
 COL A93
 SCH VIIIIB-2
 REDUCTIONS
 POS AMOUNT CODES

LOTTERY, DEPARTMENT OF THE 36000000
 PGM: LOTTERY OPERATIONS 36010000
 GOV OPERATIONS/SUPPORT 16
 GOVERNMENTAL OPERATIONS 1601.00.00.00
 STATE FUNDING REDUCTIONS 3300000
 POTENTIAL REDUCTION TO INSTANT
 TICKET PURCHASE APPROPRIATION 3301040
 SPECIAL CATEGORIES 100000
 INSTANT TICKET PURCHASE 101740

OPERATING TRUST FUND -STATE 3,054,967- 2510 1
 =====

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 15-16 NARRATIVE: IT COMPONENT? NO
 PRIORITY #4

In order to achieve the designated target reduction, the Lottery would have to suggest decreasing this category despite the July 2014 Revenue Estimating Conference (REC) adopting a sales forecast of \$3.659B. The adopted sales forecast creates a need for the Lottery to request additional funding in the Fiscal Year 2015-16 Legislative Budget Request.

The Lottery proposes a reduction in the amount of \$3.055M in the Instant Ticket Contract appropriation category to meet the target reduction.

The impact on the Lottery would be moderate, should sales meet or exceed REC projections the Lottery would submit a Budget Amendment requesting sufficient funds to continue selling Instant Ticket products.

POTENTIAL REDUCTION TO TERMINAL
 GAMES FEES APPROPRIATION 3301050
 SPECIAL CATEGORIES 100000
 TERMINAL GAMES FEES 102381

OPERATING TRUST FUND -STATE 4,946,000- 2510 1
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AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 15-16 NARRATIVE: IT COMPONENT? NO
 PRIORITY #3

In order to achieve the designated target reduction, the Lottery would have to suggest decreasing the Terminal Games appropriation category by \$4,946,000.

The July 2014 Revenue Estimating Conference (REC) projected Terminal Game sales of \$1.955B, reflecting a slight decline from the previous Terminal Game sales projection of \$2.005, adopted in February of 2014. In order to achieve the

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| REDUCTIONS | | |
| POS | AMOUNT | CODES |
| LOTTERY, DEPARTMENT OF THE | | 36000000 |
| PGM: LOTTERY OPERATIONS | | 36010000 |
| GOV OPERATIONS/SUPPORT | | 16 |
| GOVERNMENTAL OPERATIONS | | 1601.00.00.00 |
| STATE FUNDING REDUCTIONS | | 3300000 |
| POTENTIAL REDUCTION TO TERMINAL | | |
| GAMES FEES APPROPRIATION | | 3301050 |

designated target reduction, the Lottery would have to suggest decreasing this appropriation category by \$4,946,000.

The impact on the Lottery would be moderate, should sales increase and exceed REC projections the Lottery would submit a Budget Amendment requesting sufficient funds to continue selling Terminal Game products.

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| POTENTIAL REDUCTION TO CONTRACTED SERVICES - VEHICLE REPAIR AND MAINTENANCE | | 3301800 |
| SPECIAL CATEGORIES | | 100000 |
| CONTRACTED SERVICES | | 100777 |
| OPERATING TRUST FUND -STATE | 26,140- | 2510 1 |
| | ===== | |

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 15-16 NARRATIVE:
 PRIORITY #1

IT COMPONENT? NO

DESCRIPTION OF REDUCTION ISSUE: This is to propose a reduction to the Contracted Services Appropriation Category in the amount of \$26,140. The amount of this reduction is directly related to projected efficiencies realized as a result of having an increase in Non-Recurring Acquisition of Motor Vehicle appropriation in Fiscal Year 2014-15.

CALCULATION OF REDUCTION AMOUNT: Narrative in the Legislative Budget Request (LBR) issue noted that the Lottery's aging vehicle fleet resulted in higher maintenance and operating costs. In Fiscal Year 2013-14 the Lottery expended \$261,400 in vehicle maintenance and repair costs. The Lottery proposes a 10% efficiency savings of \$26,140 in repair and maintenance costs.

IMPACT OF REDUCTION: Minimal.

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|-----------------------------------|--------|---------|----------------------|
| LOTTERY, DEPARTMENT OF THE | | | 36000000 |
| PGM: LOTTERY OPERATIONS | | | 36010000 |
| GOV OPERATIONS/SUPPORT | | | 16 |
| GOVERNMENTAL OPERATIONS | | | <u>1601.00.00.00</u> |
| STATE FUNDING REDUCTIONS | | | 3300000 |
| POTENTIAL REDUCTION TO EXPENSE | | | |
| APPROPRIATION - PROPOSED DECREASE | | | |
| IN VEHICLE FUEL | | | 3301900 |
| EXPENSES | | | 040000 |
| OPERATING TRUST FUND | -STATE | 52,670- | 2510 1 |
| | | ===== | |

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 15-16 NARRATIVE: IT COMPONENT? NO
 PRIORITY #2

DESCRIPTION OF REDUCTION ISSUE: This is to propose a reduction to the Expense Appropriation Category in the amount of \$52,670. The amount of this reduction is directly related to projected efficiencies realized as a result of having an increase in Non-Recurring Acquisition of Motor Vehicle appropriation in Fiscal Year 2014-15.

CALCULATION OF REDUCTION AMOUNT: Narrative in the Legislative Budget Request (LBR) issue noted that the Lottery's aging vehicle fleet diminished fuel economy. In Fiscal Year 2013-14 the Lottery expended \$526,702 in fuel costs. The Lottery proposes a 10% efficiency savings of \$52,670 in fuel costs.

IMPACT OF REDUCTION: The Impact of this reduction would be moderate. The amount of Expense Appropriation Category reverted for Fiscal Year 2013-14 was only \$2,891.

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| TOTAL: GOVERNMENTAL OPERATIONS | | | <u>1601.00.00.00</u> |
| BY FUND TYPE | | | |
| TRUST FUNDS..... | | 8,079,777- | 2000 |
| | | ===== | |