

Part 1 – Agency Profile

Agency Overview

The Idaho State Lottery is established by Title 67, Chapter 74, *Idaho Code*, for the purpose of operating the state lottery at the least public expense and the smallest staffing possible. Organizationally, the Idaho Lottery is categorized as a Self-Governing Agency.

The five-member Idaho Lottery Commission, whose members are appointed by the Governor for staggered five-year terms, is responsible for setting policy for the agency and approving all major procurements. Commission members are: Chairman, Mr. Roger Jones (Rupert), Ms. Lydia Justice-Edwards (Donnelly), Mr. Mel Fisher (Boise), Mr. Scott McLeod (Nez Perce) and Mr. David Keyes (Sandpoint). Administrative responsibility for the agency rests with the Director, who is likewise, appointed by the Governor. The Idaho Lottery Director is Mr. Jeffrey R. Anderson.

The agency is organized into four divisions: Administration/Operations, Sales, Marketing, and Security. Lottery headquarters are located at 1199 Shoreline Lane in Boise, with a warehouse in Boise used for the storage and distribution of Scratch™ tickets. The Lottery has forty-seven authorized positions, with 45.25 filled positions currently distributed as follows: Lottery Headquarters-30, Warehouse-2.25, Regional Sales Representatives (located throughout the state)-13.

Lottery products and their percentage of total sales fall into three play styles; Draw style games (36%), Scratch™ games (61.6%), and PullTab games (2.2%). Draw game sales are comprised of six games: Powerball PowerPlay (68.7%), Mega Millions Megaplier (4.9%), Wild Card (5.9%), Hot Lotto Sizzler (7.1%) Pick 3 (3.1%), Idaho \$1,000,000 Raffle (7.4%) , Double Play Daily (2.9%) and Spring Raffle - which sold from May 1, 2010 to June 29, 2010. Lottery tickets are sold through approximately 961 contracted lottery retailers statewide. These consist of convenience stores, supermarkets, and other retail locations with some supported by fully functional Player Activated Vending Machines. Retailers receive 5% of sales as a base commission and may earn additional payments in the form of sales and cashing bonuses. The total for such additional payments is limited to a statewide total of 1% of sales.

Net profits from lottery sales are returned to the State in the form of an annual dividend. Since inception, one-half of the annual dividend has gone to the Public School Building fund, for public school maintenance and capital expenditures, with the other half going to the Permanent Building Fund for use in building and maintaining state buildings. However, in 2009 the Idaho Legislature approved a change in the distribution of Lottery proceeds for the following five years beginning with the dividend transferred from activity in fiscal year 2009. Public School and Permanent Building Fund dividends are fixed at the fiscal year 2008 level (\$34,000,000) unless Lottery proceeds grow sufficiently, in which case 3/8 will go to the building fund, 3/8 to schools and 1/4 to the Bond Levy Equalization Fund. From September 31, 2014 forward, the distribution will revert back to the previous split. Since its inception in 1989, the Lottery has made twenty one annual dividend payments totaling \$473,800,000, with the latest record dividend of \$36,500,000 going to the State in July 2010.

In addition to its lottery responsibilities, Title 67, Chapter 77, *Idaho Code*, grants the Idaho State Lottery the responsibility and authority to license and regulate bingo and raffles conducted by charitable and non-profit organizations within the state. Also, Title 67, Chapter 7409 gives the Idaho Lottery Director responsibility for monitoring Class III gaming on Indian Reservations as may be required by compacts entered into by the state in accordance with state statutory law and pursuant to the Indian Gaming Regulatory Act, 25 U.S.C. section 2701 et seq. and 18 U.S.C. sections 1166-1168.

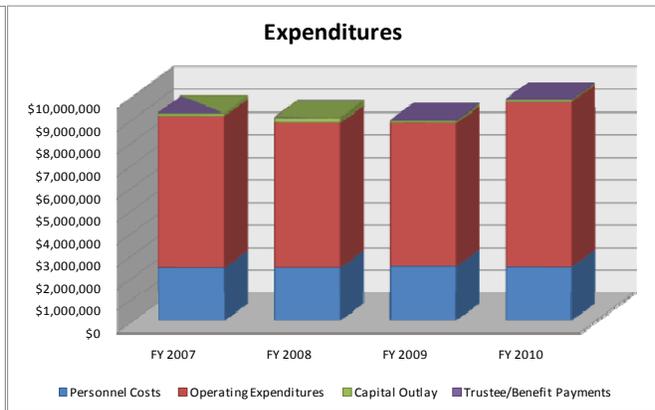
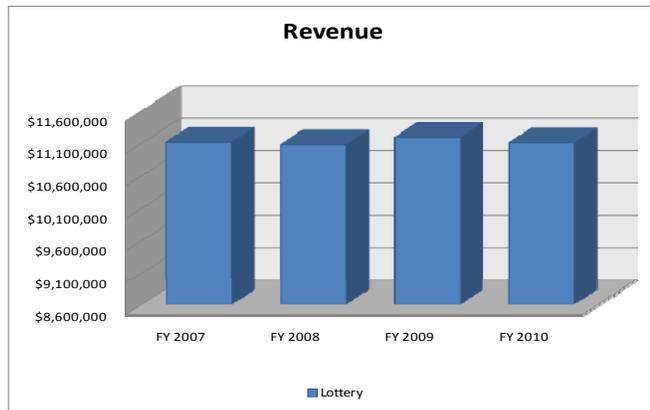
Core Functions/Idaho Code

The Idaho Lottery is established and regulated by Title 67, Chapter 74, *and Idaho Code*. Among other things the chapter defines the duties of the Commission and the Director, establishes the legal age for purchasing and selling lottery tickets, prescribes the uses of lottery proceeds, and places limits on certain agency expenditures.

Title 67, Chapter 77, *Idaho Code*, governs charitable and non-profit bingo and raffles within the state. Section 67-7711, *Idaho Code*, gives the Idaho State Lottery the authority to license organizations conducting bingo games or raffles and to regulate how those games or raffles are conducted.

Revenue and Expenditures (Appropriation vs. Actual Expenditure)

Revenue	FY 2007	FY 2008	FY 2009	FY 2010
Lottery	\$11,116,600	\$11,077,800	\$11,191,800	\$11,108,400
Total	\$11,116,000	\$11,077,800	\$11,191,800	\$11,108,400
Expenditure	FY 2007	FY 2008	FY 2009	FY 2010
Personnel Costs	\$2,419,600	\$2,424,100	\$2,473,800	\$2,438,100
Operating Expenditures	\$6,711,600	\$6,421,100	\$6,364,500	\$7,302,900
Capital Outlay	\$112,800	\$208,500	\$84,500	\$97,100
Trustee/Benefit Payments	\$0	\$0	0	0
Total	\$9,244,000	\$9,053,700	\$8,922,800	\$9,838,100



Profile of Cases Managed and/or Key Services Provided

Cases Managed and/or Key Services Provided	FY2007	FY2008	FY 2009	FY 2010
Lottery Sales	\$131,531,400	\$136,845,200	\$139,649,181	\$147,234,076
Total Dividend Declared by Commission	\$34,000,000	\$34,750,000	\$35,000,000	\$36,500,000

Part II – Performance Measures

Performance Measure	FY 2007	FY 2008	FY 2009	FY 2010	Benchmark
1. Total Revenue	\$131,071,000	\$137,491,000	\$140,314,900	\$147,920,200	\$150,750,000
2. Total Operating Expenses	\$99,813,500	\$102,065,500	\$105,852,200	\$110,884,900	\$113,450,000
3. Net Operating Income	\$31,257,500	\$35,425,500	\$34,462,700	\$37,035,300	\$37,300,000

For More Information Contact

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