



OPERATING BUDGET

FOR FISCAL YEAR 2022

Submitted to the
Office of the Governor, Budget and Policy Division,
and the Legislative Budget Board

by

Texas Lottery Commission

December 1, 2021

Operating Budget

For Fiscal Year 2022

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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 Office of the Governor, Budget Division, 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 Office of the Governor will be notified in writing in accordance with Senate Bill 1, Article IX, Section 7.01, Eighty-seventh Legislature, Regular Session, 2021.

Chief Executive Office or Presiding Judge

Handwritten signature of Gary Grief in black ink.

Signature

Gary Grief

Printed Name

Executive Director

Title

11/19/2021

Date

Board or Commission Chair

Handwritten signature of Robert G. Rivera in black ink.

Signature

Robert G. Rivera

Printed Name

Chairman

Title

11/19/2021

Date

Chief Financial Officer

Handwritten signature of Kathy Pyka in blue ink.

Signature

Kathy Pyka

Printed Name

Controller

Title

11/19/2021

Date

**Texas Lottery Commission
Operating Budget for Fiscal Year 2022**

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Budget Overview
87th Regular Session, Fiscal Year 2022 Operating Budget
Automated Budget and Evaluation System of Texas (ABEST)

362 Texas Lottery Commission

| | GENERAL REVENUE FUNDS | | GR DEDICATED | | | | | | ALL FUNDS | |
|--|-----------------------|------------------|--------------------|--------------------|------|------|------|------|--------------------|--------------------|
| | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 |
| Goal: 1. Run Self-supporting, Revenue-producing, and Secure Lottery | | | | | | | | | | |
| 1.1.1. Lottery Operations | | | 9,476,552 | 9,108,723 | | | | | 9,476,552 | 9,108,723 |
| 1.1.2. Lottery Field Operations | | | 3,005,217 | 3,229,923 | | | | | 3,005,217 | 3,229,923 |
| 1.1.3. Product Development | | | 5,529,426 | 6,899,749 | | | | | 5,529,426 | 6,899,749 |
| 1.1.4. Security | | | 4,932,471 | 6,304,784 | | | | | 4,932,471 | 6,304,784 |
| 1.1.5. Central Administration | | | 12,607,842 | 13,999,503 | | | | | 12,607,842 | 13,999,503 |
| 1.1.6. Lottery Operator Contract(S) | | | 139,021,853 | 131,598,201 | | | | | 139,021,853 | 131,598,201 |
| 1.1.7. Scratch Ticket Product. Contract(S) | | | 73,861,520 | 48,135,000 | | | | | 73,861,520 | 48,135,000 |
| 1.1.8. Promote Lottery Games Contract(S) | | | 17,744,488 | 10,000,000 | | | | | 17,744,488 | 10,000,000 |
| 1.1.9. Drawing & Broadcast Contract(S) | | | 2,139,740 | 2,239,000 | | | | | 2,139,740 | 2,239,000 |
| 1.1.10. Retailer Bonus | | | 2,010,000 | 2,023,583 | | | | | 2,010,000 | 2,023,583 |
| 1.1.11. Retailer Commissions | | | 26,250,000 | 31,675,300 | | | | | 26,250,000 | 31,675,300 |
| Total, Goal | | | 296,579,109 | 265,213,766 | | | | | 296,579,109 | 265,213,766 |
| Goal: 2. Enforce Bingo Laws/Rules for Fairness to Ensure Proceeds Used Lawfully | | | | | | | | | | |
| 2.1.1. Bingo Licensing | 439,937 | 672,772 | | | | | | | 439,937 | 672,772 |
| 2.1.2. Bingo Education And Development | 71,335 | 110,483 | | | | | | | 71,335 | 110,483 |
| 2.1.3. Bingo Law Compliance Field Oper | 1,028,377 | 1,319,491 | | | | | | | 1,028,377 | 1,319,491 |
| 2.1.4. Bingo Prize Fee Collection & Acct | 156,104 | 316,844 | | | | | | | 156,104 | 316,844 |
| Total, Goal | 1,695,753 | 2,419,590 | | | | | | | 1,695,753 | 2,419,590 |
| Total, Agency | 1,695,753 | 2,419,590 | 296,579,109 | 265,213,766 | | | | | 298,274,862 | 267,633,356 |
| Total FTEs | | | | | | | | | 286.5 | 321.5 |

2.A. Summary of Budget By Strategy

DATE : 11/19/2021

TIME : 7:35:01AM

87th Regular Session, Fiscal Year 2022 Operating Budget
Automated Budget and Evaluation System of Texas (ABEST)

Agency code: 362 Agency name: Texas Lottery Commission

| Goal/Objective/STRATEGY | EXP 2020 | EXP 2021 | BUD 2022 |
|---|----------------------|----------------------|----------------------|
| 1 Run Self-supporting, Revenue-producing, and Secure Lottery | | | |
| 1 <i>Generate Revenue through Ticket Sales</i> | | | |
| 1 LOTTERY OPERATIONS | \$7,052,995 | \$9,476,552 | \$9,108,723 |
| 2 LOTTERY FIELD OPERATIONS | \$2,981,730 | \$3,005,217 | \$3,229,923 |
| 3 PRODUCT DEVELOPMENT | \$5,375,352 | \$5,529,426 | \$6,899,749 |
| 4 SECURITY | \$5,350,790 | \$4,932,471 | \$6,304,784 |
| 5 CENTRAL ADMINISTRATION | \$12,648,311 | \$12,607,842 | \$13,999,503 |
| 6 LOTTERY OPERATOR CONTRACT(S) | \$128,288,186 | \$139,021,853 | \$131,598,201 |
| 7 SCRATCH TICKET PRODUCT. CONTRACT(S) | \$38,886,646 | \$73,861,520 | \$48,135,000 |
| 8 PROMOTE LOTTERY GAMES CONTRACT(S) | \$17,981,998 | \$17,744,488 | \$10,000,000 |
| 9 DRAWING & BROADCAST CONTRACT(S) | \$2,141,900 | \$2,139,740 | \$2,239,000 |
| 10 RETAILER BONUS | \$1,600,000 | \$2,010,000 | \$2,023,583 |
| 11 RETAILER COMMISSIONS | \$12,263,100 | \$26,250,000 | \$31,675,300 |
| TOTAL, GOAL 1 | \$234,571,008 | \$296,579,109 | \$265,213,766 |
| 2 Enforce Bingo Laws/Rules for Fairness to Ensure Proceeds Used Lawfully | | | |
| 1 <i>Curtail Violations of Bingo Laws/Rules</i> | | | |
| 1 BINGO LICENSING | \$459,853 | \$439,937 | \$672,772 |
| 2 BINGO EDUCATION AND DEVELOPMENT | \$49,358 | \$71,335 | \$110,483 |
| 3 BINGO LAW COMPLIANCE FIELD OPER | \$1,061,141 | \$1,028,377 | \$1,319,491 |
| 4 BINGO PRIZE FEE COLLECTION & ACCT | \$3,966,951 | \$156,104 | \$316,844 |
| TOTAL, GOAL 2 | \$5,537,303 | \$1,695,753 | \$2,419,590 |

2.A. Summary of Budget By Strategy

DATE : 11/19/2021

TIME : 7:35:01AM

87th Regular Session, Fiscal Year 2022 Operating Budget
Automated Budget and Evaluation System of Texas (ABEST)

Agency code: 362 Agency name: Texas Lottery Commission

| Goal/Objective/STRATEGY | EXP 2020 | EXP 2021 | BUD 2022 |
|---|----------------------|----------------------|----------------------|
| General Revenue Funds: | | | |
| 1 General Revenue Fund | \$5,537,303 | \$1,695,753 | \$2,419,590 |
| | \$5,537,303 | \$1,695,753 | \$2,419,590 |
| General Revenue Dedicated Funds: | | | |
| 5025 Lottery Acct | \$234,571,008 | \$296,579,109 | \$265,213,766 |
| | \$234,571,008 | \$296,579,109 | \$265,213,766 |
| TOTAL, METHOD OF FINANCING | \$240,108,311 | \$298,274,862 | \$267,633,356 |
| FULL TIME EQUIVALENT POSITIONS | 292.0 | 286.5 | 321.5 |

2.B. Summary of Budget By Method of Finance
 87th Regular Session, Fiscal Year 2022 Operating Budget
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **11/19/2021**
 TIME: **7:35:24AM**

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

| METHOD OF FINANCING | | Exp 2020 | Exp 2021 | Bud 2022 |
|-------------------------------|---|--------------------|--------------------|--------------------|
| <u>GENERAL REVENUE</u> | | | | |
| <u>1</u> | General Revenue Fund | | | |
| | <i>REGULAR APPROPRIATIONS</i> | | | |
| | Regular Appropriations from MOF Table (2020-21 GAA) | \$2,544,560 | \$2,549,315 | \$0 |
| | Regular Appropriations from MOF Table (2022-23 GAA) | \$0 | \$0 | \$2,419,590 |
| | <i>RIDER APPROPRIATION</i> | | | |
| | Rider 8, Local Bingo Prize Fee (2020-21 GAA) | \$14,480,500 | \$0 | \$0 |
| | Art IX, Sec 8.02, Reimbursements and Payments (2020-21 GAA) | \$170 | \$287 | \$0 |
| | <i>LAPSED APPROPRIATIONS</i> | | | |
| | Regular Appropriations from MOF Table (2020-21 GAA) | \$(806,237) | \$(853,849) | \$0 |
| | Rider 8, Local Bingo Prize Fee (2020-21 GAA) | \$(10,681,690) | \$0 | \$0 |
| TOTAL, | General Revenue Fund | \$5,537,303 | \$1,695,753 | \$2,419,590 |
| TOTAL, ALL | GENERAL REVENUE | \$5,537,303 | \$1,695,753 | \$2,419,590 |

GENERAL REVENUE FUND - DEDICATED

| | | | | |
|--------------------|---|---------------|---------------|---------------|
| <u>5025</u> | GR Dedicated - Lottery Account No. 5025 | | | |
| | <i>REGULAR APPROPRIATIONS</i> | | | |
| | Regular Appropriations from MOF Table (2020-21 GAA) | \$255,313,942 | \$251,488,529 | \$0 |
| | Regular Appropriations from MOF Table (2022-23 GAA) | \$0 | \$0 | \$263,886,628 |
| | <i>RIDER APPROPRIATION</i> | | | |
| | Rider 10, Lottery Operator Contract (2020-21 GAA) | \$18,151,437 | \$44,055,137 | \$0 |

2.B. Summary of Budget By Method of Finance
 87th Regular Session, Fiscal Year 2022 Operating Budget
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **11/19/2021**
 TIME: **7:35:24AM**

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

| METHOD OF FINANCING | Exp 2020 | Exp 2021 | Bud 2022 |
|--|----------------------|----------------------|----------------------|
| Rider 11, Appropriation of Increased Revenues (2020-21 GAA) | \$12,074,584 | \$27,893,120 | \$0 |
| Art IX, Sec 8.02, Reimbursements and Payments (2020-21 GAA) | \$849,324 | \$457,350 | \$0 |
| Art IX, Sec 8.02, Reimbursements and Payments (2022-23 GAA) | \$0 | \$0 | \$530,987 |
| <i>LAPSED APPROPRIATIONS</i> | | | |
| Regular Appropriations from MOF Table (2020-21 GAA) | \$(3,959,765) | \$(4,291,914) | \$0 |
| Rider 9, Retailer Commission (2020-21 GAA) | \$(17,150,193) | \$(3,682,075) | \$0 |
| Rider 10, Lottery Operator Contract (2020-21 GAA) | \$(19,864,124) | \$(29,389,084) | \$0 |
| <i>UNEXPENDED BALANCES AUTHORITY</i> | | | |
| Rider 11, Appropriation of Increased Revenue (2020-21 GAA) | \$(10,665,049) | \$10,665,049 | \$0 |
| Rider 16, UB of Capital Budget for Capital Complex (2022-23 GAA) | \$0 | \$(796,151) | \$796,151 |
| Article IX, Section 14.03(i) Capital Budget (2020-21 GAA) | \$(179,148) | \$179,148 | \$0 |
| TOTAL, GR Dedicated - Lottery Account No. 5025 | \$234,571,008 | \$296,579,109 | \$265,213,766 |
| TOTAL, ALL GENERAL REVENUE FUND - DEDICATED | \$234,571,008 | \$296,579,109 | \$265,213,766 |
| GRAND TOTAL | \$240,108,311 | \$298,274,862 | \$267,633,356 |

2.B. Summary of Budget By Method of Finance
 87th Regular Session, Fiscal Year 2022 Operating Budget
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **11/19/2021**
 TIME: **7:35:24AM**

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

| METHOD OF FINANCING | Exp 2020 | Exp 2021 | Bud 2022 |
|--|-----------------|-----------------|-----------------|
| FULL-TIME-EQUIVALENT POSITIONS | | | |
| REGULAR APPROPRIATIONS | | | |
| Regular Appropriations from MOF Table (2020-21 GAA) | 323.5 | 323.5 | 0.0 |
| Regular Appropriations from MOF Table (2022-23 GAA) | 0.0 | 0.0 | 321.5 |
| UNAUTHORIZED NUMBER OVER (BELOW) CAP | (31.5) | (37.0) | 0.0 |
| TOTAL, ADJUSTED FTES | 292.0 | 286.5 | 321.5 |

NUMBER OF 100% FEDERALLY FUNDED FTEs

2.C. Summary of Budget By Object of Expense
 87th Regular Session, Fiscal Year 2022 Operating Budget
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **11/19/2021**
 TIME: **7:35:52AM**

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

| OBJECT OF EXPENSE | EXP 2020 | EXP 2021 | BUD 2022 |
|-------------------------------------|----------------------|----------------------|----------------------|
| 1001 SALARIES AND WAGES | \$21,046,017 | \$20,919,407 | \$23,236,118 |
| 1002 OTHER PERSONNEL COSTS | \$793,023 | \$865,357 | \$424,100 |
| 2001 PROFESSIONAL FEES AND SERVICES | \$5,236,937 | \$5,226,017 | \$5,843,414 |
| 2002 FUELS AND LUBRICANTS | \$3,390 | \$4,253 | \$4,000 |
| 2003 CONSUMABLE SUPPLIES | \$108,968 | \$112,993 | \$170,740 |
| 2004 UTILITIES | \$321,860 | \$359,422 | \$369,074 |
| 2005 TRAVEL | \$124,508 | \$102,567 | \$427,891 |
| 2006 RENT - BUILDING | \$4,968,367 | \$5,913,962 | \$6,755,731 |
| 2007 RENT - MACHINE AND OTHER | \$1,089,382 | \$920,515 | \$1,141,562 |
| 2009 OTHER OPERATING EXPENSE | \$202,440,644 | \$262,239,434 | \$228,410,435 |
| 4000 GRANTS | \$3,798,809 | \$0 | \$0 |
| 5000 CAPITAL EXPENDITURES | \$176,406 | \$1,610,935 | \$850,291 |
| Agency Total | \$240,108,311 | \$298,274,862 | \$267,633,356 |

2.D. Summary of Budget By Objective Outcomes
 87th Regular Session, Fiscal Year 2022 Operating Budget
 Automated Budget and Evaluation system of Texas (ABEST)

Date : 11/19/2021
 Time: 7:37:12AM

Agency code: 362 Agency name: Texas Lottery Commission

| Goal/ Objective / OUTCOME | Exp 2020 | Exp 2021 | Bud2022 |
|--|----------|----------|---------|
| 1 Run Self-supporting, Revenue-producing, and Secure Lottery | | | |
| 1 <i>Generate Revenue through Ticket Sales</i> | | | |
| KEY 1 Percent of Retailers Satisfied with Lottery Commission | 96.17 % | 81.85 % | 85.00 % |
| 2 Per Capita Net Lottery Sales | 225.89 | 268.73 | 206.57 |
| 3 % of Net Lottery Sales Spent on Agency Administration | 3.54 % | 3.64 % | 4.18 % |
| 4 Percentage of Bad Debt to Lottery Sales | 0.01 % | 0.00 % | 0.02 % |
| 5 Ratio of Promotion Expense to Net Lottery Sales | 0.27 % | 0.22 % | 0.16 % |
| KEY 6 State Revenue Received Per Dollar Expended on Promotion | 93.03 | 112.46 | 145.86 |
| 7 Percent of Licensees with No Recent Violations | 98.94 % | 99.57 % | 98.00 % |
| 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 | 94.14 % | 95.57 % | 92.50 % |
| 2 Percentage of Bingo Audits Referred for Disciplinary Action | 83.05 % | 37.63 % | 55.00 % |
| KEY 3 Percent of Complaints Referred for Disciplinary Action | 0.00 % | 1.47 % | 1.00 % |
| 4 Percent of Documented Complaints Completed within Six Months | 100.00 % | 98.53 % | 98.00 % |
| KEY 5 Net Bingo Games Revenue Received by Charitable Orgs (in Millions) | 22.64 | 30.78 | 28.00 |
| KEY 6 % of Organizations Who Met the Statutory Charitable Distribution Req | 96.62 % | 96.89 % | 98.00 % |
| 7 Percentage of Organizations Receiving an Audit | 7.11 % | 9.86 % | 7.62 % |
| 8 Percentage of Organizations Receiving an Inspection | 10.40 % | 5.26 % | 8.00 % |

3.A. Strategy Level Detail

DATE: 11/19/2021
TIME: 7:37:37AM

87th Regular Session, Fiscal Year 2022 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 2020 | EXP 2021 | BUD 2022 |
|---------------------------------|--|--------------------|--------------------|--------------------|
| Output Measures: | | | | |
| KEY 1 | Number of Retailer Business Locations Licensed | 20,057.00 | 20,464.00 | 20,829.00 |
| 2 | Number of Denials or Revocations of Licenses | 101.00 | 81.00 | 113.00 |
| 3 | Dollars Collected via the Debt Set-off Program (Thousands) | 1,619,471.58 | 2,497,798.72 | 2,085,674.00 |
| 4 | # New Licenses Issued to Individual Retailers | 3,627.00 | 1,997.00 | 2,220.00 |
| 5 | # Licenses Renewed to Individual Retailers | 7,859.00 | 8,272.00 | 9,500.00 |
| Efficiency Measures: | | | | |
| 1 | Average Cost Per License Application Completed | 67.40 | 112.32 | 107.12 |
| Objects of Expense: | | | | |
| 1001 | SALARIES AND WAGES | \$2,607,695 | \$2,590,561 | \$2,832,125 |
| 1002 | OTHER PERSONNEL COSTS | \$102,180 | \$124,598 | \$61,760 |
| 2001 | PROFESSIONAL FEES AND SERVICES | \$238,937 | \$303,448 | \$201,000 |
| 2002 | FUELS AND LUBRICANTS | \$3,390 | \$4,253 | \$4,000 |
| 2003 | CONSUMABLE SUPPLIES | \$100,632 | \$104,525 | \$151,500 |
| 2004 | UTILITIES | \$125,044 | \$128,585 | \$115,336 |
| 2005 | TRAVEL | \$5,412 | \$1,408 | \$9,100 |
| 2006 | RENT - BUILDING | \$3,515,112 | \$4,364,669 | \$4,584,912 |
| 2007 | RENT - MACHINE AND OTHER | \$1,930 | \$170 | \$0 |
| 2009 | OTHER OPERATING EXPENSE | \$352,663 | \$387,565 | \$654,747 |
| 4000 | GRANTS | \$0 | \$0 | \$0 |
| 5000 | CAPITAL EXPENDITURES | \$0 | \$1,466,770 | \$494,243 |
| TOTAL, OBJECT OF EXPENSE | | \$7,052,995 | \$9,476,552 | \$9,108,723 |
| Method of Financing: | | | | |
| 5025 | Lottery Acct | \$7,052,995 | \$9,476,552 | \$9,108,723 |

3.A. Strategy Level Detail

DATE: 11/19/2021

TIME: 7:37:37AM

87th Regular Session, Fiscal Year 2022 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 2020 | EXP 2021 | BUD 2022 |
|--|-------------|--------------------|--------------------|--------------------|
| SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED) | | \$7,052,995 | \$9,476,552 | \$9,108,723 |
| TOTAL, METHOD OF FINANCE : | | \$7,052,995 | \$9,476,552 | \$9,108,723 |
| FULL TIME EQUIVALENT POSITIONS: | | 46.1 | 45.0 | 49.6 |

3.A. Strategy Level Detail

DATE: 11/19/2021

TIME: 7:37:37AM

87th Regular Session, Fiscal Year 2022 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 2020 | EXP 2021 | BUD 2022 |
|--|---|--------------------|--------------------|--------------------|
| Output Measures: | | | | |
| 1 | Number of Prize Payments Processed from Claim Centers (Thousands) | 65,759.00 | 79,727.00 | 71,789.00 |
| Objects of Expense: | | | | |
| 1001 | SALARIES AND WAGES | \$2,766,932 | \$2,752,753 | \$2,929,346 |
| 1002 | OTHER PERSONNEL COSTS | \$118,834 | \$118,021 | \$77,380 |
| 2001 | PROFESSIONAL FEES AND SERVICES | \$0 | \$0 | \$0 |
| 2003 | CONSUMABLE SUPPLIES | \$1,838 | \$514 | \$1,500 |
| 2005 | TRAVEL | \$24,262 | \$56,819 | \$82,805 |
| 2006 | RENT - BUILDING | \$0 | \$0 | \$0 |
| 2007 | RENT - MACHINE AND OTHER | \$0 | \$0 | \$0 |
| 2009 | OTHER OPERATING EXPENSE | \$69,864 | \$77,110 | \$138,892 |
| TOTAL, OBJECT OF EXPENSE | | \$2,981,730 | \$3,005,217 | \$3,229,923 |
| Method of Financing: | | | | |
| 5025 | Lottery Acct | \$2,981,730 | \$3,005,217 | \$3,229,923 |
| SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED) | | \$2,981,730 | \$3,005,217 | \$3,229,923 |
| TOTAL, METHOD OF FINANCE : | | \$2,981,730 | \$3,005,217 | \$3,229,923 |
| FULL TIME EQUIVALENT POSITIONS: | | 53.0 | 52.5 | 56.3 |

3.A. Strategy Level Detail

DATE: 11/19/2021
TIME: 7:37:37AM

87th Regular Session, Fiscal Year 2022 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: 3 Product Development

Service Categories:

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

| CODE | DESCRIPTION | EXP 2020 | EXP 2021 | BUD 2022 |
|--|--|--------------------|--------------------|--------------------|
| Output Measures: | | | | |
| 1 | Number of Newsletters Distributed to Retailers | 223,656.00 | 226,966.00 | 232,548.00 |
| 2 | Number of Retailer Visits | 419,899.00 | 352,989.00 | 321,350.00 |
| 3 | Number of Retailer Surveys Completed | 1,252.00 | 1,551.00 | 1,579.00 |
| Efficiency Measures: | | | | |
| KEY 1 | Average Cost Per Survey Issued | 0.92 | 0.09 | 0.09 |
| Objects of Expense: | | | | |
| 1001 | SALARIES AND WAGES | \$2,611,376 | \$2,674,531 | \$2,826,766 |
| 1002 | OTHER PERSONNEL COSTS | \$57,123 | \$68,863 | \$53,040 |
| 2001 | PROFESSIONAL FEES AND SERVICES | \$2,630 | \$2,579 | \$17,750 |
| 2003 | CONSUMABLE SUPPLIES | \$215 | \$385 | \$2,920 |
| 2004 | UTILITIES | \$0 | \$0 | \$280 |
| 2005 | TRAVEL | \$40,409 | \$2,646 | \$67,000 |
| 2006 | RENT - BUILDING | \$1,446,279 | \$1,544,263 | \$2,161,819 |
| 2007 | RENT - MACHINE AND OTHER | \$142,903 | \$0 | \$172,085 |
| 2009 | OTHER OPERATING EXPENSE | \$1,074,417 | \$1,236,159 | \$1,598,089 |
| TOTAL, OBJECT OF EXPENSE | | \$5,375,352 | \$5,529,426 | \$6,899,749 |
| Method of Financing: | | | | |
| 5025 | Lottery Acct | \$5,375,352 | \$5,529,426 | \$6,899,749 |
| SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED) | | \$5,375,352 | \$5,529,426 | \$6,899,749 |
| TOTAL, METHOD OF FINANCE : | | \$5,375,352 | \$5,529,426 | \$6,899,749 |
| FULL TIME EQUIVALENT POSITIONS: | | 33.0 | 33.0 | 35.5 |

3.A. Strategy Level Detail

DATE: 11/19/2021

TIME: 7:37:37AM

87th Regular Session, Fiscal Year 2022 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 2020 | EXP 2021 | BUD 2022 |
|--|---|--------------------|--------------------|--------------------|
| Output Measures: | | | | |
| 1 | Number of Lottery Investigations Initiated | 1,708.00 | 2,103.00 | 1,750.00 |
| 2 | Number of Lottery Investigations Completed | 1,440.00 | 1,658.00 | 1,650.00 |
| 3 | Number of Lottery Background Investigations Completed | 345.00 | 353.00 | 375.00 |
| Efficiency Measures: | | | | |
| 1 | Average Time to Complete Investigations (Days) | 25.20 | 26.67 | 45.00 |
| 2 | Average Cost Per Complete Investigation | 468.48 | 387.56 | 475.00 |
| 3 | Average Time to Complete Lottery Background Investigations (Days) | 12.03 | 16.13 | 30.00 |
| Objects of Expense: | | | | |
| 1001 | SALARIES AND WAGES | \$2,675,367 | \$2,624,819 | \$3,045,930 |
| 1002 | OTHER PERSONNEL COSTS | \$65,259 | \$138,095 | \$46,920 |
| 2001 | PROFESSIONAL FEES AND SERVICES | \$1,397,217 | \$1,169,301 | \$1,624,672 |
| 2003 | CONSUMABLE SUPPLIES | \$3,871 | \$6,612 | \$6,570 |
| 2005 | TRAVEL | \$29,118 | \$34,104 | \$79,136 |
| 2007 | RENT - MACHINE AND OTHER | \$323,848 | \$377,222 | \$389,750 |
| 2009 | OTHER OPERATING EXPENSE | \$745,338 | \$471,325 | \$755,758 |
| 5000 | CAPITAL EXPENDITURES | \$110,772 | \$110,993 | \$356,048 |
| TOTAL, OBJECT OF EXPENSE | | \$5,350,790 | \$4,932,471 | \$6,304,784 |
| Method of Financing: | | | | |
| 5025 | Lottery Acct | \$5,350,790 | \$4,932,471 | \$6,304,784 |
| SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED) | | \$5,350,790 | \$4,932,471 | \$6,304,784 |
| TOTAL, METHOD OF FINANCE : | | \$5,350,790 | \$4,932,471 | \$6,304,784 |
| FULL TIME EQUIVALENT POSITIONS: | | 37.2 | 36.3 | 44.3 |

3.A. Strategy Level Detail

DATE: 11/19/2021

TIME: 7:37:37AM

87th Regular Session, Fiscal Year 2022 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 2020 | EXP 2021 | BUD 2022 |
|--|--------------------------------|---------------------|---------------------|---------------------|
| Objects of Expense: | | | | |
| 1001 | SALARIES AND WAGES | \$8,878,036 | \$8,778,326 | \$9,765,943 |
| 1002 | OTHER PERSONNEL COSTS | \$376,649 | \$366,410 | \$148,200 |
| 2001 | PROFESSIONAL FEES AND SERVICES | \$1,369,779 | \$1,524,408 | \$1,670,003 |
| 2003 | CONSUMABLE SUPPLIES | \$2,412 | \$773 | \$6,950 |
| 2004 | UTILITIES | \$196,360 | \$230,381 | \$253,002 |
| 2005 | TRAVEL | \$11,931 | \$7,590 | \$147,600 |
| 2006 | RENT - BUILDING | \$6,976 | \$5,030 | \$9,000 |
| 2007 | RENT - MACHINE AND OTHER | \$604,185 | \$526,607 | \$563,211 |
| 2009 | OTHER OPERATING EXPENSE | \$1,136,349 | \$1,135,145 | \$1,435,594 |
| 5000 | CAPITAL EXPENDITURES | \$65,634 | \$33,172 | \$0 |
| TOTAL, OBJECT OF EXPENSE | | \$12,648,311 | \$12,607,842 | \$13,999,503 |
| Method of Financing: | | | | |
| 5025 | Lottery Acct | \$12,648,311 | \$12,607,842 | \$13,999,503 |
| SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED) | | \$12,648,311 | \$12,607,842 | \$13,999,503 |
| TOTAL, METHOD OF FINANCE : | | \$12,648,311 | \$12,607,842 | \$13,999,503 |
| FULL TIME EQUIVALENT POSITIONS: | | 97.2 | 95.1 | 103.8 |

3.A. Strategy Level Detail

DATE: 11/19/2021

TIME: 7:37:37AM

87th Regular Session, Fiscal Year 2022 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: 6 Lottery Operator Contract(s). Estimated and Nontransferable.

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

| CODE | DESCRIPTION | EXP 2020 | EXP 2021 | BUD 2022 |
|--|------------------------------|----------------------|----------------------|----------------------|
| Objects of Expense: | | | | |
| | 2009 OTHER OPERATING EXPENSE | \$128,288,186 | \$139,021,853 | \$131,598,201 |
| TOTAL, OBJECT OF EXPENSE | | \$128,288,186 | \$139,021,853 | \$131,598,201 |
| Method of Financing: | | | | |
| | 5025 Lottery Acct | \$128,288,186 | \$139,021,853 | \$131,598,201 |
| SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED) | | \$128,288,186 | \$139,021,853 | \$131,598,201 |
| TOTAL, METHOD OF FINANCE : | | \$128,288,186 | \$139,021,853 | \$131,598,201 |
| FULL TIME EQUIVALENT POSITIONS: | | | | |

3.A. Strategy Level Detail

DATE: 11/19/2021

TIME: 7:37:37AM

87th Regular Session, Fiscal Year 2022 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 2020 | EXP 2021 | BUD 2022 |
|--|-------------------------|---------------------|---------------------|---------------------|
| Objects of Expense: | | | | |
| 2009 | OTHER OPERATING EXPENSE | \$38,886,646 | \$73,861,520 | \$48,135,000 |
| TOTAL, OBJECT OF EXPENSE | | \$38,886,646 | \$73,861,520 | \$48,135,000 |
| Method of Financing: | | | | |
| 5025 | Lottery Acct | \$38,886,646 | \$73,861,520 | \$48,135,000 |
| SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED) | | \$38,886,646 | \$73,861,520 | \$48,135,000 |
| TOTAL, METHOD OF FINANCE : | | \$38,886,646 | \$73,861,520 | \$48,135,000 |
| FULL TIME EQUIVALENT POSITIONS: | | | | |

3.A. Strategy Level Detail

DATE: 11/19/2021

TIME: 7:37:37AM

87th Regular Session, Fiscal Year 2022 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 Promote Lottery Games Contract(s)

Service Categories:

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

| CODE | DESCRIPTION | EXP 2020 | EXP 2021 | BUD 2022 |
|--|--|---------------------|---------------------|---------------------|
| Output Measures: | | | | |
| KEY 1 | Billboard Expenditures from Promote Lottery Games (Millions) | 8.01 | 7.74 | 6.59 |
| KEY 2 | Other Promotion Expenditures from Promote Lottery Games (Millions) | 9.97 | 10.00 | 3.41 |
| Objects of Expense: | | | | |
| 2009 | OTHER OPERATING EXPENSE | \$17,981,998 | \$17,744,488 | \$10,000,000 |
| TOTAL, OBJECT OF EXPENSE | | \$17,981,998 | \$17,744,488 | \$10,000,000 |
| Method of Financing: | | | | |
| 5025 | Lottery Acct | \$17,981,998 | \$17,744,488 | \$10,000,000 |
| SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED) | | \$17,981,998 | \$17,744,488 | \$10,000,000 |
| TOTAL, METHOD OF FINANCE : | | \$17,981,998 | \$17,744,488 | \$10,000,000 |
| FULL TIME EQUIVALENT POSITIONS: | | | | |

3.A. Strategy Level Detail

DATE: 11/19/2021

TIME: 7:37:37AM

87th Regular Session, Fiscal Year 2022 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 2020 | EXP 2021 | BUD 2022 |
|--|--------------------------------|--------------------|--------------------|--------------------|
| Objects of Expense: | | | | |
| 2001 | PROFESSIONAL FEES AND SERVICES | \$2,141,900 | \$2,139,740 | \$2,239,000 |
| TOTAL, OBJECT OF EXPENSE | | \$2,141,900 | \$2,139,740 | \$2,239,000 |
| Method of Financing: | | | | |
| 5025 | Lottery Acct | \$2,141,900 | \$2,139,740 | \$2,239,000 |
| SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED) | | \$2,141,900 | \$2,139,740 | \$2,239,000 |
| TOTAL, METHOD OF FINANCE : | | \$2,141,900 | \$2,139,740 | \$2,239,000 |
| FULL TIME EQUIVALENT POSITIONS: | | | | |

3.A. Strategy Level Detail

DATE: 11/19/2021

TIME: 7:37:37AM

87th Regular Session, Fiscal Year 2022 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 Retailer Bonus

Service Categories:

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

| CODE | DESCRIPTION | EXP 2020 | EXP 2021 | BUD 2022 |
|--|-------------------------|--------------------|--------------------|--------------------|
| Objects of Expense: | | | | |
| 2009 | OTHER OPERATING EXPENSE | \$1,600,000 | \$2,010,000 | \$2,023,583 |
| TOTAL, OBJECT OF EXPENSE | | \$1,600,000 | \$2,010,000 | \$2,023,583 |
| Method of Financing: | | | | |
| 5025 | Lottery Acct | \$1,600,000 | \$2,010,000 | \$2,023,583 |
| SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED) | | \$1,600,000 | \$2,010,000 | \$2,023,583 |
| TOTAL, METHOD OF FINANCE : | | \$1,600,000 | \$2,010,000 | \$2,023,583 |
| FULL TIME EQUIVALENT POSITIONS: | | | | |

3.A. Strategy Level Detail

DATE: 11/19/2021

TIME: 7:37:37AM

87th Regular Session, Fiscal Year 2022 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 Commissions. Estimated and Nontransferable.

Service Categories:

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

| CODE | DESCRIPTION | EXP 2020 | EXP 2021 | BUD 2022 |
|--|--|---------------------|---------------------|---------------------|
| Objects of Expense: | | | | |
| | 2009 OTHER OPERATING EXPENSE | \$12,263,100 | \$26,250,000 | \$31,675,300 |
| | TOTAL, OBJECT OF EXPENSE | \$12,263,100 | \$26,250,000 | \$31,675,300 |
| Method of Financing: | | | | |
| | 5025 Lottery Acct | \$12,263,100 | \$26,250,000 | \$31,675,300 |
| | SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED) | \$12,263,100 | \$26,250,000 | \$31,675,300 |
| | TOTAL, METHOD OF FINANCE : | \$12,263,100 | \$26,250,000 | \$31,675,300 |
| FULL TIME EQUIVALENT POSITIONS: | | | | |

3.A. Strategy Level Detail

DATE: 11/19/2021
 TIME: 7:37:37AM

87th Regular Session, Fiscal Year 2022 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 2020 | EXP 2021 | BUD 2022 |
|------------------------------------|--|------------------|------------------|------------------|
| Output Measures: | | | | |
| KEY 1 | Number of Licenses Issued | 9,518.00 | 13,756.00 | 11,000.00 |
| 2 | Number of Applications Processed | 6,150.00 | 6,253.00 | 6,800.00 |
| 3 | Number of Worker Registry Applications Approved | 2,725.00 | 2,952.00 | 3,150.00 |
| Efficiency Measures: | | | | |
| 1 | Average Bingo License (New) Processing Time (Days) | 90.92 | 66.02 | 90.00 |
| 2 | Average Bingo License (Renewal) Processing Time (Days) | 25.94 | 25.34 | 24.00 |
| 3 | Average Cost Per Application Processed | 12.81 | 13.28 | 19.00 |
| 4 | Average Bingo Worker Registry Application Processing Time (Days) | 7.93 | 9.65 | 9.50 |
| Explanatory/Input Measures: | | | | |
| 1 | Number of Annual License Holders | 1,395.00 | 1,378.00 | 1,383.00 |
| 2 | Number of Annual Workers Registrants | 9,904.00 | 9,761.00 | 9,900.00 |
| Objects of Expense: | | | | |
| 1001 | SALARIES AND WAGES | \$342,465 | \$323,959 | \$379,634 |
| 1002 | OTHER PERSONNEL COSTS | \$11,601 | \$11,437 | \$9,360 |
| 2001 | PROFESSIONAL FEES AND SERVICES | \$82,260 | \$82,327 | \$86,775 |
| 2003 | CONSUMABLE SUPPLIES | \$0 | \$0 | \$500 |
| 2004 | UTILITIES | \$456 | \$456 | \$456 |
| 2005 | TRAVEL | \$19 | \$0 | \$250 |
| 2007 | RENT - MACHINE AND OTHER | \$16,516 | \$16,516 | \$16,516 |
| 2009 | OTHER OPERATING EXPENSE | \$6,536 | \$5,242 | \$179,281 |
| TOTAL, OBJECT OF EXPENSE | | \$459,853 | \$439,937 | \$672,772 |
| Method of Financing: | | | | |
| 1 | General Revenue Fund | \$459,853 | \$439,937 | \$672,772 |

3.A. Strategy Level Detail

DATE: 11/19/2021

TIME: 7:37:37AM

87th Regular Session, Fiscal Year 2022 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 2020 | EXP 2021 | BUD 2022 |
|--|-------------|------------------|------------------|------------------|
| SUBTOTAL, MOF (GENERAL REVENUE FUNDS) | | \$459,853 | \$439,937 | \$672,772 |
| TOTAL, METHOD OF FINANCE : | | \$459,853 | \$439,937 | \$672,772 |
| FULL TIME EQUIVALENT POSITIONS: | | 5.3 | 4.8 | 6.0 |

3.A. Strategy Level Detail

DATE: 11/19/2021

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87th Regular Session, Fiscal Year 2022 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: 2 Provide Education and Training for Bingo Regulatory Requirements

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

| CODE | DESCRIPTION | EXP 2020 | EXP 2021 | BUD 2022 |
|--|---|-----------------|-----------------|------------------|
| Output Measures: | | | | |
| 1 | Number of Individuals Receiving Education | 588.00 | 699.00 | 600.00 |
| Objects of Expense: | | | | |
| 1001 | SALARIES AND WAGES | \$40,670 | \$62,195 | \$82,988 |
| 1002 | OTHER PERSONNEL COSTS | \$3,864 | \$4,071 | \$0 |
| 2001 | PROFESSIONAL FEES AND SERVICES | \$4,214 | \$4,214 | \$4,214 |
| 2005 | TRAVEL | \$0 | \$0 | \$2,000 |
| 2009 | OTHER OPERATING EXPENSE | \$610 | \$855 | \$21,281 |
| TOTAL, OBJECT OF EXPENSE | | \$49,358 | \$71,335 | \$110,483 |
| Method of Financing: | | | | |
| 1 | General Revenue Fund | \$49,358 | \$71,335 | \$110,483 |
| SUBTOTAL, MOF (GENERAL REVENUE FUNDS) | | \$49,358 | \$71,335 | \$110,483 |
| TOTAL, METHOD OF FINANCE : | | \$49,358 | \$71,335 | \$110,483 |
| FULL TIME EQUIVALENT POSITIONS: | | 1.0 | 1.6 | 2.0 |

3.A. Strategy Level Detail

DATE: 11/19/2021
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87th Regular Session, Fiscal Year 2022 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 2020 | EXP 2021 | BUD 2022 |
|--|---|--------------------|--------------------|--------------------|
| Output Measures: | | | | |
| | 1 Number of Inspections Conducted | 142.00 | 71.00 | 141.00 |
| | 2 Number of Bingo Audits and Reviews Completed | 118.00 | 186.00 | 135.00 |
| KEY | 3 Number of Bingo Complaints Investigations Completed | 94.00 | 68.00 | 97.00 |
| | 4 \$ Amt of Adjustments to Charitable Distributions by Audit & Inspection | 1,000.00 | 20,500.00 | 750.00 |
| | 5 Number of Bingo Background Investigations Completed | 106.00 | 111.00 | 130.00 |
| Efficiency Measures: | | | | |
| | 1 Average Time for Bingo Complaint Investigation Completion (Days) | 44.56 | 38.57 | 45.00 |
| | 2 Average Cost Per Bingo Complaint Investigation Completed | 375.70 | 348.04 | 355.00 |
| | 3 Average Time to Conduct Compliance Audit and Review (Hours) | 71.36 | 52.53 | 72.00 |
| | 4 Average Time to Complete Bingo Background Investigations (Days) | 20.83 | 19.79 | 30.00 |
| | 5 Average Cost per Bingo Audit and Review Completed | 2,201.02 | 1,571.52 | 2,045.00 |
| Objects of Expense: | | | | |
| 1001 | SALARIES AND WAGES | \$966,751 | \$961,995 | \$1,167,414 |
| 1002 | OTHER PERSONNEL COSTS | \$48,865 | \$30,242 | \$23,680 |
| 2001 | PROFESSIONAL FEES AND SERVICES | \$0 | \$0 | \$0 |
| 2003 | CONSUMABLE SUPPLIES | \$0 | \$184 | \$500 |
| 2005 | TRAVEL | \$13,357 | \$0 | \$40,000 |
| 2009 | OTHER OPERATING EXPENSE | \$32,168 | \$35,956 | \$87,897 |
| TOTAL, OBJECT OF EXPENSE | | \$1,061,141 | \$1,028,377 | \$1,319,491 |
| Method of Financing: | | | | |
| | 1 General Revenue Fund | \$1,061,141 | \$1,028,377 | \$1,319,491 |
| SUBTOTAL, MOF (GENERAL REVENUE FUNDS) | | \$1,061,141 | \$1,028,377 | \$1,319,491 |

3.A. Strategy Level Detail

DATE: 11/19/2021

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87th Regular Session, Fiscal Year 2022 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 2020 | EXP 2021 | BUD 2022 |
|--|-------------|--------------------|--------------------|--------------------|
| TOTAL, METHOD OF FINANCE : | | \$1,061,141 | \$1,028,377 | \$1,319,491 |
| FULL TIME EQUIVALENT POSITIONS: | | 16.0 | 15.3 | 20.0 |

3.A. Strategy Level Detail

DATE: 11/19/2021

TIME: 7:37:37AM

87th Regular Session, Fiscal Year 2022 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: 4 Bingo Prize Fee Collections and Accounting

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

| CODE | DESCRIPTION | EXP 2020 | EXP 2021 | BUD 2022 |
|--|---|--------------------|------------------|------------------|
| Output Measures: | | | | |
| 1 | Percentage of Licensees Who Fail to Pay | 11.00 % | 5.43 % | 7.46 % |
| 2 | Number of Bingo Reports Processed | 4,747.00 | 4,531.00 | 4,900.00 |
| Objects of Expense: | | | | |
| 1001 | SALARIES AND WAGES | \$156,725 | \$150,268 | \$205,972 |
| 1002 | OTHER PERSONNEL COSTS | \$8,648 | \$3,620 | \$3,760 |
| 2003 | CONSUMABLE SUPPLIES | \$0 | \$0 | \$300 |
| 2009 | OTHER OPERATING EXPENSE | \$2,769 | \$2,216 | \$106,812 |
| 4000 | GRANTS | \$3,798,809 | \$0 | \$0 |
| TOTAL, OBJECT OF EXPENSE | | \$3,966,951 | \$156,104 | \$316,844 |
| Method of Financing: | | | | |
| 1 | General Revenue Fund | \$3,966,951 | \$156,104 | \$316,844 |
| SUBTOTAL, MOF (GENERAL REVENUE FUNDS) | | \$3,966,951 | \$156,104 | \$316,844 |
| TOTAL, METHOD OF FINANCE : | | \$3,966,951 | \$156,104 | \$316,844 |
| FULL TIME EQUIVALENT POSITIONS: | | 3.2 | 2.9 | 4.0 |

3.A. Strategy Level Detail

DATE: 11/19/2021

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87th Regular Session, Fiscal Year 2022 Operating Budget
Automated Budget and Evaluation System of Texas (ABEST)

SUMMARY TOTALS:

| | | | |
|--|----------------------|----------------------|----------------------|
| OBJECTS OF EXPENSE: | \$240,108,311 | \$298,274,862 | \$267,633,356 |
| METHODS OF FINANCE : | \$240,108,311 | \$298,274,862 | \$267,633,356 |
| FULL TIME EQUIVALENT POSITIONS: | 292.0 | 286.5 | 321.5 |

Agency code: 362

Agency name: Texas Lottery Commission

Category Code / Category Name

Project Sequence/Project Id/ Name

OOE / TOF / MOF CODE

EXP 2020

EXP 2021

BUD 2022

5002 Construction of Buildings and Facilities

*1/1 Construction Required for TX Capital Complex
 Building*

OBJECTS OF EXPENSE

Capital

| | | | | |
|-------------------------------------|---|------------|--------------------|------------------|
| 2001 PROFESSIONAL FEES AND SERVICES | | \$0 | \$6,000 | \$0 |
| 5000 CAPITAL EXPENDITURES | | \$0 | \$1,466,770 | \$780,745 |
| Capital Subtotal OOE, Project | 1 | \$0 | \$1,472,770 | \$780,745 |
| Subtotal OOE, Project | 1 | \$0 | \$1,472,770 | \$780,745 |

TYPE OF FINANCING

Capital

| | | | | |
|----------------------------------|-------------|------------|--------------------|------------------|
| CA 5025 Lottery Acct | | \$0 | \$1,472,770 | \$780,745 |
| Capital Subtotal TOF, Project | 1 | \$0 | \$1,472,770 | \$780,745 |
| Subtotal TOF, Project | 1 | \$0 | \$1,472,770 | \$780,745 |
| Capital Subtotal, Category | 5002 | \$0 | \$1,472,770 | \$780,745 |
| Informational Subtotal, Category | 5002 | | | |
| Total, Category | 5002 | \$0 | \$1,472,770 | \$780,745 |

5005 Acquisition of Information Resource Technologies

2/2 PC Lease/Computer Software

OBJECTS OF EXPENSE

Capital

| | | | | |
|-------------------------------|---|------------------|------------|------------|
| 2007 RENT - MACHINE AND OTHER | | \$250,863 | \$0 | \$0 |
| 2009 OTHER OPERATING EXPENSE | | \$32,431 | \$0 | \$0 |
| Capital Subtotal OOE, Project | 2 | \$283,294 | \$0 | \$0 |
| Subtotal OOE, Project | 2 | \$283,294 | \$0 | \$0 |

Agency code: 362

Agency name: Texas Lottery Commission

Category Code / Category Name

Project Sequence/Project Id/ Name

OOE / TOF / MOF CODE

EXP 2020

EXP 2021

BUD 2022

TYPE OF FINANCING

Capital

| | | | | |
|----------------------------------|-------------|------------------|------------|------------|
| CA 5025 Lottery Acct | | \$283,294 | \$0 | \$0 |
| Capital Subtotal TOF, Project | 2 | \$283,294 | \$0 | \$0 |
| Subtotal TOF, Project | 2 | \$283,294 | \$0 | \$0 |
| Capital Subtotal, Category | 5005 | \$283,294 | \$0 | \$0 |
| Informational Subtotal, Category | 5005 | | | |
| Total, Category | 5005 | \$283,294 | \$0 | \$0 |

5007 Acquisition of Capital Equipment and Items

3/3 Capitalized Lottery Drawing Equipment

OBJECTS OF EXPENSE

Capital

| | | | | |
|-------------------------------|---|------------------|------------------|-----------------|
| 2009 OTHER OPERATING EXPENSE | | \$10,080 | \$0 | \$0 |
| 5000 CAPITAL EXPENDITURES | | \$110,772 | \$110,993 | \$54,140 |
| Capital Subtotal OOE, Project | 3 | \$120,852 | \$110,993 | \$54,140 |
| Subtotal OOE, Project | 3 | \$120,852 | \$110,993 | \$54,140 |

TYPE OF FINANCING

Capital

| | | | | |
|-------------------------------|---|------------------|------------------|-----------------|
| CA 5025 Lottery Acct | | \$120,852 | \$110,993 | \$54,140 |
| Capital Subtotal TOF, Project | 3 | \$120,852 | \$110,993 | \$54,140 |
| Subtotal TOF, Project | 3 | \$120,852 | \$110,993 | \$54,140 |

4.A. Capital Budget Project Schedule
 87th Regular Session, Fiscal Year 2022 Operating Budget
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 11/19/2021
 TIME : 7:38:04AM

Agency code: 362

Agency name: Texas Lottery Commission

Category Code / Category Name

Project Sequence/Project Id/ Name

| OOE / TOF / MOF CODE | | EXP 2020 | EXP 2021 | BUD 2022 |
|---------------------------------------|-------------|------------------|--------------------|--------------------|
| Capital Subtotal, Category | 5007 | \$120,852 | \$110,993 | \$54,140 |
| Informational Subtotal, Category | 5007 | | | |
| Total, Category | 5007 | \$120,852 | \$110,993 | \$54,140 |
| 7000 Data Center Consolidation | | | | |
| <i>4/4 Data Center Services</i> | | | | |
| OBJECTS OF EXPENSE | | | | |
| <u>Capital</u> | | | | |
| 2001 PROFESSIONAL FEES AND SERVICES | | \$97,687 | \$155,406 | \$181,115 |
| Capital Subtotal OOE, Project | 4 | \$97,687 | \$155,406 | \$181,115 |
| Subtotal OOE, Project | 4 | \$97,687 | \$155,406 | \$181,115 |
| TYPE OF FINANCING | | | | |
| <u>Capital</u> | | | | |
| CA 5025 Lottery Acct | | \$97,687 | \$155,406 | \$181,115 |
| Capital Subtotal TOF, Project | 4 | \$97,687 | \$155,406 | \$181,115 |
| Subtotal TOF, Project | 4 | \$97,687 | \$155,406 | \$181,115 |
| Capital Subtotal, Category | 7000 | \$97,687 | \$155,406 | \$181,115 |
| Informational Subtotal, Category | 7000 | | | |
| Total, Category | 7000 | \$97,687 | \$155,406 | \$181,115 |
| AGENCY TOTAL -CAPITAL | | \$501,833 | \$1,739,169 | \$1,016,000 |
| AGENCY TOTAL -INFORMATIONAL | | | | |
| AGENCY TOTAL | | \$501,833 | \$1,739,169 | \$1,016,000 |

4.A. Capital Budget Project Schedule
 87th Regular Session, Fiscal Year 2022 Operating Budget
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 11/19/2021
 TIME : 7:38:04AM

Agency code: 362

Agency name: Texas Lottery Commission

Category Code / Category Name

Project Sequence/Project Id/ Name

OOE / TOF / MOF CODE

EXP 2020

EXP 2021

BUD 2022

METHOD OF FINANCING:

Capital

5025 Lottery Acct

\$501,833

\$1,739,169

\$1,016,000

Total, Method of Financing-Capital

\$501,833

\$1,739,169

\$1,016,000

Total, Method of Financing

\$501,833

\$1,739,169

\$1,016,000

TYPE OF FINANCING:

Capital

CA CURRENT APPROPRIATIONS

\$501,833

\$1,739,169

\$1,016,000

Total, Type of Financing-Capital

\$501,833

\$1,739,169

\$1,016,000

Total, Type of Financing

\$501,833

\$1,739,169

\$1,016,000

Capital Budget Allocation to Strategies
 87th Regular Session, Fiscal Year 2022 Operating Budget
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 11/19/2021
 TIME: 7:38:30AM

Agency code: 362 Agency name: Texas Lottery Commission

Category Code/Name

Project Sequence/Project Id/Name

| Goal/Obj/Str | Strategy Name | EXP 2020 | EXP 2021 | BUD 2022 | |
|--|---------------|------------------------|-----------|-------------|-----------|
| 5002 Construction of Buildings and Facilities | | | | | |
| <i>1/1 Facilities Capital - New HQ</i> | | | | | |
| Capital | 1-1-1 | LOTTERY OPERATIONS | 0 | 1,472,770 | \$478,837 |
| Capital | 1-1-4 | SECURITY | 0 | 0 | 301,908 |
| TOTAL, PROJECT | | | \$0 | \$1,472,770 | \$780,745 |
| 5005 Acquisition of Information Resource Technologies | | | | | |
| <i>2/2 PC Lease/Computer Software</i> | | | | | |
| Capital | 1-1-5 | CENTRAL ADMINISTRATION | 283,294 | 0 | 0 |
| TOTAL, PROJECT | | | \$283,294 | \$0 | \$0 |
| 5007 Acquisition of Capital Equipment and Items | | | | | |
| <i>3/3 Capitalized Lottery Drawing Equip.</i> | | | | | |
| Capital | 1-1-4 | SECURITY | 120,852 | 110,993 | 54,140 |
| TOTAL, PROJECT | | | \$120,852 | \$110,993 | \$54,140 |
| 7000 Data Center Consolidation | | | | | |
| <i>4/4 Data Center Services</i> | | | | | |
| Capital | 1-1-5 | CENTRAL ADMINISTRATION | 97,687 | 155,406 | 181,115 |
| TOTAL, PROJECT | | | \$97,687 | \$155,406 | \$181,115 |

Capital Budget Allocation to Strategies
 87th Regular Session, Fiscal Year 2022 Operating Budget
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 11/19/2021
 TIME: 7:38:30AM

Agency code: 362 Agency name: Texas Lottery Commission

Category Code/Name

Project Sequence/Project Id/Name

| Goal/Obj/Str | Strategy Name | EXP 2020 | EXP 2021 | BUD 2022 |
|--------------|-----------------------------------|-----------|-------------|-------------|
| | TOTAL CAPITAL, ALL PROJECTS | \$501,833 | \$1,739,169 | \$1,016,000 |
| | TOTAL INFORMATIONAL, ALL PROJECTS | | | |
| | TOTAL, ALL PROJECTS | \$501,833 | \$1,739,169 | \$1,016,000 |

4.D. Estimated Revenue Collections Supporting Schedule
 87th Regular Session, Fiscal Year 2022 Operating Budget
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 11/19/2021
 TIME: 7:38:54AM

Agency Code: **362**

Agency name: **Texas Lottery Commission**

| FUND/ACCOUNT | Exp 2020 | Est 2021 | Est 2022 |
|---------------------------------------|-----------------------------|-----------------------------|-----------------------------|
| <u>1</u> General Revenue Fund | | | |
| Beginning Balance (Unencumbered): | \$0 | \$0 | \$0 |
| Estimated Revenue: | | | |
| 3152 Bingo Operators/Lessors | 558,802 | 529,797 | 544,300 |
| 3153 Bingo Equipment | 62,000 | 64,300 | 63,150 |
| 3170 Bingo Prize Fees | 17,334,009 | 16,000,373 | 16,000,000 |
| 3719 Fees/Copies or Filing of Records | 170 | 287 | 229 |
| 3754 Other Surplus/Salvage Property | 0 | 1,143 | 0 |
| 3770 Administrative Penalties | 13,800 | 19,800 | 16,800 |
| 3795 Other Misc Government Revenue | 198 | 1,166 | 682 |
| Subtotal: Estimated Revenue | <u>17,968,979</u> | <u>16,616,866</u> | <u>16,625,161</u> |
| Total Available | <u>\$17,968,979</u> | <u>\$16,616,866</u> | <u>\$16,625,161</u> |
| DEDUCTIONS: | | | |
| Expended/Budgeted | (5,537,303) | (1,695,753) | (2,419,590) |
| Transfer-Employee Benefits | (458,458) | (427,295) | (541,505) |
| Benefit Replacement Pay | (1,027) | (1,027) | (1,027) |
| Total, Deductions | <u>\$(5,996,788)</u> | <u>\$(2,124,075)</u> | <u>\$(2,962,122)</u> |
| Ending Fund/Account Balance | <u>\$11,972,191</u> | <u>\$14,492,791</u> | <u>\$13,663,039</u> |

REVENUE ASSUMPTIONS:

CONTACT PERSON:

Kathy Pyka

4.D. Estimated Revenue Collections Supporting Schedule
 87th Regular Session, Fiscal Year 2022 Operating Budget
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 11/19/2021
 TIME: 7:38:54AM

Agency Code: **362**

Agency name: **Texas Lottery Commission**

| FUND/ACCOUNT | Exp 2020 | Est 2021 | Est 2022 |
|---|---------------------------------|---------------------------------|---------------------------------|
| 5025 Lottery Acct | | | |
| Beginning Balance (Unencumbered): | \$0 | \$0 | \$0 |
| Estimated Revenue: | | | |
| 3176 Lottery License Application Fees | 324,715 | 302,898 | 313,807 |
| 3177 Lottery Ticket Sales | 6,704,027,783 | 8,107,203,394 | 6,335,000,000 |
| 3178 Lottery Security Proceeds | 62,475 | 51,850 | 57,163 |
| 3719 Fees/Copies or Filing of Records | 3,000 | 1,500 | 2,250 |
| 3727 Fees - Administrative Services | 348,551 | 317,428 | 332,990 |
| 3802 Reimbursements-Third Party | 849,890 | 425,708 | 530,987 |
| Subtotal: Estimated Revenue | <u>6,705,616,414</u> | <u>8,108,302,778</u> | <u>6,336,237,197</u> |
| Total Available | <u>\$6,705,616,414</u> | <u>\$8,108,302,778</u> | <u>\$6,336,237,197</u> |
| DEDUCTIONS: | | | |
| Expended/Budgeted | (215,010,037) | (213,965,803) | (264,417,615) |
| Transfer-Employee Benefits | (5,335,504) | (5,267,755) | (5,639,027) |
| Benefit Replacement Pay | (29,291) | (23,813) | (20,732) |
| Unemployment Benefits | (7,677) | (1,767) | (4,722) |
| Rider 10, Lottery Operator Contract (2020-21 GAA) | (18,151,437) | (44,055,137) | 0 |
| Rider 11, Appn of Increased Revenues (2020-21 GAA) | (1,409,535) | (27,893,120) | 0 |
| Rider 11, Appn of Increased Revenues UB (2020-21 GAA) | 0 | (10,665,049) | 0 |
| Rider 16, Unexpended Balances of Capital Budget | 0 | 0 | (796,151) |
| Lottery Winnings/Install Payments | (4,442,357,644) | (5,418,271,340) | (4,288,795,000) |
| Retailer Commissions | (335,638,397) | (405,847,848) | (316,750,000) |
| Transfers to Foundation School Fund | (1,661,046,854) | (1,974,473,848) | (1,434,737,065) |
| Transfers to Department of State Health Services | (439,443) | (439,443) | (439,443) |
| Transfers to Texas Veterans Commission | (22,242,814) | (23,400,245) | (23,400,245) |
| Total, Deductions | <u>\$(6,701,668,633)</u> | <u>\$(8,124,305,168)</u> | <u>\$(6,335,000,000)</u> |
| Ending Fund/Account Balance | <u>\$3,947,781</u> | <u>\$16,002,390</u> | <u>\$1,237,197</u> |

REVENUE ASSUMPTIONS:

The estimate for FY 2022 Lottery Ticket Sales is based on the 2022-2023 Biennial Revenue Estimate (BRE) published by the Comptroller of Public Accounts. Lottery Prizes, Retailer Commissions, Rider expenses and Revenue are projected based on the Lottery Sales amount in the BRE.

4.D. Estimated Revenue Collections Supporting Schedule
87th Regular Session, Fiscal Year 2022 Operating Budget
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 11/19/2021
TIME: 7:38:54AM

Agency Code: **362**

Agency name: **Texas Lottery Commission**

FUND/ACCOUNT

Exp 2020

Est 2021

Est 2022

CONTACT PERSON:

Kathy Pyka



Texas Lottery Commission
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