
 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 CONTRACTED
 SERVICES CATEGORY 3300010
 SPECIAL CATEGORIES 100000
 CONTRACTED SERVICES 100777

OPERATING TRUST FUND -STATE 29,500- 2510 1
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AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 18-19 NARRATIVE: IT COMPONENT? NO
 PRIORITY #2

The Department of Lottery (Department) currently pays \$29,500 in Contracted Services to contract with a third-party vendor to provide performance management software. PeopleFirst, through the Department of Management Services, offers this service to state agencies at no cost. After reviewing this contract, the Department determined it was not in the best interest of the state and will not renew the contract. Instead, the Department will utilize the services offered by PeopleFirst. This creates an annual savings for consideration as a potential reduction if revenue shortfalls occur for the legislative budget request year.

The Department proposes a reduction in the amount of \$29,500 in the Contracted Services appropriation category to meet the target reduction.

The impact to the Department is minimal.

POTENTIAL REDUCTION TO EXPENSE
 CATEGORY 3300020
 EXPENSES 040000

OPERATING TRUST FUND -STATE 2,500- 2510 1
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AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 18-19 NARRATIVE: IT COMPONENT? NO
 PRIORITY #1

The Department of Lottery (Department) currently pays \$2,500 in Expense for printing of its Annual Report that is prepared by the Communications department and distributed amongst the Lottery's stakeholders. After further discussion, the Department has decided to stop printing bound copies of the report for distribution, thereby, creating annual savings

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POS	AMOUNT	CODES

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		
CATEGORY		3300020

for consideration as a potential reduction if revenue shortfalls occur for the legislative budget request year. The Lottery proposes a reduction in the amount of \$2,500 in the Expense appropriation category to meet the target reduction.

The impact to the Department is minimal.

POTENTIAL REDUCTION TO INSTANT		
TICKET PURCHASE APPROPRIATION		3301040
SPECIAL CATEGORIES		100000
INSTANT TICKET PURCHASE		101740
OPERATING TRUST FUND	-STATE	11,641,194-
		=====
		2510 1

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 18-19 NARRATIVE:
 PRIORITY #3

IT COMPONENT? NO

The Department of Lottery's (Department) Instant Ticket Purchase category represents almost 31% of the Department's total appropriation and consideration would be given to reduce the appropriation in order to achieve the designated target. The estimated impact of this reduction is \$837.5 million less in sales and \$155.8 million less in contributions to the Educational Enhancement Trust Fund as the Department would need to limit sales to match appropriations in order to meet contractual obligations.

The Department proposes a reduction in the amount of \$11,641,194 in the Instant Ticket Purchase appropriation category to meet the target reduction.

The impact on the Department would be critical as the Department would not be able to meet its contractual obligations should sales meet or exceed REC projections, which the sales have historically done. The Department would submit a Budget Amendment requesting sufficient funds to continue selling Instant Ticket products and meet its contractual obligations.

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 REDUCTIONS
 POS AMOUNT CODES

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 TERMINAL			
GAMES FEES APPROPRIATION			3301050
SPECIAL CATEGORIES			100000
TERMINAL GAMES FEES			102381
OPERATING TRUST FUND	-STATE	4,961,568-	2510 1
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AGENCY ISSUE NARRATIVE:
 SCH VIIIIB-2 NARR 18-19 NARRATIVE: IT COMPONENT? NO
 PRIORITY #4

The Department of Lottery's (Department) Terminal Games Fees category represents 16% of the Department's total appropriation and consideration would be given to reduce the appropriation in order to achieve the designated target. The estimated impact of this reduction is \$308.2 million less in sales and \$127.3 million less in contributions to the Educational Enhancement Trust Fund as the Department would need to limit sales to match appropriations in order to meet contractual obligations.

The Department proposes a reduction in the amount of \$4,961,568 in the Terminal Games Fees appropriation category to meet the target reduction.

The impact on the Department would be critical as the Department would not be able to meet its contractual obligations should sales meet or exceed REC projections, which the sales have historically done. The Department would submit a Budget Amendment requesting sufficient funds to continue selling Terminal Game products and meet its contractual obligations.

TOTAL: GOVERNMENTAL OPERATIONS			<u>1601.00.00.00</u>
BY FUND TYPE			
TRUST FUNDS.....		16,634,762-	2000
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