



OPERATING BUDGET

FOR FISCAL YEAR 2018

Submitted to the
Governor's Office Budget Division
and the Legislative Budget Board

by

Texas Lottery Commission

December 1, 2017

Operating Budget

For Fiscal Year 2018

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**Texas Lottery Commission
Operating Budget for Fiscal Year 2018**

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CERTIFICATE

Agency Name Texas Lottery Commission

This is to certify that the information contained in the agency operating budget 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 Senate Bill 1, Article IX, Section 7.01, Eighty-fifth Legislature, Regular Session, 2017.

Chief Executive Office or Presiding Judge



Signature

Gary Grief
Printed Name

Executive Director
Title

11-27-17
Date

Board or Commission Chair


Signature

J. Winston Krause
Printed Name

Chairman
Title

11-27-17
Date

Chief Financial Officer


Signature

Kathy Pyka
Printed Name

Controller
Title

11-27-2017
Date

Budget Overview
85th Regular Session, Fiscal Year 2018 Operating Budget
Automated Budget and Evaluation System of Texas (ABEST)

362 Texas Lottery Commission

Appropriation Years: 2018-19

	GENERAL REVENUE FUNDS		GR DEDICATED						ALL FUNDS	
	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018
Goal: 1. Run Self-supporting, Revenue-producing, and Secure Lottery										
1.1.1. Lottery Operations			7,090,279	7,312,883					7,090,279	7,312,883
1.1.2. Lottery Field Operations			2,735,523	3,104,791					2,735,523	3,104,791
1.1.3. Marketing And Promotion			6,647,625	6,618,758					6,647,625	6,618,758
1.1.4. Security			5,133,477	5,678,303					5,133,477	5,678,303
1.1.5. Central Administration			11,632,959	12,525,145					11,632,959	12,525,145
1.1.6. Lottery Operator Contract(S)			105,872,045	109,284,032					105,872,045	109,284,032
1.1.7. Scratch Ticket Product. Contract(S)			48,918,330	30,150,000					48,918,330	30,150,000
1.1.8. Mass Media Advertising Contract(S)			31,941,823	24,633,448					31,941,823	24,633,448
1.1.9. Drawing & Broadcast Contract(S)			2,629,178	2,668,828					2,629,178	2,668,828
1.1.10. Market Research Contract(S)			425,195	137,376					425,195	137,376
1.1.11. Retailer Bonus			1,906,442	4,200,000					1,906,442	4,200,000
1.1.12. Retailer Commissions			20,461,975	24,726,013					20,461,975	24,726,013
Total, Goal			245,394,851	231,039,577					245,394,851	231,039,577
Goal: 2. Enforce Bingo Laws/Rules for Fairness to Ensure Proceeds Used Lawfully										
2.1.1. Bingo Licensing	769,145			650,555					769,145	650,555
2.1.2. Bingo Education And Development	84,599			106,912					84,599	106,912
2.1.3. Bingo Law Compliance Field Oper	1,149,729			1,479,554					1,149,729	1,479,554
2.1.4. Bingo Prize Fee Collection & Acct	14,201,109			14,792,794					14,201,109	14,792,794
Total, Goal	16,204,582			17,029,815					16,204,582	17,029,815
Total, Agency	16,204,582		245,394,851	248,069,392					261,599,433	248,069,392
Total FTEs									301.5	322.0

2.A. Summary of Budget By Strategy

85th Regular Session, Fiscal Year 2018 Operating Budget
Automated Budget and Evaluation System of Texas (ABEST)

DATE : 11/21/2017

TIME : 2:27:04PM

Agency code: 362 Agency name: Texas Lottery Commission

Goal/Objective/STRATEGY	EXP 2016	EXP 2017	BUD 2018
1 Run Self-supporting, Revenue-producing, and Secure Lottery			
1 <i>Generate Revenue through Ticket Sales</i>			
1 LOTTERY OPERATIONS	\$7,152,890	\$7,090,279	\$7,312,883
2 LOTTERY FIELD OPERATIONS	\$2,693,592	\$2,735,523	\$3,104,791
3 MARKETING AND PROMOTION	\$6,531,874	\$6,647,625	\$6,618,758
4 SECURITY	\$5,238,979	\$5,133,477	\$5,678,303
5 CENTRAL ADMINISTRATION	\$11,474,518	\$11,632,959	\$12,525,145
6 LOTTERY OPERATOR CONTRACT(S)	\$103,975,601	\$105,872,045	\$109,284,032
7 SCRATCH TICKET PRODUCT. CONTRACT(S)	\$28,819,058	\$48,918,330	\$30,150,000
8 MASS MEDIA ADVERTISING CONTRACT(S)	\$33,050,901	\$31,941,823	\$24,633,448
9 DRAWING & BROADCAST CONTRACT(S)	\$2,623,743	\$2,629,178	\$2,668,828
10 MARKET RESEARCH CONTRACT(S)	\$424,415	\$425,195	\$137,376
11 RETAILER BONUS	\$1,571,722	\$1,906,442	\$4,200,000
12 RETAILER COMMISSIONS	\$18,232,313	\$20,461,975	\$24,726,013
TOTAL, GOAL 1	\$221,789,606	\$245,394,851	\$231,039,577
2 Enforce Bingo Laws/Rules for Fairness to Ensure Proceeds Used Lawfully			
1 <i>Curtail Violations of Bingo Laws/Rules</i>			
1 BINGO LICENSING	\$835,275	\$769,145	\$650,555
2 BINGO EDUCATION AND DEVELOPMENT	\$73,570	\$84,599	\$106,912
3 BINGO LAW COMPLIANCE FIELD OPER	\$1,259,459	\$1,149,729	\$1,479,554
4 BINGO PRIZE FEE COLLECTION & ACCT	\$14,052,270	\$14,201,109	\$14,792,794
TOTAL, GOAL 2	\$16,220,574	\$16,204,582	\$17,029,815

2.A. Summary of Budget By Strategy

DATE : 11/21/2017

TIME : 2:27:04PM

85th Regular Session, Fiscal Year 2018 Operating Budget
Automated Budget and Evaluation System of Texas (ABEST)

Agency code: 362 Agency name: Texas Lottery Commission

Goal/Objective/STRATEGY	EXP 2016	EXP 2017	BUD 2018
General Revenue Funds:			
1 General Revenue Fund	\$16,220,574	\$16,204,582	\$0
	\$16,220,574	\$16,204,582	\$0
General Revenue Dedicated Funds:			
5025 Lottery Acct	\$221,789,606	\$245,394,851	\$231,039,577
5175 Bingo Administration	\$0	\$0	\$17,029,815
	\$221,789,606	\$245,394,851	\$248,069,392
TOTAL, METHOD OF FINANCING	\$238,010,180	\$261,599,433	\$248,069,392
FULL TIME EQUIVALENT POSITIONS	308.6	301.5	322.0

2.B. Summary of Budget By Method of Finance
85th Regular Session, Fiscal Year 2018 Operating Budget
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **11/21/2017**
TIME: **2:27:44PM**

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

METHOD OF FINANCING		Exp 2016	Exp 2017	Bud 2018
<u>GENERAL REVENUE</u>				
<u>1</u>	General Revenue Fund			
	<i>REGULAR APPROPRIATIONS</i>			
	Regular Appropriations from MOF Table (2016-17 GAA)	\$2,772,945	\$2,772,945	\$0
	<i>RIDER APPROPRIATION</i>			
	Rider 8, Local Bingo Prize Fees (2016-17 GAA)	\$12,635,500	\$12,635,500	\$0
	Rider 8, Local Bingo Prize Fees Additional	\$1,185,809	\$1,301,941	\$0
	Rider 15, Bingo Third Party Reimbursement (2016-17 GAA)	\$1,429	\$439	\$0
	<i>TRANSFERS</i>			
	Art IX, Sec 18.02, Salary Increase for General State Employees (2016-17)	\$38,841	\$33,968	\$0
	<i>LAPSED APPROPRIATIONS</i>			
	Regular Appropriation from MOF Table (2016-17 GAA)	\$(413,950)	\$(301,230)	\$0
	Savings due to Hiring Freeze	\$0	\$(238,981)	\$0
TOTAL,	General Revenue Fund	\$16,220,574	\$16,204,582	\$0
TOTAL, ALL	GENERAL REVENUE	\$16,220,574	\$16,204,582	\$0

GENERAL REVENUE FUND - DEDICATED

<u>5025</u>	GR Dedicated - Lottery Account No. 5025			
	<i>REGULAR APPROPRIATIONS</i>			
	Regular Appropriations from MOF Table (2016-17 GAA)	\$220,182,308	\$220,196,185	\$0

2.B. Summary of Budget By Method of Finance
85th Regular Session, Fiscal Year 2018 Operating Budget
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **11/21/2017**

TIME: **2:27:44PM**

Agency code: **362**

Agency name: **Texas Lottery Commission**

METHOD OF FINANCING	Exp 2016	Exp 2017	Bud 2018
Regular Appropriations from MOF Table (2018-19 GAA)	\$0	\$0	\$230,568,190
<i>RIDER APPROPRIATION</i>			
Rider 9, Retailer Commission (2016-17 GAA)	\$3,331,260	\$0	\$0
Rider 10, Lottery Operator Contract (2016-17 GAA)	\$14,723,502	\$14,758,544	\$0
Rider 11, Appropriation of Increased Revenue (2016-17 GAA)	\$9,927,154	\$9,950,781	\$0
Art IX, Sec 8.02, Reimbursements and Payments (2016-17 GAA)	\$427,451	\$440,311	\$0
Art IX, Sec 8.02, Reimbursements and Payments (2018-19 GAA)	\$0	\$0	\$471,387
<i>TRANSFERS</i>			
Art IX, Sec 18.02, Salary Increase for General State Employees (2016-17)	\$400,206	\$369,419	\$0
<i>LAPSED APPROPRIATIONS</i>			
Regular Appropriation from MOF Table (2016-17 GAA)	\$(2,088,462)	\$(1,905,008)	\$0
Rider 9, Retailer Commission (2016-17 GAA)	\$0	\$(8,691,422)	\$0
Rider 10, Lottery Operator Contract (2016-17 GAA)	\$(8,011,477)	\$(6,334,780)	\$0
Savings due to Hiring Freeze	\$0	\$(491,515)	\$0
<i>UNEXPENDED BALANCES AUTHORITY</i>			
Rider 11, Appropriation of Increased Revenue (2016-17 GAA)	\$(9,927,154)	\$9,927,154	\$0
Rider 9, Retailer Commission (2016-17 GAA)	\$(7,105,276)	\$7,105,276	\$0
Art IX, Sec 14.03(i), Capital Budget UB (2016-17 GAA)	\$(69,906)	\$69,906	\$0
TOTAL, GR Dedicated - Lottery Account No. 5025	\$221,789,606	\$245,394,851	\$231,039,577

5175 GR Dedicated - Bingo Administration Account No. 5175

REGULAR APPROPRIATIONS

2.B. Summary of Budget By Method of Finance
85th Regular Session, Fiscal Year 2018 Operating Budget
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **11/21/2017**
TIME: **2:27:44PM**

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

METHOD OF FINANCING	Exp 2016	Exp 2017	Bud 2018
Regular Appropriations from MOF Table (2018-19 GAA)	\$0	\$0	\$2,549,315
<i>RIDER APPROPRIATION</i>			
Rider 8, Local Bingo Prize Fees (2018-19 GAA)	\$0	\$0	\$14,480,500
TOTAL, GR Dedicated - Bingo Administration Account No. 5175	\$0	\$0	\$17,029,815
TOTAL, ALL GENERAL REVENUE FUND - DEDICATED	\$221,789,606	\$245,394,851	\$248,069,392
GRAND TOTAL	\$238,010,180	\$261,599,433	\$248,069,392

FULL-TIME-EQUIVALENT POSITIONS

REGULAR APPROPRIATIONS			
Regular Appropriations from MOF Table (2016-17 GAA)	326.5	326.5	0.0
Regular Appropriations from MOF Table (2018-19 GAA)	0.0	0.0	323.5
UNAUTHORIZED NUMBER OVER (BELOW) CAP			
Unauthorized Amount over cap/(amount below cap)	(17.9)	(25.0)	(1.5)
TOTAL, ADJUSTED FTES	308.6	301.5	322.0

NUMBER OF 100% FEDERALLY FUNDED FTES

2.C. Summary of Budget By Object of Expense
85th Regular Session, Fiscal Year 2018 Operating Budget
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **11/21/2017**

TIME: **2:28:32PM**

Agency code: **362**

Agency name: **Texas Lottery Commission**

OBJECT OF EXPENSE		EXP 2016	EXP 2017	BUD 2018
1001	SALARIES AND WAGES	\$20,451,523	\$20,340,083	\$22,382,485
1002	OTHER PERSONNEL COSTS	\$836,993	\$890,544	\$561,741
2001	PROFESSIONAL FEES AND SERVICES	\$5,974,288	\$6,115,522	\$6,293,079
2002	FUELS AND LUBRICANTS	\$4,104	\$1,936	\$5,000
2003	CONSUMABLE SUPPLIES	\$201,136	\$192,181	\$236,070
2004	UTILITIES	\$334,024	\$342,207	\$349,900
2005	TRAVEL	\$375,891	\$386,394	\$469,600
2006	RENT - BUILDING	\$4,223,388	\$4,231,020	\$4,894,678
2007	RENT - MACHINE AND OTHER	\$852,466	\$1,103,796	\$911,162
2009	OTHER OPERATING EXPENSE	\$190,723,196	\$213,794,154	\$197,375,177
4000	GRANTS	\$13,821,309	\$13,937,441	\$14,480,500
5000	CAPITAL EXPENDITURES	\$211,862	\$264,155	\$110,000
Agency Total		\$238,010,180	\$261,599,433	\$248,069,392

2.D. Summary of Budget By Objective Outcomes
85th Regular Session, Fiscal Year 2018 Operating Budget
Automated Budget and Evaluation system of Texas (ABEST)

Date : 11/21/2017

Time: 2:28:59PM

Agency code: 362

Agency name: Texas Lottery Commission

Goal/ Objective / OUTCOME		Exp 2016	Exp 2017	Bud2018
1	Run Self-supporting, Revenue-producing, and Secure Lottery			
	<i>1 Generate Revenue through Ticket Sales</i>			
KEY	1 Percent of Retailers Satisfied with Lottery Commission	96.09 %	97.14 %	95.00 %
	2 Per Capita Net Lottery Sales	191.68	190.58	184.22
	3 % of Net Lottery Sales Spent on Agency Administration	4.38 %	4.83 %	4.66 %
	4 Percentage of Bad Debt to Lottery Sales	0.00 %	0.00 %	0.02 %
	5 Ratio of Advertising Expense to Net Lottery Sales	0.66 %	0.63 %	0.50 %
KEY	6 State Revenue Received Per Advertising Dollar Expended	41.71	41.74	52.70
	7 Percent of Licensees with No Recent Violations	99.22 %	99.21 %	98.00 %
	8 Percentage of Eligible Players Served	48.44 %	42.97 %	0.00 %
2	Enforce Bingo Laws/Rules for Fairness to Ensure Proceeds Used Lawfully			
	<i>1 Curtail Violations of Bingo Laws/Rules</i>			
	1 Percent of Licensees with No Recent Violations	90.99 %	87.59 %	91.00 %
	2 Percentage of Bingo Audits Referred for Disciplinary Action	79.39 %	40.80 %	65.00 %
KEY	3 Percent of Complaints Referred for Disciplinary Action	8.74 %	6.49 %	8.00 %
	4 Percent of Documented Complaints Completed within Six Months	85.87 %	97.40 %	85.00 %
KEY	5 Net Bingo Games Revenue Received by Charitable Orgs (in Millions)	28.71	30.35	25.00
KEY	6 % of Organizations Who Met the Statutory Charitable Distribution Req	97.43 %	99.11 %	96.00 %
	7 Percentage of Organizations Receiving an Audit	11.35 %	12.64 %	32.00 %
	8 Percentage of Organizations Receiving an Inspection	19.60	20.69	30.20

3.A. Strategy Level Detail

DATE: 11/21/2017

TIME: 2:31:46PM

85th Regular Session, Fiscal Year 2018 Operating Budget
Automated Budget and Evaluation System of Texas (ABEST)

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

Service Categories:

Service: 03 Income: A.2 Age: B.3

CODE	DESCRIPTION	EXP 2016	EXP 2017	BUD 2018
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Output Measures:

KEY 1	Number of Retailer Business Locations Licensed	17,643.00	17,848.00	17,963.00
2	Number of Denials or Revocations of Licenses	154.00	114.00	139.00
3	Dollars Collected via the Debt Set-off Program (Thousands)	2,003,097.36	1,774,077.68	1,800,000.00
4	# New Licenses Issued to Individual Retailers	1,997.00	1,930.00	2,469.00
5	# Licenses Renewed to Individual Retailers	7,562.00	8,212.00	7,695.00

Efficiency Measures:

1	Average Cost Per License Application Completed	160.81	155.43	125.14
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Objects of Expense:

1001	SALARIES AND WAGES	\$2,920,144	\$2,716,792	\$2,946,982
1002	OTHER PERSONNEL COSTS	\$115,181	\$173,272	\$90,929
2001	PROFESSIONAL FEES AND SERVICES	\$19,228	\$63,606	\$157,590
2002	FUELS AND LUBRICANTS	\$4,104	\$1,936	\$5,000
2003	CONSUMABLE SUPPLIES	\$177,061	\$177,870	\$205,000
2004	UTILITIES	\$144,909	\$163,313	\$157,148
2005	TRAVEL	\$17,298	\$13,789	\$12,100
2006	RENT - BUILDING	\$3,069,728	\$3,082,270	\$3,140,558
2007	RENT - MACHINE AND OTHER	\$247,517	\$218,088	\$73,079
2009	OTHER OPERATING EXPENSE	\$437,720	\$402,437	\$524,497
5000	CAPITAL EXPENDITURES	\$0	\$76,906	\$0
TOTAL, OBJECT OF EXPENSE		\$7,152,890	\$7,090,279	\$7,312,883

Method of Financing:

5025	Lottery Acct	\$7,152,890	\$7,090,279	\$7,312,883
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SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$7,152,890	\$7,090,279	\$7,312,883
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3.A. Strategy Level Detail

DATE: 11/21/2017

TIME: 2:31:46PM

85th Regular Session, Fiscal Year 2018 Operating Budget
Automated Budget and Evaluation System of Texas (ABEST)

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

Service Categories:

Service: 03 Income: A.2 Age: B.3

CODE	DESCRIPTION	EXP 2016	EXP 2017	BUD 2018
TOTAL, METHOD OF FINANCE :		\$7,152,890	\$7,090,279	\$7,312,883
FULL TIME EQUIVALENT POSITIONS:		52.4	48.9	51.5

3.A. Strategy Level Detail

DATE: 11/21/2017

TIME: 2:31:46PM

85th Regular Session, Fiscal Year 2018 Operating Budget
Automated Budget and Evaluation System of Texas (ABEST)

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

Service Categories:

Service: 03 Income: A.2 Age: B.3

CODE	DESCRIPTION	EXP 2016	EXP 2017	BUD 2018
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Output Measures:

1	Number of Prize Checks Processed from Claim Centers (Thousands)	66,261.00	68,517.00	66,000.00
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Objects of Expense:

1001	SALARIES AND WAGES	\$2,456,984	\$2,419,003	\$2,830,897
1002	OTHER PERSONNEL COSTS	\$105,155	\$171,403	\$96,258
2001	PROFESSIONAL FEES AND SERVICES	\$0	\$0	\$0
2003	CONSUMABLE SUPPLIES	\$1,230	\$959	\$1,500
2005	TRAVEL	\$79,103	\$92,957	\$107,600
2006	RENT - BUILDING	\$2,000	\$780	\$2,000
2007	RENT - MACHINE AND OTHER	\$1,274	\$298	\$600
2009	OTHER OPERATING EXPENSE	\$47,846	\$50,123	\$65,936

TOTAL, OBJECT OF EXPENSE		\$2,693,592	\$2,735,523	\$3,104,791
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Method of Financing:

5025	Lottery Acct	\$2,693,592	\$2,735,523	\$3,104,791
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SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$2,693,592	\$2,735,523	\$3,104,791
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TOTAL, METHOD OF FINANCE :		\$2,693,592	\$2,735,523	\$3,104,791
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FULL TIME EQUIVALENT POSITIONS:		50.9	50.0	54.0
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3.A. Strategy Level Detail

85th Regular Session, Fiscal Year 2018 Operating Budget
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 11/21/2017
TIME: 2:31:46PM

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

Service Categories:

Service: 03 Income: A.2 Age: B.3

CODE	DESCRIPTION	EXP 2016	EXP 2017	BUD 2018
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Output Measures:

1	Number of Newsletters Distributed to Retailers	214,608.00	217,038.00	218,316.00
2	Number of Retailer Visits	512,737.00	509,163.00	464,048.00
3	Number of Retailer Surveys Completed	4,239.00	4,335.00	4,611.00

Efficiency Measures:

KEY 1	Average Cost Per Survey Issued	1.86	2.12	2.12
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Objects of Expense:

1001	SALARIES AND WAGES	\$2,632,227	\$2,640,155	\$2,687,542
1002	OTHER PERSONNEL COSTS	\$129,068	\$72,312	\$57,473
2001	PROFESSIONAL FEES AND SERVICES	\$22,871	\$80,607	\$36,000
2003	CONSUMABLE SUPPLIES	\$11,275	\$6,771	\$8,120
2004	UTILITIES	\$115	\$108	\$160
2005	TRAVEL	\$107,939	\$102,705	\$85,800
2006	RENT - BUILDING	\$1,142,180	\$1,138,899	\$1,739,220
2007	RENT - MACHINE AND OTHER	\$116,569	\$113,591	\$214,150
2009	OTHER OPERATING EXPENSE	\$2,352,161	\$2,480,957	\$1,790,293
5000	CAPITAL EXPENDITURES	\$17,469	\$11,520	\$0
TOTAL, OBJECT OF EXPENSE		\$6,531,874	\$6,647,625	\$6,618,758

Method of Financing:

5025	Lottery Acct	\$6,531,874	\$6,647,625	\$6,618,758
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SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$6,531,874	\$6,647,625	\$6,618,758
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TOTAL, METHOD OF FINANCE :		\$6,531,874	\$6,647,625	\$6,618,758
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FULL TIME EQUIVALENT POSITIONS:		35.8	34.1	35.0
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3.A. Strategy Level Detail

DATE: 11/21/2017

TIME: 2:31:46PM

85th Regular Session, Fiscal Year 2018 Operating Budget
Automated Budget and Evaluation System of Texas (ABEST)

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

Service Categories:

Service: 03 Income: A.2 Age: B.3

CODE	DESCRIPTION	EXP 2016	EXP 2017	BUD 2018
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Output Measures:

1	Number of Lottery Investigations Initiated	1,551.00	1,595.00	1,650.00
2	Number of Lottery Investigations Completed	1,080.00	1,095.00	1,100.00
3	Number of Lottery Background Investigations Completed	521.00	450.00	450.00

Efficiency Measures:

1	Average Time to Complete Investigations (Days)	44.84	38.83	60.00
2	Average Cost Per Complete Investigation	228.97	221.03	275.00
3	Average Time to Complete Lottery Background Investigations (Days)	12.55	10.64	40.00

Objects of Expense:

1001	SALARIES AND WAGES	\$2,428,772	\$2,449,693	\$2,756,275
1002	OTHER PERSONNEL COSTS	\$59,805	\$75,663	\$54,696
2001	PROFESSIONAL FEES AND SERVICES	\$1,350,024	\$1,413,218	\$1,687,540
2003	CONSUMABLE SUPPLIES	\$6,135	\$4,140	\$6,800
2005	TRAVEL	\$68,904	\$74,454	\$66,500
2007	RENT - MACHINE AND OTHER	\$203,573	\$311,722	\$331,200
2009	OTHER OPERATING EXPENSE	\$1,026,130	\$660,603	\$665,292
5000	CAPITAL EXPENDITURES	\$95,636	\$143,984	\$110,000
TOTAL, OBJECT OF EXPENSE		\$5,238,979	\$5,133,477	\$5,678,303

Method of Financing:

5025	Lottery Acct	\$5,238,979	\$5,133,477	\$5,678,303
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$5,238,979	\$5,133,477	\$5,678,303

TOTAL, METHOD OF FINANCE :		\$5,238,979	\$5,133,477	\$5,678,303
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FULL TIME EQUIVALENT POSITIONS:		36.5	36.4	41.5
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3.A. Strategy Level Detail

DATE: 11/21/2017

TIME: 2:31:46PM

85th Regular Session, Fiscal Year 2018 Operating Budget
Automated Budget and Evaluation System of Texas (ABEST)

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

Service Categories:

Service: 09 Income: A.2 Age: B.3

CODE	DESCRIPTION	EXP 2016	EXP 2017	BUD 2018
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Objects of Expense:

1001	SALARIES AND WAGES	\$8,086,128	\$8,271,817	\$8,920,771
1002	OTHER PERSONNEL COSTS	\$343,829	\$283,862	\$208,713
2001	PROFESSIONAL FEES AND SERVICES	\$1,252,930	\$1,305,637	\$1,507,281
2003	CONSUMABLE SUPPLIES	\$5,435	\$2,412	\$13,100
2004	UTILITIES	\$188,950	\$178,482	\$192,592
2005	TRAVEL	\$72,151	\$68,424	\$151,100
2006	RENT - BUILDING	\$9,480	\$9,071	\$12,900
2007	RENT - MACHINE AND OTHER	\$267,998	\$431,022	\$276,598
2009	OTHER OPERATING EXPENSE	\$1,148,860	\$1,050,487	\$1,242,090
5000	CAPITAL EXPENDITURES	\$98,757	\$31,745	\$0
TOTAL, OBJECT OF EXPENSE		\$11,474,518	\$11,632,959	\$12,525,145

Method of Financing:

5025	Lottery Acct	\$11,474,518	\$11,632,959	\$12,525,145
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$11,474,518	\$11,632,959	\$12,525,145

TOTAL, METHOD OF FINANCE :	\$11,474,518	\$11,632,959	\$12,525,145
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FULL TIME EQUIVALENT POSITIONS:	96.5	96.6	99.0
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3.A. Strategy Level Detail

DATE: 11/21/2017

TIME: 2:31:46PM

85th Regular Session, Fiscal Year 2018 Operating Budget
Automated Budget and Evaluation System of Texas (ABEST)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

Service Categories:

STRATEGY: 6 Lottery Operator Contract(s). Estimated and Nontransferable.

Service: 03 Income: A.2 Age: B.3

CODE	DESCRIPTION	EXP 2016	EXP 2017	BUD 2018
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Objects of Expense:

2009 OTHER OPERATING EXPENSE	\$103,975,601	\$105,872,045	\$109,284,032
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TOTAL, OBJECT OF EXPENSE	\$103,975,601	\$105,872,045	\$109,284,032
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Method of Financing:

5025 Lottery Acct	\$103,975,601	\$105,872,045	\$109,284,032
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SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)	\$103,975,601	\$105,872,045	\$109,284,032
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TOTAL, METHOD OF FINANCE :	\$103,975,601	\$105,872,045	\$109,284,032
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FULL TIME EQUIVALENT POSITIONS:

3.A. Strategy Level Detail

DATE: 11/21/2017

TIME: 2:31:46PM

85th Regular Session, Fiscal Year 2018 Operating Budget
Automated Budget and Evaluation System of Texas (ABEST)

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 Scratch Ticket Production and Services Contract(s).

Service Categories:

Service: 03 Income: A.2 Age: B.3

CODE	DESCRIPTION	EXP 2016	EXP 2017	BUD 2018
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Objects of Expense:

2009 OTHER OPERATING EXPENSE	\$28,819,058	\$48,918,330	\$30,150,000
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TOTAL, OBJECT OF EXPENSE	\$28,819,058	\$48,918,330	\$30,150,000
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Method of Financing:

5025 Lottery Acct	\$28,819,058	\$48,918,330	\$30,150,000
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SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)	\$28,819,058	\$48,918,330	\$30,150,000
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TOTAL, METHOD OF FINANCE :	\$28,819,058	\$48,918,330	\$30,150,000
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FULL TIME EQUIVALENT POSITIONS:

3.A. Strategy Level Detail

DATE: 11/21/2017

TIME: 2:31:46PM

85th Regular Session, Fiscal Year 2018 Operating Budget
Automated Budget and Evaluation System of Texas (ABEST)

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)

Service Categories:

Service: 03 Income: A.2 Age: B.3

CODE	DESCRIPTION	EXP 2016	EXP 2017	BUD 2018
Output Measures:				
	1 \$ Amount of Advertising Budget Spent on Print Advertising (Millions)	1.68	1.92	1.29
	2 \$ Amount of Advertising Budget Spent on Radio Advertising Millions)	5.07	4.42	3.65
KEY	3 Dollar Amount of Advertising Budget Spent on TV Advertising (Millions)	7.80	4.52	0.03
	4 \$ Amt of Advertising Budget Spent on Other Advertising (Millions)	18.84	21.10	19.66
Efficiency Measures:				
	1 Percentage of Adult Texans Aware of Lottery Advertising	73.13 %	67.26 %	0.00 %
Objects of Expense:				
	2009 OTHER OPERATING EXPENSE	\$33,050,901	\$31,941,823	\$24,633,448
TOTAL, OBJECT OF EXPENSE		\$33,050,901	\$31,941,823	\$24,633,448
Method of Financing:				
	5025 Lottery Acct	\$33,050,901	\$31,941,823	\$24,633,448
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$33,050,901	\$31,941,823	\$24,633,448
TOTAL, METHOD OF FINANCE :		\$33,050,901	\$31,941,823	\$24,633,448
FULL TIME EQUIVALENT POSITIONS:				

3.A. Strategy Level Detail

DATE: 11/21/2017

TIME: 2:31:46PM

85th Regular Session, Fiscal Year 2018 Operating Budget
Automated Budget and Evaluation System of Texas (ABEST)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)

Service Categories:

Service: 03 Income: A.2 Age: B.3

CODE	DESCRIPTION	EXP 2016	EXP 2017	BUD 2018
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Objects of Expense:

2001	PROFESSIONAL FEES AND SERVICES	\$2,623,743	\$2,629,178	\$2,668,828
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TOTAL, OBJECT OF EXPENSE		\$2,623,743	\$2,629,178	\$2,668,828
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Method of Financing:

5025	Lottery Acct	\$2,623,743	\$2,629,178	\$2,668,828
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SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$2,623,743	\$2,629,178	\$2,668,828
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TOTAL, METHOD OF FINANCE :		\$2,623,743	\$2,629,178	\$2,668,828
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FULL TIME EQUIVALENT POSITIONS:

3.A. Strategy Level Detail

DATE: 11/21/2017

TIME: 2:31:46PM

85th Regular Session, Fiscal Year 2018 Operating Budget
Automated Budget and Evaluation System of Texas (ABEST)

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)

Service Categories:

Service: 03 Income: A.2 Age: B.3

CODE	DESCRIPTION	EXP 2016	EXP 2017	BUD 2018
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Objects of Expense:

2001	PROFESSIONAL FEES AND SERVICES	\$424,415	\$425,195	\$137,376
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TOTAL, OBJECT OF EXPENSE		\$424,415	\$425,195	\$137,376
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Method of Financing:

5025	Lottery Acct	\$424,415	\$425,195	\$137,376
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SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$424,415	\$425,195	\$137,376
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TOTAL, METHOD OF FINANCE :		\$424,415	\$425,195	\$137,376
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FULL TIME EQUIVALENT POSITIONS:

3.A. Strategy Level Detail

DATE: 11/21/2017

TIME: 2:31:46PM

85th Regular Session, Fiscal Year 2018 Operating Budget
Automated Budget and Evaluation System of Texas (ABEST)

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: 11 Retailer Bonus

Service Categories:

Service: 03 Income: A.2 Age: B.3

CODE	DESCRIPTION	EXP 2016	EXP 2017	BUD 2018
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Objects of Expense:

2009 OTHER OPERATING EXPENSE	\$1,571,722	\$1,906,442	\$4,200,000
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TOTAL, OBJECT OF EXPENSE	\$1,571,722	\$1,906,442	\$4,200,000
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Method of Financing:

5025 Lottery Acct	\$1,571,722	\$1,906,442	\$4,200,000
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SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)	\$1,571,722	\$1,906,442	\$4,200,000
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TOTAL, METHOD OF FINANCE :	\$1,571,722	\$1,906,442	\$4,200,000
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FULL TIME EQUIVALENT POSITIONS:

3.A. Strategy Level Detail

DATE: 11/21/2017

TIME: 2:31:46PM

85th Regular Session, Fiscal Year 2018 Operating Budget
Automated Budget and Evaluation System of Texas (ABEST)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.

Service Categories:

Service: 03 Income: A.2 Age: B.3

CODE	DESCRIPTION	EXP 2016	EXP 2017	BUD 2018
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Objects of Expense:

2009 OTHER OPERATING EXPENSE	\$18,232,313	\$20,461,975	\$24,726,013
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TOTAL, OBJECT OF EXPENSE	\$18,232,313	\$20,461,975	\$24,726,013
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Method of Financing:

5025 Lottery Acct	\$18,232,313	\$20,461,975	\$24,726,013
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SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)	\$18,232,313	\$20,461,975	\$24,726,013
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TOTAL, METHOD OF FINANCE :	\$18,232,313	\$20,461,975	\$24,726,013
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FULL TIME EQUIVALENT POSITIONS:

3.A. Strategy Level Detail

DATE: 11/21/2017

TIME: 2:31:46PM

85th Regular Session, Fiscal Year 2018 Operating Budget
Automated Budget and Evaluation System of Texas (ABEST)

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

Service Categories:

STRATEGY: 1 Determine Eligibility and Process Applications

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

CODE	DESCRIPTION	EXP 2016	EXP 2017	BUD 2018
Output Measures:				
KEY 1	Number of Licenses Issued	9,741.00	5,661.00	9,000.00
2	Number of Applications Processed	10,293.00	3,437.00	11,200.00
3	Number of Worker Registry Applications Approved	4,094.00	2,797.00	3,500.00
Efficiency Measures:				
1	Average Bingo License (New) Processing Time (Days)	75.81	48.85	65.00
2	Average Bingo License (Renewal) Processing Time (Days)	28.29	28.85	44.00
3	Average Cost Per Application Processed	25.87	50.56	25.00
4	Average Bingo Worker Registrant Processing Time (Days)	10.94	9.86	10.40
Explanatory/Input Measures:				
1	Number of Annual License Holders	1,454.00	1,342.00	1,300.00
2	Number of Annual Workers Registrants	11,170.00	9,605.00	9,500.00
Objects of Expense:				
1001	SALARIES AND WAGES	\$502,397	\$505,059	\$508,385
1002	OTHER PERSONNEL COSTS	\$19,172	\$23,989	\$19,079
2001	PROFESSIONAL FEES AND SERVICES	\$277,877	\$198,081	\$94,010
2003	CONSUMABLE SUPPLIES	\$0	\$0	\$500
2004	UTILITIES	\$50	\$304	\$0
2005	TRAVEL	\$417	\$90	\$318
2007	RENT - MACHINE AND OTHER	\$15,535	\$29,075	\$15,535
2009	OTHER OPERATING EXPENSE	\$19,827	\$12,547	\$12,728
5000	CAPITAL EXPENDITURES	\$0	\$0	\$0
TOTAL, OBJECT OF EXPENSE		\$835,275	\$769,145	\$650,555

Method of Financing:

3.A. Strategy Level Detail

DATE: 11/21/2017

TIME: 2:31:46PM

85th Regular Session, Fiscal Year 2018 Operating Budget
Automated Budget and Evaluation System of Texas (ABEST)

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

Service Categories:

STRATEGY: 1 Determine Eligibility and Process Applications

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

CODE	DESCRIPTION	EXP 2016	EXP 2017	BUD 2018
1	General Revenue Fund	\$835,275	\$769,145	\$0
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$835,275	\$769,145	\$0
Method of Financing:				
5175	Bingo Administration	\$0	\$0	\$650,555
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$0	\$0	\$650,555
TOTAL, METHOD OF FINANCE :		\$835,275	\$769,145	\$650,555
FULL TIME EQUIVALENT POSITIONS:		7.9	7.5	7.0

3.A. Strategy Level Detail

85th Regular Session, Fiscal Year 2018 Operating Budget
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 11/21/2017
TIME: 2:31:46PM

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

Service Categories:

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

CODE	DESCRIPTION	EXP 2016	EXP 2017	BUD 2018
Output Measures:				
1	Number of Individuals Receiving Education	654.00	616.00	600.00
Efficiency Measures:				
1	Average Cost of Bingo Training Class	0.00	0.00	0.00
Objects of Expense:				
1001	SALARIES AND WAGES	\$68,408	\$79,391	\$88,279
1002	OTHER PERSONNEL COSTS	\$4,519	\$4,414	\$794
2001	PROFESSIONAL FEES AND SERVICES	\$0	\$0	\$4,454
2005	TRAVEL	\$36	\$0	\$2,418
2009	OTHER OPERATING EXPENSE	\$607	\$794	\$10,967
TOTAL, OBJECT OF EXPENSE		\$73,570	\$84,599	\$106,912
Method of Financing:				
1	General Revenue Fund	\$73,570	\$84,599	\$0
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$73,570	\$84,599	\$0
Method of Financing:				
5175	Bingo Administration	\$0	\$0	\$106,912
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$0	\$0	\$106,912
TOTAL, METHOD OF FINANCE :		\$73,570	\$84,599	\$106,912
FULL TIME EQUIVALENT POSITIONS:		1.6	2.0	2.0

3.A. Strategy Level Detail

DATE: 11/21/2017

TIME: 2:31:46PM

85th Regular Session, Fiscal Year 2018 Operating Budget
Automated Budget and Evaluation System of Texas (ABEST)

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

Service Categories:

STRATEGY: 3 Bingo Law Compliance Field Operations

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

CODE	DESCRIPTION	EXP 2016	EXP 2017	BUD 2018
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Output Measures:

1	Number of Inspections Conducted	285.00	280.00	280.00
2	Number of Bingo Audits and Reviews Completed	161.00	171.00	135.00
KEY 3	Number of Bingo Complaints Completed	183.00	155.00	180.00
4	\$ Amt of Adjustments to Charitable Distributions by Audit & Inspection	16,182.00	16,488.00	15,000.00
5	Number of Bingo Background Investigations Completed	235.00	246.00	250.00

Efficiency Measures:

1	Average Time for Bingo Complaint Completion (Days)	94.17	54.47	75.00
2	Average Cost Per Bingo Complaint Completed	175.23	224.94	350.00
3	Average Time to Conduct Compliance Audit (Hours)	101.85	90.66	200.00
4	Average Time to Complete Bingo Background Investigations (Days)	18.17	16.92	40.00
5	Average Cost per Bingo Audit Completed	2,922.46	2,203.68	2,500.00

Objects of Expense:

1001	SALARIES AND WAGES	\$1,135,421	\$1,007,476	\$1,355,937
1002	OTHER PERSONNEL COSTS	\$52,118	\$74,806	\$29,326
2001	PROFESSIONAL FEES AND SERVICES	\$3,200	\$0	\$0
2003	CONSUMABLE SUPPLIES	\$0	\$29	\$750
2005	TRAVEL	\$30,043	\$33,975	\$43,764
2009	OTHER OPERATING EXPENSE	\$38,677	\$33,443	\$49,777
TOTAL, OBJECT OF EXPENSE		\$1,259,459	\$1,149,729	\$1,479,554

Method of Financing:

1	General Revenue Fund	\$1,259,459	\$1,149,729	\$0
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SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$1,259,459	\$1,149,729	\$0
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Method of Financing:

3.A. Strategy Level Detail

DATE: 11/21/2017

TIME: 2:31:46PM

85th Regular Session, Fiscal Year 2018 Operating Budget
Automated Budget and Evaluation System of Texas (ABEST)

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

Service Categories:

STRATEGY: 3 Bingo Law Compliance Field Operations

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

CODE	DESCRIPTION	EXP 2016	EXP 2017	BUD 2018
5175	Bingo Administration	\$0	\$0	\$1,479,554
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$0	\$0	\$1,479,554
TOTAL, METHOD OF FINANCE :		\$1,259,459	\$1,149,729	\$1,479,554
FULL TIME EQUIVALENT POSITIONS:		22.3	20.5	26.0

3.A. Strategy Level Detail

85th Regular Session, Fiscal Year 2018 Operating Budget
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 11/21/2017
TIME: 2:31:46PM

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

Service Categories:

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

CODE	DESCRIPTION	EXP 2016	EXP 2017	BUD 2018
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Output Measures:

KEY 1	Number of Days to Allocate Payments to Local Jurisdictions	3.00	2.75	10.00
2	Percentage of Licensees Who Fail to Pay	7.79 %	16.24 %	5.00 %
3	Number of Bingo Reports Processed	5,790.00	5,060.00	5,300.00

Objects of Expense:

1001	SALARIES AND WAGES	\$221,042	\$250,697	\$287,417
1002	OTHER PERSONNEL COSTS	\$8,146	\$10,823	\$4,473
2003	CONSUMABLE SUPPLIES	\$0	\$0	\$300
2009	OTHER OPERATING EXPENSE	\$1,773	\$2,148	\$20,104
4000	GRANTS	\$13,821,309	\$13,937,441	\$14,480,500

TOTAL, OBJECT OF EXPENSE		\$14,052,270	\$14,201,109	\$14,792,794
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Method of Financing:

1	General Revenue Fund	\$14,052,270	\$14,201,109	\$0
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SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$14,052,270	\$14,201,109	\$0
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Method of Financing:

5175	Bingo Administration	\$0	\$0	\$14,792,794
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SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$0	\$0	\$14,792,794
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TOTAL, METHOD OF FINANCE :		\$14,052,270	\$14,201,109	\$14,792,794
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FULL TIME EQUIVALENT POSITIONS:		4.7	5.5	6.0
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3.A. Strategy Level Detail

85th Regular Session, Fiscal Year 2018 Operating Budget
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 11/21/2017

TIME: 2:31:46PM

SUMMARY TOTALS:

OBJECTS OF EXPENSE:	\$238,010,180	\$261,599,433	\$248,069,392
METHODS OF FINANCE :	\$238,010,180	\$261,599,433	\$248,069,392
FULL TIME EQUIVALENT POSITIONS:	308.6	301.5	322.0

4.A. Capital Budget Project Schedule
85th Regular Session, Fiscal Year 2018 Operating Budget
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 11/21/2017
TIME : 2:32:22PM

Agency code: 362

Agency name: Texas Lottery Commission

Category Code / Category Name

Project Sequence/Project Id/ Name

OOE / TOF / MOF CODE		EXP 2016	EXP 2017	BUD 2018
5007 Acquisition of Capital Equipment and Items				
<i>1/1 Capitalized Lottery Drawing Equipment</i>				
OBJECTS OF EXPENSE				
<u>Capital</u>				
5000 CAPITAL EXPENDITURES		\$80,445	\$71,024	\$110,000
Capital Subtotal OOE, Project	1	\$80,445	\$71,024	\$110,000
Subtotal OOE, Project	1	\$80,445	\$71,024	\$110,000
TYPE OF FINANCING				
<u>Capital</u>				
CA 5025 Lottery Acct		\$80,445	\$71,024	\$110,000
Capital Subtotal TOF, Project	1	\$80,445	\$71,024	\$110,000
Subtotal TOF, Project	1	\$80,445	\$71,024	\$110,000
Capital Subtotal, Category	5007	\$80,445	\$71,024	\$110,000
Informational Subtotal, Category	5007			
Total, Category	5007	\$80,445	\$71,024	\$110,000
AGENCY TOTAL -CAPITAL				
AGENCY TOTAL -INFORMATIONAL				
AGENCY TOTAL				
METHOD OF FINANCING:				
<u>Capital</u>				
5025 Lottery Acct		\$80,445	\$71,024	\$110,000
Total, Method of Financing-Capital		\$80,445	\$71,024	\$110,000
Total, Method of Financing		\$80,445	\$71,024	\$110,000

4.A. Capital Budget Project Schedule
85th Regular Session, Fiscal Year 2018 Operating Budget
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 11/21/2017
TIME : 2:32:22PM

Agency code: 362

Agency name: Texas Lottery Commission

Category Code / Category Name

Project Sequence/Project Id/ Name

OOE / TOF / MOF CODE

EXP 2016

EXP 2017

BUD 2018

TYPE OF FINANCING:

Capital

CA CURRENT APPROPRIATIONS

\$80,445

\$71,024

\$110,000

Total, Type of Financing-Capital

\$80,445

\$71,024

\$110,000

Total, Type of Financing

\$80,445

\$71,024

\$110,000

Capital Budget Allocation to Strategies
85th Regular Session, Fiscal Year 2018 Operating Budget
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **11/21/2017**
TIME: **2:33:01PM**

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

Category Code/Name					
Project Sequence/Project Id/Name					
Goal/Obj/Str	Strategy Name		EXP 2016	EXP 2017	BUD 2018
5007 Acquisition of Capital Equipment and Items					
1/1	Capitalized Lottery Drawing Equip.				
Capital	1-1-4	SECURITY	80,445	71,024	\$110,000
		TOTAL, PROJECT	\$80,445	\$71,024	\$110,000
		TOTAL CAPITAL, ALL PROJECTS	\$80,445	\$71,024	\$110,000
		TOTAL INFORMATIONAL, ALL PROJECTS			
		TOTAL, ALL PROJECTS	\$80,445	\$71,024	\$110,000

4.D. Estimated Revenue Collections Supporting Schedule
85th Regular Session, Fiscal Year 2018 Operating Budget
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 11/21/2017
TIME: 2:33:20PM

Agency Code: **362**

Agency name: **Texas Lottery Commission**

FUND/ACCOUNT		Exp 2016	Exp 2017	Bud 2018
<u>1</u>	General Revenue Fund			
	Beginning Balance (Unencumbered):	\$0	\$0	\$0
	Estimated Revenue:			
	3152 Bingo Operators/Lessors	3,840,581	2,004,888	0
	3153 Bingo Equipment	75,300	71,200	0
	3166 Bingo Rental Tax	247,055	364	0
	3170 Bingo Prize Fees	28,909,918	29,104,663	0
	3719 Fees/Copies or Filing of Records	997	422	0
	3754 Other Surplus/Salvage Property	0	6	0
	3770 Administrative Penalties	38,375	65,925	0
	3795 Other Misc Government Revenue	0	329	0
	3802 Reimbursements-Third Party	432	17	0
	Subtotal: Estimated Revenue	33,112,658	31,247,814	0
	Total Available	\$33,112,658	\$31,247,814	\$0
DEDUCTIONS:				
	Expended/Budgeted	(16,220,574)	(16,204,582)	0
	Transfer - Employee Benefits	(568,510)	(570,099)	0
	Benefit Replacement Pay	(5,391)	(5,134)	0
	Total, Deductions	\$(16,794,475)	\$(16,779,815)	\$0
Ending Fund/Account Balance		\$16,318,183	\$14,467,999	\$0

REVENUE ASSUMPTIONS:

The funding stream for the administration of Bingo was transferred in the 85th Legislative Session (HB 2578) from Fund 0001 General Revenue to Fund 5175 GR Dedicated - Bingo Administration Account. HB 2578 also included a provision to refund each license holder who paid a license fee under Section 2001.014 or 2001.437, Occupations Code, any portion of the fee attributable to the license period after September 1, 2017, the effective date of the legislation. The reduction is noted in 2017 under 3152, Bingo operator/lessors.

CONTACT PERSON:

Kathy Pyka

4.D. Estimated Revenue Collections Supporting Schedule
85th Regular Session, Fiscal Year 2018 Operating Budget
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 11/21/2017
TIME: 2:33:20PM

Agency Code: **362**

Agency name: **Texas Lottery Commission**

FUND/ACCOUNT	Exp 2016	Exp 2017	Bud 2018
<u>5025</u> Lottery Acct			
Beginning Balance (Unencumbered):	\$0	\$0	\$0
Estimated Revenue:			
3176 Lottery License Application Fees	290,233	300,855	295,544
3177 Lottery Ticket Sales	5,067,517,923	5,077,461,652	4,945,202,607
3178 Lottery Security Proceeds	55,675	53,875	54,775
3719 Fees/Copies or Filing of Records	12,705	9,000	10,853
3727 Fees - Administrative Services	336,024	349,866	342,945
3802 Reimbursements-Third Party	427,451	440,311	471,387
3875 Interest Income, Other Oper Rev	410	0	0
Subtotal: Estimated Revenue	5,068,640,421	5,078,615,559	4,946,378,111
Total Available	\$5,068,640,421	\$5,078,615,559	\$4,946,378,111
DEDUCTIONS:			
Expended/Budgeted	(207,066,105)	(210,758,372)	(231,039,577)
Transfer - Employee Benefits	(5,135,563)	(5,227,714)	(5,517,548)
Benefit Replacement Pay	(61,291)	(54,382)	(40,053)
Unemployment Benefits	0	(3,384)	(3,384)
Rider 10, Lottery Operator Contract (2016-17 GAA)	(14,723,502)	(14,758,544)	0
Rider 11, Appropriation Increased Fees - UB (2016-17 GAA)	0	(9,927,154)	0
Rider 11, Appropriation Increased Fees (2016-17 GAA)	0	(9,950,781)	0
Lottery Winnings/Install Payments	(3,186,430,316)	(3,257,375,437)	(3,169,874,871)
Retailer Commissions	(253,512,424)	(253,928,168)	(247,260,130)
Transfers to Foundation School Fund	(1,372,719,992)	(1,312,856,719)	(1,281,176,240)
Transfers to Department of State Health Services	(4,904,883)	(4,904,882)	0
Transfers to Health and Human Services Commission	0	0	(439,444)
Transfers to Veterans Commission	(14,680,974)	(16,206,348)	(16,500,000)
Total, Deductions	\$(5,059,235,050)	\$(5,095,951,885)	\$(4,951,851,247)
Ending Fund/Account Balance	\$9,405,371	\$\$(17,336,326)	\$(5,473,136)

4.D. Estimated Revenue Collections Supporting Schedule
85th Regular Session, Fiscal Year 2018 Operating Budget
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 11/21/2017

TIME: 2:33:20PM

Agency Code: **362**

Agency name: **Texas Lottery Commission**

FUND/ACCOUNT

Exp 2016

Exp 2017

Bud 2018

REVENUE ASSUMPTIONS:

The estimate for FY 2018 Lottery Ticket Sales is based on the 2018-2019 Biennial Revenue Estimate.

CONTACT PERSON:

Kathy Pyka

4.D. Estimated Revenue Collections Supporting Schedule
85th Regular Session, Fiscal Year 2018 Operating Budget
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 11/21/2017
TIME: 2:33:20PM

Agency Code: **362**

Agency name: **Texas Lottery Commission**

FUND/ACCOUNT	Exp 2016	Exp 2017	Bud 2018
<u>5175</u> Bingo Administration			
Beginning Balance (Unencumbered):	\$0	\$0	\$0
Estimated Revenue:			
3152 Bingo Operators/Lessors	0	0	614,551
3153 Bingo Equipment	0	0	71,200
3170 Bingo Prize Fees	0	0	29,007,291
3719 Fees/Copies or Filing of Records	0	0	709
3770 Administrative Penalties	0	0	52,150
Subtotal: Estimated Revenue	0	0	29,745,901
Total Available	\$0	\$0	\$29,745,901
DEDUCTIONS:			
Expended/Budgeted	0	0	(17,029,815)
Transfer - Employee Benefits	0	0	(636,244)
Benefit Replacement Pay	0	0	(4,108)
Total, Deductions	\$0	\$0	\$(17,670,167)
Ending Fund/Account Balance	\$0	\$0	\$12,075,734

REVENUE ASSUMPTIONS:

The funding stream for the administration of Bingo was transferred in the 85th Legislative Session (HB 2578) from Fund 0001 General Revenue to Fund 5175 GR Dedicated - Bingo Administration Account.

The estimate for FY 2018 3152 Bingo Operators/Lessors is based on the repeal of bingo license fee for conductors in the 85th Legislative Session (HB 2578).

CONTACT PERSON:

Kathy Pyka