULAR APPROPRIATIONS</i>			
Original Appropriation	\$16,006,806	\$16,006,806	\$3,371,306
<i>RIDER APPROPRIATION</i>			
Rider 10, Local Bingo Prize Fees (2012-13 GAA)	\$247,719	\$364,259	\$0
Art IX, Sec 8.03, Reimbursements and Payments (2012-13 GAA)	\$38,578	\$31,083	\$0
Art IX, Sec 18.32, Contingency HB 2728 (2012-13 GAA)	\$41,151	\$37,687	\$0
Rider 8, Local Bingo Prize Fees (2014-15 GAA)	\$0	\$0	\$12,635,500
Rdier 14, Contingent Revenue Bingo Fees (2014-15 GAA)	\$0	\$0	\$612,438
<i>TRANSFERS</i>			
Art IX, Sec 17.06 Salary Increase for General State Employees (2014-15 GAA)	\$0	\$0	\$21,560
<i>LAPSED APPROPRIATIONS</i>			
Lapsed Appropriations	\$(1,301,020)	\$(1,333,963)	\$0
Art IX, Sec 18.32, Contingency HB 2728 (2012-13 GAA)	\$(41,151)	\$(37,687)	\$0
<b>TOTAL, General Revenue Fund</b>	<b>\$14,992,083</b>	<b>\$15,068,185</b>	<b>\$16,640,804</b>
<b>TOTAL, ALL GENERAL REVENUE</b>	<b>\$14,992,083</b>	<b>\$15,068,185</b>	<b>\$16,640,804</b>

**GENERAL REVENUE FUND - DEDICATED**

**5025** GR Dedicated - Lottery Account No. 5025

**II.B. SUMMARY OF BUDGET BY METHOD OF FINANCE**  
 83rd Regular Session, Fiscal Year 2014 Operating Budget  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 11/20/2013  
 TIME: 4:57:03PM

Agency code: 362

Agency name: Texas Lottery Commission

METHOD OF FINANCING	Exp 2012	Exp 2013	Bud 2014
<i>REGULAR APPROPRIATIONS</i>			
Original Appropriation	\$172,880,148	\$174,234,238	\$204,272,591
<i>RIDER APPROPRIATION</i>			
Rider 10, Retailer Incentive (2012-13 GAA)	\$14,591,169	\$14,916,075	\$0
Rider 11, Lottery Operator Contract (2012-13 GAA)	\$9,167,017	\$12,823,750	\$0
Rider 12, Appropriation of Increased Revenue (2012-13 GAA)	\$6,180,757	\$8,646,268	\$0
Art IX, Sec 8.03, Reimbursements and Payments (2012-13 GAA)	\$835,533	\$631,391	\$0
Art IX, Sec 18.15, Payments to the Department of Information Resources (2012-13 GAA)	\$18,641	\$0	\$0
Rider 10, Lottery Operator Contract (2014-15 GAA)	\$0	\$0	\$0
Rider 11, Appropriation of Increased Revenues (2014-15 GAA)	\$0	\$0	\$0
Art IX, Sec 8.03, Reimbursements and Payments (2014-15 GAA)	\$0	\$0	\$444,899
<i>TRANSFERS</i>			
Art IX, Sec 17.06 Salary Increase for General State Employees (2014-15 GAA)	\$0	\$0	\$199,041
<i>LAPSED APPROPRIATIONS</i>			
Article IX, Sec. 18.15, Payments to DIR (2012-13 BienniumGAA)	\$(18,641)	\$0	\$0
Lapsed Appropriations	\$(9,323,958)	\$(24,303,230)	\$0
<i>UNEXPENDED BALANCES AUTHORITY</i>			
Rider 12, Appropriation of Increased Revenue (2012-13 GAA)	\$(6,180,757)	\$6,180,757	\$0
<b>TOTAL, GR Dedicated - Lottery Account No. 5025</b>	<b>\$188,149,909</b>	<b>\$193,129,249</b>	<b>\$204,916,531</b>
<b>TOTAL, ALL GENERAL REVENUE FUND - DEDICATED</b>	<b>\$188,149,909</b>	<b>\$193,129,249</b>	<b>\$204,916,531</b>

**II.B. SUMMARY OF BUDGET BY METHOD OF FINANCE**  
 83rd Regular Session, Fiscal Year 2014 Operating Budget  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 11/20/2013

TIME: 4:57:03PM

Agency code: 362

Agency name: Texas Lottery Commission

METHOD OF FINANCING	Exp 2012	Exp 2013	Bud 2014
<b>GRAND TOTAL</b>	<b>\$203,141,992</b>	<b>\$208,197,434</b>	<b>\$221,557,335</b>
<b><u>FULL-TIME-EQUIVALENT POSITIONS</u></b>			
REGULAR APPROPRIATIONS			
Regular Appropriations	309.5	309.5	312.5
RIDER APPROPRIATION			
Art IX, Sec 18.32 Contingency HB 2728 (2012-13 GAA)	1.0	1.0	0.0
Rider 14, Contingent Revenue, Bingo Fees (2014-15 GAA)	0.0	0.0	14.0
UNAUTHORIZED NUMBER OVER (BELOW) CAP			
Unauthorized Amount Over (Under) Cap	(5.0)	(9.0)	0.0
<b>TOTAL, ADJUSTED FTES</b>	<b>305.5</b>	<b>301.5</b>	<b>326.5</b>
<b>NUMBER OF 100% FEDERALLY FUNDED FTES</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>



**II.C. SUMMARY OF BUDGET BY OBJECT OF EXPENSE**  
 83rd Regular Session, Fiscal Year 2014 Operating Budget  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 11/20/2013  
 TIME: 4:57:40PM

Agency code: 362

Agency name: Texas Lottery Commission

OBJECT OF EXPENSE	EXP 2012	EXP 2013	BUD 2014
1001 SALARIES AND WAGES	\$18,480,560	\$18,264,762	\$20,698,317
1002 OTHER PERSONNEL COSTS	\$853,671	\$748,420	\$466,700
2001 PROFESSIONAL FEES AND SERVICES	\$4,581,978	\$6,407,810	\$9,765,499
2002 FUELS AND LUBRICANTS	\$5,382	\$5,141	\$4,000
2003 CONSUMABLE SUPPLIES	\$121,717	\$156,612	\$155,295
2004 UTILITIES	\$340,659	\$377,657	\$364,967
2005 TRAVEL	\$304,026	\$304,818	\$509,823
2006 RENT - BUILDING	\$3,272,801	\$3,342,865	\$3,393,507
2007 RENT - MACHINE AND OTHER	\$1,180,212	\$844,431	\$887,901
2009 OTHER OPERATING EXPENSE	\$160,894,031	\$164,512,591	\$172,561,874
4000 GRANTS	\$12,883,219	\$12,999,759	\$12,635,500
5000 CAPITAL EXPENDITURES	\$223,736	\$232,568	\$113,952
<b>Agency Total</b>	<b>\$203,141,992</b>	<b>\$208,197,434</b>	<b>\$221,557,335</b>

**II.D. SUMMARY OF BUDGET OBJECTIVE OUTCOMES**  
 83rd Regular Session, Fiscal Year 2014 Operating Budget  
 Automated Budget and Evaluation system of Texas (ABEST)

Date : 11/20/2013  
 Time: 4:57:57PM

Agency code: 362 Agency name: Texas Lottery Commission

Goal/ Objective / OUTCOME	Exp 2012	Exp 2013	Bud2014
1 Run Self-supporting, Revenue-producing, and Secure Lottery			
1 <i>Generate Revenue through Ticket Sales</i>			
<b>KEY</b> 1 Percent of Retailers Satisfied with Lottery Commission	96.08 %	96.37 %	95.00 %
2 Per Capita Net Lottery Sales	164.93	169.64	151.13
3 % of Net Lottery Sales Spent on Agency Administration	4.50 %	4.44 %	5.18 %
4 Percentage of Bad Debt to Lottery Sales	0.01 %	0.01 %	0.02 %
5 Ratio of Advertising Expense to Net Lottery Sales	0.80 %	0.82 %	0.81 %
<b>KEY</b> 6 State Revenue Received Per Advertising Dollar Expended	34.52	33.74	33.92
7 Percent of Licensees with No Recent Violations	98.57 %	98.90 %	98.00 %
8 Percentage of Retailer Surveys Completed	88.82 %	93.59 %	85.00 %
9 Percentage of Eligible Players Served	37.17 %	38.01 %	34.00 %
2 Enforce Bingo Laws/Rules for Fairness to Ensure Proceeds Used Lawfully			
1 <i>Curtail Violations of Bingo Laws/Rules</i>			
1 Percent of Licensees with No Recent Violations	95.76 %	95.60 %	91.00 %
2 Percentage of Bingo Audits Referred for Disciplinary Action	57.14 %	60.00 %	65.00 %
<b>KEY</b> 3 Percent of Complaints Referred for Disciplinary Action	14.37 %	6.92 %	8.00 %
4 Percent of Documented Complaints Completed within Six Months	89.82 %	93.85 %	85.00 %
<b>KEY</b> 5 Net Bingo Games Revenue Received by Charitable Orgs (in Millions)	29.77	27.64	25.00
<b>KEY</b> 6 % of Organizations Who Met the Statutory Charitable Distribution Req	98.45 %	99.18 %	96.00 %
7 Percentage of Organizations Receiving an Audit	3.84 %	2.25 %	21.39 %
8 Percentage of Organizations Receiving an Inspection	20.62	17.49	31.35

**III.A. STRATEGY LEVEL DETAIL**  
 83rd Regular Session, Fiscal Year 2014 Operating Budget  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 11/20/2013  
 TIME: 4:58:08PM

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

GOAL: 1 Run Self-supporting, Revenue-producing, and Secure Lottery  
 OBJECTIVE: 1 Generate Revenue through Ticket Sales  
 STRATEGY: 1 Lottery Operations

Statewide Goal/Benchmark: 4 0  
 Service Categories:  
 Service: 03 Income: A.2 Age: B.3

CODE	DESCRIPTION	EXP 2012	EXP 2013	BUD 2014
<b>Output Measures:</b>				
KEY 1	Number of Retailer Business Locations Licensed	16,982.00	17,103.00	17,100.00
2	Number of Denials or Revocations of Licenses	220.00	228.00	210.00
3	Dollars Collected via the Debt Set-off Program (Thousands)	2,690,489.00	3,875,878.00	1,200,000.00
4	# New Licenses Issued to Individual Retailers	2,727.00	2,199.00	2,400.00
5	# Licenses Renewed to Individual Retailers	7,108.00	8,930.00	7,500.00
<b>Efficiency Measures:</b>				
1	Average Cost Per Retailer Location License Issued	118.59	145.53	142.00
<b>Objects of Expense:</b>				
1001	SALARIES AND WAGES	\$2,730,266	\$2,611,946	\$2,867,005
1002	OTHER PERSONNEL COSTS	\$113,396	\$83,324	\$84,840
2001	PROFESSIONAL FEES AND SERVICES	\$11,599	\$7,700	\$9,000
2002	FUELS AND LUBRICANTS	\$5,382	\$5,141	\$4,000
2003	CONSUMABLE SUPPLIES	\$103,330	\$136,563	\$121,200
2004	UTILITIES	\$114,952	\$119,694	\$113,791
2005	TRAVEL	\$12,068	\$7,159	\$13,000
2006	RENT - BUILDING	\$2,928,998	\$2,966,578	\$3,003,212
2007	RENT - MACHINE AND OTHER	\$320,657	\$251,339	\$257,332
2009	OTHER OPERATING EXPENSE	\$431,701	\$453,509	\$1,373,761
5000	CAPITAL EXPENDITURES	\$21,992	\$0	\$0
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$6,794,341</b>	<b>\$6,642,953</b>	<b>\$7,847,141</b>
<b>Method of Financing:</b>				
5025	Lottery Acct	\$6,794,341	\$6,642,953	\$7,847,141
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)</b>		<b>\$6,794,341</b>	<b>\$6,642,953</b>	<b>\$7,847,141</b>

**III.A. STRATEGY LEVEL DETAIL**  
 83rd Regular Session, Fiscal Year 2014 Operating Budget  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 11/20/2013  
 TIME: 4:58:15PM

Agency code: **362** Agency name: **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 2012	EXP 2013	BUD 2014
<b>TOTAL, METHOD OF FINANCE :</b>		<b>\$6,794,341</b>	<b>\$6,642,953</b>	<b>\$7,847,141</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>56.7</b>	<b>54.5</b>	<b>55.6</b>

**III.A. STRATEGY LEVEL DETAIL**  
 83rd Regular Session, Fiscal Year 2014 Operating Budget  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 11/20/2013  
 TIME: 4:58:15PM

Agency code: 362 Agency name: Texas Lottery Commission

GOAL: 1 Run Self-supporting, Revenue-producing, and Secure Lottery  
 OBJECTIVE: 1 Generate Revenue through Ticket Sales  
 STRATEGY: 2 Lottery Field Operations

Statewide Goal/Benchmark: 4 0  
 Service Categories:  
 Service: 03 Income: A.2 Age: B.3

CODE	DESCRIPTION	EXP 2012	EXP 2013	BUD 2014
<b>Output Measures:</b>				
1	Number of Prize Checks Processed from Claim Centers (Thousands)	66,815.00	62,623.00	55,000.00
<b>Objects of Expense:</b>				
1001	SALARIES AND WAGES	\$2,189,969	\$2,181,024	\$2,389,918
1002	OTHER PERSONNEL COSTS	\$108,253	\$99,861	\$71,960
2001	PROFESSIONAL FEES AND SERVICES	\$0	\$0	\$14,000
2003	CONSUMABLE SUPPLIES	\$2,393	\$1,425	\$4,000
2005	TRAVEL	\$84,253	\$81,092	\$112,300
2006	RENT - BUILDING	\$2,800	\$2,000	\$2,800
2007	RENT - MACHINE AND OTHER	\$577	\$940	\$0
2009	OTHER OPERATING EXPENSE	\$53,635	\$65,783	\$53,700
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$2,441,880</b>	<b>\$2,432,125</b>	<b>\$2,648,678</b>
<b>Method of Financing:</b>				
5025	Lottery Acct	\$2,441,880	\$2,432,125	\$2,648,678
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)</b>		<b>\$2,441,880</b>	<b>\$2,432,125</b>	<b>\$2,648,678</b>
<b>TOTAL, METHOD OF FINANCE :</b>		<b>\$2,441,880</b>	<b>\$2,432,125</b>	<b>\$2,648,678</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>49.5</b>	<b>49.5</b>	<b>50.6</b>

**III.A. STRATEGY LEVEL DETAIL**  
83rd Regular Session, Fiscal Year 2014 Operating Budget  
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 11/20/2013  
TIME: 4:58:15PM

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

GOAL: 1 Run Self-supporting, Revenue-producing, and Secure Lottery  
OBJECTIVE: 1 Generate Revenue through Ticket Sales  
STRATEGY: 3 Marketing and Promotion

Statewide Goal/Benchmark: 4 0  
Service Categories:  
Service: 03 Income: A.2 Age: B.3

CODE	DESCRIPTION	EXP 2012	EXP 2013	BUD 2014
<b>Output Measures:</b>				
1	Number of Newsletters Distributed to Retailers	104,000.00	104,590.00	105,200.00
2	Number of Retailer Visits	491,677.00	499,105.00	444,600.00
<b>Efficiency Measures:</b>				
KEY 1	Average Cost Per Survey Issued	1.58	1.85	1.76
<b>Objects of Expense:</b>				
1001	SALARIES AND WAGES	\$1,992,413	\$2,217,320	\$2,545,916
1002	OTHER PERSONNEL COSTS	\$77,027	\$74,818	\$59,920
2001	PROFESSIONAL FEES AND SERVICES	\$1,470	\$15,060	\$112,045
2003	CONSUMABLE SUPPLIES	\$5,007	\$8,531	\$4,200
2004	UTILITIES	\$39	\$93	\$150
2005	TRAVEL	\$74,343	\$96,719	\$139,000
2006	RENT - BUILDING	\$328,610	\$360,726	\$375,050
2007	RENT - MACHINE AND OTHER	\$127,019	\$108,610	\$123,500
2009	OTHER OPERATING EXPENSE	\$1,725,610	\$1,676,653	\$2,061,176
5000	CAPITAL EXPENDITURES	\$8,320	\$11,429	\$0
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$4,339,858</b>	<b>\$4,569,959</b>	<b>\$5,420,957</b>
<b>Method of Financing:</b>				
5025	Lottery Acct	\$4,339,858	\$4,569,959	\$5,420,957
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)</b>		<b>\$4,339,858</b>	<b>\$4,569,959</b>	<b>\$5,420,957</b>
<b>TOTAL, METHOD OF FINANCE :</b>		<b>\$4,339,858</b>	<b>\$4,569,959</b>	<b>\$5,420,957</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>31.0</b>	<b>32.4</b>	<b>35.8</b>

**III.A. STRATEGY LEVEL DETAIL**  
 83rd Regular Session, Fiscal Year 2014 Operating Budget  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 11/20/2013  
 TIME: 4:58:15PM

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

GOAL:            1    Run Self-supporting, Revenue-producing, and Secure Lottery  
 OBJECTIVE:    1    Generate Revenue through Ticket Sales  
 STRATEGY:    4    Security

Statewide Goal/Benchmark:    4    0  
 Service Categories:  
 Service: 03    Income: A.2    Age: B.3

CODE	DESCRIPTION	EXP 2012	EXP 2013	BUD 2014
<b>Output Measures:</b>				
1	Number of Lottery Investigations Initiated	1,129.00	1,170.00	1,085.00
2	Number of Lottery Investigations Completed	647.00	745.00	545.00
3	Number of Lottery Background Investigations Completed	477.00	417.00	545.00
<b>Efficiency Measures:</b>				
1	Average Time to Complete Investigations (Days)	38.04	36.92	60.00
2	Average Cost Per Complete Investigation	227.23	234.86	260.00
3	Average Time to Complete Lottery Background Investigations (Days)	12.18	11.19	40.00
<b>Objects of Expense:</b>				
1001	SALARIES AND WAGES	\$2,127,060	\$2,135,001	\$2,355,207
1002	OTHER PERSONNEL COSTS	\$48,508	\$50,626	\$28,440
2001	PROFESSIONAL FEES AND SERVICES	\$1,118,242	\$1,271,364	\$2,490,252
2003	CONSUMABLE SUPPLIES	\$2,240	\$5,992	\$7,200
2005	TRAVEL	\$51,844	\$52,212	\$58,500
2006	RENT - BUILDING	\$0	\$0	\$0
2007	RENT - MACHINE AND OTHER	\$209,731	\$212,190	\$223,168
2009	OTHER OPERATING EXPENSE	\$628,516	\$679,383	\$691,795
5000	CAPITAL EXPENDITURES	\$142,000	\$153,390	\$113,952
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$4,328,141</b>	<b>\$4,560,158</b>	<b>\$5,968,514</b>
<b>Method of Financing:</b>				
5025	Lottery Acct	\$4,328,141	\$4,560,158	\$5,968,514
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)</b>		<b>\$4,328,141</b>	<b>\$4,560,158</b>	<b>\$5,968,514</b>

**III.A. STRATEGY LEVEL DETAIL**  
 83rd Regular Session, Fiscal Year 2014 Operating Budget  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 11/20/2013  
 TIME: 4:58:15PM

Agency code: **362** Agency name: **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 2012	EXP 2013	BUD 2014
<b>TOTAL, METHOD OF FINANCE :</b>		<b>\$4,328,141</b>	<b>\$4,560,158</b>	<b>\$5,968,514</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>34.0</b>	<b>34.8</b>	<b>37.2</b>



**III.A. STRATEGY LEVEL DETAIL**  
 83rd Regular Session, Fiscal Year 2014 Operating Budget  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 11/20/2013  
 TIME: 4:58:15PM

Agency code: 362 Agency name: Texas Lottery Commission

GOAL: 1 Run Self-supporting, Revenue-producing, and Secure Lottery  
 OBJECTIVE: 1 Generate Revenue through Ticket Sales  
 STRATEGY: 5 Central Administration

Statewide Goal/Benchmark: 4 0  
 Service Categories:  
 Service: 09 Income: A.2 Age: B.3

CODE	DESCRIPTION	EXP 2012	EXP 2013	BUD 2014
<b>Objects of Expense:</b>				
1001	SALARIES AND WAGES	\$7,695,152	\$7,536,213	\$8,119,669
1002	OTHER PERSONNEL COSTS	\$339,251	\$297,509	\$164,340
2001	PROFESSIONAL FEES AND SERVICES	\$1,435,896	\$1,704,657	\$1,379,269
2003	CONSUMABLE SUPPLIES	\$8,482	\$3,870	\$17,395
2004	UTILITIES	\$224,683	\$256,758	\$251,026
2005	TRAVEL	\$54,705	\$41,572	\$119,478
2006	RENT - BUILDING	\$12,393	\$13,561	\$12,445
2007	RENT - MACHINE AND OTHER	\$508,898	\$259,297	\$268,366
2009	OTHER OPERATING EXPENSE	\$1,210,922	\$1,337,448	\$2,869,792
5000	CAPITAL EXPENDITURES	\$51,424	\$38,084	\$0
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$11,541,806</b>	<b>\$11,488,969</b>	<b>\$13,201,780</b>
<b>Method of Financing:</b>				
5025	Lottery Acct	\$11,541,806	\$11,488,969	\$13,201,780
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)</b>		<b>\$11,541,806</b>	<b>\$11,488,969</b>	<b>\$13,201,780</b>
<b>TOTAL, METHOD OF FINANCE :</b>		<b>\$11,541,806</b>	<b>\$11,488,969</b>	<b>\$13,201,780</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>102.1</b>	<b>99.7</b>	<b>100.3</b>

**III.A. STRATEGY LEVEL DETAIL**  
 83rd Regular Session, Fiscal Year 2014 Operating Budget  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 11/20/2013  
 TIME: 4:58:15PM

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

GOAL: 1 Run Self-supporting, Revenue-producing, and Secure Lottery  
 OBJECTIVE: 1 Generate Revenue through Ticket Sales  
 STRATEGY: 6 Lottery Operator Contract(s). Estimated and Nontransferable.

Statewide Goal/Benchmark: 4 0  
 Service Categories:  
 Service: 03 Income: A.2 Age: B.3

CODE	DESCRIPTION	EXP 2012	EXP 2013	BUD 2014
<b>Objects of Expense:</b>				
	2009 OTHER OPERATING EXPENSE	\$89,215,099	\$88,823,061	\$87,467,842
	<b>TOTAL, OBJECT OF EXPENSE</b>	<b>\$89,215,099</b>	<b>\$88,823,061</b>	<b>\$87,467,842</b>
<b>Method of Financing:</b>				
	5025 Lottery Acct	\$89,215,099	\$88,823,061	\$87,467,842
	<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)</b>	<b>\$89,215,099</b>	<b>\$88,823,061</b>	<b>\$87,467,842</b>
	<b>TOTAL, METHOD OF FINANCE :</b>	<b>\$89,215,099</b>	<b>\$88,823,061</b>	<b>\$87,467,842</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>				

**III.A. STRATEGY LEVEL DETAIL**  
 83rd Regular Session, Fiscal Year 2014 Operating Budget  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 11/20/2013  
 TIME: 4:58:15PM

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

GOAL:            1    Run Self-supporting, Revenue-producing, and Secure Lottery  
 OBJECTIVE:    1    Generate Revenue through Ticket Sales  
 STRATEGY:     7    Instant Ticket Production Contract(s)

Statewide Goal/Benchmark:    4    0  
 Service Categories:  
 Service:    03    Income:    A.2    Age:    B.3

CODE	DESCRIPTION	EXP 2012	EXP 2013	BUD 2014
<b>Objects of Expense:</b>				
	2009 OTHER OPERATING EXPENSE	\$18,099,487	\$17,870,518	\$22,500,000
	<b>TOTAL, OBJECT OF EXPENSE</b>	<b>\$18,099,487</b>	<b>\$17,870,518</b>	<b>\$22,500,000</b>
<b>Method of Financing:</b>				
	5025 Lottery Acct	\$18,099,487	\$17,870,518	\$22,500,000
	<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)</b>	<b>\$18,099,487</b>	<b>\$17,870,518</b>	<b>\$22,500,000</b>
	<b>TOTAL, METHOD OF FINANCE :</b>	<b>\$18,099,487</b>	<b>\$17,870,518</b>	<b>\$22,500,000</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>				

**III.A. STRATEGY LEVEL DETAIL**  
 83rd Regular Session, Fiscal Year 2014 Operating Budget  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 11/20/2013  
 TIME: 4:58:15PM

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

GOAL: 1 Run Self-supporting, Revenue-producing, and Secure Lottery  
 OBJECTIVE: 1 Generate Revenue through Ticket Sales  
 STRATEGY: 8 Mass Media Advertising Contract(s)

Statewide Goal/Benchmark: 4 0  
 Service Categories:  
 Service: 03 Income: A.2 Age: B.3

CODE	DESCRIPTION	EXP 2012	EXP 2013	BUD 2014
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**Output Measures:**

1	\$ Amount of Advertising Budget Spent on Print Advertising (Millions)	1.30	1.60	1:10
2	\$ Amount of Advertising Budget Spent on Radio Advertising Millions)	5.61	4.17	6.55
KEY 3	Dollar Amount of Advertising Budget Spent on TV Advertising (Millions)	13.08	9.10	11.25
4	\$ Amt of Advertising Budget Spent on Other Advertising (Millions)	13.47	12.78	13.10

**Efficiency Measures:**

KEY 1	Percentage of Adult Texans Aware of Lottery Advertising	62.32 %	59.93 %	59.00 %
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**Objects of Expense:**

2009	OTHER OPERATING EXPENSE	\$32,928,934	\$35,982,256	\$32,000,000
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$32,928,934</b>	<b>\$35,982,256</b>	<b>\$32,000,000</b>

**Method of Financing:**

5025	Lottery Acct	\$32,928,934	\$35,982,256	\$32,000,000
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)</b>		<b>\$32,928,934</b>	<b>\$35,982,256</b>	<b>\$32,000,000</b>

<b>TOTAL, METHOD OF FINANCE :</b>		<b>\$32,928,934</b>	<b>\$35,982,256</b>	<b>\$32,000,000</b>
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**FULL TIME EQUIVALENT POSITIONS:**

**III.A. STRATEGY LEVEL DETAIL**  
 83rd Regular Session, Fiscal Year 2014 Operating Budget  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 11/20/2013  
 TIME: 4:58:15PM

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

GOAL: 1 Run Self-supporting, Revenue-producing, and Secure Lottery  
 OBJECTIVE: 1 Generate Revenue through Ticket Sales  
 STRATEGY: 9 Drawing and Broadcast Services Contract(s)

Statewide Goal/Benchmark: 4 0  
 Service Categories:  
 Service: 03 Income: A.2 Age: B.3

CODE	DESCRIPTION	EXP 2012	EXP 2013	BUD 2014
<b>Objects of Expense:</b>				
	2001 PROFESSIONAL FEES AND SERVICES	\$1,460,970	\$2,770,964	\$3,665,699
	<b>TOTAL, OBJECT OF EXPENSE</b>	<b>\$1,460,970</b>	<b>\$2,770,964</b>	<b>\$3,665,699</b>
<b>Method of Financing:</b>				
	5025 Lottery Acct	\$1,460,970	\$2,770,964	\$3,665,699
	<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)</b>	<b>\$1,460,970</b>	<b>\$2,770,964</b>	<b>\$3,665,699</b>
	<b>TOTAL, METHOD OF FINANCE :</b>	<b>\$1,460,970</b>	<b>\$2,770,964</b>	<b>\$3,665,699</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>				

**III.A. STRATEGY LEVEL DETAIL**  
 83rd Regular Session, Fiscal Year 2014 Operating Budget  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 11/20/2013  
 TIME: 4:58:15PM

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

GOAL: 1 Run Self-supporting, Revenue-producing, and Secure Lottery  
 OBJECTIVE: 1 Generate Revenue through Ticket Sales  
 STRATEGY: 10 Market Research Services Contract(s)

Statewide Goal/Benchmark: 4 0  
 Service Categories:  
 Service: 03 Income: A.2 Age: B.3

CODE	DESCRIPTION	EXP 2012	EXP 2013	BUD 2014
<b>Objects of Expense:</b>				
	2001 PROFESSIONAL FEES AND SERVICES	\$448,947	\$548,270	\$745,920
	<b>TOTAL, OBJECT OF EXPENSE</b>	<b>\$448,947</b>	<b>\$548,270</b>	<b>\$745,920</b>
<b>Method of Financing:</b>				
	5025 Lottery Acct	\$448,947	\$548,270	\$745,920
	<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)</b>	<b>\$448,947</b>	<b>\$548,270</b>	<b>\$745,920</b>
	<b>TOTAL, METHOD OF FINANCE :</b>	<b>\$448,947</b>	<b>\$548,270</b>	<b>\$745,920</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>				

**III.A. STRATEGY LEVEL DETAIL**  
 83rd Regular Session, Fiscal Year 2014 Operating Budget  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 11/20/2013  
 TIME: 4:58:15PM

Agency code: **362**      Agency name: **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 2012	EXP 2013	BUD 2014
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**Objects of Expense:**

2009 OTHER OPERATING EXPENSE		\$16,550,446	\$17,440,016	\$4,200,000
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<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$16,550,446</b>	<b>\$17,440,016</b>	<b>\$4,200,000</b>
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**Method of Financing:**

5025 Lottery Acct		\$16,550,446	\$17,440,016	\$4,200,000
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<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)</b>		<b>\$16,550,446</b>	<b>\$17,440,016</b>	<b>\$4,200,000</b>
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<b>TOTAL, METHOD OF FINANCE :</b>		<b>\$16,550,446</b>	<b>\$17,440,016</b>	<b>\$4,200,000</b>
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**FULL TIME EQUIVALENT POSITIONS:**

**III.A. STRATEGY LEVEL DETAIL**  
 83rd Regular Session, Fiscal Year 2014 Operating Budget  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 11/20/2013  
 TIME: 4:58:15PM

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

GOAL: 1 Run Self-supporting, Revenue-producing, and Secure Lottery  
 OBJECTIVE: 1 Generate Revenue through Ticket Sales  
 STRATEGY: 12 Retailer Commissions. Estimated and Nontransferable.

Statewide Goal/Benchmark: 4 0  
 Service Categories:  
 Service: 03 Income: A.2 Age: B.3

CODE	DESCRIPTION	EXP 2012	EXP 2013	BUD 2014
<b>Objects of Expense:</b>				
	2009 OTHER OPERATING EXPENSE	\$0	\$0	\$19,250,000
	<b>TOTAL, OBJECT OF EXPENSE</b>	<b>\$0</b>	<b>\$0</b>	<b>\$19,250,000</b>
<b>Method of Financing:</b>				
	5025 Lottery Acct	\$0	\$0	\$19,250,000
	<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$19,250,000</b>
	<b>TOTAL, METHOD OF FINANCE :</b>	<b>\$0</b>	<b>\$0</b>	<b>\$19,250,000</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>				



**III.A. STRATEGY LEVEL DETAIL**  
 83rd Regular Session, Fiscal Year 2014 Operating Budget  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 11/20/2013  
 TIME: 4:58:15PM

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

GOAL:            2   Enforce Bingo Laws/Rules for Fairness to Ensure Proceeds Used Lawfully  
 OBJECTIVE:    1   Curtail Violations of Bingo Laws/Rules  
 STRATEGY:    1   Determine Eligibility and Process Applications

Statewide Goal/Benchmark:    7   0  
 Service Categories:  
 Service: 17    Income: A.2    Age: B.3

CODE	DESCRIPTION	EXP 2012	EXP 2013	BUD 2014
<b>Output Measures:</b>				
KEY 1	Number of Licenses Issued to Individuals and Organizations	9,801.00	10,048.00	9,000.00
2	Number of Applications Processed	10,394.00	10,453.00	9,400.00
3	Number of Worker Registry Applications Processed	3,608.00	6,176.00	3,400.00
<b>Efficiency Measures:</b>				
1	Average Bingo License (New) Processing Time (Days)	69.07	80.32	65.00
2	Average Bingo License (Renewal) Processing Time (Days)	36.66	42.55	40.00
3	Average Cost Per License Issued	28.51	30.74	25.00
<b>Explanatory/Input Measures:</b>				
1	Number of Annual License Holders	1,674.00	1,591.00	1,550.00
<b>Objects of Expense:</b>				
1001	SALARIES AND WAGES	\$575,897	\$509,271	\$602,961
1002	OTHER PERSONNEL COSTS	\$92,107	\$58,360	\$23,820
2001	PROFESSIONAL FEES AND SERVICES	\$104,854	\$89,795	\$1,349,314
2003	CONSUMABLE SUPPLIES	\$241	\$231	\$500
2007	RENT - MACHINE AND OTHER	\$13,330	\$12,055	\$15,535
2009	OTHER OPERATING EXPENSE	\$10,990	\$148,763	\$13,105
5000	CAPITAL EXPENDITURES	\$0	\$29,665	\$0
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$797,419</b>	<b>\$848,140</b>	<b>\$2,005,235</b>
<b>Method of Financing:</b>				
1	General Revenue Fund	\$797,419	\$848,140	\$2,005,235
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS)</b>		<b>\$797,419</b>	<b>\$848,140</b>	<b>\$2,005,235</b>

**III.A. STRATEGY LEVEL DETAIL**  
 83rd Regular Session, Fiscal Year 2014 Operating Budget  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 11/20/2013  
 TIME: 4:58:15PM

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

GOAL: 2 Enforce Bingo Laws/Rules for Fairness to Ensure Proceeds Used Lawfully  
 OBJECTIVE: 1 Curtail Violations of Bingo Laws/Rules  
 STRATEGY: 1 Determine Eligibility and Process Applications

Statewide Goal/Benchmark: 7 0  
 Service Categories:  
 Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	EXP 2012	EXP 2013	BUD 2014
<b>TOTAL, METHOD OF FINANCE :</b>		<b>\$797,419</b>	<b>\$848,140</b>	<b>\$2,005,235</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>10.0</b>	<b>9.5</b>	<b>10.0</b>

**III.A. STRATEGY LEVEL DETAIL**  
 83rd Regular Session, Fiscal Year 2014 Operating Budget  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 11/20/2013  
 TIME: 4:58:15PM

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

GOAL:            2   Enforce Bingo Laws/Rules for Fairness to Ensure Proceeds Used Lawfully  
 OBJECTIVE:    1   Curtail Violations of Bingo Laws/Rules  
 STRATEGY:    2   Provide Education and Training for Bingo Regulatory Requirements

Statewide Goal/Benchmark:    7   0  
 Service Categories:  
 Service: 17    Income: A.2    Age: B.3

CODE	DESCRIPTION	EXP 2012	EXP 2013	BUD 2014
<b>Output Measures:</b>				
1	Number of Individuals Receiving Education	658.00	849.00	600.00
<b>Efficiency Measures:</b>				
1	Average Cost of Bingo Training Class	0.00	250.00	250.00
<b>Objects of Expense:</b>				
1001	SALARIES AND WAGES	\$120,946	\$105,632	\$134,441
1002	OTHER PERSONNEL COSTS	\$3,860	\$5,720	\$2,640
2005	TRAVEL	\$0	\$0	\$0
2009	OTHER OPERATING EXPENSE	\$1,210	\$1,056	\$500
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$126,016</b>	<b>\$112,408</b>	<b>\$137,581</b>
<b>Method of Financing:</b>				
1	General Revenue Fund	\$126,016	\$112,408	\$137,581
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS)</b>		<b>\$126,016</b>	<b>\$112,408</b>	<b>\$137,581</b>
<b>TOTAL, METHOD OF FINANCE :</b>		<b>\$126,016</b>	<b>\$112,408</b>	<b>\$137,581</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>3.0</b>	<b>2.5</b>	<b>3.0</b>

**III.A. STRATEGY LEVEL DETAIL**  
 83rd Regular Session, Fiscal Year 2014 Operating Budget  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 11/20/2013  
 TIME: 4:58:15PM

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

GOAL: 2 Enforce Bingo Laws/Rules for Fairness to Ensure Proceeds Used Lawfully  
 OBJECTIVE: 1 Curtail Violations of Bingo Laws/Rules  
 STRATEGY: 3 Bingo Law Compliance Field Operations

Statewide Goal/Benchmark: 7 0  
 Service Categories:  
 Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	EXP 2012	EXP 2013	BUD 2014
<b>Output Measures:</b>				
	1 Number of Inspections Conducted	338.00	272.00	469.00
	2 Number of Bingo Audits and Reviews Completed	63.00	35.00	100.00
KEY	3 Number of Bingo Complaints Completed	167.00	130.00	180.00
	4 \$ Amt of Adjustments to Charitable Distributions by Audit & Inspection	2,747.00	37,769.00	15,000.00
	5 Number of Bingo Background Investigations Completed	286.00	254.00	365.00
<b>Efficiency Measures:</b>				
	1 Average Time for Bingo Complaint Completion (Days)	72.49	71.50	75.00
	2 Average Cost Per Bingo Complaint Completed	264.80	334.54	350.00
	3 Average Time to Conduct Compliance Audit (Hours)	220.37	196.49	200.00
	4 Average Time to Complete Bingo Background Investigations (Days)	25.66	21.46	40.00
	5 Average Cost per Bingo Audit Completed	6,291.53	5,620.83	8,693.00
<b>Objects of Expense:</b>				
	1001 SALARIES AND WAGES	\$883,090	\$844,219	\$1,505,353
	1002 OTHER PERSONNEL COSTS	\$41,488	\$71,600	\$28,900
	2003 CONSUMABLE SUPPLIES	\$24	\$0	\$500
	2004 UTILITIES	\$985	\$1,112	\$0
	2005 TRAVEL	\$26,813	\$26,064	\$67,545
	2009 OTHER OPERATING EXPENSE	\$35,228	\$31,853	\$79,053
	<b>TOTAL, OBJECT OF EXPENSE</b>	<b>\$987,628</b>	<b>\$974,848</b>	<b>\$1,681,351</b>
<b>Method of Financing:</b>				
	1 General Revenue Fund	\$987,628	\$974,848	\$1,681,351
	<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS)</b>	<b>\$987,628</b>	<b>\$974,848</b>	<b>\$1,681,351</b>

**III.A. STRATEGY LEVEL DETAIL**  
 83rd Regular Session, Fiscal Year 2014 Operating Budget  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 11/20/2013  
 TIME: 4:58:15PM

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

GOAL:            2    Enforce Bingo Laws/Rules for Fairness to Ensure Proceeds Used Lawfully  
 OBJECTIVE:    1    Curtail Violations of Bingo Laws/Rules  
 STRATEGY:    3    Bingo Law Compliance Field Operations

Statewide Goal/Benchmark:    7    0  
 Service Categories:  
 Service: 17    Income: A.2    Age: B.3

CODE	DESCRIPTION	EXP 2012	EXP 2013	BUD 2014
<b>TOTAL, METHOD OF FINANCE :</b>		<b>\$987,628</b>	<b>\$974,848</b>	<b>\$1,681,351</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>15.2</b>	<b>15.5</b>	<b>30.0</b>

**III.A. STRATEGY LEVEL DETAIL**  
 83rd Regular Session, Fiscal Year 2014 Operating Budget  
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DATE: 11/20/2013  
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Agency code: **362** Agency name: **Texas Lottery Commission**

GOAL: 2 Enforce Bingo Laws/Rules for Fairness to Ensure Proceeds Used Lawfully  
 OBJECTIVE: 1 Curtail Violations of Bingo Laws/Rules  
 STRATEGY: 4 Bingo Prize Fee Collections and Accounting

Statewide Goal/Benchmark: 7 0  
 Service Categories:  
 Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	EXP 2012	EXP 2013	BUD 2014
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**Output Measures:**

KEY 1	Number of Days to Allocate Payments to Local Jurisdictions	10.00	11.00	6.00
2	Percentage of Licensees Who Fail to Pay	2.62 %	3.10 %	5.00 %
3	Number of Bingo Reports Processed	6,924.00	6,131.00	7,000.00

**Objects of Expense:**

1001	SALARIES AND WAGES	\$165,767	\$124,136	\$177,847
1002	OTHER PERSONNEL COSTS	\$29,781	\$6,602	\$1,840
2003	CONSUMABLE SUPPLIES	\$0	\$0	\$300
2009	OTHER OPERATING EXPENSE	\$2,253	\$2,292	\$1,150
4000	GRANTS	\$0	\$0	\$12,635,500
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$197,801</b>	<b>\$133,030</b>	<b>\$12,816,637</b>

**Method of Financing:**

1	General Revenue Fund	\$197,801	\$133,030	\$12,816,637
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS)</b>		<b>\$197,801</b>	<b>\$133,030</b>	<b>\$12,816,637</b>

<b>TOTAL, METHOD OF FINANCE :</b>		<b>\$197,801</b>	<b>\$133,030</b>	<b>\$12,816,637</b>
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<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>4.0</b>	<b>3.1</b>	<b>4.0</b>
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**III.A. STRATEGY LEVEL DETAIL**  
 83rd Regular Session, Fiscal Year 2014 Operating Budget  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 11/20/2013  
 TIME: 4:58:15PM

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

GOAL:            2    Enforce Bingo Laws/Rules for Fairness to Ensure Proceeds Used Lawfully  
 OBJECTIVE:    1    Curtail Violations of Bingo Laws/Rules  
 STRATEGY:    5    Bingo Prize Fee Allocations. Estimated and Nontransferable.

Statewide Goal/Benchmark:      7    0

Service Categories:

Service: 17    Income: A.2    Age: B.3

CODE	DESCRIPTION	EXP 2012	EXP 2013	BUD 2014
<b>Objects of Expense:</b>				
	4000 GRANTS	\$12,883,219	\$12,999,759	\$0
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$12,883,219</b>	<b>\$12,999,759</b>	<b>\$0</b>
<b>Method of Financing:</b>				
	1 General Revenue Fund	\$12,883,219	\$12,999,759	\$0
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS)</b>		<b>\$12,883,219</b>	<b>\$12,999,759</b>	<b>\$0</b>
<b>TOTAL, METHOD OF FINANCE :</b>		<b>\$12,883,219</b>	<b>\$12,999,759</b>	<b>\$0</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>				

**III.A. STRATEGY LEVEL DETAIL**  
83rd Regular Session, Fiscal Year 2014 Operating Budget  
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 11/20/2013  
TIME: 4:58:15PM

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**SUMMARY TOTALS:**

<b>OBJECTS OF EXPENSE:</b>	<b>\$203,141,992</b>	<b>\$208,197,434</b>	<b>\$221,557,335</b>
<b>METHODS OF FINANCE :</b>	<b>\$203,141,992</b>	<b>\$208,197,434</b>	<b>\$221,557,335</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>	<b>305.5</b>	<b>301.5</b>	<b>326.5</b>



IV.A. CAPITAL BUDGET PROJECT SCHEDULE  
 83rd Regular Session, Fiscal Year 2014 Operating Budget  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 11/20/2013  
 TIME: 4:58:39PM

Agency code: 362

Agency name: Texas Lottery Commission

Category Code / Category Name

*Project Sequence/Project Id/ Name*

OOE / TOF / MOF CODE

EXP 2012

EXP 2013

BUD 2014

**5003 Repair or Rehabilitation of Buildings and Facilities**

*3/3 New Draw Games- Studio Remodel*

**OBJECTS OF EXPENSE**

Capital

2009 OTHER OPERATING EXPENSE		\$0	\$0	\$775,000
Capital Subtotal OOE, Project	3	\$0	\$0	\$775,000
Subtotal OOE, Project	3	<b>\$0</b>	<b>\$0</b>	<b>\$775,000</b>
<b>TYPE OF FINANCING</b>				
<u>Capital</u>				
CA 5025 Lottery Acct		\$0	\$0	\$775,000
Capital Subtotal TOF, Project	3	\$0	\$0	\$775,000
Subtotal TOF, Project	3	<b>\$0</b>	<b>\$0</b>	<b>\$775,000</b>
Capital Subtotal, Category	5003	\$0	\$0	\$775,000
Informational Subtotal,	5003			
Category				
<b>Total, Category</b>	<b>5003</b>	<b>\$0</b>	<b>\$0</b>	<b>\$775,000</b>

**5005 Acquisition of Information Resource Technologies**

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

**OBJECTS OF EXPENSE**

Capital

2001 PROFESSIONAL FEES AND SERVICES		\$0	\$0	\$1,250,000
Capital Subtotal OOE, Project	4	\$0	\$0	\$1,250,000
Subtotal OOE, Project	4	<b>\$0</b>	<b>\$0</b>	<b>\$1,250,000</b>
<b>TYPE OF FINANCING</b>				

**IV.A. CAPITAL BUDGET PROJECT SCHEDULE**  
 83rd Regular Session, Fiscal Year 2014 Operating Budget  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **11/20/2013**  
 TIME: **4:58:43PM**

Agency code: **362**

Agency name: **Texas Lottery Commission**

**Category Code / Category Name**

*Project Sequence/Project Id/ Name*

**OOE / TOF / MOF CODE**

**EXP 2012**

**EXP 2013**

**BUD 2014**

Capital

CA 1 General Revenue Fund

\$0

\$0

\$1,250,000

Capital Subtotal TOF, Project 4

\$0

\$0

\$1,250,000

Subtotal TOF, Project 4

**\$0**

**\$0**

**\$1,250,000**

Capital Subtotal, Category 5005

\$0

\$0

\$1,250,000

Informational Subtotal, 5005

Category  
**Total, Category 5005**

**\$0**

**\$0**

**\$1,250,000**

**5007 Acquisition of Capital Equipment and Items**

*1/1 Capitalized Lottery Drawing Equipment*

**OBJECTS OF EXPENSE**

Capital

2009 OTHER OPERATING EXPENSE

\$0

\$13,966

\$0

5000 CAPITAL EXPENDITURES

\$142,000

\$153,390

\$113,952

Capital Subtotal OOE, Project 1

\$142,000

\$167,356

\$113,952

Subtotal OOE, Project 1

**\$142,000**

**\$167,356**

**\$113,952**

**TYPE OF FINANCING**

Capital

CA 5025 Lottery Acct

\$142,000

\$167,356

\$113,952

Capital Subtotal TOF, Project 1

\$142,000

\$167,356

\$113,952

Subtotal TOF, Project 1

**\$142,000**

**\$167,356**

**\$113,952**

Capital Subtotal, Category 5007

\$142,000

\$167,356

\$113,952

Informational Subtotal, 5007

Category  
**Total, Category 5007**

**\$142,000**

**\$167,356**

**\$113,952**

**IV.A. CAPITAL BUDGET PROJECT SCHEDULE**  
 83rd Regular Session, Fiscal Year 2014 Operating Budget  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 11/20/2013  
 TIME: 4:58:43PM

Agency code: 362

Agency name: Texas Lottery Commission

**Category Code / Category Name**

*Project Sequence/Project Id/ Name*

**OOE / TOF / MOF CODE**

**EXP 2012**

**EXP 2013**

**BUD 2014**

**AGENCY TOTAL -CAPITAL**

**\$142,000**

**\$167,356**

**\$2,138,952**

**AGENCY TOTAL -INFORMATIONAL**

**AGENCY TOTAL**

**\$142,000**

**\$167,356**

**\$2,138,952**

**METHOD OF FINANCING:**

Capital

1 General Revenue Fund

\$0

\$0

\$1,250,000

5025 Lottery Acct

\$142,000

\$167,356

\$888,952

Total, Method of Financing-Capital

\$142,000

\$167,356

\$2,138,952

**Total, Method of Financing**

**\$142,000**

**\$167,356**

**\$2,138,952**

**TYPE OF FINANCING:**

Capital

CA CURRENT APPROPRIATIONS

\$142,000

\$167,356

\$2,138,952

Total, Type of Financing-Capital

\$142,000

\$167,356

\$2,138,952

**Total,Type of Financing**

**\$142,000**

**\$167,356**

**\$2,138,952**

**CAPITAL BUDGET ALLOCATION TO STRATEGIES**  
 83rd Regular Session, Fiscal Year 2014 Operating Budget  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 11/20/2013  
 TIME: 4:58:51PM

Agency code: 362      Agency name: Texas Lottery Commission

**Category Code/Name**

*Project Sequence/Project Id/Name*

Goal/Obj/Str	Strategy Name	EXP 2012	EXP 2013	BUD 2014
<b>5003 Repair or Rehabilitation of Buildings and Facilities</b>				
3/3	<i>New Draw Games- Studio Remodel</i>			
Capital	1-1-1 LOTTERY OPERATIONS	0	0	\$775,000
	TOTAL, PROJECT	\$0	\$0	\$775,000
<b>5005 Acquisition of Information Resource Technologies</b>				
4/4	<i>ACBS Redesign</i>			
Capital	2-1-1 BINGO LICENSING	0	0	1,250,000
	TOTAL, PROJECT	\$0	\$0	\$1,250,000
<b>5007 Acquisition of Capital Equipment and Items</b>				
1/1	<i>Capitalized Lottery Drawing Equip.</i>			
Capital	1-1-4 SECURITY	142,000	167,356	113,952
	TOTAL, PROJECT	\$142,000	\$167,356	\$113,952
	<b>TOTAL CAPITAL, ALL PROJECTS</b>	<b>\$142,000</b>	<b>\$167,356</b>	<b>\$2,138,952</b>
	<b>TOTAL INFORMATIONAL, ALL PROJECTS</b>			
	<b>TOTAL, ALL PROJECTS</b>	<b>\$142,000</b>	<b>\$167,356</b>	<b>\$2,138,952</b>

**IV.D. ESTIMATED REVENUE COLLECTIONS SUPPORTING SCHEDULE**

DATE: 11/20/2013

83rd Regular Session, Fiscal Year 2014 Operating Budget  
Automated Budget and Evaluation System of Texas (ABEST)

TIME: 4:59:12PM

Agency Code: 362

Agency name: Texas Lottery Commission

FUND/ACCOUNT	Exp 2012	Exp 2013	Bud 2014
<b>1 General Revenue Fund</b>			
Beginning Balance (Unencumbered):	\$0	\$0	\$0
Estimated Revenue:			
3152 Bingo Operators/Lessors	2,908,994	2,942,390	3,965,827
3153 Bingo Equipment	70,000	71,300	70,650
3166 Bingo Rental Tax	1,207,976	1,209,425	1,208,701
3170 Bingo Prize Fees	27,327,255	27,568,840	27,448,048
3719 Fees/Copies or Filing of Records	1,253	488	871
3727 Fees - Administrative Services	0	377	0
3770 Administrative Penalties	268,181	141,913	205,047
3795 Other Misc Government Revenue	70	136	0
3802 Reimbursements-Third Party	37,325	30,595	33,960
Subtotal: Estimated Revenue	<u>31,821,054</u>	<u>31,965,464</u>	<u>32,933,104</u>
<b>Total Available</b>	<b><u>\$31,821,054</u></b>	<b><u>\$31,965,464</u></b>	<b><u>\$32,933,104</u></b>
<b>DEDUCTIONS:</b>			
Expended/Budgeted	(14,992,084)	(15,068,185)	(16,640,804)
Transfer- Employee Benefits	(417,256)	(390,787)	(545,718)
Benefit Replacement Pay	(15,256)	(13,015)	(20,000)
<b>Total, Deductions</b>	<b><u>\$(15,424,596)</u></b>	<b><u>\$(15,471,987)</u></b>	<b><u>\$(17,206,522)</u></b>
<b>Ending Fund/Account Balance</b>	<b><u>\$16,396,458</u></b>	<b><u>\$16,493,477</u></b>	<b><u>\$15,726,582</u></b>

**REVENUE ASSUMPTIONS:**

Revenues for FY 2014 are projected to remain relatively flat, with the exception of 3152 Bingo Operators/Lessors license fees. The increase in 3152 is based on increased license fee sufficient to generate funds appropriated in Rider 14, Contingent Revenue.

**CONTACT PERSON:**

Kathy Pyka

**IV.D. ESTIMATED REVENUE COLLECTIONS SUPPORTING SCHEDULE**

83rd Regular Session, Fiscal Year 2014 Operating Budget  
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 11/20/2013  
TIME: 4:59:17PM

Agency Code: 362

Agency name: Texas Lottery Commission

<b>FUND/ACCOUNT</b>	<b>Exp 2012</b>	<b>Exp 2013</b>	<b>Bud 2014</b>
<b>5025 Lottery Acct</b>			
Beginning Balance (Unencumbered):	\$0	\$0	\$0
Estimated Revenue:			
3176 Lottery License Application Fees	295,225	319,591	307,408
3177 Lottery Ticket Sales	4,190,815,913	4,376,286,456	3,958,000,000
3178 Lottery Security Proceeds	65,200	61,788	63,494
3719 Fees/Copies or Filing of Records	24,103	12,045	18,074
3727 Fees - Administrative Services	387,070	396,245	391,658
3777 Default Fund - Warrant Voided	2,073	0	1,037
3802 Reimbursements-Third Party	811,430	619,346	444,899
3850 Interest on Lottery Prize Investmnt	1,244	0	622
3875 Interest Income, Other Oper Rev	0	8	0
Subtotal: Estimated Revenue	<u>4,192,402,258</u>	<u>4,377,695,479</u>	<u>3,959,227,192</u>
<b>Total Available</b>	<b><u>\$4,192,402,258</u></b>	<b><u>\$4,377,695,479</u></b>	<b><u>\$3,959,227,192</u></b>
<b>DEDUCTIONS:</b>			
Expended/Budgeted	(164,391,567)	(165,389,425)	(185,664,496)
Transfer- Employee Benefits	(3,834,397)	(3,979,187)	(4,218,469)
Benefit Replacement Pay	(96,242)	(84,953)	(76,458)
Unemployment Benefits	(156)	0	(2,035)
Rider 10, Retailer Incentive (2012-13GAA)	(14,591,169)	(14,916,075)	0
Rider 11, Lottery Operator Contract (2012-13 GAA)	(9,167,017)	(12,823,750)	0
Rider 12, Appropriation Increased Fees (2012-13 GAA)	(6,180,757)	(8,646,268)	0
Rider 9, Retailer Incentive (2014-15 GAA)	0	0	(19,250,000)
Lottery Winnings/Installment Payments	(2,632,624,266)	(2,767,359,068)	(2,556,868,000)
Retailer Commissions	(209,816,328)	(218,892,925)	(197,900,000)
Transfers to Foundation School Fund	(1,096,489,999)	(1,032,634,574)	(1,031,229,363)
Transfers to Dept of State Health Services	(5,750,000)	(5,750,000)	(5,411,953)
Transfers to Texas Veterans Commission	(5,305,416)	(5,620,346)	(4,692,000)
Transfers (Unclaimed Prizes) to GR	(46,015,098)	(35,717,514)	(44,250,000)
<b>Total, Deductions</b>	<b><u>\$(4,194,262,412)</u></b>	<b><u>\$(4,271,814,085)</u></b>	<b><u>\$(4,049,562,774)</u></b>

**IV.D. ESTIMATED REVENUE COLLECTIONS SUPPORTING SCHEDULE**

83rd Regular Session, Fiscal Year 2014 Operating Budget  
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 11/20/2013  
TIME: 4:59:17PM

Agency Code: 362

Agency name: Texas Lottery Commission

**FUND/ACCOUNT**

**Exp 2012**

**Exp 2013**

**Bud 2014**

**Ending Fund/Account Balance**

**\$(1,860,154)**

**\$105,881,394**

**\$(90,335,582)**

**REVENUE ASSUMPTIONS:**

Revenues for FY 2014 are projected to remain relatively flat.

**CONTACT PERSON:**

Kathy Pyka



**Texas Lottery Commission**  
**P. O. Box 16630**  
**Austin, Texas 78761-6630**  
**Phone (512) 344-5000 ■ FAX (512) 478-3682**  
**[www.txlottery.org](http://www.txlottery.org)**