

	COL A03		COL A04		COL A05		CODES
	AGY REQUEST FY 2018-19 POS	AMOUNT	AGY REQ N/R FY 2018-19 POS	AMOUNT	AG REQ ANZ FY 2018-19 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.....		14,347,637					
=====							
SALARIES AND BENEFITS							010000
OPERATING TRUST FUND -STATE		363.50					
		22,755,723					2510 1
=====							
OTHER PERSONAL SERVICES							030000
OPERATING TRUST FUND -STATE		138,296					2510 1
=====							
EXPENSES							040000
OPERATING TRUST FUND -STATE		2,750,330					2510 1
=====							
OPERATING CAPITAL OUTLAY							060000
OPERATING TRUST FUND -STATE		1,023,691					2510 1
=====							
SPECIAL CATEGORIES							100000
CONTRACTED SERVICES							100777
OPERATING TRUST FUND -STATE		2,620,805					2510 1
=====							
INSTANT TICKET PURCHASE							101740
OPERATING TRUST FUND -STATE		51,597,164					2510 1
=====							
ADVERTISING AGENCY FEES							102378
OPERATING TRUST FUND -STATE		3,237,939					2510 1
=====							

	COL A03		COL A04		COL A05		CODES
	AGY REQUEST FY 2018-19 POS	AMOUNT	AGY REQ N/R FY 2018-19 POS	AMOUNT	AG REQ ANZ FY 2018-19 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
PAID ADVERTISING/PROMOTION							102380
OPERATING TRUST FUND -STATE		36,312,514					2510 1
TERMINAL GAMES FEES							102381
OPERATING TRUST FUND -STATE		26,646,545					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
LEASE/PURCHASE/EQUIPMENT							105281
OPERATING TRUST FUND -STATE		225,000					2510 1

	COL A03		COL A04		COL A05		CODES
	AGY REQUEST FY 2018-19 POS	AMOUNT	AGY REQ N/R FY 2018-19 POS	AMOUNT	AG REQ ANZ FY 2018-19 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
DATA PROCESSING SERVICES							210000
DP ASSESSMENT (AST)							210003
OPERATING TRUST FUND -STATE		25,598					2510 1
TOTAL: ESTIMATED EXPENDITURES - OPERATIONS							1001000
TOTAL POSITIONS.....		363.50					
TOTAL ISSUE.....		157,743,265					
TOTAL SALARY RATE.....		14,347,637					
SALARY INCREASES FOR FY 2017-18 - STATEWIDE - EFFECTIVE 10/1/2017							1001600
SALARY RATE							000000
SALARY RATE.....		449,800					
SALARIES AND BENEFITS							010000
OPERATING TRUST FUND -STATE		393,587					2510 1
DATA PROCESSING SERVICES							210000
DP ASSESSMENT (AST)							210003
OPERATING TRUST FUND -STATE		65					2510 1
TOTAL: SALARY INCREASES FOR FY 2017-18 - STATEWIDE - EFFECTIVE 10/1/2017							1001600
TOTAL ISSUE.....		393,652					
TOTAL SALARY RATE.....		449,800					

	COL A03		COL A04		COL A05		CODES
	AGY REQUEST FY 2018-19 POS	AMOUNT	AGY REQ N/R FY 2018-19 POS	AMOUNT	AG REQ ANZ FY 2018-19 POS	AMOUNT	
LOTTERY, DEPARTMENT OF THE							36000000
PGM: LOTTERY OPERATIONS							36010000
GOV OPERATIONS/SUPPORT							16
GOVERNMENTAL OPERATIONS							1601.00.00.00
ESTIMATED EXPENDITURES							1000000
SALARY INCREASES FOR FY 2017-18 - LAW ENFORCEMENT - EFFECTIVE 7/1/2017							1001610
SALARY RATE							000000
SALARY RATE.....		17,096					
		=====		=====			
SALARIES AND BENEFITS							010000
OPERATING TRUST FUND -STATE		22,386					2510 1
		=====		=====			
TOTAL: SALARY INCREASES FOR FY 2017-18 - LAW ENFORCEMENT - EFFECTIVE 7/1/2017							1001610
TOTAL ISSUE.....		22,386					
TOTAL SALARY RATE.....		17,096					
		=====		=====			
FLORIDA RETIREMENT SYSTEM ADJUSTMENT FOR FY 2017-18 - NORMAL COST, UNFUNDED ACTUARIAL LIABILITY, RENEWED MEMBERSHIP/DEATH BENEFITS SALARIES AND BENEFITS							1001660
OPERATING TRUST FUND -STATE		83,569					010000
		=====		=====			2510 1
DATA PROCESSING SERVICES DP ASSESSMENT (AST)							210000
OPERATING TRUST FUND -STATE		23					210003
		=====		=====			
TOTAL: FLORIDA RETIREMENT SYSTEM ADJUSTMENT FOR FY 2017-18 - NORMAL COST, UNFUNDED ACTUARIAL LIABILITY, RENEWED MEMBERSHIP/DEATH BENEFITS							1001660
TOTAL ISSUE.....		83,592					
		=====		=====			

	COL A03		COL A04		COL A05		CODES
	AGY REQUEST FY 2018-19 POS	AMOUNT	AGY REQ N/R FY 2018-19 POS	AMOUNT	AG REQ ANZ FY 2018-19 POS	AMOUNT	
LOTTERY, DEPARTMENT OF THE							36000000
PGM: LOTTERY OPERATIONS							36010000
GOV OPERATIONS/SUPPORT							16
GOVERNMENTAL OPERATIONS							1601.00.00.00
ESTIMATED EXPENDITURES							1000000
STATE ENTERPRISE INFORMATION							
TECHNOLOGY DISTRIBUTION							1006600
DATA PROCESSING SERVICES							210000
DP ASSESSMENT (AST)							210003
OPERATING TRUST FUND -STATE		119-					2510 1
NONRECURRING EXPENDITURES							2100000
FLORIDA LOTTERY INDEPENDENT							
SECURITY AUDIT							2103003
SPECIAL CATEGORIES							100000
CONTRACTED SERVICES							100777
OPERATING TRUST FUND -STATE		224,500-					2510 1
LOTTERY OPERATIONS INFRASTRUCTURE							
REPLACEMENT OPERATING CAPITAL							
OUTLAY							2103006
EXPENSES							040000
OPERATING TRUST FUND -STATE		213,381-					2510 1
OPERATING CAPITAL OUTLAY							060000
OPERATING TRUST FUND -STATE		458,379-					2510 1
SPECIAL CATEGORIES							100000
CONTRACTED SERVICES							100777
OPERATING TRUST FUND -STATE		90,000-					2510 1
TOTAL: LOTTERY OPERATIONS INFRASTRUCTURE							2103006
REPLACEMENT OPERATING CAPITAL							
OUTLAY							
TOTAL ISSUE.....		761,760-					

	COL A03		COL A04		COL A05		CODES
	AGY REQUEST FY 2018-19 POS	AMOUNT	AGY REQ N/R FY 2018-19 POS	AMOUNT	AG REQ ANZ FY 2018-19 POS	AMOUNT	
LOTTERY, DEPARTMENT OF THE							36000000
PGM: LOTTERY OPERATIONS							36010000
GOV OPERATIONS/SUPPORT							16
GOVERNMENTAL OPERATIONS							<u>1601.00.00.00</u>
NONRECURRING EXPENDITURES							2100000
REPLACEMENT OF ARCHIVAL STORAGE SYSTEM							2103008
OPERATING CAPITAL OUTLAY							060000
OPERATING TRUST FUND -STATE		27,450-					2510 1
=====							
SPECIAL CATEGORIES							100000
CONTRACTED SERVICES							100777
OPERATING TRUST FUND -STATE		5,400-					2510 1
=====							
TOTAL: REPLACEMENT OF ARCHIVAL STORAGE SYSTEM							2103008
TOTAL ISSUE.....		32,850-					
=====							
STORAGE AREA NETWORK ENCLOSURE UPGRADE EXPENSES							2103009
							040000
OPERATING TRUST FUND -STATE		18,737-					2510 1
=====							
OPERATING CAPITAL OUTLAY							060000
OPERATING TRUST FUND -STATE		2,201-					2510 1
=====							
TOTAL: STORAGE AREA NETWORK ENCLOSURE UPGRADE							2103009
TOTAL ISSUE.....		20,938-					
=====							
REPLACEMENT OF NETWORK SECURITY EXPENSES							2103023
							040000
OPERATING TRUST FUND -STATE		9,954-					2510 1
=====							

	COL A03		COL A04		COL A05		CODES
	AGY REQUEST FY 2018-19 POS	AMOUNT	AGY REQ N/R FY 2018-19 POS	AMOUNT	AG REQ ANZ FY 2018-19 POS	AMOUNT	
LOTTERY, DEPARTMENT OF THE							36000000
PGM: LOTTERY OPERATIONS							36010000
GOV OPERATIONS/SUPPORT							16
GOVERNMENTAL OPERATIONS							<u>1601.00.00.00</u>
NONRECURRING EXPENDITURES							2100000
REPLACEMENT OF NETWORK SECURITY							2103023
OPERATING CAPITAL OUTLAY							060000
OPERATING TRUST FUND -STATE		48,861-					2510 1
TOTAL: REPLACEMENT OF NETWORK SECURITY							2103023
TOTAL ISSUE.....		58,815-					
ANNUALIZATION OF ADMINISTERED FUNDS APPROPRIATIONS							26A0000
STATEWIDE SALARY INCREASE FOR FY 2017-18 - THREE MONTHS							
ANNUALIZATION							26A6300
SALARIES AND BENEFITS							010000
OPERATING TRUST FUND -STATE		131,196					2510 1
DATA PROCESSING SERVICES							210000
DP ASSESSMENT (AST)							210003
OPERATING TRUST FUND -STATE		22					2510 1
TOTAL: STATEWIDE SALARY INCREASE FOR FY 2017-18 - THREE MONTHS							26A6300
ANNUALIZATION							
TOTAL ISSUE.....		131,218					

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2018-19	FY 2018-19	FY 2018-19	
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
AGENCY-WIDE INFORMATION TECHNOLOGY				3620000
BUSINESS SYSTEM ENHANCEMENTS				36210C0
OPERATING CAPITAL OUTLAY				060000
OPERATING TRUST FUND -STATE	536,842	536,842		2510 1
=====				
SPECIAL CATEGORIES				100000
CONTRACTED SERVICES				100777
OPERATING TRUST FUND -STATE	253,850			2510 1
=====				
TOTAL: BUSINESS SYSTEM ENHANCEMENTS				36210C0
TOTAL ISSUE.....	790,692	536,842		
=====				

AGENCY ISSUE NARRATIVE:

2018-2019 BUDGET YEAR NARRATIVE:

IT COMPONENT? YES

The Department of Lottery (Department) is requesting \$790,692 budget allocation (\$536,842 non-recurring and \$253,850 recurring), to upgrade an outdated mission-critical business reporting system to a more current version, which is expected to remain viable for 7-10 years. Business Objects is the business intelligence (BI) and reporting solution that connects sales and accounting data with the Department's retailer network and is essential to the Lottery's continued operation. The reporting function allows viewing, sorting and analysis of business data, which ensures a true self-service query and reporting environment.

The Department's \$6 billion sales network depends heavily on this BI system to provide data through standardized and ad hoc reporting to assist in critical business decisions. The version currently in use reached end of mainstream maintenance on December 31, 2015, and the vendor has stated support will no longer be offered after December 31, 2018. This request is to upgrade the Department's Business Intelligence software to the most current version available. The Department depends on Business Objects to provide critical business information such as game, sales, retailer and accounting data in an accurate, organized, and easy to use method.

The Business Intelligence System is comprised of a multitude of reports and provides information on combined games sales, EFT payments, retailer sales adjustments, sales goals, ticket inventory, general ledger history, call tracking, prizes paid and demographic information for retailers. This critical data storage and reporting solution also provides detailed weekly sales and inventory reports and data files to corporate chains for incorporation into their own accounting systems while still adhering to strict data governance and data security.

Benefits Realization:

- The Department's mission-critical business intelligence system will be on a current, vendor-supported version, eliminating the risk of disruption to business operations due to outdated, non-supported software.
- Enhanced interface and improved interoperability across the BI suite, provides for a more efficient and effective user experience.

COL A03		COL A04		COL A05		CODES
AGY REQUEST		AGY REQ N/R		AG REQ ANZ		
FY 2018-19		FY 2018-19		FY 2018-19		
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
AGENCY-WIDE INFORMATION TECHNOLOGY						3620000
BUSINESS SYSTEM ENHANCEMENTS						36210C0

- Ability to link several databases to organize and structure more complex BI queries, provides better analytics of data to assist with business decisions and strategy.
 - Expanded mobile BI functionalities will improve efficiencies and effectiveness of the Department's mobile sales force.

By not upgrading the Business Objects tool, the Department is left with unsupported software which constrains the Department's ability to provide critical business information in a timely manner, and increases the risk of a disruption to business operations, to both the Department and retailers, when issues arise.

The current version of Business Objects will not be supported after 2018, thereby, leaving the Department vulnerable to IT security threats since security updates will not be made available to the Department. Operating on unsupported, out of date technology is an IT security risk for the Department. Furthermore, converting to a different product or system to meet the data warehousing and reporting needs of the Lottery is cost-prohibitive.

Updating this software to a supported version ensures that the Department will continue to be able to provide mission critical functions while also offering enhanced features that improve the Department's ability to store, process and retrieve data. Furthermore, these strategies have allowed the Department to carry out its mission of maximizing revenue to enhance education while accomplishing new milestones with \$6.2 billion in sales during Fiscal Year 2017 and nearly \$32 billion in total life-to-date transfers to education.

Item	Description	Qty.	Unit Price	Total Price
1	Predictive Analytics Modeler Software	5	\$11,820	\$59,100
2	Predictive Analytics Suite Software - 64 GB Database	1	\$23,662	\$23,662
3	Enterprise Premium Edition (User) Software Licenses	30	\$678	\$20,340
4	Enterprise Premium Edition (10 Concurrent Sessions Licenses)	20	\$21,687	\$433,740
5	Maintenance and Support	1	\$253,850	\$253,850

	Total	Non-Recurring	Recurring
CAT 060000 - OCO	\$536,842	\$536,842	\$0
CAT 100777 - Contracted Services	\$253,850	\$0	\$253,850
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Total Cost	\$790,692	\$536,842	\$253,850

This issue supports the Governor's Area-Specific Strategy #25 - Improve the efficiency and effectiveness of government agencies at all levels.

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2018-19	FY 2018-19	FY 2018-19	
	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
FLORIDA LOTTERY STATEWIDE DOCUMENT				
MANAGEMENT SYSTEM				36218C0
EXPENSES				040000
OPERATING TRUST FUND -STATE	42,112			2510 1
OPERATING CAPITAL OUTLAY				060000
OPERATING TRUST FUND -STATE	213,683	213,683		2510 1
SPECIAL CATEGORIES				100000
CONTRACTED SERVICES				100777
OPERATING TRUST FUND -STATE	125,041	125,041		2510 1
TOTAL: FLORIDA LOTTERY STATEWIDE DOCUMENT				36218C0
MANAGEMENT SYSTEM				
TOTAL ISSUE.....	380,836	338,724		

AGENCY ISSUE NARRATIVE:

2018-2019 BUDGET YEAR NARRATIVE:

IT COMPONENT? YES

The Department of Lottery (Department) is requesting \$380,836 budget allocation (\$338,724 non-recurring and \$42,112 recurring) for the purchase and implementation of an on-premise enterprise-wide Electronic Document Management System (EDMS) to support the Department's goal of becoming the most efficient lottery in the nation. The EDMS will streamline many paper-intensive business processes, manual workflows, and manual document retention activities, enabling Department staff to complete tasks more efficiently and effectively while providing the best customer service possible. Data will be stored electronically thus making department-wide access to critical information nearly instantaneous, allowing for more accurate decision making and faster task completion.

Implementing the EDMS for the Retailer Contract business application alone will lead to a 21% reduction in the amount of time it takes to onboard a retailer. This results annually in approximately \$568,000 in increased sales and an additional \$142,000 will be transferred to the Education Enhancement Trust Fund (EETF).

Retailers undergo a thorough and lengthy application process before receiving approval to sell lottery tickets. The current retailer application review process is paper-based and heavily dependent upon manual processing and fluctuations in staffing levels. Accelerating the retailer application review process using EDMS should result in increased revenue generation by new retailers by enabling them to sell lottery tickets earlier. In addition to improvements in the Retailer Contract business application, Claims Processing, Procurement and Legal will benefit from this system as well. This system will enable staff to complete daily takes more efficiently and effectively, and access to critical information

COL A03		COL A04		COL A05		CODES
AGY REQUEST		AGY REQ N/R		AG REQ ANZ		
FY 2018-19		FY 2018-19		FY 2018-19		
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
AGENCY-WIDE INFORMATION TECHNOLOGY						3620000
FLORIDA LOTTERY STATEWIDE DOCUMENT						
MANAGEMENT SYSTEM						36218C0

will be almost instantaneous which will allow decisions to be made more timely and accurately.

Benefits Realization:

- Electronic processing will provide more secure handling of retailer data.
- Time to onboard a Retailer will be reduced.
- Retailer sales begin sooner, resulting in increased sales for that Retailer during start-up.
- Improved tracking of player claims and retailer applications resulting from automation.
- Elimination of paper-based files that will be retained electronically.
- Additional efficiencies achieved throughout the rest of the enterprise: Procurement, Legal, etc.

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.

Paper-based applications and claims using manual work-flow processes are subject to human handling, which increases the possibility of lost paperwork, accidental disclosure of personally identifiable data to unauthorized persons, delays in moving papers through the manual work flow, and added efforts of paper-based record retention.

The Lottery plans to utilize in-house staff and vendor services to implement the proposed EDMS solution and primary business applications with the following timeline:

-Discovery and process map functional applications	July 2018 - Sept 2018
-Applications software requirements gathering	Oct 2018 - Dec 2018
-Procure EDMS Hardware and Software	Dec 2018
-Procure functional applications equipment	Dec 2018
-Configure/Install EDMS Hardware and Software	Jan 2019
-Configure/Install functional application	Feb 2019 - Apr 2019
-Staff Training and Go Live	May 2019 - June 2019

Item	Description	Qty.	Unit Price	Total Price
1	Software - Oculus EDMS (100 concurrent sessions)	1.5	\$90,439	\$135,658
2	Software - Oculus Workflow Professional (100 concurrent sessions)	1	\$78,025	\$78,025
3	Support and Maintenance - Oculus EDMS Software	1.5	\$18,499	\$27,748
4	Support and Maintenance - Oculus Workflow Professional Software	1	\$14,364	\$14,364
5	Consulting - OCULUS Systems Engineer (Hours)	640	\$138	\$88,525
6	Consulting - OCULUS Program Manager (Hours)	200	\$182.58	\$36,516

	Total	Non-Recurring	Recurring
CAT 040000 - Expense	\$42,112	\$0	\$42,112
CAT 060000 - OCO	\$213,683	\$213,683	\$0

COL A03		COL A04		COL A05		CODES
AGY REQUEST		AGY REQ N/R		AG REQ ANZ		
FY 2018-19		FY 2018-19		FY 2018-19		
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
AGENCY-WIDE INFORMATION TECHNOLOGY						3620000
FLORIDA LOTTERY STATEWIDE DOCUMENT						
MANAGEMENT SYSTEM						36218C0
CAT 100777 - Contracted Services	\$125,041	\$125,041		\$0		
Total Cost	\$380,836	\$338,724		\$42,112		

This issue supports the Governor's Area-Specific Strategy #25 - Improve the efficiency and effectiveness of government agencies at all levels.

ADDITIONAL ALLOCATION FOR						
SOFTWARE LICENSING						36228C0
EXPENSES						040000
OPERATING TRUST FUND	-STATE	100,000				2510 1

AGENCY ISSUE NARRATIVE:

2018-2019 BUDGET YEAR NARRATIVE:

IT COMPONENT? YES

The Department of Lottery (Department) is requesting \$100,000 in recurring Expense allocation due to the increase in annual licensing costs for business-essential software for the Department to maximize and improve the delivery of Information Technology (IT) services.

The Department currently has software licensing agreements with multiple vendors in which costs have increased annually due to the required number of users and/or modifications to pricing methodologies that are based on usage. The increased licensing costs consequently require funding to be reallocated from within the base IT budget. The Department has seen its licensing costs increase each of the past two fiscal years by 11 and 16 percent, respectively, and expect licensing costs in 2018 to increase another 19 percent.

Additional server license requirements and the Department's migration to Office 365 resulted in Microsoft increases beginning in 2015. In September 2016, Microsoft changed their Server Licensing calculation to be based on the number of Server cores. This greatly increases the annual cost for Microsoft server licensing beginning with the new Servers purchased by the Lottery in 2016 and 2017. These servers were purchased as part of the annual Infrastructure replacement plan approved in a 2016-17 LBR. Increased IBM licensing costs are attributed to PVUs utilized by AIX servers in the Lottery Quality Assurance (QA) and Development (Dev) environments as well as increased demand on Lottery Website hardware. To maintain compliance, the Lottery will need to purchase an additional 800 PVUs in 2017.

As a result, reconciling licensing requirements to stay compliant with the vendor has become increasingly challenging.

This issue supports the Governor's Area-Specific Strategy #25 - Improve the efficiency and effectiveness of government

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2018-19	FY 2018-19	FY 2018-19	
	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
ADDITIONAL ALLOCATION FOR				
SOFTWARE LICENSING				36228C0
agencies at all levels.				

IMPROVEMENTS TO DISASTER				
RECOVERY CAPABILITIES				36229C0
EXPENSES				040000
OPERATING TRUST FUND -STATE	108,000	80,000		2510 1
OPERATING CAPITAL OUTLAY				060000
OPERATING TRUST FUND -STATE	275,000	275,000		2510 1
SPECIAL CATEGORIES				100000
CONTRACTED SERVICES				100777
OPERATING TRUST FUND -STATE	9,000			2510 1
TOTAL: IMPROVEMENTS TO DISASTER				36229C0
RECOVERY CAPABILITIES				
TOTAL ISSUE.....	392,000	355,000		

AGENCY ISSUE NARRATIVE:

2018-2019 BUDGET YEAR NARRATIVE:

IT COMPONENT? YES

The Department of Lottery (Department) is requesting \$392,000 budget allocation (\$355,000 non-recurring and \$37,000 recurring) for additional hardware and software to create full redundancy and high availability of all the Department's processes and systems for Disaster Recovery capabilities at the Orlando Data Center (ODC). Currently, the ODC can only run certain systems in a recovery situation. Funding of this request would ensure the Department's Continuity of Operations Plan (COOP) is 100% implemented by making available the Department's Website, Business Accounting System, and Business Intelligence Reporting and Analytics.

The Department's current AIX backup/failover hardware at the ODC does not include any prebuilding, cloning, and/or running production servers in high-availability mode that would be required in the event of a disaster at the Agency for State Technology (AST) or at the Department data center (HQ) in Tallahassee. Purchasing and configuring two extra high end servers will give the Department the ability to build and troubleshoot backup servers before they are needed. This

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2018-19	FY 2018-19	FY 2018-19	
	POS	AMOUNT	POS	AMOUNT
				AMOUNT
				CODES
LOTTERY, DEPARTMENT OF THE				36000000
<u>PGM: LOTTERY OPERATIONS</u>				36010000
<u>GOV OPERATIONS/SUPPORT</u>				16
<u>GOVERNMENTAL OPERATIONS</u>				<u>1601.00.00.00</u>
AGENCY-WIDE INFORMATION TECHNOLOGY				3620000
IMPROVEMENTS TO DISASTER				
RECOVERY CAPABILITIES				36229C0

procurement will enable the Department to mirror all production servers, which enables the Department to realize 100% of its COOP should it become necessary to run its operations out of the ODC for an extended period.

The ability to recover quickly from malicious code, server software failures, server hardware failures, insider tampering, or meteorological events is crucial for businesses that rely on sales and public access. Every server, whether in the cloud, virtual, at the AST, HQ, or ODC, require physical connections and software and are all subject to failures and attacks. Recovery planning starts with the ability to recover the overlying hardware and software to a point in time before any failures occurred. During a disaster scenario, recovery times for business operations will be much longer and more complex if production servers are not running in high-availability mode or have a mirrored resource at a second location.

The ODC does not have the infrastructure to host the most mission-critical back-office applications that would be necessary if a disaster event disabled the Tallahassee production systems, resulting in the inability to provide key Department services that support operations. In this disaster scenario, the Department would not have its primary communication method to the public (the website), the Business Accounting systems, or the ability to produce the fiscal data and sales reports that the Department and its corporate retailers rely on to make sound business decisions.

Computer system downtime immediately impacts the Department's mission of maximizing revenues in a manner consonant with the dignity of the State and the welfare of its citizens. Interruptions to these services greatly affect the Department's business ability to provide the maximum amount of sales and revenues to the Educational Enhancement Trust Fund.

- The Department's website is one of the primary communication tools the public and averages 3.3 million unique visitors monthly, generating 13.7 million total visits, and 36.4 million pages viewed. Loss of the website would result in the public overwhelming other communication channels to get information.

- The accounting systems are needed to process accounts payable, accounts receivable, general ledger and reconciliation activities, handle cash and investments and run the fiscal activities of the agency. Loss of these systems affect the ability to perform these required functions.

- The business intelligence system is needed to provide the daily, weekly, monthly and ad-hoc business reports that are used by management, agents, Retailers, Sales Representatives and corporate retailers to maintain product inventory, reconcile inventory, evaluate and make sound business decisions that result in good business operations.

The Department offers Powerball and Mega Millions through its membership in the Multi-State Lottery Association (MUSL). MUSL has a strict set of rules requiring each participating lottery to have sufficient systems in place to mitigate and manage any and all risk associated with participating in a multi-jurisdictional lottery game. Control of technology procurement and the management and coordination of IT and security resources are required to be under direct control and operation of the member lottery.

The Department provides availability to its business applications 24 hours a day, 7 days a week. Any interruption to

	COL A03 AGY REQUEST FY 2018-19 POS	COL A04 AGY REQ N/R FY 2018-19 POS	COL A05 AG REQ ANZ FY 2018-19 POS	AMOUNT	AMOUNT	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
IMPROVEMENTS TO DISASTER							
RECOVERY CAPABILITIES							36229C0

these services has the potential to impact the Department's ability to service retailers, including interrupting the retailer on-boarding or recertification process, which impacts sales. In the event of a long-term disaster, the Department currently does not have resources in the ODC to provide continuity of operations in a timely manner to minimize the impact to sales and retailer services, as well as and player access to public-facing information.

The Department will utilize in-house staff and 40 hours of contracted services to implement the proposed solution.

Projected Server Purchase

- Procure Hardware July 2018
- Configure/Install ODC Hardware Sept 2018

Item	Description	Qty.	Unit Price	Total Price
1	Hardware - 12 core IBM AIX Server (includes OS and VIOS)	2	\$137,500	\$275,000
2	Server Application licenses	1	\$80,000	\$80,000
3	Software - L-Soft Licensing	1	\$4,000	\$4,000
4	Support and Maintenance Costs	1	\$24,000	\$24,000
5	Consulting Services	1	\$9,000	\$9,000

	Total	Non-Recurring	Recurring
CAT 040000 - Expense	\$108,000	\$80,000	\$28,000
CAT 060000 - OCO	\$275,000	\$275,000	\$0
CAT 100777 - Contracted Services	\$9,000	\$0	\$9,000
Total Cost	\$392,000	\$355,000	\$37,000

This issue supports the Governor's Area-Specific Strategy #25 - Improve the efficiency and effectiveness of government agencies at all levels.

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2018-19	FY 2018-19	FY 2018-19	
	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
WEBSITE CONTENT MANAGEMENT				
SYSTEM				36230C0
EXPENSES				040000
OPERATING TRUST FUND -STATE	123,375			2510 1
=====				
SPECIAL CATEGORIES				100000
CONTRACTED SERVICES				100777
OPERATING TRUST FUND -STATE	42,000	42,000		2510 1
=====				
TOTAL: WEBSITE CONTENT MANAGEMENT				36230C0
SYSTEM				
TOTAL ISSUE.....	165,375	42,000		
=====				

AGENCY ISSUE NARRATIVE:

2018-2019 BUDGET YEAR NARRATIVE:

IT COMPONENT? YES

The Department of Lottery (Department) requests \$165,375 budget allocation (\$42,000 non-recurring and \$123,375 recurring) to implement an Enterprise/Web Content Management System (CMS) at Headquarters (HQ) to improve processes for updating and managing the Department's websites. With 3.3 million unique visitors monthly, generating 13.7 million total visits, and 36.4 million pages viewed, the Department's website is an important method for meeting the statutory requirement outlined in 24.1215, F.S., of keeping the public informed on the Department's activities, primarily contributions to education. Of the 13.7 million average monthly visits to the Department's website, 63.6% are made through a mobile smart device. A CMS would allow the development team to respond to market demand through the creation of pages that are responsive to the device being used, improving the user's experience regardless of their technology. The Department's goal is to provide the Department's customers with a site, consistent in look, rich in features, containing relevant and accurate information in the most secure and efficient manner. More user-friendly customer interfaces through a device-agnostic mobile website with links to social media sites will increase player interaction.

The Department's Web Development technical team maintains all aspects of the Department's websites. Ideally, non-technical users (business users) would create, organize, store and distribute content on their own, without depending on day-to-day support from a technical IT staff person. Anticipated benefits of the CMS solution include reducing the time, cost and complexity associated with storing, locating and collaborating on documents and data throughout the information life cycle. Currently, every change must go through the same implementation process from development to production, taking a simple content change nearly an hour to complete. CMS helps improve changing digital experiences and allows publishing, editing and modifying of content; as well as maintenance from a centralized user-friendly interface.

Benefits Realization:

INTERNAL

COL A03		COL A04		COL A05		CODES
AGY REQUEST		AGY REQ N/R		AG REQ ANZ		
FY 2018-19		FY 2018-19		FY 2018-19		
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
AGENCY-WIDE INFORMATION TECHNOLOGY						3620000
WEBSITE CONTENT MANAGEMENT						
SYSTEM						36230C0

- Increase workflow efficiencies within IT, because business users will update website with IT oversight.
- Increase the accuracy on information posted on the website, because the responsible business user will update the website with IT oversight.
- Increase brand consistency and accuracy of information, because all content is reviewed and approved prior to posting.
- Accelerated time to market because of faster content creation and updates.
- Improved security, because a CMS will create an audit trail of changes made and provide tighter controls of web publishing.

EXTERNAL

- More user-friendly website providing easier and faster ways to find information on website.
- Search engine optimization makes it easier and fast to find information on website.
- Improved user experience for ALL devices because the website will be optimized for each device automatically, making the websites device agnostic.

Not funding the CMS will result in players continuing to access the Department's website in a manner that is not device responsive. Continuing to rely on the Web development team for content maintenance, would hinder the team's ability to effectively execute internal efficiencies and process improvements.

The Department provides availability to its website 24 hours a day, 7 days a week. By not performing content updates, the Web development team can focus on actual development of sites to accommodate varying device types that attempt to view Department content. Allowing business users to manage and update content will enable the Department to provide current information to Department customers in a timely manner.

The Department will utilize in-house staff and vendor services to implement the proposed solution.

Projected CMS implementation schedule:

-Architecture review and planning	Aug 2018 - Sept 2018
-Implementation and conversion of websites	Oct 2018 - Mar 2019

Item	Description	Qty.	Unit Price	Total Price
1	Consulting - Architecture Review (3 weeks)	1	\$33,000	\$33,000
2	Consulting - Senior Consultant Installation SME	40	\$225	\$9,000
3	Software - Enterprise Search - Non-Production environment	1	\$1,575	\$1,575
4	Software - Enterprise Search - Production environment	1	\$6,300	\$6,300
5	Software - Digital Experience Platform Subscription - Platinum Non-Production environment	2	\$8,250	\$16,500
6	Software - Digital Experience Platform Subscription - Platinum Production environment	3	\$33,000	\$99,000

COL A03		COL A04		COL A05		CODES
AGY REQUEST		AGY REQ N/R		AG REQ ANZ		
FY 2018-19		FY 2018-19		FY 2018-19		
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	

LOTTERY, DEPARTMENT OF THE
 PGM: LOTTERY OPERATIONS
 GOV OPERATIONS/SUPPORT
 GOVERNMENTAL OPERATIONS
 AGENCY-WIDE INFORMATION TECHNOLOGY
 WEBSITE CONTENT MANAGEMENT
 SYSTEM

36000000
 36010000
 16
 1601.00.00.00
 3620000
 36230C0

	Total	Non-Recurring	Recurring
CAT 040000 - Expense	\$123,375	\$0	\$123,375
CAT 100777 - Contracted Services	\$42,000	\$42,000	\$0
Total Cost	\$165,375	\$42,000	\$123,375

This issue supports the Governor's Area-Specific Strategy #25 - Improve the efficiency and effectiveness of government agencies at all levels.

PHONE SYSTEM REPLACEMENT
 SPECIAL CATEGORIES
 CONTRACTED SERVICES

36231C0
 100000
 100777

OPERATING TRUST FUND -STATE 90,000 2510 1

AGENCY ISSUE NARRATIVE:

2018-2019 BUDGET YEAR NARRATIVE:

IT COMPONENT? YES

The Department of Lottery (Department) requests \$90,000 of recurring Contracted Services budget allocation to do a full, system-wide replacement of voice communications equipment in Tallahassee Headquarters (HQ), the Orlando Data Center (ODC) and eight remote District Offices.

The existing voice communications system is 10 years old and reached manufacture end-of-life (EOL). The system will reach manufacture end of service (EOS) in September 2018. After EOS is reached, an extended maintenance agreement will need to be purchased from a third-party source without software change support and without guaranteed parts availability or warranty. The existing telephone systems at the Department's 10 offices are not integrated, reliable or supportive enough for the high availability and collaborative demands of the Department and experience frequent outages. With a modern integrated system, all sites would operate as a backup and automatically re-route calls to another designated site during an outage, allowing business to continue without interruption. The new system would also provide self-administration capabilities, reducing the Department's reliance on vendor management, support and troubleshooting, saving time and money.

Benefits Realization:

- Phone system will be current technology with embedded redundancy.

COL A03		COL A04		COL A05		CODES
AGY REQUEST		AGY REQ N/R		AG REQ ANZ		
FY 2018-19		FY 2018-19		FY 2018-19		
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	
						36000000
						36010000
						16
						<u>1601.00.00.00</u>
						3620000
						36231C0

LOTTERY, DEPARTMENT OF THE
 PGM: LOTTERY OPERATIONS
 GOV OPERATIONS/SUPPORT
 GOVERNMENTAL OPERATIONS
 AGENCY-WIDE INFORMATION TECHNOLOGY
 PHONE SYSTEM REPLACEMENT

- Support will be provided by vendor, with parts and software releases/bug fixes readily available.
- Redundancy ensures no office will be without phone coverage because of a local outage.
- Time for repairs of new system will be reduced in comparison to repairs for outdated system.

Once the phone systems reach manufacture EOS, the service contract would shift to extended maintenance agreements under 3rd party providers. Maintenance and support costs increase and restore times extend because of limited parts availability, as repairs shift to a best effort time and materials basis. If a problem occurs that requires a software or hardware modification or replacement, the manufacturer will not provide a solution. This causes prolonged outages while alternatives are being researched and negatively impacts the Department's ability to serve the constituents of Florida.

The Department has 10 offices, with 9 located outside of Leon county, where 50% of the staff work. The investment in replacing the voice communications equipment located in HQ, ODC and the District Offices would reduce the potential for a significant loss of productivity resulting from the unavailability of mission critical functions. Installation of a single integrated phone system, utilizing current technology, will ensure availability of communications, provide enhanced features, improve employee productivity and collaboration and result in reduced maintenance costs.

The Department looked at 4 different solutions when considering the replacement of the existing telephone system statewide:

1. CenturyLink/Shortel - CenturyLink is the support vendor for the existing Nortel phone system. Although Avaya purchased Nortel, CenturyLink is now partnering with Shortel for a replacement system for the Department. The replacement system proposed by CenturyLink/Shortel requires the purchase of equipment, software, licensing and installation up front and annual support costs. This equipment would be owned by the Department with a life expectancy of 7 - 10 years before needing to be replaced. This was not the best solution as the proposed replacement phones were of medium quality and capabilities and ongoing Operating system and firmware upgrades would be additional expense.
2. Avaya offered 2 solutions: In the first, the Department would purchase the equipment, software, licensing and installation as in the CenturyLink proposal above. The quality of the phones is better, but the annual maintenance is more than twice that of CenturyLink/Shortel. This was the most expensive solution overall and was also not a viable solution for the Department.
3. The second solution offered by Avaya was an option to pay no upfront costs and lease all necessary equipment at a monthly cost of \$7,500. This cost would include desktop phones, conference phones, Call Center phones, software, licensing, installation and maintenance for all Department offices statewide. It also includes a higher quality phone which will be replaced when necessary as part of the monthly cost.
4. DMS/ATT - The Department also evaluated the telephone system offered by the Department of Management Services (DMS) which uses ATT as the provider. This is a hosted solution where the Department would purchase the phones and software and ATT would do the setup and installation. All licensing and support would be covered under a monthly maintenance plan and additional services could be added and removed with 30 days notification. The system includes a very high quality phone, but the monthly maintenance is more than the monthly lease from Avaya and the Department would still have to pay an

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2018-19	FY 2018-19	FY 2018-19	
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
PHONE SYSTEM REPLACEMENT				36231C0

upfront cost of over \$100K for the phones. These phones would also have a 7 - 10-year life expectancy and at that time would need to be replaced at Department expense.

The following table shows the cost comparisons based on 500 user endpoint devices.

Company	Hardware/ Software	Annual Support	Install	Non-Rec	Recur	1st Year Cost	2nd Year Cost	5 YR Total Cost	10 YR Total Cost
Century Link/ Shortel	\$368,352	\$21,802	\$110,165	\$478,817	\$21,802	\$500,620	\$21,802	\$587,829	\$1,175,657
Avaya Purchase	\$354,153	\$49,900	\$88,538	\$442,691	\$49,900	\$492,591	\$49,900	\$692,191	\$1,384,382
Avaya Lease	\$0	\$90,000	\$0	\$0	\$90,000	\$90,000	\$90,000	\$450,000	\$900,000
DMS/ATT	\$86,972	\$108,158	\$22,941	\$109,914	\$108,159	\$218,072	\$108,159	\$650,706	\$1,301,412

Total cost after 10 years includes new hardware, software, and installation costs as life expectancy of phone system is 7-10 years.

After comparing costs and reviewing all options, the Avaya Lease option (which is available via a DMS approved alternate contracting source) is the best solution for the Department.

The Department provides availability to its Business Applications 24 hours a day, 7 days a week. Any interruption to these services requires prior notification to all users. Installation and maintenance is required during the Department's standard maintenance hours to minimize system downtime. The existing phone system service maintenance will end in September 2018. Failure to fund this request could prevent the Department from achieving its operational goals and efficiencies and meeting its statutory obligations.

The Department will utilize vendor professional services to implement the proposed solution.

Projected Equipment Replacement Schedule

-Configure/Install HQ hardware	Aug	2018
-Configure/Install ODC hardware	Sept	2018
-Configure/Install District hardware	Oct - Nov	2018

	Total	Non-Recurring	Recurring
CAT 10777 - CONTRACTED SERVICES	\$90,000	\$0	\$90,000

COL A03		COL A04		COL A05		CODES
AGY REQUEST		AGY REQ N/R		AG REQ ANZ		
FY 2018-19		FY 2018-19		FY 2018-19		
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
AGENCY-WIDE INFORMATION TECHNOLOGY						3620000
PHONE SYSTEM REPLACEMENT						36231C0

This issue supports the Governor's Area-Specific Strategy #25 - Improve the efficiency and effectiveness of government agencies at all levels.

FLORIDA LOTTERY OPERATIONS FUNDING						5000000
INCREASE TO INSTANT TICKET PURCHASE						
APPROPRIATION						5000110
SPECIAL CATEGORIES						100000
INSTANT TICKET PURCHASE						101740

OPERATING TRUST FUND	-STATE	5,919,076				2510 1
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AGENCY ISSUE NARRATIVE:

2018-2019 BUDGET YEAR NARRATIVE:

IT COMPONENT? NO

The Department of Lottery (Department) requests \$5,919,076 of recurring budget allocation in the Instant Ticket Purchase Appropriation Category. The amount requested is to align the base appropriation with the anticipated expenditures related to the Scratch-Off sales adopted by the August 2017 Revenue Estimating Conference (REC). The August 2017 REC forecasted Scratch-Off Ticket Sales in Fiscal Year 2018-19 to be \$4.5 billion with an estimated \$841.8 million transferring to the EETF.

	Total	Non-Recurring	Recurring
CAT 101740 - Instant Ticket Purchase	\$5,919,076	\$0	\$5,919,076

This issue supports the Governor's Area-Specific Strategy #25 - Improve the efficiency and effectiveness of government agencies at all levels.

INCREASE TO TERMINAL GAMES						5000210
FEES APPROPRIATION						100000
SPECIAL CATEGORIES						102381
TERMINAL GAMES FEES						

OPERATING TRUST FUND	-STATE	1,747,215				2510 1
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COL A03		COL A04		COL A05		CODES
AGY REQUEST		AGY REQ N/R		AG REQ ANZ		
FY 2018-19		FY 2018-19		FY 2018-19		
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

AGENCY ISSUE NARRATIVE:

2018-2019 BUDGET YEAR NARRATIVE: IT COMPONENT? NO
 The Department of Lottery (Department) requests \$1,747,215 in recurring budget allocation in the Terminal Games Fees Appropriation Category. The amount requested is to align the base appropriation with the anticipated expenditures related to the Terminal Games sales based on the August 2017 Revenue Estimating Conference (REC). The August 2017 REC forecasted draw game sales in Fiscal Year 2018-2019 to be \$1.9 billion with an estimated \$795.8 million being contributed to the Education Enhancement Trust Fund (EETF).

	Total	Non-Recurring	Recurring
CAT 102381 - Terminal Games Fees	\$1,747,215	\$0	\$1,747,215

This issue supports the Governor's Area-Specific Strategy #25 - Improve the efficiency and effectiveness of government agencies at all levels.

TOTAL: GOVERNMENTAL OPERATIONS				<u>1601.00.00.00</u>
BY FUND TYPE				
	363.50			
TRUST FUNDS.....	166,860,325	1,272,566		2000
SALARY RATE.....	14,814,533			
	=====	=====	=====	

	COL A03		COL A04		COL A05		CODES
	AGY REQUEST FY 2018-19 POS	AMOUNT	AGY REQ N/R FY 2018-19 POS	AMOUNT	AG REQ ANZ FY 2018-19 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	4,848,109					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	346,697						2510 1
=====							

	COL A03		COL A04		COL A05		CODES
	AGY REQUEST FY 2018-19 POS	AMOUNT	AGY REQ N/R FY 2018-19 POS	AMOUNT	AG REQ ANZ FY 2018-19 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		141,661					2510 1
TOTAL: ESTIMATED EXPENDITURES - OPERATIONS							1001000
TOTAL POSITIONS.....		55.00					
TOTAL ISSUE.....		9,640,458					
TOTAL SALARY RATE.....		3,497,433					
CASUALTY INSURANCE PREMIUM ADJUSTMENT							1001090
SPECIAL CATEGORIES							100000
RISK MANAGEMENT INSURANCE							103241
OPERATING TRUST FUND -STATE		51,379					2510 1
SALARY INCREASES FOR FY 2017-18 - STATEWIDE - EFFECTIVE 10/1/2017							1001600
SALARY RATE							000000
SALARY RATE.....		63,400					
SALARIES AND BENEFITS							010000
OPERATING TRUST FUND -STATE		56,371					2510 1
TOTAL: SALARY INCREASES FOR FY 2017-18 - STATEWIDE - EFFECTIVE 10/1/2017							1001600
TOTAL ISSUE.....		56,371					
TOTAL SALARY RATE.....		63,400					

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2018-19	FY 2018-19	FY 2018-19	
	POS	AMOUNT	POS	AMOUNT
				AMOUNT
				CODES
LOTTERY, DEPARTMENT OF THE				36000000
PGM: LOTTERY OPERATIONS				36010000
GOV OPERATIONS/SUPPORT				16
EXEC LEADERSHIP/SUPPRT SVC				1602.00.00.00
ESTIMATED EXPENDITURES				1000000
FLORIDA RETIREMENT SYSTEM				
ADJUSTMENT FOR FY 2017-18 - NORMAL				
COST, UNFUNDED ACTUARIAL LIABILITY,				
RENEWED MEMBERSHIP/DEATH BENEFITS				1001660
SALARIES AND BENEFITS				010000
OPERATING TRUST FUND -STATE		20,800		2510 1
=====		=====		=====
REALLOCATION OF HUMAN RESOURCES				
OUTSOURCING				1005900
SPECIAL CATEGORIES				100000
TR/DMS/HR SVCS/STW CONTRCT				107040
OPERATING TRUST FUND -STATE		2,714-		2510 1
=====		=====		=====
ANNUALIZATION OF ADMINISTERED				
FUNDS APPROPRIATIONS				26A0000
STATEWIDE SALARY INCREASE FOR FY				
2017-18 - THREE MONTHS				
ANNUALIZATION				26A6300
SALARIES AND BENEFITS				010000
OPERATING TRUST FUND -STATE		18,790		2510 1
=====		=====		=====
INCREASING SALES INITIATIVES				4100000
BANKING SERVICES CONTRACT				4100400
SPECIAL CATEGORIES				100000
CONTRACTED SERVICES				100777
OPERATING TRUST FUND -STATE		155,000		2510 1
=====		=====		=====

AGENCY ISSUE NARRATIVE:

2018-2019 BUDGET YEAR NARRATIVE:

IT COMPONENT? NO

The Department of Lottery (Department) is requesting \$155,000 in recurring Contracted Services budget allocation to cover the anticipated cost increases to continue required banking services. In conjunction with the Department's mission to maximize contributions for the enhancement of public education, the above-mentioned contract is necessary to ensure there is no disruption to the provision of critical banking service functions that handle day to day cash management for the Department. In Fiscal Year 2017, the Department's ticket sales were \$6.2 billion, with \$4 billion in prize payments and

COL A03		COL A04		COL A05		CODES
AGY REQUEST		AGY REQ N/R		AG REQ ANZ		
FY 2018-19		FY 2018-19		FY 2018-19		
POS	AMOUNT	POS	AMOUNT	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>
INCREASING SALES INITIATIVES						4100000
BANKING SERVICES CONTRACT						4100400

\$1.66 billion in contributions to the Educational Enhancement Trust Fund. This requires a banking services partner that can provide high quality, responsive, and cost-effective banking services.

Critical banking services and structure required by the Department include:

- Depository services for Headquarters and nine district offices for ticket sales and player redemptions of prize winnings.
- Controlled disbursement account services for:
 - * Retailer payments of weekly net sales handled through complex Automated Clearing House (ACH) sweeps of more than 13,000 retailers across the state, and
 - * Prize winner disbursements, including up to multi-million dollar transactions.
- Branch offices near the Department's nine district offices to handle players cashing prize payment checks issued by the Department.
- Highly qualified staff dedicated to the Department who can handle any issues that arise in a very professional, accurate, and responsive manner.
- High level system and technical capabilities for handling the Department's voluminous transactions and reporting needs.

Pricing for the services offered by the vendor pursuant to the emergency purchase have increased compared to the banking services contract originally entered into in 2008. However, pricing under the current emergency purchase is well below market pricing for such services.

	Total	Non-Recurring	Recurring
CAT 100777 - Contracted Services	\$155,000	\$0	\$155,000

This issue supports the Governor's Area-Specific Strategy #25 - Improve the efficiency and effectiveness of government agencies at all levels.

TOTAL: EXEC LEADERSHIP/SUPPRT SVC						<u>1602.00.00.00</u>
BY FUND TYPE						
	55.00					
TRUST FUNDS.....		9,940,084				2000
SALARY RATE.....	3,560,833					
	=====	=====	=====			
TOTAL: PGM: LOTTERY OPERATIONS						36010000
BY FUND TYPE						
	418.50					
TRUST FUNDS.....		176,800,409	1,272,566			2000
SALARY RATE.....	18,375,366					
	=====	=====	=====			