

DIVISION OF THE LOTTERY

MISSION

In 1966, New Yorkers approved a constitutional amendment to authorize a State Lottery in support of education. The Division of the Lottery raises revenue through the sale and marketing of Lottery game tickets.

ORGANIZATION AND STAFFING

The Division of the Lottery is an independent unit of the Department of Taxation and Finance whose Commissioner appoints the Director of the Lottery. The Division maintains a central office in Schenectady, regional offices in Buffalo, Schenectady, Syracuse, New York City and Long Island, and a satellite office in Fishkill to serve the Hudson Valley. District sales representatives are stationed in the regional offices, and recruit and support point-of-sale agents, which include convenience stores, newsstands, supermarkets, restaurants and bowling alleys.

In 2001-02, Lottery will have a workforce of 358. District sales representatives reflect approximately 35 percent of this total.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

Lottery games have raised \$18 billion in revenues for education since the Lottery's inception in 1967. In 2000-01, the Division estimates gross sales of \$4.1 billion.

The Division's costs are supported entirely with Lottery sales revenues. The 2001-02 Executive Budget recommends \$115.4 million to support Lottery operations. By law, no more than 15 percent of gross Lottery sales may be used for administration, including sales agents' commissions which total 6 percent of gross sales. Historically, the Lottery Division's total administrative costs have been well below the statutory limit.

PROGRAM HIGHLIGHTS

Lottery games sold on the Division's on-line computer system include: Lotto, Pick 10, New York Numbers, Win 4, and Take Five. These games can be played from approximately 14,300 locations across the State and offer players the opportunity to match their "picks" to televised drawings that take place nightly or twice weekly, depending on the game. Winning tickets up to \$600 can be validated and redeemed by customers at any location selling Lottery products.

The Lottery Division's Instant cash games have contributed significantly to the growth of Lottery revenues. The Division will market up to 32 new Instant Cash games during 2001-02.

Quick Draw, first introduced in 1995, is an electronic version of Pick 10, with winning numbers drawn by computer every five minutes, from 10 a.m. to 3 p.m. and 4 p.m. to 12 a.m. every day. Quick Draw is displayed at approximately 3,100 authorized establishments statewide, such as restaurants and bowling alleys.

In addition, in 2001-02, the Lottery Division will implement a new Retailer Sales Management Plan. This initiative, which includes the addition of 26 new Marketing Representative positions, will allow the Division to take a more active role in helping retailers market Lottery products. With the addition of these new positions, the Division will be able to increase retailer visits from the current range of two weeks to three months, to once every two weeks. This increased marketing effort, coupled with a new instant consignment program — which will allow retailers to pay only for inventory used — is designed to encourage all retailers to carry more products and increase lottery sales.

LOTTERY

ALL FUNDS APPROPRIATIONS (dollars)

<u>Category</u>	<u>Available 2000-01</u>	<u>Appropriations Recommended 2001-02</u>	<u>Change</u>	<u>Reappropriations Recommended 2001-02</u>
State Operations	112,284,400	115,418,000	3,133,600	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	<u>112,284,400</u>	<u>115,418,000</u>	<u>3,133,600</u>	<u>0</u>

ALL FUND TYPES PROJECTED LEVELS OF EMPLOYMENT BY PROGRAM FILLED ANNUAL SALARIED POSITIONS

Full-Time Equivalent Positions (FTE)

<u>Program</u>	<u>2000-01 Estimated FTEs 03/31/01</u>	<u>2001-02 Estimated FTEs 03/31/02</u>	<u>FTE Change</u>
Administration of the Lottery			
Special Revenue Funds - Other	332	358	26
Total	<u>332</u>	<u>358</u>	<u>26</u>

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

<u>Fund Type</u>	<u>Available 2000-01</u>	<u>Recommended 2001-02</u>	<u>Change</u>
Special Revenue Funds - Other	112,284,400	115,418,000	3,133,600
Total	<u>112,284,400</u>	<u>115,418,000</u>	<u>3,133,600</u>
Adjustments:			
Transfer(s) From			
Special Pay Bill			
Special Revenue Funds - Other	(1,667,000)		
Appropriated 2000-01	<u>110,617,400</u>		

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

<u>Program</u>	<u>Available 2000-01</u>	<u>Recommended 2001-02</u>	<u>Change</u>
Administration of the Lottery			
Special Revenue Funds - Other	112,284,400	115,418,000	3,133,600
Total	<u>112,284,400</u>	<u>115,418,000</u>	<u>3,133,600</u>

**STATE OPERATIONS - OTHER THAN GENERAL FUND
SUMMARY OF APPROPRIATIONS AND CHANGES
2001-02 RECOMMENDED
(dollars)**

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration of the Lottery	115,418,000	3,133,600	16,900,500	1,475,000
Total	115,418,000	3,133,600	16,900,500	1,475,000

Program	Nonpersonal Service	
	Amount	Change
Administration of the Lottery	98,517,500	1,658,600
Total	98,517,500	1,658,600