





# INTEROFFICE MEMO

*Gary Grief, Executive Director*

*LaDonna Castañuela, Charitable Bingo Operations Director*

**To:** Robert G. Rivera, Chairman  
Cindy Fields, Commissioner  
Mark A. Franz, Commissioner  
Erik C. Saenz, Commissioner  
Jamey Steen, Commissioner

**From:** Kathy Pyka, Controller

Handwritten initials "KP" in blue ink.

**Date:** July 29, 2021

**Re:** FY 2022 Operating Budget

The FY 2022 Operating Budget was provided under separate distribution on July 22, 2021.

The Operating Budget for FY 2022 is \$265,748,229 and reflects 309.9 Full Time Equivalent Positions (FTE's). The budget was developed in accordance with appropriation amounts outlined in Senate Bill 1 adjusted for Rider and Article IX funding provisions.

The initial draft of the budget was developed by the Office of the Controller and delivered to division management for their direct input. The final draft was developed after receiving feedback from the divisions and reviewed by executive management.

Attached to this memorandum is a briefing document followed by a Summary of the Agency Budget and the Division budgets.

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

Attachment: FY 2022 Operating Budget

## Texas Lottery Commission FY 2022 Operating Budget

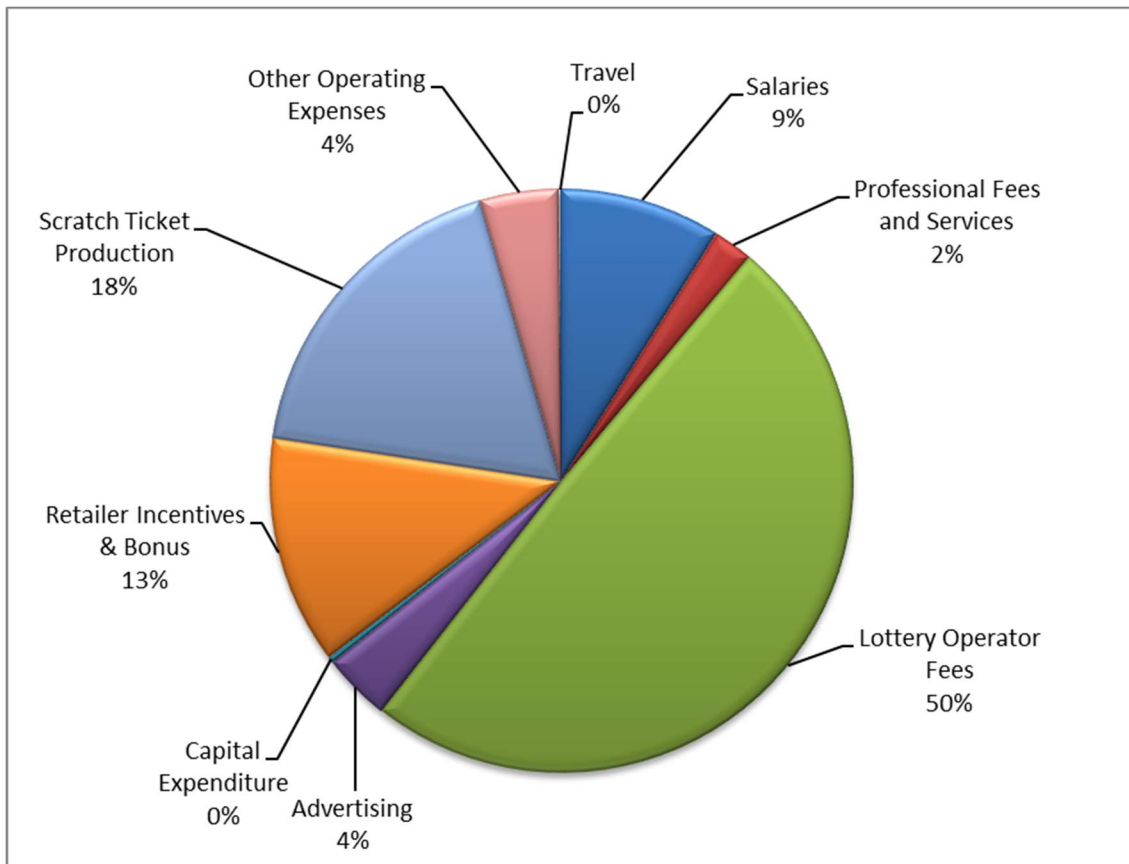
### Budget

FY 2022 Operating Budget	Budget	FTEs
Lottery Dedicated Account	\$ 263,681,009	277.90
General Revenue	2,067,221	32.00
Total	\$ 265,748,229	309.90

FY 2021 Operating Budget	Budget	FTEs
Lottery Dedicated Account	\$ 252,530,672	272.90
General Revenue	2,227,503	34.00
Total	\$ 254,758,174	306.90

FY 2022 Increase (Decrease) From FY 2021	Budget	FTEs
Lottery Dedicated Account	\$ 11,150,337	5.00
General Revenue	(160,282)	(2.00)
Total	\$ 10,990,055	3.00

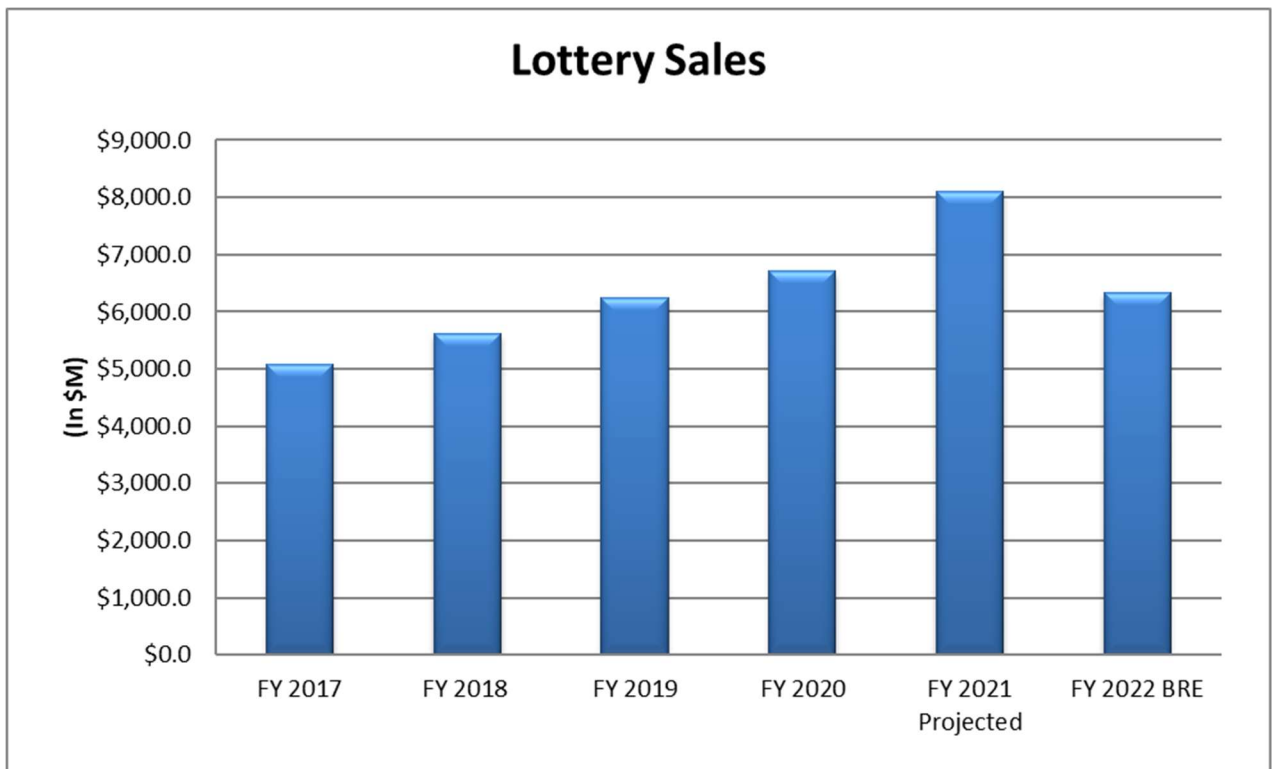
### Summary by Object of Expense



- 78% of the Lottery Dedicated Budget is contractual outsourced services.

## Lottery Sales Projection

- The budget was developed using the Comptroller's Biennial Revenue Estimate (BRE) of \$6.335B for FY 2022



## Appropriation Authority

### Lottery Dedicated Account

- Original Appropriation. \$263,886,628.
- Rider 8: Retailer Incentive. Estimated appropriation of 0.5% of sales. Appropriation of \$31.7M included in the budget.
- Rider 9: Lottery Operator Contract. Estimated appropriation of 2.0773% of sales based on Comptroller's Biennial Revenue Estimate (BRE) of \$6.335B.
- Rider 10: Appropriation for Increased Fees. Estimated appropriation of 1.49% of the amount by which sales exceed \$6.335B. Should BRE sales target of \$6.335B be exceeded, budget increase authority is available.
- Article IX, Section 17.03 Payroll Contribution-Health Insurance. Required transfer of 1% of Salaries and Wages, or \$210K, to the Employees Retirement System for group health insurance.
- Article IX, Section 17.06 Payroll Contribution-Retirement. Required transfer of 0.5% of Salaries and Wages, or \$105K, to the Employees Retirement System for retirement program.
- Article IX, Section 8.02 Third Party Reimbursement. \$531K in funding for contracts reimbursed by Lottery Operator vendor.

### General Revenue

- Original Appropriation. \$2,419,590.
- Rider 13: Bingo Third Party Reimbursement. Budget does not reflect appropriation for third party reimbursements at this time. As funds become available the budget will be amended.
- Article IX, Section 17.03 Payroll Contribution-Health Insurance. Required transfer of 1% of Salaries and Wages, or \$18K, to the Employees Retirement System for group health insurance.
- Article IX, Section 17.06 Payroll Contribution-Retirement. Required transfer of 0.5% of Salaries and Wages, or \$12K, to the Employees Retirement System for retirement program.

### General Restrictions

- Rider 2: Capital Budget Authority. Budget includes \$54,140 in capital authority for Lottery Drawing Equipment.
- Rider 16: Unexpended Balances of Capital Budget for Construction of Building and Facilities. Budget includes \$780,745 for Construction Required for TX Capital Complex Building
- FTE Cap: Budget reflects 309.9 FTE's representing 11.6 FTE's under cap restriction of 321.5 FTE's.

### **Budget Highlights**

- Lottery Operator Fees are reflected at \$131.6M, or 49.5% of the Commission budget.
- The Advertising budget is reflected at \$10.0M or 3.8% of budget. As a result of budget reductions during the 87<sup>th</sup> Legislative Session, the advertising budget was reduced from \$17.8M in FY 2021 to \$10.0M. This was a 44% or \$7.8M budget reduction.
- 12.7% of the budget, or \$33.7M, is dedicated to the Retailer Incentive and Bonus Programs.
- Salaries are \$23.7M, or 8.9% of Budget.
- Scratch Ticket Production, including Printing and Licensing Fees, is budgeted at \$48.1M or 18.1% of the Budget.
- The balance of the budget, or \$18.7M, or 7.0% relates to Other Operating, Professional Fees, Travel and Capital Outlay.
- FTE's are budgeted at 309.9 FTE's
  - FTE increase of 5.0 positions in the Lottery Dedicated Account
  - FTE decrease of 2.0 positions in the General Revenue Account.

### **Unbudgeted Appropriation**

- \$1,201,716 in Lottery Account appropriation is unbudgeted.
- \$322,569 of General Revenue appropriation is unbudgeted.

Texas Lottery Commission  
FY 2022 Operating Budget, Final  
Agency Summary

	Budgeted Amount	General Revenue	Lottery
1001 Salaries & Wages	\$ 22,847,707	\$ 1,805,316	\$ 21,042,390
1003 Longevity Pay	424,100	36,800	387,300
1004 Merit Pool	388,411	30,690	357,721
2001 Professional Fees and Services	5,843,414	90,989	5,752,425
2002 Lottery Operator Fees	131,598,201	-	131,598,201
2003 Advertising	10,001,000	-	10,001,000
2004 Retailer Bonuses	31,675,300	-	31,675,300
2005 Printing and Reproduction	46,817,440	-	46,817,440
2009 Other Operating Expenses	14,889,881	61,175	14,828,706
3000 Travel	311,891	36,250	275,641
3001 Out of State Travel	116,000	6,000	110,000
4000 Grants	-	-	-
5000 Capital Expenditures	834,885	-	834,885
Total Budget	<u>\$ 265,748,229</u>	<u>\$ 2,067,221</u>	<u>\$ 263,681,009</u>
FTE's	<u>309.90</u>	<u>32.00</u>	<u>277.90</u>
1002 Payroll Related Costs	<u>\$ 7,430,074</u>	<u>\$ 587,089</u>	<u>\$ 6,842,985</u>
Method of Finance:			
Original Appropriation	266,306,218	2,419,590	263,886,628
Rider 9, Lottery Operator Contract	-	-	-
Rider 10, Appropriation of Increased Revenue UB	-	-	-
Rider 16, Capital Budget - Capital Complex UB	780,745	-	780,745
Article IX, Section 17.03 Payroll Cont-Health Ins 1.0%	(228,477)	(18,053)	(210,424)
Article IX, Section 17.06 Payroll Cont-Retirement 0.5%	(116,959)	(11,747)	(105,212)
Article IX, Section. 8.02 Reimbursements and Payments	530,987	-	530,987
Total, Method of Finance	<u>\$ 267,272,514</u>	<u>\$ 2,389,790</u>	<u>\$ 264,882,724</u>
Variance, Unbudgeted Appropriation	<u>\$ 1,524,285</u>	<u>\$ 322,569</u>	<u>\$ 1,201,716</u>

Texas Lottery Commission  
FY 2022 Operating Budget, Final  
Division: Executive  
Summary 100

	Budgeted Amount	General Revenue	Lottery
1001 Salaries & Wages	\$ 385,131	\$ -	\$ 385,131
1003 Longevity Pay	5,480	-	5,480
1004 Merit Pool	30,902	-	30,902
2001 Professional Fees and Services	5,000	-	5,000
2002 Lottery Operator Fees	-	-	-
2003 Advertising	-	-	-
2004 Retailer Bonuses	-	-	-
2005 Printing and Reproduction	-	-	-
2009 Other Operating Expenses	68,673	-	68,673
3000 Travel	22,100	-	22,100
3001 Out of State Travel	110,000	-	110,000
4000 Grants	-	-	-
5000 Capital Expenditures	-	-	-
Total Budget	<u>627,286</u>	<u>-</u>	<u>627,286</u>
FTE's	<u>3.00</u>	<u>-</u>	<u>3.00</u>
1002 Payroll Related Costs	\$ 125,245	\$ -	\$ 125,245

Texas Lottery Commission  
FY 2022 Operating Budget, Final  
Division: Governmental Affairs  
Summary 110

	Budgeted Amount	General Revenue	Lottery
1001 Salaries & Wages	\$ 440,884	\$ -	\$ 440,884
1003 Longevity Pay	6,560	-	6,560
1004 Merit Pool	4,839	-	4,839
2001 Professional Fees and Services	-	-	-
2002 Lottery Operator Fees	-	-	-
2003 Advertising	-	-	-
2004 Retailer Bonuses	-	-	-
2005 Printing and Reproduction	-	-	-
2009 Other Operating Expenses	7,425	-	7,425
3000 Travel	1,000	-	1,000
3001 Out of State Travel	-	-	-
4000 Grants	-	-	-
5000 Capital Expenditures	-	-	-
Total Budget	<u>\$ 460,707</u>	<u>\$ -</u>	<u>\$ 460,707</u>
FTE's	<u>4.00</u>	<u>-</u>	<u>4.00</u>
1002 Payroll Related Costs	\$ 143,375	\$ -	\$ 143,375



Texas Lottery Commission  
FY 2022 Operating Budget, Final  
Division: Media Relations  
Summary 120

	Budgeted Amount	General Revenue	Lottery
1001 Salaries & Wages	\$ 376,990	\$ -	\$ 376,990
1003 Longevity Pay	4,880	-	4,880
1004 Merit Pool	4,641	-	4,641
2001 Professional Fees and Services	-	-	-
2002 Lottery Operator Fees	-	-	-
2003 Advertising	-	-	-
2004 Retailer Bonuses	-	-	-
2005 Printing and Reproduction	-	-	-
2009 Other Operating Expenses	127,390	-	127,390
3000 Travel	5,000	-	5,000
3001 Out of State Travel	-	-	-
4000 Grants	-	-	-
5000 Capital Expenditures	-	-	-
Total Budget	<u>\$ 518,901</u>	<u>-</u>	<u>\$ 518,901</u>
FTE's	<u>5.00</u>	<u>-</u>	<u>5.00</u>
1002 Payroll Related Costs	\$ 122,597	\$ -	\$ 122,597

Texas Lottery Commission  
FY 2022 Operating Budget, Final  
Division: Enforcement  
Summary 130

	Budgeted Amount	General Revenue	Lottery
1001 Salaries & Wages	\$ 1,315,382	\$ -	\$ 1,315,382
1003 Longevity Pay	27,600	-	27,600
1004 Merit Pool	20,029	-	20,029
2001 Professional Fees and Services	42,600	-	42,600
2002 Lottery Operator Fees	-	-	-
2003 Advertising	-	-	-
2004 Retailer Bonuses	-	-	-
2005 Printing and Reproduction	-	-	-
2009 Other Operating Expenses	23,145	-	23,145
3000 Travel	70,000	-	70,000
3001 Out of State Travel	-	-	-
4000 Grants	-	-	-
5000 Capital Expenditures	-	-	-
Total Budget	<u>\$ 1,498,756</u>	<u>-</u>	<u>\$ 1,498,756</u>
FTE's	<u>16.00</u>	<u>-</u>	<u>16.00</u>
1002 Payroll Related Costs	\$ 427,762	\$ -	\$ 427,762

Texas Lottery Commission  
FY 2022 Operating Budget, Final  
Division: Office of the Controller  
Summary 200

	Budgeted Amount	General Revenue	Lottery
1001 Salaries & Wages	\$ 1,851,538	\$ -	\$ 1,851,538
1003 Longevity Pay	35,680	-	35,680
1004 Merit Pool	27,587	-	27,587
2001 Professional Fees and Services	76,000	-	76,000
2002 Lottery Operator Fees	-	-	-
2003 Advertising	-	-	-
2004 Retailer Bonuses	-	-	-
2005 Printing and Reproduction	-	-	-
2009 Other Operating Expenses	81,500	-	81,500
3000 Travel	2,500	-	2,500
3001 Out of State Travel	-	-	-
4000 Grants	-	-	-
5000 Capital Expenditures	-	-	-
Total Budget	<u>\$ 2,074,805</u>	<u>\$ -</u>	<u>\$ 2,074,805</u>
FTE's	<u>22.00</u>	<u>-</u>	<u>22.00</u>
1002 Payroll Related Costs	\$ 602,120	\$ -	\$ 602,120

Texas Lottery Commission  
FY 2022 Operating Budget, Final  
Division: Human Resources  
Summary 300

	Budgeted Amount	General Revenue	Lottery
1001 Salaries & Wages	\$ 670,081	\$ -	\$ 670,081
1003 Longevity Pay	11,200	-	11,200
1004 Merit Pool	8,806	-	8,806
2001 Professional Fees and Services	7,799	-	7,799
2002 Lottery Operator Fees	-	-	-
2003 Advertising	1,000	-	1,000
2004 Retailer Bonuses	-	-	-
2005 Printing and Reproduction	-	-	-
2009 Other Operating Expenses	22,208	-	22,208
3000 Travel	1,000	-	1,000
3001 Out of State Travel	-	-	-
4000 Grants	-	-	-
5000 Capital Expenditures	-	-	-
Total Budget	<u>\$ 722,094</u>	<u>\$ -</u>	<u>\$ 722,094</u>
FTE's	<u>7.00</u>	<u>-</u>	<u>7.00</u>
1002 Payroll Related Costs	\$ 217,910	\$ -	\$ 217,910

Texas Lottery Commission  
FY 2022 Operating Budget, Final  
Division: Internal Audit  
Summary 400

	Budgeted Amount	General Revenue	Lottery
1001 Salaries & Wages	\$ -	\$ -	\$ -
1003 Longevity Pay	-	-	-
1004 Merit Pool	-	-	-
2001 Professional Fees and Services	300,000	-	300,000
2002 Lottery Operator Fees	-	-	-
2003 Advertising	-	-	-
2004 Retailer Bonuses	-	-	-
2005 Printing and Reproduction	-	-	-
2009 Other Operating Expenses	-	-	-
3000 Travel	-	-	-
3001 Out of State Travel	-	-	-
4000 Grants	-	-	-
5000 Capital Expenditures	-	-	-
Total Budget	<u>300,000</u>	<u>-</u>	<u>300,000</u>
FTE's	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
1002 Payroll Related Costs	\$ -	\$ -	\$ -

Texas Lottery Commission  
FY 2022 Operating Budget, Final  
Division: Legal Services  
Summary 500

	Budgeted Amount	General Revenue	Lottery
1001 Salaries & Wages	\$ 1,316,720	\$ -	\$ 1,316,720
1003 Longevity Pay	22,900	-	22,900
1004 Merit Pool	18,495	-	18,495
2001 Professional Fees and Services	51,400	-	51,400
2002 Lottery Operator Fees	-	-	-
2003 Advertising	-	-	-
2004 Retailer Bonuses	-	-	-
2005 Printing and Reproduction	-	-	-
2009 Other Operating Expenses	76,680	-	76,680
3000 Travel	2,500	-	2,500
3001 Out of State Travel	-	-	-
4000 Grants	-	-	-
5000 Capital Expenditures	-	-	-
Total Budget	<u>\$ 1,488,695</u>	<u>\$ -</u>	<u>\$ 1,488,695</u>
FTE's	<u>12.50</u>	<u>-</u>	<u>12.50</u>
1002 Payroll Related Costs	\$ 428,197	\$ -	\$ 428,197

Texas Lottery Commission  
FY 2022 Operating Budget, Final  
Division: Lottery Operations  
Summary 600

	Budgeted Amount	General Revenue	Lottery
1001 Salaries & Wages	\$ 8,692,305	\$ -	\$ 8,692,305
1003 Longevity Pay	\$ 188,700	-	188,700
1004 Merit Pool	\$ 144,424	-	144,424
2001 Professional Fees and Services	\$ 3,578,822	-	3,578,822
2002 Lottery Operator Fees	\$ 131,598,201	-	131,598,201
2003 Advertising	\$ 10,000,000	-	10,000,000
2004 Retailer Bonuses	\$ 31,675,300	-	31,675,300
2005 Printing and Reproduction	\$ 46,657,440	-	46,657,440
2009 Other Operating Expenses	\$ 6,946,761	-	6,946,761
3000 Travel	\$ 156,041	-	156,041
3001 Out of State Travel	\$ -	-	-
4000 Grants	\$ -	-	-
5000 Capital Expenditures	54,140	-	54,140
Total Budget	<u>\$ 239,692,133</u>	<u>\$ -</u>	<u>\$ 239,692,133</u>
FTE's	<u>\$ 140.00</u>	<u>\$ -</u>	<u>\$ 140.00</u>
1002 Payroll Related Costs	\$ 2,826,737	\$ -	\$ 2,826,737

Texas Lottery Commission  
FY 2022 Operating Budget, Final  
Division: Administration  
Summary 700

	Budgeted Amount	General Revenue	Lottery
1001 Salaries & Wages	\$ 5,993,361	\$ -	\$ 5,993,361
1003 Longevity Pay	84,300	-	84,300
1004 Merit Pool	97,998	-	97,998
2001 Professional Fees and Services	1,690,804	-	1,690,804
2002 Lottery Operator Fees	-	-	-
2003 Advertising	-	-	-
2004 Retailer Bonuses	-	-	-
2005 Printing and Reproduction	160,000	-	160,000
2009 Other Operating Expenses	7,474,924	-	7,474,924
3000 Travel	15,500	-	15,500
3001 Out of State Travel	-	-	-
4000 Grants	-	-	-
5000 Capital Expenditures	780,745	-	780,745
Total Budget	<u>\$ 16,297,632</u>	<u>\$ -</u>	<u>\$ 16,297,632</u>
FTE's	<u>68.40</u>	<u>-</u>	<u>68.40</u>
1002 Payroll Related Costs	\$ 1,949,041	\$ -	\$ 1,949,041



Texas Lottery Commission  
FY 2022 Operating Budget, Final  
Division: Bingo  
Summary 800

	Budgeted Amount	General Revenue	Lottery
1001 Salaries & Wages	\$ 1,805,316	\$ 1,805,316	\$ -
1003 Longevity Pay	36,800	36,800	-
1004 Merit Pool	30,690	30,690	-
2001 Professional Fees and Services	90,989	90,989	-
2002 Lottery Operator Fees	-	-	-
2003 Advertising	-	-	-
2004 Retailer Bonuses	-	-	-
2005 Printing and Reproduction	-	-	-
2009 Other Operating Expenses	61,175	61,175	-
3000 Travel	36,250	36,250	-
3001 Out of State Travel	6,000	6,000	-
4000 Grants	-	-	-
5000 Capital Expenditures	-	-	-
Total Budget	<u>\$ 2,067,221</u>	<u>\$ 2,067,221</u>	<u>\$ -</u>
FTE's	<u>32.00</u>	<u>32.00</u>	<u>-</u>
1002 Payroll Related Costs	\$ 587,089	\$ 587,089	\$ -

Texas Lottery Commission  
FY 2022 Operating Budget, Final  
By Strategy

		13005	13012	13006	13008	13009	13014	13015	13007	13017	13019	13023	
		A.1.1.	A.1.2.	A.1.3.	A.1.4.	A.1.5.	A.1.6.	A.1.7.	A.1.8.	A.1.9.	A.1.10.	A.1.11.	
		Marketing						Scratch Ticket	Mass Media			Retailer	
Goal A	FY 2022												
	Budgeted Amount	Lottery Operations	Lottery Field Oper.	& Promotion	Security	Central Admin.	Lottery Oper. Cont.	Prod. Cont.	Advert. Cont.	Drawing & Broadcast	Retailer Bonus	Commissions	
0100	Executive	\$ 627,286		\$ 5,114	\$ 2,332	619,840							
0110	Governmental Relations	460,707				460,707							
0120	Media Relations	518,901		518,901									
0130	Enforcement	1,498,756			1,498,756								
0200	Office of the Controller	2,074,805				2,074,805							
0300	Human Resources	722,094				722,094							
0400	Internal Audit	300,000				300,000							
0500	Legal Services	1,488,695			232,335	1,256,360							
0600	Lottery Operations	418,314		418,314									
0601	Lottery Operator Contract	131,598,201					131,598,201						
0602	Retailer Bonus	2,023,583									2,023,583		
0603	Scratch Ticket Contract	48,135,000						48,135,000					
0604	Retailer Incentive	31,675,300										31,675,300	
0605	Drawing & Broadcast Studio	2,239,000								2,239,000			
0606	Security	688,459			688,459								
0607	Drawings & Validations	2,350,886			2,350,886								
0608	Claim Centers	3,130,831		3,130,831									
0609	Retailer Services	2,285,525	2,285,525										
0611	Lottery Products	1,289,166		1,289,166									
0612	Promotions & Advertising	719,099		719,099									
0613	Promotional Events & Items	3,138,769		3,138,769									
0615	Advertising	10,000,000							10,000,000				
0700	Administration	570,067				570,067							
0702	Security Contracts	980,633			980,633								
0703	Facilities	6,450,798	6,450,798										
0704	Graphics	366,433		366,433									
0706	Contracts/Purchasing	592,893				592,893							
0707	Information Resources	6,549,420				6,549,420							
0708	Security Study	260,000			260,000								
0709	3rd Party Reimbursement	527,387	-	-	-	527,387	-	-	-	-	-	-	
	Total Budget	\$ 263,681,009	\$ 8,736,323	\$ 3,130,831	\$ 6,455,796	\$ 6,013,401	\$ 13,673,574	\$ 131,598,201	\$ 48,135,000	\$ 10,000,000	\$ 2,239,000	\$ 2,023,583	\$ 31,675,300
	Reconciliation	-											
	Base Appropriation	\$ 263,886,628	\$ 8,614,480	\$ 3,229,922	\$ 6,899,750	\$ 6,088,276	\$ 13,472,116	\$ 131,598,201	\$ 48,135,000	\$ 10,000,000	\$ 2,150,000	\$ 2,023,583	\$ 31,675,300
	Rider 9, Lottery Operator Contract	-											
	Rider 10, Appropriation of Increased Fees-UB	-											
	Rider 16, Capital Budget - Capital Complex UB	780,745	478,837			301,908							
	Article IX, Section 17.03 Payroll Cont-Health Ins	(210,424)	(27,848)	(28,804)	(27,795)	(29,950)	(96,027)						
	Article IX, Section 17.06 Payroll Cont-Retirement	(105,212)	(13,924)	(14,402)	(13,898)	(14,975)	(48,013)						
	Article IX, Section 14.01 Appropriation Transfers-Initial	-	-	-	-	(89,000)	-	-	-	89,000	-	-	-
	Article IX, Section. 8.02 Third Party Reimbursements	530,987	-	-	-	3,600	527,387	-	-	-	-	-	-
	Total Budget	\$ 264,882,724	\$ 9,051,545	\$ 3,186,716	\$ 6,858,057	\$ 6,259,859	\$ 13,855,463	\$ 131,598,201	\$ 48,135,000	\$ 10,000,000	\$ 2,239,000	\$ 2,023,583	\$ 31,675,300
	Over/Under	\$ 1,201,716	\$ 315,222	\$ 55,886	\$ 402,261	\$ 246,458	\$ 181,889	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Transfer Out Limitation	\$ 10,495,625	\$ 1,722,896	\$ 645,984	\$ 1,379,950	\$ 1,217,655	\$ 2,694,423	\$ -	\$ -	\$ 2,000,000	\$ 430,000	\$ 404,717	\$ -
	Amount Remaining in Transfer Limitation	\$ 10,406,625	\$ 1,722,896	\$ 645,984	\$ 1,379,950	\$ 1,128,655	\$ 2,694,423	\$ -	\$ -	\$ 2,000,000	\$ 430,000	\$ 404,717	\$ -

			13004	13010	13003	13020						
		Budgeted	B.1.1.	B.1.2.	B.1.3.	B.1.4.						
Goal B		Amount	Bingo Licensing	Bingo Educ. & Dev.	Bingo Law Compl.	Bingo Prize Fee Coll.						
0802	Accounting Services	214,607				214,607						
0803	Licensing Services	498,231	498,231									
0804	Auditors	1,263,681			1,263,681							
0805	Education	90,702	-	90,702	-	-						
	Total Budget	\$ 2,067,221	\$ 498,231	\$ 90,702	\$ 1,263,681	\$ 214,607						
	Reconciliation	\$ -										
	Base Appropriation	\$ 2,419,590	\$ 672,772	\$ 110,483	\$ 1,319,491	\$ 316,844						
	Rider 8, Local Bingo Prize Fees	-				-						
	Article IX, Section 14.01 Appropriation Transfers-Initial	-										
	Article IX, Section 17.03 Payroll Cont-Health Ins	(18,053)	(3,733)	(816)	(11,479)	(2,025)						
	Article IX, Section 17.06 Payroll Cont-Retirement	(11,747)	(1,866)	(408)	(5,739)	(3,733)						
	Total Budget	\$ 2,389,790	\$ 667,173	\$ 109,259	\$ 1,302,273	\$ 311,086						
	Over/Under	\$ 322,569	\$ 168,942	\$ 18,557	\$ 38,591	\$ 96,479						
	Transfer Out Limitation	\$ 483,918	\$ 134,554	\$ 22,097	\$ 263,898	\$ 63,369						
	Amount Remaining in Transfer Limitation	\$ 483,918	\$ 134,554	\$ 22,097	\$ 263,898	\$ 63,369						

**Texas Lottery Commission  
FY 2022 Operating Budget  
Review of Transfer Authority**

Strategy	Senate Bill 1 Base Appropriation	Rider 9 Lottery Operator Contract	Rider 10 Appropriation of Increased Revenues	Rider 16 Capital	Article IX, Sec. 8.02/ Rider 14 Third Party Reimbursement	Article IX, Section 17.03 Payroll Cont- Health Ins	Article IX, Section 17.06 Payroll Cont- Retirement	Revised SB 1 Appropriation	Proposed Appropriation Transfers for FY 2022 Operating Budget	Adjusted Appropriation	FY 2022 Operating Budget	Appropriation Authority currently Unbudgeted	Appropriation Transfer Out Allowed 20.0%	Transfer Authority Remaining
A.1.1. Lottery Operations	\$ 8,614,480			\$ 478,837		\$ (27,848)	\$ (13,924)	9,051,545		\$ 9,051,545	\$ 8,736,323	315,222	\$ 1,722,896	\$ 1,722,896
A.1.2. Lottery Field Operations	3,229,922					(28,804)	(14,402)	3,186,716		3,186,716	3,130,831	55,886	645,984	645,984
A.1.3. Marketing and Promotion	6,899,750					(27,795)	(13,898)	6,858,057		6,858,057	6,455,796	402,261	1,379,950	1,379,950
A.1.4. Security	6,088,276			301,908	3,600	(29,950)	(14,975)	6,348,859	(89,000)	6,259,859	6,013,401	246,458	1,217,655	1,128,655
A.1.5. Central Administration	13,472,116				527,387	(96,027)	(48,013)	13,855,463		13,855,463	13,673,574	181,889	2,694,423	2,694,423
A.1.6. Lottery Operator Contract(s)	131,598,201	-						131,598,201		131,598,201	131,598,201	-	-	-
A.1.7. Scratch Ticket Production Contract(s)	48,135,000							48,135,000		48,135,000	48,135,000	-	-	-
A.1.8. Mass Media Advertising Contract(s)	10,000,000							10,000,000		10,000,000	10,000,000	-	2,000,000	2,000,000
A.1.9. Drawing & Broadcast Contract(s)	2,150,000							2,150,000	89,000	2,239,000	2,239,000	-	430,000	430,000
A.1.10. Retailer Bonus	2,023,583							2,023,583		2,023,583	2,023,583	-	404,717	404,717
A.1.11. Retailer Commissions	31,675,300							31,675,300		31,675,300	31,675,300	-	-	-
<b>Total, Agency Wide FUND 5025</b>	<b>\$ 263,886,628</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 780,745</b>	<b>\$ 530,987</b>	<b>\$ (210,424)</b>	<b>\$ (105,212)</b>	<b>\$ 264,882,724</b>	<b>\$ -</b>	<b>\$ 264,882,724</b>	<b>\$ 263,681,009</b>	<b>\$ 1,201,716</b>	<b>\$ 10,495,625</b>	<b>\$ 10,406,625</b>
B.1.1. Bingo Licensing	672,772					(3,733)	(1,866)	667,173		667,173	498,231	168,942	134,554	134,554
B.1.2. Bingo Education & Development	110,483					(816)	(408)	109,259		109,259	90,702	18,557	22,097	22,097
B.1.3. Bingo Law Compliance Field Operations	1,319,491					(11,479)	(5,739)	1,302,273		1,302,273	1,263,681	38,591	263,898	263,898
B.1.4. Bingo Prize Fee Collection & Acct.	316,844					(2,025)	(3,733)	311,086		311,086	214,607	96,479	63,369	63,369
<b>Total, Agency Wide FUND 0001</b>	<b>\$ 2,419,590</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (18,053)</b>	<b>\$ (11,747)</b>	<b>\$ 2,389,790</b>	<b>\$ -</b>	<b>\$ 2,389,790</b>	<b>\$ 2,067,221</b>	<b>\$ 322,569</b>	<b>\$ 483,918</b>	<b>\$ 483,918</b>

**Rider 10 Appropriation of Increased Revenues-FY22**

FY 2022 Sales Estimate	\$ 6,335,000,000
Rider 11 Base Sales Level	\$ 6,335,000,000
Excess Sales over Base Sales Level	\$ -
Additional apnn of 1.49% of Excess Sales	1.49%
Rider 10 Estimated Appropriation Increase	\$ -

**Rider 9 Lottery Operator Contract**

FY 2022 Sales Estimate	\$ 6,335,000,000
Sales x 2.0773%	\$ 131,596,955
Strategy A.1.6 Base	\$ 131,598,201
Rider 10 Est Lottery Operator Contract Increase	\$ (1,246)

**Rider 8b Retailer Commissions**

FY 2022 Sales Estimate	\$ 6,335,000,000
Sales x 0.05%	\$ 31,675,000
Strategy A.1.12 Base	\$ 31,675,300
Rider 9b Retailer Commission Increase	\$ (300)

Texas Lottery Commission  
FY 2022 Operating Budget, Final  
Agency Summary

		FY 2022 over FY 2021	FY 2021 Budgeted Amount	FY 2022 Budgeted Amount	Executive	Govt. Affairs	Media Relations	Enforcement	Office of the Controller	Human Resources	Internal Audit	Legal	Lottery Operations	Administration	Bingo
1001	Salaries & Wages	\$ 229,392	\$ 22,618,314	\$ 22,847,707	\$ 385,131	\$ 440,884	\$ 376,990	\$ 1,315,382	\$ 1,851,538	\$ 670,081	\$ -	\$ 1,316,720	\$ 8,692,305	\$ 5,993,361	\$ 1,805,316
1003	Longevity Pay	(13,240)	437,340	424,100	5,480	6,560	4,880	27,600	35,680	11,200	-	22,900	188,700	84,300	36,800
1004	Merit Pool	3,900	384,511	388,411	30,902	4,839	4,641	20,029	27,587	8,806	-	18,495	144,424	97,998	30,690
2001	Professional Fees and Services	404,098	5,439,316	5,843,414	5,000	-	-	42,600	76,000	7,799	300,000	51,400	3,578,822	1,690,804	90,989
2002	Lottery Operator Fees	7,242,402	124,355,799	131,598,201	-	-	-	-	-	-	-	-	131,598,201	-	-
2003	Advertising	(7,783,448)	17,784,448	10,001,000	-	-	-	-	-	1,000	-	-	10,000,000	-	-
2004	Retailer Bonuses	3,766,807	29,932,075	33,698,882	-	-	-	-	-	-	-	-	33,698,882	-	-
2005	Printing and Reproduction	9,954,490	36,862,950	46,817,440	-	-	-	-	-	-	-	-	46,657,440	160,000	-
2009	Other Operating Expenses	(1,718,095)	14,584,392	12,866,298	68,673	7,425	127,390	23,145	81,500	22,208	-	76,680	4,923,178	7,474,924	61,175
3000	Travel	(5,250)	317,141	311,891	22,100	1,000	5,000	70,000	2,500	1,000	-	2,500	156,041	15,500	36,250
3001	Out of State Travel	-	116,000	116,000	110,000	-	-	-	-	-	-	-	-	-	6,000
4000	Grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5000	Capital Expenditures	(1,091,002)	1,925,887	834,885	-	-	-	-	-	-	-	-	54,140	780,745	-
	Total Budget	<u>\$ 10,990,054</u>	<u>\$ 254,758,174</u>	<u>\$ 265,748,228</u>	<u>\$ 627,286</u>	<u>\$ 460,707</u>	<u>\$ 518,901</u>	<u>\$ 1,498,756</u>	<u>\$ 2,074,805</u>	<u>\$ 722,094</u>	<u>\$ 300,000</u>	<u>\$ 1,488,695</u>	<u>\$ 239,692,132</u>	<u>\$ 16,297,632</u>	<u>\$ 2,067,221</u>
	FTE's	<u>3.00</u>	<u>306.90</u>	<u>309.90</u>	<u>3.00</u>	<u>4.00</u>	<u>5.00</u>	<u>16.00</u>	<u>22.00</u>	<u>7.00</u>	<u>-</u>	<u>12.50</u>	<u>140.00</u>	<u>68.40</u>	<u>32.00</u>
	<i>% of Total Budget:</i>														
1001	Salaries & Wages		8.9%	8.6%	1.7%	1.9%	1.7%	5.8%	8.1%	2.9%	0.0%	5.8%	38.0%	26.2%	7.9%
1003	Longevity Pay		0.2%	0.2%	1.3%	1.5%	1.2%	6.5%	8.4%	2.6%	0.0%	5.4%	44.5%	19.9%	8.7%
1004	Merit Pool		0.2%	0.1%	8.0%	1.2%	1.2%	5.2%	7.1%	2.3%	0.0%	4.8%	37.2%	25.2%	7.9%
2001	Professional Fees and Services		2.1%	2.2%	0.1%	0.0%	0.0%	0.7%	1.3%	0.1%	5.1%	0.9%	61.2%	28.9%	1.6%
2002	Lottery Operator Fees		48.8%	49.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%
2003	Advertising		7.0%	3.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%
2004	Retailer Bonuses		11.7%	12.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%
2005	Printing and Reproduction		14.5%	17.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	99.7%	0.3%	0.0%
2009	Other Operating Expenses		5.7%	4.8%	0.5%	0.1%	1.0%	0.2%	0.6%	0.2%	0.0%	0.6%	38.3%	58.1%	0.5%
3000	Travel		0.1%	0.1%	7.1%	0.3%	1.6%	22.4%	0.8%	0.3%	0.0%	0.8%	50.0%	5.0%	11.6%
3001	Out of State Travel		0.0%	0.0%	94.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	5.2%
4000	Grants		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
5000	Capital Expenditures		0.8%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	6.5%	93.5%	0.0%
	Total Budget		<u>100.0%</u>	<u>100.0%</u>	<u>0.2%</u>	<u>0.2%</u>	<u>0.2%</u>	<u>0.6%</u>	<u>0.8%</u>	<u>0.3%</u>	<u>0.1%</u>	<u>0.6%</u>	<u>90.2%</u>	<u>6.1%</u>	<u>0.8%</u>
	<i>% of Total FTE's</i>		<u>100.0%</u>	<u>100.0%</u>	<u>1.0%</u>	<u>1.3%</u>	<u>1.6%</u>	<u>5.2%</u>	<u>7.1%</u>	<u>2.3%</u>	<u>0.0%</u>	<u>4.0%</u>	<u>45.2%</u>	<u>22.1%</u>	<u>10.3%</u>
	Average Salary per FTE budgeted		\$ 73,699	\$ 73,726	\$ 128,377	\$ 110,221	\$ 75,398	\$ 82,211	\$ 84,161	\$ 95,726	-	\$ 105,338	\$ 62,088	\$ 87,622	\$ 56,416