

BUDGET ENTITY	D3A ISSUE CODE	COLUMN NUMBERS	CODE	ERROR MESSAGE	PAGE
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THERE WERE 0 ERRORS DETECTED

	COL A03		COL A04		COL A05		CODES
	POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	
LOTTERY, DEPARTMENT OF THE							36000000
PGM: LOTTERY OPERATIONS							36010000
GOV OPERATIONS/SUPPORT							16
GOVERNMENTAL OPERATIONS							<u>1601.00.00.00</u>
ESTIMATED EXPENDITURES							1000000
ESTIMATED EXPENDITURES - OPERATIONS							1001000
SALARY RATE							000000
SALARY RATE.....		14,402,213					
=====							
SALARIES AND BENEFITS							010000
OPERATING TRUST FUND -STATE		365.00					
		22,343,907					2510 1
=====							
OTHER PERSONAL SERVICES							030000
OPERATING TRUST FUND -STATE		18,296					2510 1
=====							
EXPENSES							040000
OPERATING TRUST FUND -STATE		2,036,348					2510 1
=====							
OPERATING CAPITAL OUTLAY							060000
OPERATING TRUST FUND -STATE		690,002					2510 1
=====							
SPECIAL CATEGORIES							100000
ACQUISITION/MOTOR VEHICLES							100021
OPERATING TRUST FUND -STATE		865,000					2510 1
=====							
CONTRACTED SERVICES							100777
OPERATING TRUST FUND -STATE		2,463,215					2510 1
=====							
INSTANT TICKET PURCHASE							101740
OPERATING TRUST FUND -STATE		47,327,567					2510 1
=====							

	COL A03		COL A04		COL A05		CODES
	AGY REQUEST FY 2015-16 POS	AMOUNT	AGY REQ N/R FY 2015-16 POS	AMOUNT	AG REQ ANZ FY 2015-16 POS	AMOUNT	
LOTTERY, DEPARTMENT OF THE							36000000
PGM: LOTTERY OPERATIONS							36010000
GOV OPERATIONS/SUPPORT							16
GOVERNMENTAL OPERATIONS							<u>1601.00.00.00</u>
ESTIMATED EXPENDITURES							1000000
ESTIMATED EXPENDITURES - OPERATIONS							1001000
SPECIAL CATEGORIES							100000
ADVERTISING AGENCY FEES							102378
OPERATING TRUST FUND -STATE		2,756,945					2510 1
PAID ADVERTISING/PROMOTION							102380
OPERATING TRUST FUND -STATE		34,793,508					2510 1
TERMINAL GAMES FEES							102381
OPERATING TRUST FUND -STATE		29,632,661					2510 1
LOTTERY ITVM							102382
OPERATING TRUST FUND -STATE		5,010,600					2510 1
LOTTERY FSVM							102383
OPERATING TRUST FUND -STATE		2,940,000					2510 1
RETAILER INCENTIVES							102388
OPERATING TRUST FUND -STATE		2,325,000					2510 1
SALARY INCENTIVE PAYMENTS							103290
OPERATING TRUST FUND -STATE		14,060					2510 1
CONTRACTED LEGAL SERVICES							103884
OPERATING TRUST FUND -STATE		120,000					2510 1

	COL A03		COL A04		COL A05		CODES
	AGY REQUEST FY 2015-16 POS	AMOUNT	AGY REQ N/R FY 2015-16 POS	AMOUNT	AG REQ ANZ FY 2015-16 POS	AMOUNT	
LOTTERY, DEPARTMENT OF THE							36000000
PGM: LOTTERY OPERATIONS							36010000
GOV OPERATIONS/SUPPORT							16
GOVERNMENTAL OPERATIONS							1601.00.00.00
ESTIMATED EXPENDITURES							1000000
ESTIMATED EXPENDITURES - OPERATIONS							1001000
SPECIAL CATEGORIES							100000
LEASE/PURCHASE/EQUIPMENT							105281
OPERATING TRUST FUND -STATE		375,000					2510 1
DATA PROCESSING SERVICES							210000
SOUTHWOOD SRC							210021
OPERATING TRUST FUND -STATE		44,017					2510 1
TOTAL: ESTIMATED EXPENDITURES - OPERATIONS							1001000
TOTAL POSITIONS.....		365.00					
TOTAL ISSUE.....		153,756,126					
TOTAL SALARY RATE.....		14,402,213					
FLORIDA RETIREMENT SYSTEM							
ADJUSTMENT FOR FISCAL YEAR 2014-15							
NORMAL COST AND UNFUNDED ACTUARIAL							
LIABILITY (UAL)							1001400
SALARIES AND BENEFITS							010000
OPERATING TRUST FUND -STATE		74,169					2510 1
DATA PROCESSING SERVICES							210000
SOUTHWOOD SRC							210021
OPERATING TRUST FUND -STATE		31					2510 1
TOTAL: FLORIDA RETIREMENT SYSTEM							1001400
ADJUSTMENT FOR FISCAL YEAR 2014-15							
NORMAL COST AND UNFUNDED ACTUARIAL							
LIABILITY (UAL)							
TOTAL ISSUE.....		74,200					

	COL A03		COL A04		COL A05		CODES
	AGY REQUEST FY 2015-16 POS	AMOUNT	AGY REQ N/R FY 2015-16 POS	AMOUNT	AG REQ ANZ FY 2015-16 POS	AMOUNT	
LOTTERY, DEPARTMENT OF THE							36000000
PGM: LOTTERY OPERATIONS							36010000
GOV OPERATIONS/SUPPORT							16
GOVERNMENTAL OPERATIONS							1601.00.00.00
ESTIMATED EXPENDITURES							1000000
HEALTH INSURANCE SUBSIDY - RETIREES							1001410
FOR FY 2014-15							010000
SALARIES AND BENEFITS							
OPERATING TRUST FUND -STATE		8,883					2510 1
DATA PROCESSING SERVICES							210000
SOUTHWOOD SRC							210021
OPERATING TRUST FUND -STATE		6					2510 1
TOTAL: HEALTH INSURANCE SUBSIDY - RETIREES							1001410
FOR FY 2014-15							
TOTAL ISSUE.....		8,889					
INTER-AGENCY REORGANIZATIONS -							17C0000
INFORMATION TECHNOLOGY							17C08C0
DATA PROCESSING SERVICES CATEGORY -							210000
DEDUCT							210021
DATA PROCESSING SERVICES							210000
SOUTHWOOD SRC							210021
OPERATING TRUST FUND -STATE		44,054-					2510 1
DATA PROCESSING SERVICES CATEGORY -							17C09C0
ADD							210000
DATA PROCESSING SERVICES							210000
STATE DATA CENTER - AST							210001
OPERATING TRUST FUND -STATE		44,054					2510 1

	COL A03		COL A04		COL A05		CODES
	AGY REQUEST FY 2015-16 POS	AMOUNT	AGY REQ N/R FY 2015-16 POS	AMOUNT	AG REQ ANZ FY 2015-16 POS	AMOUNT	
LOTTERY, DEPARTMENT OF THE							36000000
PGM: LOTTERY OPERATIONS							36010000
GOV OPERATIONS/SUPPORT							16
GOVERNMENTAL OPERATIONS							1601.00.00.00
NONRECURRING EXPENDITURES							2100000
REPLACEMENT OF MOTOR VEHICLES							2103005
SPECIAL CATEGORIES							100000
ACQUISITION/MOTOR VEHICLES							100021
OPERATING TRUST FUND -STATE		865,000-					2510 1
=====							
REPLACEMENT OF FORTUNE PRINTERS							2103015
OPERATING CAPITAL OUTLAY							060000
OPERATING TRUST FUND -STATE		39,534-					2510 1
=====							
REPLACEMENT OF THE STORAGE AREA							2103016
NETWORK							060000
OPERATING CAPITAL OUTLAY							
OPERATING TRUST FUND -STATE		229,804-					2510 1
=====							
SPECIAL CATEGORIES							100000
CONTRACTED SERVICES							100777
OPERATING TRUST FUND -STATE		51,996-					2510 1
=====							
TOTAL: REPLACEMENT OF THE STORAGE AREA							2103016
NETWORK							
TOTAL ISSUE.....		281,800-					
=====							
UNINTERRUPTED POWER SUPPLY BATTERY							2103017
REPLACEMENT							040000
EXPENSES							
OPERATING TRUST FUND -STATE		1,087-					2510 1
=====							
OPERATING CAPITAL OUTLAY							060000
OPERATING TRUST FUND -STATE		18,564-					2510 1
=====							

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2015-16	FY 2015-16	FY 2015-16	
	POS AMOUNT	POS AMOUNT	POS AMOUNT	CODES
LOTTERY, DEPARTMENT OF THE				36000000
PGM: LOTTERY OPERATIONS				36010000
GOV OPERATIONS/SUPPORT				16
GOVERNMENTAL OPERATIONS				1601.00.00.00
NONRECURRING EXPENDITURES				2100000
UNINTERRUPTED POWER SUPPLY BATTERY				
REPLACEMENT				2103017
SPECIAL CATEGORIES				100000
CONTRACTED SERVICES				100777
OPERATING TRUST FUND -STATE	6,552-			2510 1
TOTAL: UNINTERRUPTED POWER SUPPLY BATTERY				2103017
REPLACEMENT				
TOTAL ISSUE.....	26,203-			
TERMINAL GAMES DRAW MACHINES				2103018
OPERATING CAPITAL OUTLAY				060000
OPERATING TRUST FUND -STATE	118,500-			2510 1
EQUIPMENT NEEDS				2400000
INFORMATION TECHNOLOGY				
INFRASTRUCTURE REPLACEMENT				24010C0
OPERATING CAPITAL OUTLAY				060000
OPERATING TRUST FUND -STATE	39,866	39,866		2510 1
SPECIAL CATEGORIES				100000
CONTRACTED SERVICES				100777
OPERATING TRUST FUND -STATE	28,860	26,482		2510 1
TOTAL: INFORMATION TECHNOLOGY				24010C0
INFRASTRUCTURE REPLACEMENT				
TOTAL ISSUE.....	68,726	66,348		

AGENCY ISSUE NARRATIVE:

2015-2016 BUDGET YEAR NARRATIVE:
 ISSUE SUMMARY

IT COMPONENT? YES

The Lottery is requesting \$39,866 in Operating Capital Outlay(OCO) and \$28,860 in Contracted Services (CS) to replace the Webwasher Firewalls in the Tallahassee Headquarters (HQ). The Lottery's firewalls are used to allow employees to safely

COL A03		COL A04		COL A05		CODES
AGY REQUEST	AGY REQ N/R	AGY REQ ANZ				
FY 2015-16	FY 2015-16	FY 2015-16				
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	
LOTTERY, DEPARTMENT OF THE						36000000
PGM: LOTTERY OPERATIONS						36010000
GOV OPERATIONS/SUPPORT						16
GOVERNMENTAL OPERATIONS						1601.00.00.00
EQUIPMENT NEEDS						2400000
INFORMATION TECHNOLOGY						
INFRASTRUCTURE REPLACEMENT						24010C0

conduct business on the internet without disrupting the ability to sell tickets, process claims and pay prizes.

BUSINESS PROBLEM BEING ADDRESSED

The Lottery maintains its connection to the Internet via two McAfee Web Gateways. This appliance is the first line of defense against viruses and malware that could be unknowingly downloaded by employees using the internet. The Web Gateways also allow the Lottery to monitor employee usage and block objectionable material. The current appliance is scheduled to go off support October 2015. This means reputation filtering, patching and virus scanning will no longer be kept up to date, resulting in an increased chance that the Lottery would be susceptible to a breach, which could negatively affect sales. The Lottery is involved with many activities related to entertainment, social media and sports. These applications also represent a risk to maintaining the integrity of the Lottery network. Upgrading our equipment will allow the Lottery to leverage emerging technologies in a safe and secure manner. The Lottery would like to go to a Next Generation Firewall (NGF1065-C1) to take advantage of the increased performance and a higher level of application control, allowing Lottery Security Administrators to disable the riskier portions of an application.

ADVERSE IMPACT IF NOT FUNDED

Not funding this request could increase the Lottery's probability of facing newer and more complex attacks since the older machines would not be updated after October 2015. It would also leave the Lottery at a disadvantage with controlling access to the newer application based technologies. This could result in the Lottery not being able to handle core business processes, which in turn could negatively affect sales.

ASSUMPTIONS/CONSTRAINTS

The Lottery will bring the new firewalls online, test, and verify the firewalls are configured correctly. Once complete, the Lottery would then begin migrating employee's access to the new firewalls. Once all employees are migrated the old McAfee Firewalls will be pulled off-line. As part of the upgrade, McAfee personnel will provide training and knowledge transfer to ensure Network and Security Administrators are able to maintain the system once it is live.

PLANNED HIGH-LEVEL IMPLEMENTATION TIMELINE

The Lottery will procure professional services to implement the proposed solution over a two week period. Lottery Information Technology/Information Security Management staff will work to migrate all Internet connections to the new system. Finally, the Lottery will conduct vulnerability and penetration tests to verify firewalls are configured correctly. The old firewalls will be kept on standby through October 2015 and then taken off-line at the end of their service life.

	COL A03	COL A04	COL A05		
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ		
	FY 2015-16	FY 2015-16	FY 2015-16		
POS	AMOUNT	POS	AMOUNT	POS	
				AMOUNT	
				CODES	
LOTTERY, DEPARTMENT OF THE					36000000
PGM: LOTTERY OPERATIONS					36010000
GOV OPERATIONS/SUPPORT					16
GOVERNMENTAL OPERATIONS					1601.00.00.00
EQUIPMENT NEEDS					2400000
INFORMATION TECHNOLOGY					
INFRASTRUCTURE REPLACEMENT					24010C0

Next Generation Firewall Upgrade

Lottery Procures Firewalls	July 2015
Lottery Procures Vendor Professional Services	July 2015
Install Hardware in HQ	August 2015
Configure and Test Firewalls	August 2015
Knowledge Transfer	August 2015
Remove Old Firewalls	October 2015

TOTAL ESTIMATED COSTS

The costs associated with this issue were derived from vendor supplied state contract pricing. The total cost includes \$28,860 in CS and \$39,866 in OCO. The Lottery currently pays annual maintenance costs of \$6,482 for the McAfee Web Gateways. The new annual maintenance cost is \$8,860 resulting in a difference of \$2,378 annually, the amount of requested recurring Contracted Services Appropriation.

Operating Capital Outlay (OCO)	Quantity	Unit Price	Total
McAfee Next Generation Firewall (NGF1065-C1)	2	\$11,224	\$22,448
HP Servers to run management and DR software	2	\$ 3,500	\$ 7,000
Security Management Console	1	\$ 3,218	\$ 3,218
Virtual Backup Software	1	\$ 7,200	\$ 7,200
OPERATING CAPITAL OUTLAY TOTAL:			\$39,866

Contracted Services (CS)	Quantity	Unit Price	Total
McAfee Hardware and Subscription Support	1	\$ 8,860	\$ 8,860
Professional Services	1	\$20,000	\$20,000
CONTRACTED SERVICES TOTAL:			\$28,860

REQUEST TOTAL: \$68,726

ALTERNATIVE SOLUTIONS

COL A03		COL A04		COL A05		CODES
AGY REQUEST		AGY REQ N/R		AG REQ ANZ		
FY 2015-16		FY 2015-16		FY 2015-16		
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	

LOTTERY, DEPARTMENT OF THE						36000000
PGM: LOTTERY OPERATIONS						36010000
GOV OPERATIONS/SUPPORT						16
GOVERNMENTAL OPERATIONS						1601.00.00.00
EQUIPMENT NEEDS						2400000
INFORMATION TECHNOLOGY						
INFRASTRUCTURE REPLACEMENT						24010C0

The Lottery also looked at the Palo Alto Next Generation Firewalls. The Lottery rejected this solution because the cost was \$45,646 higher for a similar system. The Lottery has experience with McAfee's Web Gateway and this will make it easier for Lottery personnel to maintain the new Firewalls.

CONCLUSION

The purchase of the new firewalls will allow the Lottery to leverage the use of Social Media, Cloud Services and newer web based applications, while blocking at a fine grain, any parts of the application the Lottery deems to be objectionable or of no business value. The newer firewall is also capable of detecting the newer class of malware that is associated with Advanced Persistent Threats (APTs).

This issue supports the Governor's Initiative of Improving Education, specifically Area-Specific Strategy #8 - Expand access to education and training programs for talent in distressed markets.

WORKLOAD						3000000
FLORIDA LOTTERY INDEPENDENT						
SECURITY AUDIT						3009300
SPECIAL CATEGORIES						100000
CONTRACTED SERVICES						100777

OPERATING TRUST FUND	-STATE	224,500	224,500			2510 1
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AGENCY ISSUE NARRATIVE:

2015-2016 BUDGET YEAR NARRATIVE:

IT COMPONENT? NO

This issue requests Contracted Services funding in the amount of \$224,500 for the Lottery to contract with a firm to conduct a comprehensive security evaluation of the department.

Per Section 24.108(7)(a), F.S., the department shall engage an independent firm experienced in security procedures, including, but not limited to, computer security and systems security, to conduct a comprehensive study and evaluation of all aspects of security in the operation of the department. In addition Section 24.108(7)(c), F.S., further states that the security evaluation shall be conducted at least every 2 years.

The last evaluation was conducted February through June 2014. To be in compliance with the statutory guidelines, the

COL A03		COL A04		COL A05		CODES
AGY REQUEST		AGY REQ N/R		AG REQ ANZ		
FY 2015-16		FY 2015-16		FY 2015-16		
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	

LOTTERY, DEPARTMENT OF THE						36000000
PGM: LOTTERY OPERATIONS						36010000
GOV OPERATIONS/SUPPORT						16
GOVERNMENTAL OPERATIONS						1601.00.00.00
WORKLOAD						3000000
FLORIDA LOTTERY INDEPENDENT						
SECURITY AUDIT						3009300

next evaluation must be conducted in 2016.

Security and integrity of the Lottery is paramount to its successful operation. The security evaluation is a tool that helps ensure that the Lottery operates with the highest level of security and utmost integrity. The next security evaluation should start in January 2016 and be completed by June 30, 2016.

If funding is not provided, the department will not be in compliance with the mandates of Section 24.108, F.S..

This issue supports the Governor's Initiative of Improving Education, specifically Area-Specific Strategy #8 - Expand access to education and training programs for talent in distressed markets.

CONTINUE CURRENT OTHER PERSONAL SERVICES ACTIVITIES						3100000
INCREASE TO OTHER PERSONAL SERVICES						
BASE APPROPRIATION						3109400
OTHER PERSONAL SERVICES						030000
OPERATING TRUST FUND	-STATE	120,000				2510 1

AGENCY ISSUE NARRATIVE:

2015-2016 BUDGET YEAR NARRATIVE:

IT COMPONENT? NO

The Lottery currently has a base Other Personal Service (OPS) budget of \$80,000. This issue is requesting an additional recurring \$120,000 for a total base of \$200,000 to cover the costs of an increased workload associated with sales, games, draws, retailers and security case load continuing to steadily increase.

10 Year Comparison	Retailers	Sales	Games**
FY 2013-14*	13,195	\$ 5,368.20	162
FY 2004-05	11,839	\$ 3,487.50	122
Difference	1,356	\$ 1,880.70	40
% Increase/Decrease	11.45%	53.93%	32.79%

*Data for FY 2013-14 is unaudited

**Games FY 2004-05 is approximated based on # of games with activity posted.

COL A03		COL A04		COL A05		CODES
AGY REQUEST		AGY REQ N/R		AG REQ ANZ		
FY 2015-16		FY 2015-16		FY 2015-16		
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	

LOTTERY, DEPARTMENT OF THE						36000000
PGM: LOTTERY OPERATIONS						36010000
GOV OPERATIONS/SUPPORT						16
GOVERNMENTAL OPERATIONS						<u>1601.00.00.00</u>
CONTINUE CURRENT OTHER PERSONAL						
SERVICES ACTIVITIES						3100000
INCREASE TO OTHER PERSONAL SERVICES						
BASE APPROPRIATION						3109400

Product Development, Games Administration, Claims Processing, and Corporate Sales

The Florida Lottery is requesting OPS support in Product Development, Games Administration, Claims Processing, and Corporate Sales to assist with the increase in workload corresponding with the increase in games, live draws, second chance draws, sales, and analysis needs. In Fiscal Year 2014-15 the Florida Lottery launched its participation in the national Monopoly game. This game is different from the other national lottery games whereas this game provides winners 3 chances to win and it is designed to create more millionaires. The additional OPS support would enable Product Development/Corporate Sales to provide the research and evaluation of the game's profitability, return on investment and other trends. It will also allow Games Administration and Claims Processing to continue to administer the increased number of live draws and second chance draws to the high standard of integrity necessary. In addition, sales are continuously increasing thus creating additional workload for current FTEs and additional OPS positions would balance the workload.

Division of Security (DOS)

Between July 1, 2014 and October 2, 2014, the DOS had 377 total investigative cases. Currently there are 7 Special Agents that have over 53 cases each to work. In addition, the Special Agents are required to conduct draw management duties seven days a week which averages 70 hours of required duty per week.

7 Special Agents = 280hrs per week
 -70hrs per week (draw duties)

 210hrs per week conducting investigations (this does not include vacations, holidays, sick, etc.)

Current case load per agent = 54 cases

Adding 2 OPS law enforcement positions at 20hrs per week would reduce the case load to 47 cases per agent, or reduce the required draw management duties from 70hrs per week to 30hrs per week. This will significantly increase our ability to meet our investigative requirements by reducing the full-time agent's responsibility to fulfill the draw management, thus allowing a reduction in case load.

One OPS Intelligence Analyst at 40hrs per week (or two at 20hrs per week) will significantly help our investigative strategy by providing analytical workups on current cases which will help us move to an intelligence policing model. By conducting law enforcement analytics, DOS will be able to identify trends that will allow our investigative model to focus our limited resources in a more efficient manner. In addition, the intelligence analysts can conduct deeper looks on current cases that will assist the investigators bringing their cases to a successful conclusion.

COL A03		COL A04		COL A05		CODES
AGY REQUEST		AGY REQ N/R		AG REQ ANZ		
FY 2015-16		FY 2015-16		FY 2015-16		
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	

LOTTERY, DEPARTMENT OF THE						36000000
PGM: LOTTERY OPERATIONS						36010000
GOV OPERATIONS/SUPPORT						16
GOVERNMENTAL OPERATIONS						<u>1601.00.00.00</u>
CONTINUE CURRENT OTHER PERSONAL						
SERVICES ACTIVITIES						3100000
INCREASE TO OTHER PERSONAL SERVICES						
BASE APPROPRIATION						3109400

Human Resources

 The HR OPS position would assist the office with updating employee personnel files to ensure compliance with state and federal laws. In addition, this position would serve as a back-up to the attendance and leave coordinator primarily auditing 200 manual timesheets that are completed on a monthly basis. Further, this position would provide administrative support to HR staff members. The Florida Lottery has 420 FTEs with five employees in the Office of Human Resources which is an employee to HR staff ratio of 84:1. Adding an additional OPS position to HR will provide additional support to the Florida Lottery's 420 FTEs and would free up time for HR staff to attend to other projects, including the development of training, process improvement, and cross-training.

This issue supports the Governor's Initiative of Improving Education, specifically Area-Specific Strategy #8 - Expand access to education and training programs for talent in distressed markets.

AGENCY-WIDE INFORMATION TECHNOLOGY						3620000
LOTTERY WINDOWS SERVER REFRESH						36226C0
OPERATING CAPITAL OUTLAY						060000
OPERATING TRUST FUND	-STATE	87,698	87,698			2510 1
=====						

AGENCY ISSUE NARRATIVE:

2015-2016 BUDGET YEAR NARRATIVE:
 ISSUE SUMMARY

IT COMPONENT? YES

 The Lottery is requesting \$87,698 of Non-Recurring budget authority in Operating Capital Outlay (OCO) category, to replace 8 old physical Hewlett Packard (HP) Intel based servers with 8 current technology servers, with more robust capabilities. In order to support the Lottery's business functions and provide the maximum amount of sales and revenues to the Educational Enhancement Trust Fund, it is imperative that support systems and core technical functions are available and maintained to the highest possible levels of availability, reliability and security. The Lottery's Intel servers provide the underlying infrastructure to support Lottery applications, including access to administer, monitor and audit the Gaming Systems, Internal Control Systems, Prize Payment System, Business Intelligence and Sales Reporting, management of the public web site, and all financial and accounting systems. The proposed server replacements will allow the Lottery to continue to reliably monitor and audit the gaming systems and applications provided by its business

COL A03		COL A04		COL A05		CODES
AGY REQUEST FY 2015-16 POS	AMOUNT	AGY REQ N/R FY 2015-16 POS	AMOUNT	AG REQ ANZ FY 2015-16 POS	AMOUNT	
LOTTERY, DEPARTMENT OF THE						36000000
PGM: LOTTERY OPERATIONS						36010000
GOV OPERATIONS/SUPPORT						16
GOVERNMENTAL OPERATIONS						1601.00.00.00
AGENCY-WIDE INFORMATION TECHNOLOGY						3620000
LOTTERY WINDOWS SERVER REFRESH						36226C0

partners, and to manage and administer its various legislative and financial responsibilities.

BUSINESS PROBLEM BEING ADDRESSED

The Lottery's needs continue to grow at a rapid pace, and every aspect of the agency's mission is based upon the use and management of technology and its ability to transcend innovation. The Lottery faces several challenges with respect to unsupported server hardware limitations. Currently, sharing of large amounts of data between different locations often results in unacceptable slow response times. Additionally, more and more investigative and legal data discovery requests consist of extremely large files, which places added burden on the network and server infrastructure.

Type Model	Number of Servers	Date Acquired	End of Support
HP ML330 G3	2	06/2004	May 2010
HP ML150 G2	1	07/2005	January 2011
HP ML370 G4	1	05/2005	January 2011
HP DL585 G1	2	06/2006	May 2012
HP DL585 G2	2	05/2007	March 2014

These servers provide the backbone for the Lottery's business applications that directly affect sales and marketing to the Lottery's customers and players. The new servers will allow the Lottery to replace its obsolete servers and upgrade the VMWare Host server architecture.

ADVERSE IMPACT IF NOT FUNDED

The majority of the Lottery's Microsoft Windows based servers have been in service for seven to ten years and are out of warranty. The servers are already experiencing issues and cannot be upgraded due to the limitations of obsolete hardware. Without replacing the servers, which are currently operating below optimum performance levels and are incompatible with newer technologies, system optimization is negatively impacted. The Lottery's systems will face higher risk to security vulnerabilities and data integrity.

ALTERNATIVE APPROACH

First approach-No Changes

While the existing business application platform currently supports Windows 2003, its underlying architecture prevents the Lottery from upgrading some of the Lottery's supported applications and impacts the Lottery's ability for innovation. Microsoft will no longer provide the support for Windows 2003 Operating System after July 2015. This will place the Department in jeopardy of noncompliant server licenses.

COL A03		COL A04		COL A05		CODES
AGY REQUEST		AGY REQ N/R		AG REQ ANZ		
FY 2015-16		FY 2015-16		FY 2015-16		
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	
LOTTERY, DEPARTMENT OF THE						36000000
PGM: LOTTERY OPERATIONS						36010000
GOV OPERATIONS/SUPPORT						16
GOVERNMENTAL OPERATIONS						<u>1601.00.00.00</u>
AGENCY-WIDE INFORMATION TECHNOLOGY						3620000
LOTTERY WINDOWS SERVER REFRESH						36226C0

Second approach-Remove VMWare

Replace six servers that have reached end of support, eliminate the VMWare host, and replace the nine current virtualized servers for a total of fifteen physical servers at a total cost of \$105,900.

TANGIBLE BENEFITS

The Lottery's in-house staff will complete the installation, configuration, and repurpose existing VMWare and Windows server licenses; therefore, no new funding is being requested for Expense and Contracted Services.

ASSUMPTIONS/CONSTRAINTS

The Lottery provides availability to its Business Applications 24 hours a day, 7 days a week. Any interruption to these services requires prior notification to all Lottery users. Installation and maintenance is required during the Lottery's standard maintenance hours to minimize system downtime.

PLANNED HIGH-LEVEL IMPLEMENTATION TIMELINE

The Lottery will utilize in-house staff to implement the proposed solution over a six month period.

Server Upgrade Schedule:

- Procure Hardware August 2015
- Receive Servers at Headquarters September 2015
- Prep and Install OS server hardware September 2015
- Build Virtual Servers with VMWare October 2015
- Test New Servers November 2015
- Migrate Data to New Servers December 2015
- Promote New Servers into Production December 2015
- Decommission Old Servers January 2016

ESTIMATED COSTS

Estimated costs cover the replacement of the server hardware. The Lottery currently owns Microsoft and VMWare server licenses and no additional costs are needed. Lottery staff will configure, install, and maintain the proposed replacement servers. The hardware costs consist of upgrading 2 high-end servers for virtual hosting and the remaining 6 servers to replace lesser capacity servers.

COL A03		COL A04		COL A05		CODES
AGY REQUEST		AGY REQ N/R		AG REQ ANZ		
FY 2015-16		FY 2015-16		FY 2015-16		
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	
						36000000
						36010000
						16
						<u>1601.00.00.00</u>
						3620000
						36226C0

LOTTERY, DEPARTMENT OF THE
 PGM: LOTTERY OPERATIONS
 GOV OPERATIONS/SUPPORT
 GOVERNMENTAL OPERATIONS
 AGENCY-WIDE INFORMATION TECHNOLOGY
 LOTTERY WINDOWS SERVER REFRESH

The vendor supplied server costs associated with this issue were derived from state term contract. The Fiscal Year 2014-15 total cost includes \$87,698 OCO.

Qty	Item #	Description	Unit Price	Total
6	1	HP ProLiant DL360p Gen8 Server-CTO 654081-B21 (2) Processor - Gen8 Intel Xeon E5-2630v2 (2.6GHz/6-core/15MB/80W) (2) Memory - 32GB (4x8GB) Single Rank x4 PC3-14900R (DDR3-1866) (4) Hard Drive - HP 600GB 6G SAS 10K rpm SFF (2.5-inch)	\$7,060	\$42,360
2	2	HP ProLiant DL560 Gen8 Server-CTO 686792-B21 (4) Processor - Gen8 Intel Xeon E5-4650v2 (2.4GHz/10-core/25MB/95W) (4) Memory - 96GB (6x16GB) Dual Rank x4 PC3-14900R (DDR3-1866) (2) Hard Drive - HP 600GB 6G SAS 10K rpm SFF (2.5-inch)	\$22,669	\$45,338

			GRAND TOTAL	\$87,698

COST IMPACT TO OVERALL OPERATIONS AND MAINTENANCE COSTS AFTER IMPLEMENTATION

The existing maintenance cost of the eight servers is \$5,208 and the new maintenance cost will be \$5,118. The existing budget will cover this cost. No new funding is being requested for Contracted Services.

CONCLUSION

To better fulfill its mission, the Lottery's automated business systems need to be capable of satisfying the growing demands of this challenging industry. Operating on outdated and unsupported hardware leaves the Department in an at-risk state. By replacing these servers with current technology, the Lottery will realize increased performance and efficiency resulting in fewer hardware failures, less downtime, and reduced costs.

This issue supports the Governor's Initiative of Improving Education, specifically Area-Specific Strategy #8 - Expand access to education and training programs for talent in distressed markets.

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2015-16	FY 2015-16	FY 2015-16	
	POS AMOUNT	POS AMOUNT	POS AMOUNT	CODES
LOTTERY, DEPARTMENT OF THE				36000000
PGM: LOTTERY OPERATIONS				36010000
GOV OPERATIONS/SUPPORT				16
GOVERNMENTAL OPERATIONS				1601.00.00.00
AGENCY-WIDE INFORMATION TECHNOLOGY				3620000
LOTTERY TAPE LIBRARIES FOR				
DISASTER RECOVERY				36227C0
EXPENSES				040000
OPERATING TRUST FUND -STATE	22,500	22,500		2510 1
OPERATING CAPITAL OUTLAY				060000
OPERATING TRUST FUND -STATE	349,429	349,429		2510 1
SPECIAL CATEGORIES				100000
CONTRACTED SERVICES				100777
OPERATING TRUST FUND -STATE	4,000	4,000		2510 1
TOTAL: LOTTERY TAPE LIBRARIES FOR				36227C0
DISASTER RECOVERY				
TOTAL ISSUE.....	375,929	375,929		

AGENCY ISSUE NARRATIVE:
 2015-2016 BUDGET YEAR NARRATIVE:
 ISSUE SUMMARY

IT COMPONENT? YES

The Lottery is requesting \$375,929 (\$349,429 in Operating Capital Outlay (OCO), \$22,500 in Expense and \$4,000 in Contracted Services (CS)) to upgrade the Tape Library Systems in the Tallahassee Headquarters (HQ) and Orlando Data Center (ODC). The primary function of the Lottery's Tape Library Systems are to provide a dependable, secure backup and disaster recovery solution in the event of a major system failure. The existing Tape Library Systems were configured for the Lottery business model over ten years ago. The volume of the Lottery business data has grown extensively over this time causing the existing tape system to operate beyond the efficiency ratings. To ensure Continuity of Operations and Disaster Recovery, the Lottery maintains a backup data center in Orlando to protect against system failures and natural disasters that might disrupt the ability to sell tickets, process claims, and pay prizes. The Lottery's Tape Library Systems provide robotic storage and retrieval of portable medium for storing critical business data in both local and offsite storage facilities including but not limited to the Lottery's Email, Financial Systems, Business Intelligence information, Corporate Retailer Daily Financial Activity and FORTUNE (the Prize Payment System for payment of winning tickets to players and validation of instant, terminal-based and promotional lottery tickets which contributes to the fulfillment of Section 24.115 F.S. - Payment of prizes).

BUSINESS PROBLEM BEING ADDRESSED

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2015-16	FY 2015-16	FY 2015-16	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
LOTTERY, DEPARTMENT OF THE				36000000
PGM: LOTTERY OPERATIONS				36010000
GOV OPERATIONS/SUPPORT				16
GOVERNMENTAL OPERATIONS				1601.00.00.00
AGENCY-WIDE INFORMATION TECHNOLOGY				3620000
LOTTERY TAPE LIBRARIES FOR				
DISASTER RECOVERY				36227C0

The Lottery currently has two outdated Tape Library Systems, one in the HQ and one in the ODC. The HQ existing tape library configuration consists of two frames with sixteen generation-2 LTO-2 drives that utilize robotic storage and retrieval of 1,000 tape slots for portable medium. The ODC tape library has one frame with six generation LTO-2 drives that utilize robotic storage and retrieval of 72 tape slots for portable medium. The existing tape libraries currently use outdated LTO-2 media with the majority of the tapes now in use by the Lottery being surplus from another State agency, Department of Environmental Protection (DEP), when they upgraded their tape systems more than three years ago.

The HQ Tape Library System, purchased in 2002, has an adequate number of tape slots, however the tape drives are inefficient, due to the slow speed of the drives, the data transfer rates and the capacity of individual tapes which are limited by the older technology. The ODC Tape Library System, purchased in 2004, has reached its maximum capacity and cannot be further upgraded. Daily TSM administrative data reclamations, migrations and archives of critical business data are currently degraded by file contention when multiple long running jobs compete for resources. Due to the age and repeated use of the old tapes, many critical backup jobs fail with media errors and must be rerun. Many jobs run more than 15 hours and one critical job runs 50 to 70 hours every weekend. These problems would be alleviated by the faster transfer rates and larger capacities of the proposed technology upgrade.

ALTERNATIVE SOLUTION

Install LTO-4 technology in both data centers. The LTO-4 drives have the capability to read the old LTO-2 archived tapes and write new data to the new LTO-4 tapes which can be considered a viable solution; however, major concerns exist with this solution. The LTO-4 technology is already seven years old, the cost for this solution is within 1% cost difference of the proposed LTO-6 solution cost. In this solution, the Lottery would need to purchase a new tape library frame and move and upgrade its existing frame to the ODC. The purchase would include an additional six tape drives in the Orlando Tape Library and twelve in the HQ, at the state term contract price of \$375,583, which is essentially the same cost as the proposed solution.

TANGIBLE BENEFITS

All components of the tape library will continue to be used with the exception of the reduction of LTO-2 tape drives, which will offset the increased cost for 24/7 support, estimated to be \$5,500 for HQ and \$3,571 for ODC.

ADVERSE IMPACT IF NOT FUNDED

The Tape Storage system is the integral component of the Lottery's backup strategy since it plays a significant role in fulfilling the Lottery's statutory obligations defined in Chapter 24 F.S.. Due to the administration, oversight and auditing of gaming operations, the Lottery must maintain its own backup data center in Orlando to insure the ability to

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2015-16	FY 2015-16	FY 2015-16	
POS	AMOUNT	POS	AMOUNT	POS AMOUNT
LOTTERY, DEPARTMENT OF THE				36000000
PGM: LOTTERY OPERATIONS				36010000
GOV OPERATIONS/SUPPORT				16
GOVERNMENTAL OPERATIONS				<u>1601.00.00.00</u>
AGENCY-WIDE INFORMATION TECHNOLOGY				3620000
LOTTERY TAPE LIBRARIES FOR				
DISASTER RECOVERY				36227C0

properly audit the gaming vendor(s). In the event of a natural disaster, dependency on an inadequate backup system could greatly impede the Lottery's ability to meet statutory obligations.

ASSUMPTIONS/CONSTRAINTS

The Lottery operates 24 hours a day, 7 days a week. The ODC is not staffed 24 hours. Conversion work must be completed during the non-sales scheduled maintenance window.

PLANNED HIGH-LEVEL IMPLEMENTATION TIMELINE

The Lottery will procure Professional Services to implement the proposed solution. The implementation plan is scheduled to occur over a five month period; however the tape conversion will occur in-house over an estimated time frame of six months to one year.

Projected Tape Library Upgrade Schedule:

- Procure Hardware September 2015
- Procure Vendor Professional Services October 2015
- Install hardware in ODC October 2015
- Configure LTO library in ODC October 2015
- Move tapes from old library to new library November 2015
- Knowledge Transfer November 2015
- Install hardware in HQ December 2015
- Configure LTO library in HQ January 2016
- Move tapes from old library to new library January 2016 - Ongoing
- Knowledge Transfer January 2016

IT SERVICE AND IMPLEMENTATION APPROACH

The migration of the historical data archived on old media to the new LTO-6 technology will occur over time. All new data will be written to new LTO-6 drives. The migration process will read old data with LTO-2 drives and write to dedicated LTO-6 drives. Once all of the old LTO-2 tape data has been completely migrated, the LTO-2 drives will be removed.

Tallahassee proposed configuration - 1,000 tape slots

- 18 Total tape drives (10 new LTO-6 Drives, and 8 LTO-2 Drives)
 - 8 LTO-6 tape drives allocated new LTO-6 backups
 - 2 LTO-6 tape drives allocated for migration/conversion from LTO2 to LTO6 tape medium

COL A03		COL A04		COL A05		CODES
AGY REQUEST		AGY REQ N/R		AG REQ ANZ		
FY 2015-16		FY 2015-16		FY 2015-16		
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	

LOTTERY, DEPARTMENT OF THE						36000000
PGM: LOTTERY OPERATIONS						36010000
GOV OPERATIONS/SUPPORT						16
GOVERNMENTAL OPERATIONS						<u>1601.00.00.00</u>
AGENCY-WIDE INFORMATION TECHNOLOGY						3620000
LOTTERY TAPE LIBRARIES FOR						
DISASTER RECOVERY						36227C0

- 8 LTO-2 tape drives allocated for tape migration/conversion 9

Orlando proposed configuration - 270 tape slots

-10 Total tape drives (4 new LTO-6 Drives, and 6 LTO-2 Drives from HQ/Tallahassee)

- 4 LTO-6 tape drives allocated new LTO-6 backups

- 6 LTO-2 tape drives allocated to read data until complete migration to LTO-6 data technology

TOTAL ESTIMATED COSTS

The costs associated with this issue were derived from vendor supplied state term contract pricing in August 2014. The total cost includes \$4,000 in Contracted Services, \$22,500 in Expense and \$349,429 in Operating Capital Outlay.

Item # Description	Qty.	Unit Price Ext.	Price
Tallahassee - HQ:			
Operating Capital Outlay - OCO:			
TS3500 Tape Library Base Frame	1	\$ 60,081	\$ 60,081
Tape Library Expansion Frame #2 (upgrade connection)	1	\$ 3,450	\$ 3,450
Tape Library Expansion Frame #3 (upgrade connection)	1	\$ 1,397	\$ 1,397
TS1060 Ultrium 6 Tape Drive	10	\$ 16,030	\$160,300
			=====
		OCO Subtotal	\$225,228
EXPENSE:			
Ultrium Tape Cartridge Labeled pack: Total 100	1	\$ 15,000	\$ 15,000
CONTRACTED SERVICES:			
Professional Services	1	\$ 2,000	\$ 2,000
			=====
		Tallahassee Total	\$242,228
Orlando - ODC:			
Operating Capital Outlay - OCO:			
TS3500 Tape Library Frame	1	\$ 60,081	\$ 60,081
TS1060 Ultrium 6 Tape Drive	4	\$ 16,030	\$ 64,120
			=====
		OCO Subtotal	\$124,201
EXPENSE:			

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2015-16	FY 2015-16	FY 2015-16	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
LOTTERY, DEPARTMENT OF THE				36000000
PGM: LOTTERY OPERATIONS				36010000
GOV OPERATIONS/SUPPORT				16
GOVERNMENTAL OPERATIONS				<u>1601.00.00.00</u>
AGENCY-WIDE INFORMATION TECHNOLOGY				3620000
LOTTERY TAPE LIBRARIES FOR				
DISASTER RECOVERY				36227C0
Ultrium Tape Cartridge Labeled pack: Total 50			1	\$ 7,500
				\$ 7,500
CONTRACTED SERVICES:				
Professional Services			1	\$ 2,000
				\$ 2,000
				=====
				Orlando Total
				\$133,701
				OCO TOTAL \$349,429
				EXPENSE TOTAL \$ 22,500
				CONTRACTED SERVICES TOTAL \$ 4,000
				=====
				GRAND TOTAL \$375,929

CONCLUSION

 In order to support the Lottery's business functions and provide the maximum amount of sales and revenues to the Educational Enhancement Trust Fund, it is imperative that all support systems and business critical data is maintained at the highest possible levels of availability, reliability and security. By increasing the speed of the drives, the capacity of the tapes and the reliability of the tape media, the run times for lengthy backups will result in shorter run times that will operate in the off peak maintenance window. The proposed LTO-6 technology is at generation six with substantial enhancements in tape capacity, performance, and reliability for the drives, tape media, and the data transfer rates. By upgrading both data centers to robust tape library systems, the Lottery will be better positioned to meet the demands for Disaster Recovery in safeguarding the business data in a timely and efficient manner.

This issue supports the Governor's Initiative of Improving Education, specifically Area-Specific Strategy #8 - Expand access to education and training programs for talent in distressed markets.

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2015-16	FY 2015-16	FY 2015-16	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
LOTTERY, DEPARTMENT OF THE				36000000
PGM: LOTTERY OPERATIONS				36010000
GOV OPERATIONS/SUPPORT				16
GOVERNMENTAL OPERATIONS				1601.00.00.00
FLORIDA LOTTERY OPERATIONS FUNDING				5000000
SPECIAL CATEGORIES				100000
INSTANT TICKET PURCHASE				101740
OPERATING TRUST FUND -STATE	9,552,933			2510 1

AGENCY ISSUE NARRATIVE:

2015-2016 BUDGET YEAR NARRATIVE:

IT COMPONENT? NO

The issue requests an increase in the Instant Ticket Appropriation Category of \$9,552,933. The July 14, 2014 Revenue Estimating Conference (REC) forecasted Instant Ticket Sales for Fiscal Year 2015-16 to be \$3,658,700,000. The requested increase in this appropriation category is calculated using the latest REC forecasted sales amount and applying an effective rate of 1.50%. The vendor rate for Scratch-Off varies by price point; therefore the Lottery calculates an effective rate for forecasting purposes.

Over the past six years, from Fiscal Year 2008-09 through Fiscal Year 2013-14, Scratch-Off ticket sales have increased from \$2,064,135,000 to \$3,417,143,000 (65.55%), and as noted above, the REC is projecting Instant Ticket Sales to be \$3,658,700,000 during Fiscal Year 2015-16, an additional increase of 7.07% over Fiscal Year 2014-15.

New and innovative products must be marketed on a continuing basis to maintain and grow Scratch-Off ticket sales. Part of the Lottery's strategy to achieve incremental sales is through the continued introduction of licensed property Scratch-Off games such as the new BRITTO game. Licensed property games, such as Monopoly and Bejeweled offer lotteries the ability to capitalize on the equity inherent in popular brands. The familiarity of brands, and the affiliation consumers have with these brands, is a means of attracting new players and generating more sales from existing players. Special printing options such as the use of holographic paper or die-cut tickets help spotlight games such as the holiday games in a way to help attract new players and re-energize existing players by stimulating the visual impact of repeat products. Both licensed property games and special printing options are part of the Lottery's continued effort to add product value, bring innovative products to market, and ultimately increase sales and transfers to the Educational Enhancement Trust Fund (EETF).

FY 2015-16 Scratch-off ticket sales projection of \$3,658,700,000 x 1.50%	= \$ 54,880,500
Estimated annual cost for Licensed Property Game Fees	= \$ 2,000,000

Total FY 2015-16 appropriation needed	\$ 56,880,500
Less FY 2014-15 appropriation base	\$(47,327,567)

Total FY 2015-16 increase needed	\$ 9,552,933

This issue supports the Governor's Initiative of Improving Education, specifically Area-Specific Strategy #8 - Expand access to education and training programs for talent in distressed markets.

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2015-16	FY 2015-16	FY 2015-16	
	POS AMOUNT	POS AMOUNT	POS AMOUNT	CODES
LOTTERY, DEPARTMENT OF THE				36000000
PGM: LOTTERY OPERATIONS				36010000
GOV OPERATIONS/SUPPORT				16
GOVERNMENTAL OPERATIONS				1601.00.00.00
FLORIDA LOTTERY OPERATIONS FUNDING				5000000
INCREASE TO TERMINAL GAMES				
FEE APPROPRIATION				5000210
SPECIAL CATEGORIES				100000
TERMINAL GAMES FEES				102381
OPERATING TRUST FUND -STATE	568,904			2510 1

AGENCY ISSUE NARRATIVE:

2015-2016 BUDGET YEAR NARRATIVE:

IT COMPONENT? NO

The Fiscal Year 2015-16 requested amount for terminal game contract obligations is calculated using sales projections from the July 14, 2014 Revenue Estimating Conference of \$1,955,000,000 for terminal ticket sales. The terminal gaming system contract uses a contracted percentage of 1.0699% for terminal ticket sales. There are several system and terminal enhancements that the Lottery has implemented which allow optimal use of the gaming system. These enhancements are not included in the contracted percentage rate of 1.0699%.

These enhancements include:

Gift Card Management Software - this application, which required installation in terminals at start-up, allows the Lottery the ability to utilize several features over the life of the contract. These features include special coupon offers and promotions, reusable gift cards and subscription programs. Funding for this enhancement is: \$12.10 per terminal per month.

Altura Vision Multimedia display and messaging system - uses enhanced functionality of lottery terminals for point-of-sale communication. It makes an even bigger impact at the counter by displaying multimedia content such as game results, Florida Lottery promotional messages and graphics, and current Lottery news on video screens at the point of sale. Screens can also be used to display photos for Amber Alert announcements. Funding is being requested at: \$32 per terminal per month.

Additional Altura Terminals - The contract includes a base number of 12,000 Altura terminals to be placed at retailer locations. The Lottery requests to continue these appropriations for all additional Altura Terminals listed below.

The Lottery received authorization for 1,000 additional terminals in Fiscal Year 2005-06 at a monthly cost of \$150 per terminal.

Authorization for an additional 500 terminals was received in FY 2007-08 at monthly cost of \$190 per terminal. Also, 350 additional Altura Terminals were approved for Fiscal Year 2012-13 at a monthly cost of \$190 per terminal. Included in this appropriation was Gift Management Software for 350 terminals at a cost of \$12.10 per month.

The Lottery is also requesting \$2,000,000 in funding to cover the estimated costs for licensed property games in Fiscal Year 2015-16. It should be noted that fees for most licensed property games are based on a percentage of sales; therefore, fees will increase proportionately as revenues increase.

COL A03		COL A04		COL A05		CODES
AGY REQUEST		AGY REQ N/R		AG REQ ANZ		
FY 2015-16		FY 2015-16		FY 2015-16		
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	

LOTTERY, DEPARTMENT OF THE						36000000
PGM: LOTTERY OPERATIONS						36010000
GOV OPERATIONS/SUPPORT						16
GOVERNMENTAL OPERATIONS						<u>1601.00.00.00</u>
FLORIDA LOTTERY OPERATIONS FUNDING						5000000
INCREASE TO TERMINAL GAMES						
FEES APPROPRIATION						5000210

FY 2015-16 terminal sales projections of \$1,955,000,000 x 1.0699%	\$20,916,545
Gift Card Management Software (13,850 terminals x \$12.10 x 12 months)	\$ 2,011,020
AlturaVision - Multi-media display (4,000 terminals x \$32 x 12 months)	\$ 1,536,000
Additional Altura Terminals (1,000 terminals x \$150 x 12 months)	\$ 1,800,000
Additional Altura Terminals (850 terminals x \$190 x 12 months)	\$ 1,938,000
Licensed Property Game Fees	\$ 2,000,000

Total FY 2015-16 Appropriation needed	\$30,201,565
Less FY 2014-15 Appropriation base	(\$29,632,661)

Total FY 2015-16 increase needed	\$ 568,904

This issue supports the Governor's Initiative of Improving Education, specifically Area-Specific Strategy #8 - Expand access to education and training programs for talent in distressed markets.

TOTAL: GOVERNMENTAL OPERATIONS						<u>1601.00.00.00</u>
BY FUND TYPE						
	365.00					
TRUST FUNDS.....	163,506,868	754,475				2000
SALARY RATE.....	14,402,213					
	=====	=====	=====			

	COL A03		COL A04		COL A05		CODES
	POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	
LOTTERY, DEPARTMENT OF THE							36000000
PGM: LOTTERY OPERATIONS							36010000
GOV OPERATIONS/SUPPORT							16
EXEC LEADERSHIP/SUPPRT SVC							1602.00.00.00
ESTIMATED EXPENDITURES							1000000
ESTIMATED EXPENDITURES - OPERATIONS							1001000
SALARY RATE							000000
SALARY RATE.....		3,497,433					
=====							
SALARIES AND BENEFITS							010000
OPERATING TRUST FUND -STATE		55.00					
		4,751,721					2510 1
=====							
OTHER PERSONAL SERVICES							030000
OPERATING TRUST FUND -STATE		61,704					
							2510 1
=====							
EXPENSES							040000
OPERATING TRUST FUND -STATE		3,086,538					
							2510 1
=====							
OPERATING CAPITAL OUTLAY							060000
OPERATING TRUST FUND -STATE		1,000					
							2510 1
=====							
SPECIAL CATEGORIES							100000
ACQUISITION/MOTOR VEHICLES							100021
OPERATING TRUST FUND -STATE		340,000					
							2510 1
=====							
CONTRACTED SERVICES							100777
OPERATING TRUST FUND -STATE		814,749					
							2510 1
=====							
RISK MANAGEMENT INSURANCE							103241
OPERATING TRUST FUND -STATE		558,225					
							2510 1
=====							

	COL A03		COL A04		COL A05		CODES
	AGY REQUEST FY 2015-16 POS	AMOUNT	AGY REQ N/R FY 2015-16 POS	AMOUNT	AG REQ ANZ FY 2015-16 POS	AMOUNT	
LOTTERY, DEPARTMENT OF THE							36000000
PGM: LOTTERY OPERATIONS							36010000
GOV OPERATIONS/SUPPORT							16
EXEC LEADERSHIP/SUPPRT SVC							1602.00.00.00
ESTIMATED EXPENDITURES							1000000
ESTIMATED EXPENDITURES - OPERATIONS							1001000
SPECIAL CATEGORIES							100000
TR/DMS/HR SVCS/STW CONTRCT							107040
OPERATING TRUST FUND -STATE		141,429					2510 1
TOTAL: ESTIMATED EXPENDITURES - OPERATIONS							1001000
TOTAL POSITIONS.....		55.00					
TOTAL ISSUE.....		9,755,366					
TOTAL SALARY RATE.....		3,497,433					
CASUALTY INSURANCE PREMIUM ADJUSTMENT							1001090
SPECIAL CATEGORIES							100000
RISK MANAGEMENT INSURANCE							103241
OPERATING TRUST FUND -STATE		72,179					2510 1
FLORIDA RETIREMENT SYSTEM ADJUSTMENT FOR FISCAL YEAR 2014-15 NORMAL COST AND UNFUNDED ACTUARIAL LIABILITY (UAL)							1001400
SALARIES AND BENEFITS							010000
OPERATING TRUST FUND -STATE		29,947					2510 1
HEALTH INSURANCE SUBSIDY - RETIREES FOR FY 2014-15							1001410
SALARIES AND BENEFITS							010000
OPERATING TRUST FUND -STATE		1,708					2510 1

	COL A03		COL A04		COL A05		CODES
	AGY REQUEST FY 2015-16 POS	AMOUNT	AGY REQ N/R FY 2015-16 POS	AMOUNT	AG REQ ANZ FY 2015-16 POS	AMOUNT	
LOTTERY, DEPARTMENT OF THE							36000000
PGM: LOTTERY OPERATIONS							36010000
GOV OPERATIONS/SUPPORT							16
EXEC LEADERSHIP/SUPPRT SVC							<u>1602.00.00.00</u>
ESTIMATED EXPENDITURES							1000000
REALLOCATION OF HUMAN RESOURCES							
OUTSOURCING							1005900
SPECIAL CATEGORIES							100000
TR/DMS/HR SVCS/STW CONTRCT							107040
OPERATING TRUST FUND -STATE		3,484					2510 1
TOTAL: EXEC LEADERSHIP/SUPPRT SVC BY FUND TYPE							<u>1602.00.00.00</u>
TRUST FUNDS.....	55.00						
SALARY RATE.....		9,862,684					2000
TOTAL: PGM: LOTTERY OPERATIONS BY FUND TYPE							36010000
TRUST FUNDS.....	420.00						
SALARY RATE.....		173,369,552	754,475				2000

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* BPEADL01                               STATISTICAL INFORMATION                               10/15/2014 08:39:35 *
* BUDGET PERIOD: 2005-2016                 EXHIBIT A, D AND D-3A LIST REQUEST                       MAS 36      SP      *
* COMPILE DATE: 02/26/2014                 COMPILE TIME: 16:28:51                               PAGE:      1      *
*****
*                                     SAVE INITIALS:          SAVE DEPARTMENT: 07      SAVE ID: ED3A
* -----
* SELECT CODES AND ACCUMULATION LEVELS WHERE ALLOWED.  WHEN NO CODE IS SELECTED, ALL CODES WILL BE REPORTED.
* ITEMIZATION OF EXPENDITURE:                IOE ACCUMULATION LEVEL: 0 (1=OPER/FCO, 2=IOE, 0=MERGED)
* MERGE GROUPS (Y/N): Y
* BUDGET ENTITY OR GROUP/ACCUMULATION LEVEL (DEP, DIV, BUR, SUB, LBE, MRG):
*   1-7:          LBE
*   8-14:
*   15-21:
*   22-27:
* EXCLUDE:
*
* PROGRAM COMPONENT/ACCUMULATION LEVEL (1, 2, 3, 4 OR 5 FOR 2, 4, 6, 8 OR 10 DIGITS, 6=MERGE POLICY, 0=MERGED):
*   5
*
* APPROPRIATION CATEGORY OR GROUP/ACCUMULATION LEVEL (1=MAJOR, 2=MINOR, 0=MERGED):
*   2
*
* FUND GROUPS SET:          OR FUND:          FUNDING SOURCE IDENTIFIER:          MERGE FSI (Y/N): N
* FCO (Y/N): Y          FTE (Y/N): Y          SALARY RATE (Y/N): Y
* -----
* ISSUE CODE OR GROUP/ACCUMULATION LEVEL (1, 2 OR 3 FOR 1, 3 OR 7 CHARACTERS, 0=MERGED):
*   3
*
* REPORT OPTION: 1          COLUMN SELECTION: A03          A04          A05          CODES
* 1=EAD REPORT
* 2=SCHEDULE IV/IT ISSUES          REPORT COLUMNS WITH CALCULATION DIFFERENCE ONLY (Y/N): N  THAT EXCEED:
* 3=STATEWIDE ISSUES
* 4=SCHEDULE VIIIA ISSUES
* SCHEDULE VIIIA ISSUES SPREADSHEET (Y/N): N
*
* LEVELS OF TOTALS:  (N=NO TOTAL, L=LINE TOTAL, T=BY FUND TYPE, D=BY DETAIL FUND, B=BY DETAIL FUND AND FUND TYPE,
* G=FUND GROUP LINE TOTALS, E=BY DETAIL FUND AND FUND GROUP)
* RUN: N          ITEM OF EXP: N          GROUP: N          DEPARTMENT: N          DIVISION: N          BUREAU: N
* SUB-BUREAU: N          LBE: T          POLICY AREA: N          PROG COMP: T          D3A SUM ISSUE: N          D3A DETAIL ISSUE: L
* MAJOR APP CAT: N          MINOR APP CAT: D
*
* APPROPRIATION CATEGORY TITLES: S (S=SHORT, L=LONG)          REPORT SEQUENCE: DEPT/BUDGET ENTITY: N  A=ALPHABETICAL
*                                     PROGRAM COMPONENT: N  N=NUMERICAL
* -----
* DEPARTMENT NARRATIVE SET:
* BUDGET ENTITY NARRATIVE SET:          PROGRAM COMPONENT NARRATIVE (Y/N): N
*
* ISSUE/ACTIVITY NARRATIVE SET: A1          PRIORITY ISSUE NARRATIVE SET (1-9):
*
* INCLUDE POSITION DATA (Y/N): Y
*
* INCLUDE COLUMN CODES (Y/N): Y
*
* OUTPUT FORMAT: L          PAGE BREAKS: LBE  PRC
* L=LANDSCAPE          (IOE, GRP, DEP, DIV,          REPORT HEADING:          EXHIBIT D-3A
* P=PORTRAIT          BUR, SUB, LBE, PRC,          EXPENDITURES BY
*                                     SIS, ISC)          ISSUE AND APPROPRIATION CATEGORY
* -----

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* BPEADL01                               STATISTICAL INFORMATION                10/15/2014 08:39:35 *
* BUDGET PERIOD: 2005-2016              EXHIBIT A, D AND D-3A LIST REQUEST        MAS 36      SP   *
* COMPILE DATE: 02/26/2014              COMPILE TIME: 16:28:51                PAGE:      2   *
*****
*
* TOTAL RECORDS READ FROM SORT:          57
* TOTAL RECORDS READ FROM CARD:          43
* TOTAL PAF RECORDS READ:                0
* TOTAL OAF RECORDS READ:                0
* TOTAL IEF RECORDS READ:                0
* TOTAL BGF RECORDS READ:                0
* TOTAL BEF RECORDS READ:                4
* TOTAL PCF RECORDS READ:                3
* TOTAL ICF RECORDS READ:                28
* TOTAL INF RECORDS READ:                564
* TOTAL ACF RECORDS READ:                23
* TOTAL FCF RECORDS READ:                2
* TOTAL FSF RECORDS READ:                10
* TOTAL PCN RECORDS READ:                0
* TOTAL BEN RECORDS READ:                0
* TOTAL DPC RECORDS READ:                0
* TOTAL RECORDS IN ERROR:                0
*
*****
*
* BUDGET ENTITIES SELECTED:
*   1-9: 36
*  10-18:
*  19-27:
*
*****

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