



INTEROFFICE MEMO

Gary Grief, Executive Director

Alfonso D. Royal III, Charitable Bingo Operations Director

To: J. Winston Krause, Chairman
Carmen Arrieta-Candelaria, Commissioner
Doug Lowe, Commissioner
Robert Rivera, Commissioner

From: Kathy Pyka, Controller *KP*

Date: November 27, 2017

Re: FY 2018 Itemized Operating Budget

The 2018-19 General Appropriations Act provides that itemized operating budgets be filed with the Governor's Office of Budget, Planning and Policy (GOBPP) and the Legislative Budget Board (LBB) each fiscal year. In accordance with guidelines published by the GOBPP and the LBB on November 9, 2017, the attached budget document reflects the Commission's previously adopted FY 2018 budget information as well as actual expenditures for fiscal years 2016 and 2017.

In addition to filing hard copies of the itemized operating budget document by December 1, 2017, agencies are required to file operating budgets electronically, through the Automated Budget and Evaluation System of Texas (ABEST), to the LBB. The document is required to be posted on the Commission's website within five days of electronic filing. Within seven days of submission of the hard copy budget document, the agency is required to provide the LBB and Governor's Office certification of the integrity of dual submission, and assurance that the electronic and hard copy are one and the same. This certification is required to be signed by the Board or Commission Chair, Chief Executive Office and Chief Financial Officer and submitted by December 7, 2017.

The attached itemized operating budget was completed by the Office of the Controller on November 21, 2017. The certificate of the integrity of dual submission will be submitted on or before December 7, 2017.

Please feel free to contact me at 512-344-5410 if you need additional information or have any questions.

Attachment: FY 2018 Itemized Operating Budget

Operating Budget

For Fiscal Year 2018

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

by

Texas Lottery Commission

December 1, 2017

**Texas Lottery Commission
Operating Budget for Fiscal Year 2017**

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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		2017		2018		2017		2018		ALL FUNDS	
	2017	2018	2017	2018	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			245,394,851	248,069,392									245,394,851	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)

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 Generate Revenue through Ticket Sales			
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 Curtail Violations of Bingo Laws/Rules			
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
 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)

Agency code: 362	Agency name: Texas Lottery Commission	Exp 2016	Exp 2017	Bud 2018
METHOD OF FINANCING				

GENERAL REVENUE

1	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

5025	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)

Agency code:	362	Agency name:	Texas Lottery Commission	Exp 2016	Exp 2017	Bud 2018
METHOD OF FINANCING						
		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	

Agency code:	362	Agency name:	Texas Lottery Commission	Exp 2016	Exp 2017	Bud 2018
METHOD OF FINANCING						
	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		326.5	326.5	0.0	
	Regular Appropriations from MOF Table (2016-17 GAA)					
	Regular Appropriations from MOF Table (2018-19 GAA)		0.0	0.0	323.5	
	UNAUTHORIZED NUMBER OVER (BELOW) CAP		(17.9)	(25.0)	(1.5)	
	Unauthorized Amount over cap/(amount below cap)					
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)

Agency name: Texas Lottery Commission

Agency code: 362

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)

Agency code: 362	Agency name: Texas Lottery Commission	Exp 2016	Exp 2017	Bud2018
Goal/ Objective / OUTCOME				
1	Run Self-supporting, Revenue-producing, and Secure Lottery <i>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>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
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
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
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$7,152,890	\$7,090,279	\$7,312,883

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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TOTAL, METHOD OF FINANCE:

\$7,152,890	\$7,090,279	\$7,312,883
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FULL TIME EQUIVALENT POSITIONS:

52.4	48.9	51.5
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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: 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)

Objects of Expense:

1001 SALARIES AND WAGES	\$2,419,003	\$2,830,897	
1002 OTHER PERSONNEL COSTS	\$171,403	\$96,258	
2001 PROFESSIONAL FEES AND SERVICES	\$0	\$0	
2003 CONSUMABLE SUPPLIES	\$959	\$1,500	
2005 TRAVEL	\$92,957	\$107,600	
2006 RENT - BUILDING	\$780	\$2,000	
2007 RENT - MACHINE AND OTHER	\$298	\$600	
2009 OTHER OPERATING EXPENSE	\$50,123	\$65,936	
TOTAL, OBJECT OF EXPENSE	\$2,735,523	\$3,104,791	

Method of Financing:

5025 Lottery Acct	\$2,735,523	\$3,104,791
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)	\$2,735,523	\$3,104,791

TOTAL, METHOD OF FINANCE :

	\$2,735,523	\$3,104,791
FULL TIME EQUIVALENT POSITIONS:	50.9	54.0

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: 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
- 2 Number of Retailer Visits
- 3 Number of Retailer Surveys Completed

Efficiency Measures:

- KEY 1 Average Cost Per Survey Issued

Objects of Expense:

- 1001 SALARIES AND WAGES
- 1002 OTHER PERSONNEL COSTS
- 2001 PROFESSIONAL FEES AND SERVICES
- 2003 CONSUMABLE SUPPLIES
- 2004 UTILITIES
- 2005 TRAVEL
- 2006 RENT - BUILDING
- 2007 RENT - MACHINE AND OTHER
- 2009 OTHER OPERATING EXPENSE
- 5000 CAPITAL EXPENDITURES

TOTAL, OBJECT OF EXPENSE

Method of Financing:

- 5025 Lottery Acct

SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)

TOTAL, METHOD OF FINANCE :

FULL TIME EQUIVALENT POSITIONS:

		214,608.00	217,038.00	218,316.00
		512,737.00	509,163.00	464,048.00
		4,239.00	4,335.00	4,611.00
		1.86	2.12	2.12
		\$2,632,227	\$2,640,155	\$2,687,542
		\$129,068	\$72,312	\$57,473
		\$22,871	\$80,607	\$36,000
		\$11,275	\$6,771	\$8,120
		\$115	\$108	\$160
		\$107,939	\$102,705	\$85,800
		\$1,142,180	\$1,138,899	\$1,739,220
		\$116,569	\$113,591	\$214,150
		\$2,352,161	\$2,480,957	\$1,790,293
		\$17,469	\$11,520	\$0
		\$6,531,874	\$6,647,625	\$6,618,758
		\$6,531,874	\$6,647,625	\$6,618,758
		\$6,531,874	\$6,647,625	\$6,618,758
		\$6,531,874	\$6,647,625	\$6,618,758
		35.8	34.1	35.0

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: 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
	FULL TIME EQUIVALENT POSITIONS:	36.5	36.4	41.5

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: 5 Central Administration
 Service Categories:
 Service: 09 Income: A.2 Age: B.3

CODE	DESCRIPTION	EXP 2016	EXP 2017	BUD 2018
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
	FULL TIME EQUIVALENT POSITIONS:	96.5	96.6	99.0

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: 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 2016	EXP 2017	BUD 2018
Objects of Expense:				
2009	OTHER OPERATING EXPENSE	\$103,975,601	\$105,872,045	\$109,284,032
	TOTAL, OBJECT OF EXPENSE	\$103,975,601	\$105,872,045	\$109,284,032
Method of Financing:				
5025	Lottery Acct	\$103,975,601	\$105,872,045	\$109,284,032
	SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)	\$103,975,601	\$105,872,045	\$109,284,032
	TOTAL, METHOD OF FINANCE :	\$103,975,601	\$105,872,045	\$109,284,032

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
Objects of Expense:				
2009	OTHER OPERATING EXPENSE	\$28,819,058	\$48,918,330	\$30,150,000
	TOTAL, OBJECT OF EXPENSE	\$28,819,058	\$48,918,330	\$30,150,000
Method of Financing:				
5025	Lottery Acct	\$28,819,058	\$48,918,330	\$30,150,000
	SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)	\$28,819,058	\$48,918,330	\$30,150,000
	TOTAL, METHOD OF FINANCE :	\$28,819,058	\$48,918,330	\$30,150,000

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
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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
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 %
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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 :

FULL TIME EQUIVALENT POSITIONS:

TOTAL	METHOD OF FINANCE :	\$33,050,901	\$31,941,823	\$24,633,448
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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:	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		

Objects of Expense:

2001 PROFESSIONAL FEES AND SERVICES
 TOTAL, OBJECT OF EXPENSE

Method of Financing:

5025 Lottery Acct

SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)

TOTAL, METHOD OF FINANCE :

FULL TIME EQUIVALENT POSITIONS:

\$2,623,743	\$2,629,178	\$2,668,828
\$2,623,743	\$2,629,178	\$2,668,828
\$2,623,743	\$2,629,178	\$2,668,828
\$2,623,743	\$2,629,178	\$2,668,828
\$2,623,743	\$2,629,178	\$2,668,828

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
Objects of Expense:				
2001	PROFESSIONAL FEES AND SERVICES	\$424,415	\$425,195	\$137,376
	TOTAL, OBJECT OF EXPENSE	\$424,415	\$425,195	\$137,376
Method of Financing:				
5025	Lottery Acct	\$424,415	\$425,195	\$137,376
	SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)	\$424,415	\$425,195	\$137,376
	TOTAL, METHOD OF FINANCE :	\$424,415	\$425,195	\$137,376

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
Objects of Expense:				
2009	OTHER OPERATING EXPENSE	\$1,571,722	\$1,906,442	\$4,200,000
	TOTAL, OBJECT OF EXPENSE	\$1,571,722	\$1,906,442	\$4,200,000
Method of Financing:				
5025	Lottery Acct	\$1,571,722	\$1,906,442	\$4,200,000
	SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)	\$1,571,722	\$1,906,442	\$4,200,000
	TOTAL, METHOD OF FINANCE :	\$1,571,722	\$1,906,442	\$4,200,000

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
Objects of Expense:				
2009	OTHER OPERATING EXPENSE	\$18,232,313	\$20,461,975	\$24,726,013
	TOTAL, OBJECT OF EXPENSE	\$18,232,313	\$20,461,975	\$24,726,013
Method of Financing:				
5025	Lottery Acct	\$18,232,313	\$20,461,975	\$24,726,013
	SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)	\$18,232,313	\$20,461,975	\$24,726,013
	TOTAL, METHOD OF FINANCE :	\$18,232,313	\$20,461,975	\$24,726,013

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
 STRATEGY: 1 Determine Eligibility and Process Applications
 Service Categories: 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

STRATEGY: 1 Determine Eligibility and Process Applications

Service Categories:

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

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									
STRATEGY:	2	Provide Education and Training for Bingo Regulatory Requirements									
CODE	DESCRIPTION	EXP 2016	EXP 2017	BUD 2018	Service Categories:	Service:	17	Income:	A.2	Age:	B.3
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
 STRATEGY: 3 Bingo Law Compliance Field Operations
 Service Categories:
 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
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
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$1,259,459	\$1,149,729	\$0

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

STRATEGY: 3 Bingo Law Compliance Field Operations

Service Categories:

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

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
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
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
Method of Financing:				
1	General Revenue Fund	\$14,052,270	\$14,201,109	\$0
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$14,052,270	\$14,201,109	\$0
Method of Financing:				
5175	Bingo Administration	\$0	\$0	\$14,792,794
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$0	\$0	\$14,792,794
TOTAL, METHOD OF FINANCE :		\$14,052,270	\$14,201,109	\$14,792,794
FULL TIME EQUIVALENT POSITIONS:		4.7	5.5	6.0

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)

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

Agency name: Texas Lottery Commission

Agency code: 362

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

1/1 Capitalized Lottery Drawing Equipment

OBJECTS OF EXPENSE

Capital

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

Capital

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 \$80,445 \$71,024 \$110,000

AGENCY TOTAL

METHOD OF FINANCING:

Capital

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)

Agency name: Texas Lottery Commission

Agency code: 362

Category Code / Category Name

Project Sequence/Project Id/ Name

OOE / TOF / MOF CODE

BUD 2018

EXP 2017

EXP 2016

TYPE OF FINANCING:

Capital

CA CURRENT APPROPRIATIONS

Total, Type of Financing-Capital

Total, Type of Financing

\$110,000

\$71,024

\$80,445

\$110,000

\$71,024

\$80,445

\$110,000

\$71,024

\$80,445

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

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	\$80,445	\$71,024	\$110,000
	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 name: Texas Lottery Commission

Agency Code: 362

FUND/ACCOUNT	Exp 2016	Exp 2017	Bud 2018
1 General Revenue Fund	\$0	\$0	\$0
Beginning Balance (Unencumbered):			
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)

Agency name: Texas Lottery Commission

Agency Code: 362

FUND/ACCOUNT	Exp 2016	Exp 2017	Bud 2018
5025 Lottery Acct.	\$0	\$0	\$0
Beginning Balance (Unencumbered):			
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, Dedicutions	\$(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)

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

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

Agency name: Texas Lottery Commission

Agency Code: 362

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 name: Texas Lottery Commission

Agency Code: 362

FUND/ACCOUNT	Exp 2016	Exp 2017	Bud 2018
<u>5175 Bingo Administration</u>	\$0	\$0	\$0
Beginning Balance (Unencumbered):			
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