



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: Kelly Stuckey, Controller

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Date: August 4, 2023

Re: FY 2024 Operating Budget

The FY 2024 Operating Budget is attached for your review and will be presented for your approval at the August 17, 2023 Commission meeting. Prior to the Commission meeting, briefings will be made available to discuss the document.

The Operating Budget for FY 2024 is \$322,902,826 and reflects 318.50 Full Time Equivalent Positions (FTE's). The budget was developed in accordance with appropriation amounts outlined in House 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 the FY 2024 Operating Budget.

Please feel free to contact me at 512-344-5426 if you need additional information or have any questions.

Attachment: FY 2024 Operating Budget

Texas Lottery Commission FY 2024 Operating Budget

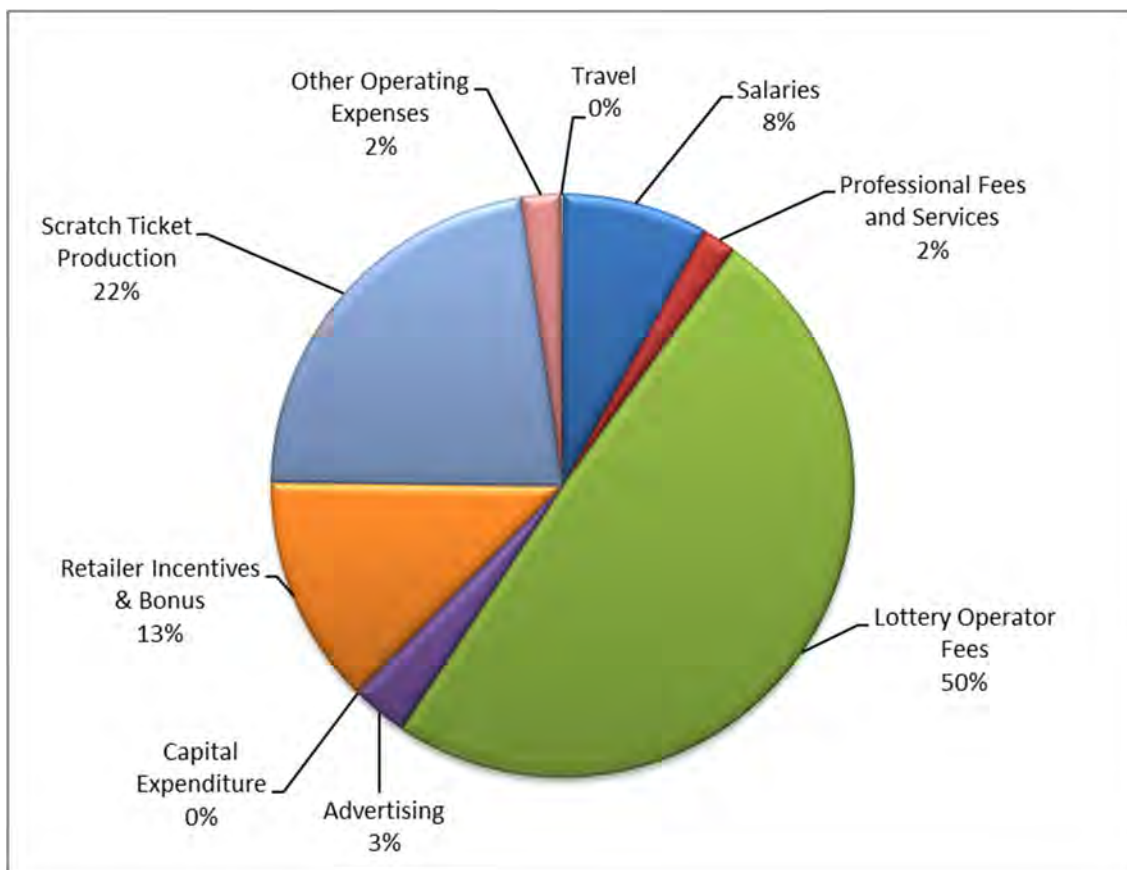
Budget

FY 2024 Operating Budget	Budget	FTEs
Lottery Dedicated Account	\$ 320,687,598	288.50
General Revenue	2,215,229	30.00
Total	\$ 322,902,826	318.50

FY 2023 Operating Budget	Budget	FTEs
Lottery Dedicated Account	\$ 256,438,590	277.30
General Revenue	2,095,625	31.00
Total	\$ 258,534,214	308.30

FY 2024 Increase (Decrease) From FY 2023	Budget	FTEs
Lottery Dedicated Account	\$ 64,249,008	11.20
General Revenue	119,604	(1.00)
Total	\$ 64,368,612	10.20

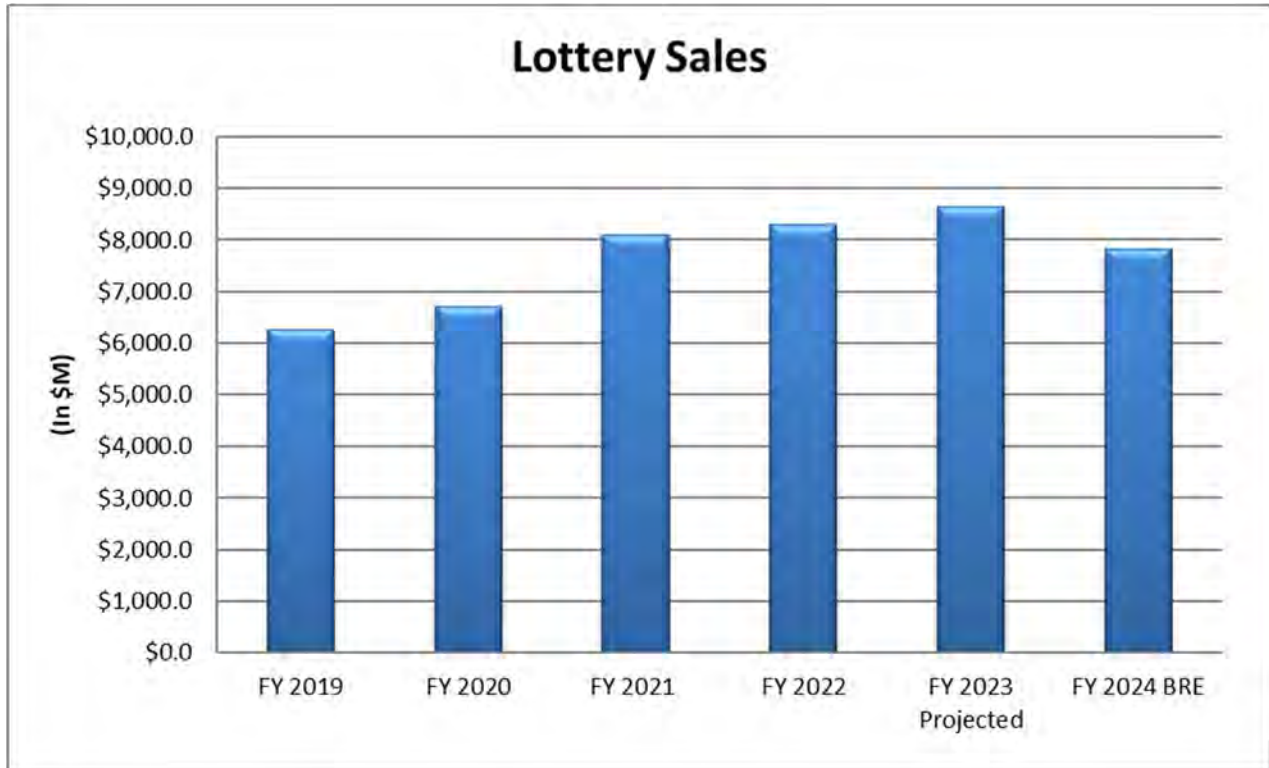
Summary by Object of Expense



- 79% 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 \$7.833 for FY 2024.



Appropriation Authority

Lottery Dedicated Account

- Original Appropriation. \$319,781,760.
- Rider 8: Retailer Incentive. Estimated appropriation of 0.5% of sales. Appropriation of \$39.2M included in the budget.
- Rider 9: Lottery Operator Contract. Estimated appropriation of 2.0331% of sales based on Comptroller's Biennial Revenue Estimate (BRE) of \$7.833B.
- Rider 10: Appropriation for Increased Fees. Estimated appropriation of 1.49% of the amount by which sales exceed \$7.833B. Should BRE sales target of \$7.833B be exceeded, budget increase authority is available.
- Article IX, Section 17.16 Salary Increase for General State Employees. Appropriation of \$1.174M for 5% salary increase with \$250/mo. minimum.
- Article IX, Section 17.03 Payroll Contribution-Health Insurance. Required transfer of 1% of Salaries and Wages, or \$234K, 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 \$117K, to the Employees Retirement System for retirement program.
- Article IX, Section 8.02 Third Party Reimbursement. \$610K 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 17.16 Salary Increase for General State Employees. Appropriation of \$103K for 5% salary increase with \$250/mo. minimum.
- Article IX, Section 17.03 Payroll Contribution-Health Insurance. Required transfer of 1% of Salaries and Wages, or \$20K, 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 \$10K, to the Employees Retirement System for retirement program.

General Restrictions

- Rider 2: Capital Budget Authority. Budget includes \$126,764 in capital authority for Lottery Drawing Equipment.
- FTE Cap: Budget reflects 318.5 FTE's representing 3.0 FTE's under cap restriction of 321.5 FTE's.

Budget Highlights

- Lottery Operator Fees are reflected at \$159.3M, or 49.3% of the Commission budget.
- The Advertising budget is reflected at \$10.0M or 3.1% of budget.
- The Retailer Incentive and Bonus Programs are 12.8% of the budget, or \$41.2M.
- Salaries are \$26.2M, or 8.1% of Budget.
- Scratch Ticket Production, including Printing and Licensing Fees, is budgeted at \$72.6M or 22.5% of the Budget.
- The balance of the budget, or \$13.7M, or 4.2% relates to Other Operating, Professional Fees, Travel and Capital Outlay.
- The \$64.4M budget increase from FY23 to FY24 is largely a result of:
 - Increased BRE sales projection that adjusted the Lottery Operator Contract and Retailer Incentive appropriations by \$30.4M and \$7.5M respectively.
 - The Scratch Printing Services Contract also increased \$24.5M.
 - Across the board 5% Salary Increase increased budget by \$1.3M
 - New FTEs increased budget by \$830K
- FTE's are budgeted at 318.5 FTE's
 - FTE increase of 11.2 positions in the Lottery Dedicated Account
 - 7 of these positions in the Claim Centers
 - FTE decrease of 1.0 positions in the General Revenue Account.

Unbudgeted Appropriation

- \$527,316 of Lottery Dedicated Account appropriation is unbudgeted.
- \$277,992 of General Revenue appropriation is unbudgeted.

Texas Lottery Commission
FY 2024 Operating Budget, FINAL
Agency Summary

	Budgeted Amount	General Revenue	Lottery
1001 Salaries & Wages	\$ 25,320,546	\$ 1,951,986	\$ 23,368,560
1003 Longevity Pay	427,900	36,400	391,500
1004 Merit Pool	430,449	33,184	397,266
2001 Professional Fees and Services	6,110,055	90,535	6,019,520
2002 Lottery Operator Fees	159,252,723	-	159,252,723
2003 Advertising	10,001,000	-	10,001,000
2004 Retailer Bonuses	39,165,000	-	39,165,000
2005 Printing and Reproduction	71,247,529	-	71,247,529
2009 Other Operating Expenses	10,372,240	61,374	10,310,866
3000 Travel	334,620	37,750	296,870
3001 Out of State Travel	114,000	4,000	110,000
4000 Grants	-	-	-
5000 Capital Expenditures	126,764	-	126,764
Total Budget	<u>\$ 322,902,826</u>	<u>\$ 2,215,229</u>	<u>\$ 320,687,598</u>
FTE's	<u>318.50</u>	<u>30.00</u>	<u>288.50</u>
1002 Payroll Related Costs	<u>\$ 7,679,722</u>	<u>\$ 592,037</u>	<u>\$ 7,087,684</u>
Method of Finance:			
Original Appropriation	322,201,350	2,419,590	319,781,760
Article IX, Section 17.03 Payroll Cont-Health Ins 1.0%	(253,205)	(19,520)	(233,686)
Article IX, Section 17.06 Payroll Cont-Retirement 0.5%	(126,603)	(9,760)	(116,843)
Article IX, Section 17.16 Salary Increase for General State Employees.	1,192,437	87,565	1,104,872
Article IX, Section 17.16 Salary Increase for General State Employees-Additional Request.	84,380	15,346	69,035
Article IX, Section. 8.02 Reimbursements and Payments	609,775	-	609,775
Total, Method of Finance	<u>\$ 323,708,134</u>	<u>\$ 2,493,221</u>	<u>\$ 321,214,913</u>
Variance, Unbudgeted Appropriation	<u>\$ 805,308</u>	<u>\$ 277,992</u>	<u>\$ 527,316</u>

Texas Lottery Commission
FY 2024 Operating Budget, Final
Division: Executive
Summary 100

	Budgeted Amount	General Revenue	Lottery
1001 Salaries & Wages	\$ 629,549	\$ -	\$ 629,549
1003 Longevity Pay	6,980	-	6,980
1004 Merit Pool	36,962	-	36,962
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	100,633	-	100,633
3000 Travel	22,100	-	22,100
3001 Out of State Travel	110,000	-	110,000
4000 Grants	-	-	-
5000 Capital Expenditures	-	-	-
Total Budget	<u>\$ 911,224</u>	<u>\$ -</u>	<u>\$ 911,224</u>
FTE's	<u>4.00</u>	<u>-</u>	<u>4.00</u>
1002 Payroll Related Costs	\$ 190,942	\$ -	\$ 190,942

Texas Lottery Commission
FY 2024 Operating Budget, Final
Division: Governmental Affairs
Summary 110

	Budgeted Amount	General Revenue	Lottery
1001 Salaries & Wages	\$ 473,312	\$ -	\$ 473,312
1003 Longevity Pay	8,960	-	8,960
1004 Merit Pool	5,146	-	5,146
2001 Professional Fees and Services	-	-	-
2002 Lottery Operator Fees	-	-	-
2003 Advertising	-	-	-
2004 Retailer Bonuses	-	-	-
2005 Printing and Reproduction	-	-	-
2009 Other Operating Expenses	10,893	-	10,893
3000 Travel	1,000	-	1,000
3001 Out of State Travel	-	-	-
4000 Grants	-	-	-
5000 Capital Expenditures	-	-	-
Total Budget	<u>\$ 499,311</u>	<u>\$ -</u>	<u>\$ 499,311</u>
FTE's	<u>4.00</u>	<u>-</u>	<u>4.00</u>
1002 Payroll Related Costs	\$ 143,556	\$ -	\$ 143,556

Texas Lottery Commission
FY 2024 Operating Budget, Final
Division: Media Relations
Summary 120

	Budgeted Amount	General Revenue	Lottery
1001 Salaries & Wages	\$ 416,701	\$ -	\$ 416,701
1003 Longevity Pay	4,040	-	4,040
1004 Merit Pool	5,129	-	5,129
2001 Professional Fees and Services	-	-	-
2002 Lottery Operator Fees	-	-	-
2003 Advertising	-	-	-
2004 Retailer Bonuses	-	-	-
2005 Printing and Reproduction	-	-	-
2009 Other Operating Expenses	35,009	-	35,009
3000 Travel	5,000	-	5,000
3001 Out of State Travel	-	-	-
4000 Grants	-	-	-
5000 Capital Expenditures	-	-	-
Total Budget	<u>\$ 465,879</u>	<u>\$ -</u>	<u>\$ 465,879</u>
FTE's	<u>5.00</u>	<u>-</u>	<u>5.00</u>
1002 Payroll Related Costs	\$ 126,386	\$ -	\$ 126,386

Texas Lottery Commission
FY 2024 Operating Budget, Final
Division: Enforcement
Summary 130

	Budgeted Amount	General Revenue	Lottery
1001 Salaries & Wages	\$ 1,293,292	\$ -	\$ 1,293,292
1003 Longevity Pay	27,760	-	27,760
1004 Merit Pool	20,022	-	20,022
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	25,704	-	25,704
3000 Travel	64,000	-	64,000
3001 Out of State Travel	-	-	-
4000 Grants	-	-	-
5000 Capital Expenditures	-	-	-
Total Budget	<u>\$ 1,473,378</u>	<u>\$ -</u>	<u>\$ 1,473,378</u>
FTE's	<u>16.00</u>	<u>-</u>	<u>16.00</u>
1002 Payroll Related Costs	\$ 392,255	\$ -	\$ 392,255

Texas Lottery Commission
FY 2024 Operating Budget, Final
Division: Office of the Controller
Summary 200

	Budgeted Amount	General Revenue	Lottery
1001 Salaries & Wages	\$ 1,798,042	\$ -	\$ 1,798,042
1003 Longevity Pay	31,540	-	31,540
1004 Merit Pool	27,337	-	27,337
2001 Professional Fees and Services	88,750	-	88,750
2002 Lottery Operator Fees	-	-	-
2003 Advertising	-	-	-
2004 Retailer Bonuses	-	-	-
2005 Printing and Reproduction	-	-	-
2009 Other Operating Expenses	91,310	-	91,310
3000 Travel	2,500	-	2,500
3001 Out of State Travel	-	-	-
4000 Grants	-	-	-
5000 Capital Expenditures	-	-	-
Total Budget	<u>\$ 2,039,479</u>	<u>\$ -</u>	<u>\$ 2,039,479</u>
FTE's	<u>22.00</u>	<u>-</u>	<u>22.00</u>
1002 Payroll Related Costs	\$ 545,346	\$ -	\$ 545,346

Texas Lottery Commission
FY 2024 Operating Budget, Final
Division: Human Resources
Summary 300

	Budgeted Amount	General Revenue	Lottery
1001 Salaries & Wages	\$ 744,445	\$ -	\$ 744,445
1003 Longevity Pay	5,040	-	5,040
1004 Merit Pool	9,755	-	9,755
2001 Professional Fees and Services	8,309	-	8,309
2002 Lottery Operator Fees	-	-	-
2003 Advertising	1,000	-	1,000
2004 Retailer Bonuses	-	-	-
2005 Printing and Reproduction	-	-	-
2009 Other Operating Expenses	22,913	-	22,913
3000 Travel	1,000	-	1,000
3001 Out of State Travel	-	-	-
4000 Grants	-	-	-
5000 Capital Expenditures	-	-	-
Total Budget	<u>\$ 792,461</u>	<u>\$ -</u>	<u>\$ 792,461</u>
FTE's	<u>7.00</u>	<u>-</u>	<u>7.00</u>
1002 Payroll Related Costs	\$ 225,790	\$ -	\$ 225,790

Texas Lottery Commission
FY 2024 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 2024 Operating Budget, Final
Division: Legal Services
Summary 500

	Budgeted Amount	General Revenue	Lottery
1001 Salaries & Wages	\$ 1,351,245	\$ -	\$ 1,351,245
1003 Longevity Pay	24,260	-	24,260
1004 Merit Pool	18,888	-	18,888
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	82,067	-	82,067
3000 Travel	2,500	-	2,500
3001 Out of State Travel	-	-	-
4000 Grants	-	-	-
5000 Capital Expenditures	-	-	-
Total Budget	<u>\$ 1,530,359</u>	<u>\$ -</u>	<u>\$ 1,530,359</u>
FTE's	<u>11.50</u>	<u>-</u>	<u>11.50</u>
1002 Payroll Related Costs	\$ 409,832	\$ -	\$ 409,832

Texas Lottery Commission
FY 2024 Operating Budget, Final
Division: Lottery Operations
Summary 600

	Budgeted Amount	General Revenue	Lottery
1001 Salaries & Wages	\$ 10,295,929	\$ -	\$ 10,295,929
1003 Longevity Pay	192,840	-	192,840
1004 Merit Pool	171,479	-	171,479
2001 Professional Fees and Services	3,538,273	-	3,538,273
2002 Lottery Operator Fees	159,252,723	-	159,252,723
2003 Advertising	10,000,000	-	10,000,000
2004 Retailer Bonuses	39,165,000	-	39,165,000
2005 Printing and Reproduction	71,247,529	-	71,247,529
2009 Other Operating Expenses	6,504,113	-	6,504,113
3000 Travel	183,270	-	183,270
3001 Out of State Travel	-	-	-
4000 Grants	-	-	-
5000 Capital Expenditures	126,764	-	126,764
Total Budget	<u>\$ 300,677,919</u>	<u>\$ -</u>	<u>\$ 300,677,919</u>
FTE's	<u>152.00</u>	<u>-</u>	<u>152.00</u>
1002 Payroll Related Costs	\$ 3,122,755	\$ -	\$ 3,122,755

Texas Lottery Commission
FY 2024 Operating Budget, Final
Division: Administration
Summary 700

	Budgeted Amount	General Revenue	0 Lottery
1001 Salaries & Wages	\$ 1,709,513	\$ -	\$ 1,709,513
1003 Longevity Pay	19,800	-	19,800
1004 Merit Pool	26,418	-	26,418
2001 Professional Fees and Services	921,975	-	921,975
2002 Lottery Operator Fees	-	-	-
2003 Advertising	-	-	-
2004 Retailer Bonuses	-	-	-
2005 Printing and Reproduction	-	-	-
2009 Other Operating Expenses	1,781,561	-	1,781,561
3000 Travel	10,500	-	10,500
3001 Out of State Travel	-	-	-
4000 Grants	-	-	-
5000 Capital Expenditures	-	-	-
Total Budget	<u>\$ 4,469,767</u>	<u>\$ -</u>	<u>\$ 4,469,767</u>
FTE's	<u>23.00</u>	<u>-</u>	<u>23.00</u>
1002 Payroll Related Costs	\$ 518,495	\$ -	\$ 518,495

Texas Lottery Commission
FY 2024 Operating Budget, Final
Division: Information Technology
Summary 707

	Budgeted Amount	General Revenue	Lottery
1001 Salaries & Wages	\$ 4,656,532	\$ -	\$ 4,656,532
1003 Longevity Pay	70,280	-	70,280
1004 Merit Pool	76,131	-	76,131
2001 Professional Fees and Services	1,063,213	-	1,063,213
2002 Lottery Operator Fees	-	-	-
2003 Advertising	-	-	-
2004 Retailer Bonuses	-	-	-
2005 Printing and Reproduction	-	-	-
2009 Other Operating Expenses	1,656,663	-	1,656,663
3000 Travel	5,000	-	5,000
3001 Out of State Travel	-	-	-
4000 Grants	-	-	-
5000 Capital Expenditures	-	-	-
Total Budget	<u>\$ 7,527,819</u>	<u>\$ -</u>	<u>\$ 7,527,819</u>
FTE's	<u>44.00</u>	<u>-</u>	<u>44.00</u>
1002 Payroll Related Costs	\$ 1,412,326	\$ -	\$ 1,412,326

Texas Lottery Commission
FY 2024 Operating Budget, Final
Division: Bingo
Summary 800

	Budgeted Amount	General Revenue	Lottery
1001 Salaries & Wages	\$ 1,951,986	\$ 1,951,986	\$ -
1003 Longevity Pay	36,400	36,400	-
1004 Merit Pool	33,184	33,184	-
2001 Professional Fees and Services	90,535	90,535	-
2002 Lottery Operator Fees	-	-	-
2003 Advertising	-	-	-
2004 Retailer Bonuses	-	-	-
2005 Printing and Reproduction	-	-	-
2009 Other Operating Expenses	61,374	61,374	-
3000 Travel	37,750	37,750	-
3001 Out of State Travel	4,000	4,000	-
4000 Grants	-	-	-
5000 Capital Expenditures	-	-	-
Total Budget	<u>\$ 2,215,229</u>	<u>\$ 2,215,229</u>	<u>\$ -</u>
FTE's	<u>30.00</u>	<u>30.00</u>	<u>-</u>
1002 Payroll Related Costs	\$ 592,037	\$ 592,037	\$ -

Texas Lottery Commission
FY 2024 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.
		Product						Scratch Ticket	Promote Lottery			Retailer
								Prod. Cont.	Games Cont.	Drawing & Broadcast	Retailer Bonus	Commissions
Goal A	FY 2024	Budgeted Amount	Lottery Operations	Lottery Field Oper.	Development	Security	Central Admin.	Lottery Oper. Cont.				
0100	Executive	\$ 911,224			\$ 5,507	\$ 1,964	903,754					
0110	Governmental Relations	499,311					499,311					
0120	Media Relations	465,879			465,879							
0130	Enforcement	1,473,378				1,473,378						
0200	Office of the Controller	2,039,479					2,039,479					
0300	Human Resources	792,461					792,461					
0400	Internal Audit	300,000					300,000					
0500	Legal Services	1,530,359				267,756	1,262,603					
0600	Lottery Operations	466,946			466,946							
0601	Lottery Operator Contract	159,252,723						159,252,723				
0602	Retailer Bonus	2,010,000									2,010,000	
0603	Scratch Ticket Contract	72,589,133						72,589,133				
0604	Retailer Incentive	39,165,000										39,165,000
0605	Drawing & Broadcast Studio	2,260,725								2,260,725		
0606	Security	766,729				766,729						
0607	Drawings & Validations	2,541,122				2,541,122						
0608	Claim Centers	3,821,070		3,821,070								
0609	Retailer Services	2,682,166	2,682,166									
0611	Lottery Products	1,257,491			1,257,491							
0612	Promotions & Advertising	1,268,398			1,268,398							
0613	Promotional Events & Items	2,596,416			2,596,416							
0615	Advertising	10,000,000							10,000,000			
0700	Administration	479,370					479,370					
0702	Security Contracts	459,076				459,076						
0703	Facilities	2,044,214	2,044,214									
0706	Contracts/Purchasing	681,383					681,383					
0707	Information Technology	7,527,819					7,527,819					
0708	Security Study	200,000				200,000						
0709	3rd Party Reimbursement	605,725	-	-	-	-	605,725	-	-	-	-	-
	Total Budget	\$ 320,687,598	\$ 4,726,380	\$ 3,821,070	\$ 6,060,638	\$ 5,710,025	\$ 15,091,904	\$ 159,252,723	\$ 72,589,133	\$ 10,000,000	\$ 2,260,725	\$ 39,165,000
	Reconciliation	-										
	Base Appropriation	\$ 319,781,760	\$ 4,108,272	\$ 3,332,177	\$ 6,728,064	\$ 5,741,211	\$ 14,600,380	\$ 159,252,723	\$ 72,589,133	\$ 10,000,000	\$ 2,254,800	\$ 39,165,000
	Article IX, Section 17.03 Payroll Cont-Health Ins	(233,686)	(32,579)	(35,146)	(29,611)	(32,554)	(103,797)					
	Article IX, Section 17.06 Payroll Cont-Retirement	(116,843)	(16,289)	(17,573)	(14,805)	(16,277)	(51,898)					
	Article IX, Section 17.16											
	Salary Increase for General State Employees	1,104,872	168,129	185,761	137,704	153,735	459,543					
	Article IX, Section 17.16-Additional Request											
	Salary Increase for General State Employees	69,035	10,505	11,607	8,604	9,606	28,713					
	Article IX, Section 14.01 Appropriation Transfers-Initial	-	488,342	344,244	(500,000)	(75,000)	(263,511)			5,925		
	Article IX, Section. 8.02 Third Party Reimbursements	609,775	-	-	-	4,050	605,725	-	-	-	-	-
	Total Budget	\$ 321,214,913	\$ 4,726,380	\$ 3,821,070	\$ 6,329,956	\$ 5,784,771	\$ 15,275,155	\$ 159,252,723	\$ 72,589,133	\$ 10,000,000	\$ 2,260,725	\$ 39,165,000
	Over/Under	\$ 527,316	\$ 0	\$ 0	\$ 269,318	\$ 74,745	\$ 183,251	\$ -	\$ -	\$ -	\$ -	\$ -
	Transfer Out Limitation	\$ 9,754,981	\$ 821,654	\$ 666,435	\$ 1,345,613	\$ 1,148,242	\$ 2,920,076	\$ -	\$ -	\$ 2,000,000	\$ 450,960	\$ 402,000
	Amount Remaining in Transfer Limitation	\$ 8,916,470	\$ 821,654	\$ 666,435	\$ 845,613	\$ 1,073,242	\$ 2,656,565	\$ -	\$ -	\$ 2,000,000	\$ 450,960	\$ 402,000

		Budgeted	13004	13010	13003	13020						
		Amount	B.1.1.	B.1.2.	B.1.3.	B.1.4.						
			Bingo Licensing	Bingo Educ. & Dev.	Bingo Law Compl.	Bingo Prize Fee Coll.						
Goal B												
0802	Accounting Services	258,820				258,820						
0803	Licensing Services	525,250	525,250									
0804	Auditors	1,330,898			1,330,898							
0805	Education	100,260	-	100,260	-	-						
	Total Budget	\$ 2,215,229	\$ 525,250	\$ 100,260	\$ 1,330,898	\$ 258,820						
	Reconciliation	\$ -										
	Base Appropriation	\$ 2,419,590	\$ 657,772	\$ 97,974	\$ 1,387,000	\$ 276,844						
	Article IX, Section 14.01 Appropriation Transfers-Initial	-										
	Article IX, Section 17.03 Payroll Cont-Health Ins	(19,520)	(3,946)	(935)	(12,181)	(2,458)						
	Article IX, Section 17.06 Payroll Cont-Retirement	(9,760)	(1,973)	(467)	(6,091)	(1,229)						
	Article IX, Section 17.16											
	Salary Increase for General State Employees	87,565	17,294	5,428	54,122	10,721						
	Article IX, Section 17.16-Additional Request											
	Salary Increase for General State Employees	15,346	3,031	951	9,485	1,879						
	Total Budget	\$ 2,493,221	\$ 672,177	\$ 102,951	\$ 1,432,335	\$ 285,757						
	Over/Under	\$ 277,992	\$ 146,926	\$ 2,692	\$ 101,437	\$ 26,937						
	Transfer Out Limitation	\$ 483,918	\$ 131,554	\$ 19,595	\$ 277,400	\$ 55,369						
	Amount Remaining in Transfer Limitation	\$ 483,918	\$ 131,554	\$ 19,595	\$ 277,400	\$ 55,369						

Texas Lottery Commission
FY 2024 Operating Budget
Review of Transfer Authority

Strategy	Senate Bill 1 Base Appropriation	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	Article IX, Section 17.16 Salary Increase for General State Employees	Article IX, Section 17.16 Salary Increase for General State Employees Additional Request	Revised SB 1 Appropriation	Proposed Appropriation Transfers for FY 2024 Operating Budget	Adjusted Appropriation	FY 2024 Operating Budget	Appropriation Authority currently Unbudgeted	Appropriation Transfer Out Allowed 20.0%	Transfer Authority Remaining
A.1.1. Lottery Operations	\$ 4,108,272		\$ (32,579)	\$ (16,289)	\$ 168,129	\$ 10,505	4,238,038	\$ 488,342	\$ 4,726,380	\$ 4,726,380	0	\$ 821,654	\$ 821,654
A.1.2. Lottery Field Operations	3,332,177		(35,146)	(17,573)	185,761	11,607	3,476,826	344,244	3,821,070	3,821,070	0	666,435	666,435
A.1.3. Product Development	6,728,064		(29,611)	(14,805)	137,704	8,604	6,829,956	(500,000)	6,329,956	6,060,638	269,318	1,345,613	845,613
A.1.4. Security	5,741,211	4,050	(32,554)	(16,277)	153,735	9,606	5,859,771	(75,000)	5,784,771	5,710,025	74,745	1,148,242	1,073,242
A.1.5. Central Administration	14,600,380	605,725	(103,797)	(51,898)	459,543	28,713	15,538,666	(263,511)	15,275,155	15,091,904	183,251	2,920,076	2,656,565
A.1.6. Lottery Operator Contract(s)	159,252,723						159,252,723		159,252,723	159,252,723	-	-	-
A.1.7. Scratch Ticket Production Contract(s)	72,589,133						72,589,133		72,589,133	72,589,133	-	-	-
A.1.8. Promote Lottery Games 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)	2,254,800						2,254,800	5,925	2,260,725	2,260,725	-	450,960	450,960
A.1.10. Retailer Bonus	2,010,000						2,010,000	-	2,010,000	2,010,000	-	402,000	402,000
A.1.11. Retailer Commissions	39,165,000						39,165,000		39,165,000	39,165,000	-	-	-
Total, Agency Wide FUND 5025	\$ 319,781,760	\$ 609,775	\$ (233,686)	\$ (116,843)	\$ 1,104,872	\$ 69,035	\$ 321,214,913	\$ -	\$ 321,214,913	\$ 320,687,598	\$ 527,316	\$ 9,754,981	\$ 8,916,470
B.1.1. Bingo Licensing	657,772		(3,946)	(1,973)	17,294	3,031	672,177		672,177	525,250	146,926	131,554	131,554
B.1.2. Bingo Education & Development	97,974		(935)	(467)	5,428	951	102,951		102,951	100,260	2,692	19,595	19,595
B.1.3. Bingo Law Compliance Field Operations	1,387,000		(12,181)	(6,091)	54,122	9,485	1,432,335		1,432,335	1,330,898	101,437	277,400	277,400
B.1.4. Bingo Prize Fee Collection & Acct.	276,844		(2,458)	(1,229)	10,721	1,879	285,757		285,757	258,820	26,937	55,369	55,369
Total, Agency Wide FUND 0001	\$ 2,419,590	\$ -	\$ (19,520)	\$ (9,760)	\$ 87,565	\$ 15,346	\$ 2,493,221	\$ -	\$ 2,493,221	\$ 2,215,229	\$ 277,992	\$ 483,918	\$ 483,918

Rider 10 Appropriation of Increased Revenues-FY23

FY 2023 Sales Estimate	\$ 7,833,000,000
Rider 10 Base Sales Level	\$ 7,833,000,000
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 2023 Sales Estimate	\$ 7,833,000,000
Sales x 2.0331%	\$ 159,252,723
Strategy A.1.6 Base	\$ 159,252,723
Rider 10 Est Lottery Operator Contract Increase	\$ -

Rider 8b Retailer Commissions

FY 2023 Sales Estimate	\$ 7,833,000,000
Sales x 0.05%	\$ 39,165,000
Strategy A.1.12 Base	\$ 39,165,000
Rider 9b Retailer Commission Increase	\$ -

		FY 2024 over FY 2023	FY 2023 Budgeted Amount	FY 2024 Budgeted Amount												
					Executive	Govt. Affairs	Media Relations	Enforcement	Office of the Controller	Human Resources	Internal Audit	Legal	Lottery Operations	Administration	Information Technology	Bingo
1001	Salaries & Wages	\$ 2,087,392	\$ 23,233,155	\$ 25,320,546	\$ 629,549	\$ 473,312	\$ 416,701	\$ 1,293,292	\$ 1,798,042	\$ 744,445	\$ -	\$ 1,351,245	\$ 10,295,929	\$ 1,709,513	\$ 4,656,532	\$ 1,951,986
1003	Longevity Pay	(100)	428,000	427,900	6,980	8,960	4,040	27,760	31,540	5,040	-	24,260	192,840	19,800	70,280	36,400
1004	Merit Pool	35,486	394,964	430,449	36,962	5,146	5,129	20,022	27,337	9,755	-	18,888	171,479	26,418	76,131	33,184
2001	Professional Fees and Services	654,410	5,455,645	6,110,055	5,000	-	-	42,600	88,750	8,309	300,000	51,400	3,538,273	921,975	1,063,213	90,535
2002	Lottery Operator Fees	30,183,248	129,069,475	159,252,723	-	-	-	-	-	-	-	-	159,252,723	-	-	-
2003	Advertising	-	10,001,000	10,001,000	-	-	-	-	-	1,000	-	-	10,000,000	-	-	-
2004	Retailer Bonuses	7,489,700	31,675,300	39,165,000	-	-	-	-	-	-	-	-	39,165,000	-	-	-
2005	Printing and Reproduction	24,437,254	46,810,275	71,247,529	-	-	-	-	-	-	-	-	71,247,529	-	-	-
2009	Other Operating Expenses	(444,825)	10,817,065	10,372,240	100,633	10,893	35,009	25,704	91,310	22,913	-	82,067	6,504,113	1,781,561	1,656,663	61,374
3000	Travel	17,684	316,936	334,620	22,100	1,000	5,000	64,000	2,500	1,000	-	2,500	183,270	10,500	5,000	37,750
3001	Out of State Travel	-	114,000	114,000	110,000	-	-	-	-	-	-	-	-	-	-	4,000
4000	Grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5000	Capital Expenditures	(91,636)	218,400	126,764	-	-	-	-	-	-	-	-	126,764	-	-	-
Total Budget		\$ 64,368,612	\$ 258,534,214	\$ 322,902,826	\$ 911,224	\$ 499,311	\$ 465,879	\$ 1,473,378	\$ 2,039,479	\$ 792,461	\$ 300,000	\$ 1,530,359	\$ 300,677,919	\$ 4,469,767	\$ 7,527,819	\$ 2,215,229
FTE's		10.20	308.30	318.50	4.00	4.00	5.00	16.00	22.00	7.00	-	11.50	152.00	23.00	44.00	30.00
% of Total Budget:																
1001	Salaries & Wages		9.0%	7.8%	2.5%	1.9%	1.6%	5.1%	7.1%	2.9%	0.0%	5.3%	40.7%	6.8%	18.4%	7.7%
1003	Longevity Pay		0.2%	0.1%	1.6%	2.1%	0.9%	6.5%	7.4%	1.2%	0.0%	5.7%	45.1%	4.6%	16.4%	8.5%
1004	Merit Pool		0.2%	0.1%	8.6%	1.2%	1.2%	4.7%	6.4%	2.3%	0.0%	4.4%	39.8%	6.1%	17.7%	7.7%
2001	Professional Fees and Services		2.1%	1.9%	0.1%	0.0%	0.0%	0.7%	1.5%	0.1%	4.9%	0.8%	57.9%	15.1%	17.4%	1.5%
2002	Lottery Operator Fees		49.9%	49.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%
2003	Advertising		3.9%	3.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%
2004	Retailer Bonuses		12.3%	12.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%
2005	Printing and Reproduction		18.1%	22.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%
2009	Other Operating Expenses		4.2%	3.2%	1.0%	0.1%	0.3%	0.2%	0.9%	0.2%	0.0%	0.8%	62.7%	17.2%	16.0%	0.6%
3000	Travel		0.1%	0.1%	6.6%	0.3%	1.5%	19.1%	0.7%	0.3%	0.0%	0.7%	54.8%	3.1%	1.5%	11.3%
3001	Out of State Travel		0.0%	0.0%	96.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	3.5%
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	0.0%
5000	Capital Expenditures		0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%
Total Budget			100.0%	100.0%	0.3%	0.2%	0.1%	0.5%	0.6%	0.2%	0.1%	0.5%	93.1%	1.4%	2.3%	0.7%
% of Total FTE's			100.0%	100.0%	1.3%	1.3%	1.6%	5.0%	6.9%	2.2%	0.0%	3.6%	47.7%	7.2%	13.8%	9.4%
Average Salary per FTE budgeted		\$	75,359	\$ 79,499	\$ 157,387	\$ 118,328	\$ 83,340	\$ 80,831	\$ 81,729	\$ 106,349	-	\$ 117,500	\$ 67,736	\$ 74,327	\$ 105,830	\$ 65,066