

# ***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 games.

## ***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, a satellite office in Fishkill to serve the Hudson Valley, and a claims center in Rochester. 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 centers.

## ***FISCAL BACKGROUND AND BUDGET HIGHLIGHTS***

Lottery games have raised in excess of \$20 billion in revenues for education since the Lottery's inception in 1967. In 2002-03, the Division estimates gross sales of \$6.6 billion.

The Division's costs are supported entirely with Lottery sales revenues. The 2002-03 Executive Budget recommends \$108.5 million to support Lottery operations. By law, no more than 15 percent of gross Lottery sales may be used for administration. Historically, the Lottery Division's total administrative costs have been 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 15,000 locations across the State and offer players the opportunity to match their "picks" to televised drawings that take place twice daily 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 games have contributed significantly to the growth of Lottery revenues. The Division will market up to 34 new Instant games during 2002-03, with tickets ranging from \$1 to \$10.

Quick Draw, first introduced in 1995, is an electronic version of Pick 10, with winning numbers drawn by computer every five minutes. Quick Draw is displayed at approximately 3,000 authorized establishments statewide, such as restaurants and bowling centers. In connection with the 2002-03 Executive Budget, legislation will be submitted to the Legislature that would extend the game's operating hours.

In 2001, legislation was enacted that broadened the Lottery gaming opportunities in New York State. In FY 2002-03, the Lottery will implement two major initiatives. The first initiative entails entering into an agreement with other jurisdictions to facilitate New York's participation in high jackpot, multi-state or multi-jurisdictional lottery games. Implementation of this initiative will result in increased Lottery revenues since New York residents will no longer need to visit surrounding states to participate in such games. The second initiative involves the development of a Video Lottery Program. The legislation authorizes the Lottery to institute a video lottery terminal program at various racetracks throughout the State. The net revenue raised by this program, after prizes and expenses are paid, will be used to provide additional aid to Education.

# LOTTERY

## ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2001-02	Appropriations Recommended 2002-03	Change	Reappropriations Recommended 2002-03
State Operations	108,543,000	108,543,000	0	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	108,543,000	108,543,000	0	0

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

### Full-Time Equivalent Positions (FTE)

Program	2001-02 Estimated FTEs 03/31/02	2002-03 Estimated FTEs 03/31/03	FTE Change
Administration of the Lottery			
Special Revenue Funds - Other	358	358	0
Total	358	358	0

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

Fund Type	Available 2001-02	Recommended 2002-03	Change
Special Revenue Funds - Other	108,543,000	108,543,000	0
Total	108,543,000	108,543,000	0

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

Program	Available 2001-02	Recommended 2002-03	Change
Administration of the Lottery			
Special Revenue Funds - Other	108,543,000	108,543,000	0
Total	108,543,000	108,543,000	0

## STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2002-03 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration of the Lottery	108,543,000	0	16,105,300	0
Total	108,543,000	0	16,105,300	0

Program	Nonpersonal Service	
	Amount	Change
Administration of the Lottery	92,437,700	0
Total	92,437,700	0