

	<u>FTP</u>	<u>Personnel Costs</u>	<u>Operating Expenditures</u>	<u>Capital Outlay</u>	<u>Trustee/ Ben Payments</u>	<u>Lump Sum</u>	<u>Total Gov Rec</u>
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Description: The Lottery Commission is responsible for maintaining a consistently high sales of lottery products by providing an exciting product available at a wide variety of retail outlets which are properly supported by Lottery personnel. The maintenance of high sales allows the Lottery to maximize revenue available to State Capital Budget projects and public school facilities.

FY 2012 Original Appropriation

3.00 FY 2012 Original Appropriation: HB 287

Dedicated	47.00	2,619,500	8,080,500	77,600	0	0	10,777,600
Total	47.00	2,619,500	8,080,500	77,600	0	0	10,777,600

FY 2012 Total Appropriation

Dedicated	47.00	2,619,500	8,080,500	77,600	0	0	10,777,600
Total	47.00	2,619,500	8,080,500	77,600	0	0	10,777,600

FY 2012 Estimated Expenditures

Dedicated	47.00	2,619,500	8,080,500	77,600	0	0	10,777,600
Total	47.00	2,619,500	8,080,500	77,600	0	0	10,777,600

Base Adjustments

8.41 Removal of One-Time Expenditures: This decision unit removes one-time spending authority associated with the replacement of two firewalls, one router, one switch, one IVR voice/telecommunications server, and 10 desktop computers.

Dedicated	0.00	0	0	(24,200)	0	0	(24,200)
Total	0.00	0	0	(24,200)	0	0	(24,200)

8.51 Base Reduction: This decision unit brings the agency's spending authority in line with its actual expenditures.

Dedicated	0.00	0	(58,300)	0	0	0	(58,300)
Total	0.00	0	(58,300)	0	0	0	(58,300)

FY 2013 Base

Dedicated	47.00	2,619,500	8,022,200	53,400	0	0	10,695,100
Total	47.00	2,619,500	8,022,200	53,400	0	0	10,695,100

Program Maintenance

10.11 Change in Benefit Costs: This decision unit reflects the scheduled changes in the employer benefit cost.

Dedicated	0.00	90,900	0	0	0	0	90,900
Total	0.00	90,900	0	0	0	0	90,900

10.12 Change in PERSI Rate: This decision unit reduces the employer retirement contribution as provided in DU 10.11 and estimated on the Wage and Salary report. The PERSI Board voted not to implement the employer retirement contribution that was scheduled for FY 2013.

Dedicated	0.00	(16,700)	0	0	0	0	(16,700)
Total	0.00	(16,700)	0	0	0	0	(16,700)

10.31 Replacement Items: The Governor recommends replacing the agency's telephone system (\$30,200), communications equipment (\$20,800), six computers (\$6,300), and three external hard drives (\$500).

Dedicated	0.00	0	0	57,800	0	0	57,800
Total	0.00	0	0	57,800	0	0	57,800

	<u>FTP</u>	<u>Personnel Costs</u>	<u>Operating Expenditures</u>	<u>Capital Outlay</u>	<u>Trustee/ Ben Payments</u>	<u>Lump Sum</u>	<u>Total Gov Rec</u>
10.41 Attorney General Fees: Adjustments to costs of legal services provided by the Office of the Attorney General are reflected here.							
Dedicated	0.00	0	4,600	0	0	0	4,600
Total	0.00	0	4,600	0	0	0	4,600
10.45 Risk Management Cost Increase: The Office of Insurance Management reports adjustments to various cost categories based on agency claims patterns.							
Dedicated	0.00	0	(1,900)	0	0	0	(1,900)
Total	0.00	0	(1,900)	0	0	0	(1,900)
10.46 Controller's Fee Charge: Adjustments to the costs of statewide accounting and statewide payroll processing provided by the Office of the State Controller are reflected here.							
Dedicated	0.00	0	(900)	0	0	0	(900)
Total	0.00	0	(900)	0	0	0	(900)
10.61 Salary Multiplier: While increasing salaries for state workers continues to be a priority for the Governor, the current economic situation warrants a cautious approach. The Governor recommends reserving an amount equivalent to a one-time merit based 3% CEC to be distributed if revenues meet projections.							
Dedicated	0.00	0	0	0	0	0	0
Total	0.00	0	0	0	0	0	0
FY 2013 Total Maintenance							
Dedicated	47.00	2,693,700	8,024,000	111,200	0	0	10,828,900
Total	47.00	2,693,700	8,024,000	111,200	0	0	10,828,900
Line Items							
12.01 Increased expenditures due to projected sales: The Governor recommends variable expenses based on sales projections be continuously appropriated.							
Dedicated	0.00	0	0	0	0	0	0
Total	0.00	0	0	0	0	0	0
12.02 Continuous Appropriation of Variable Expenses: Currently, retail commissions, advertising, and prizes are continuously appropriated due to their variable nature. Contractual arrangements with major vendors who provide gaming support services and print scratch tickets were not originally included in the continuous appropriation as they were based on a flat rate. As the industry has evolved, payment based upon a percentage of sales has become an industry standard. Due to the variable nature, the Governor recommends adding vendor fees to the continuous appropriation with a corresponding reduction in the agency's Operating Expenditures.							
Dedicated	0.00	0	(5,600,000)	0	0	0	(5,600,000)
Total	0.00	0	(5,600,000)	0	0	0	(5,600,000)
FY 2013 Gov's Recommendation							
Dedicated	47.00	2,693,700	2,424,000	111,200	0	0	5,228,900
Total	47.00	2,693,700	2,424,000	111,200	0	0	5,228,900