

BUDGET ENTITY	D3A ISSUE CODE	COLUMN NUMBERS	CODE	ERROR MESSAGE	PAGE
---------------	----------------	----------------	------	---------------	------

THERE WERE 0 ERRORS DETECTED

	COL A03		COL A04		COL A05		CODES
	AGY REQUEST FY 2023-24 POS	AMOUNT	AGY REQ N/R FY 2023-24 POS	AMOUNT	AG REQ ANZ FY 2023-24 POS	AMOUNT	
LOTTERY, DEPARTMENT OF THE							36000000
PGM: LOTTERY OPERATIONS							36100000
<u>EXEC DIRECTION SUPPRT SVC</u>							36101000
GOV OPERATIONS/SUPPORT							16
<u>EXEC LEADERSHIP/SUPPRT SVC</u>							<u>1602.00.00.00</u>
ESTIMATED EXPENDITURES							1000000
ESTIMATED EXPENDITURES - OPERATIONS							1001000
SALARY RATE							000000
SALARY RATE.....		3,762,918					
=====							
SALARIES AND BENEFITS							010000
OPERATING TRUST FUND -STATE		56.50					2510 1
		5,481,946					
=====							
OTHER PERSONAL SERVICES							030000
OPERATING TRUST FUND -STATE		25,928					2510 1
=====							
EXPENSES							040000
OPERATING TRUST FUND -STATE		3,094,376					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		647,749					2510 1
=====							
FLAIR SYSTEM REPLACEMENT							100781
OPERATING TRUST FUND -STATE		735,904					2510 1
=====							

	COL A03		COL A04		COL A05		CODES
	AGY REQUEST FY 2023-24 POS	AMOUNT	AGY REQ N/R FY 2023-24 POS	AMOUNT	AG REQ ANZ FY 2023-24 POS	AMOUNT	
LOTTERY, DEPARTMENT OF THE							36000000
PGM: LOTTERY OPERATIONS							36100000
<u>EXEC DIRECTION SUPPRT SVC</u>							36101000
GOV OPERATIONS/SUPPORT							16
<u>EXEC LEADERSHIP/SUPPRT SVC</u>							<u>1602.00.00.00</u>
ESTIMATED EXPENDITURES							1000000
ESTIMATED EXPENDITURES - OPERATIONS							1001000
SPECIAL CATEGORIES							100000
RISK MANAGEMENT INSURANCE							103241
OPERATING TRUST FUND -STATE		488,154					2510 1
CONTRACTED LEGAL SERVICES							103884
OPERATING TRUST FUND -STATE		120,000					2510 1
LEASE/PURCHASE/EQUIPMENT							105281
OPERATING TRUST FUND -STATE		12,000					2510 1
TR/DMS/HR SVCS/STW CONTRCT							107040
OPERATING TRUST FUND -STATE		129,139					2510 1
TOTAL: ESTIMATED EXPENDITURES - OPERATIONS							1001000
TOTAL POSITIONS.....		56.50					
TOTAL ISSUE.....		11,076,196					
TOTAL SALARY RATE.....		3,762,918					
CASUALTY INSURANCE PREMIUM ADJUSTMENT							1001090
SPECIAL CATEGORIES							100000
RISK MANAGEMENT INSURANCE							103241
OPERATING TRUST FUND -STATE		219,319-					2510 1

	COL A03		COL A04		COL A05		CODES
	AGY REQUEST FY 2023-24 POS	AMOUNT	AGY REQ N/R FY 2023-24 POS	AMOUNT	AG REQ ANZ FY 2023-24 POS	AMOUNT	
LOTTERY, DEPARTMENT OF THE							36000000
PGM: LOTTERY OPERATIONS							36100000
<u>EXEC DIRECTION SUPPRT SVC</u>							36101000
GOV OPERATIONS/SUPPORT							16
<u>EXEC LEADERSHIP/SUPPRT SVC</u>							<u>1602.00.00.00</u>
ESTIMATED EXPENDITURES							1000000
SALARY INCREASE FY 2022-23 -							
STATEWIDE 5.38% PAY INCREASE -							
EFFECTIVE 7/1/2022							1001315
SALARY RATE							000000
SALARY RATE.....		202,447					
=====							
SALARIES AND BENEFITS							010000
OPERATING TRUST FUND -STATE		250,123					2510 1
=====							
TOTAL: SALARY INCREASE FY 2022-23 -							1001315
STATEWIDE 5.38% PAY INCREASE -							
EFFECTIVE 7/1/2022							
TOTAL ISSUE.....		250,123					
TOTAL SALARY RATE.....		202,447					
=====							
SALARY INCREASE FY 2022-23 -							
STATEWIDE \$15 MINIMUM WAGE INCREASE							
- EFFECTIVE 7/1/2022							1001325
OTHER PERSONAL SERVICES							030000
OPERATING TRUST FUND -STATE		2,270					2510 1
=====							
FLORIDA RETIREMENT SYSTEM							
ADJUSTMENT - FY 2022-23 - NORMAL							
COST AND UNFUNDED ACTUARIAL							
LIABILITY (UAL)							1002010
SALARIES AND BENEFITS							010000
OPERATING TRUST FUND -STATE		48,415					2510 1
=====							

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2023-24	FY 2023-24	FY 2023-24	
	POS AMOUNT	POS AMOUNT	POS AMOUNT	CODES
LOTTERY, DEPARTMENT OF THE				36000000
PGM: LOTTERY OPERATIONS				36100000
<u>EXEC DIRECTION SUPPRT SVC</u>				36101000
GOV OPERATIONS/SUPPORT				16
<u>EXEC LEADERSHIP/SUPPRT SVC</u>				<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	15,805			2510 1
=====				
NONRECURRING EXPENDITURES				2100000
FLORIDA PLANNING, ACCOUNTING, AND				
LEDGER MANAGEMENT (PALM) READINESS				2103028
SPECIAL CATEGORIES				100000
FLAIR SYSTEM REPLACEMENT				100781
OPERATING TRUST FUND -STATE	735,904-			2510 1
=====				
EQUIPMENT NEEDS				2400000
REPLACEMENT OF MOTOR VEHICLES				2401500
SPECIAL CATEGORIES				100000
ACQUISITION/MOTOR VEHICLES				100021
OPERATING TRUST FUND -STATE	287,784	287,784		2510 1
=====				

AGENCY ISSUE NARRATIVE:

2023-2024 BUDGET YEAR NARRATIVE:

IT COMPONENT? NO

ISSUE TITLE:

Replacement of Motor Vehicles

SUMMARY:

The Department of the Lottery (department) requests an increase of \$287,784 in nonrecurring budget authority in the Acquisition of Motor Vehicles appropriation category to replace nine vehicles that were intended to be purchased in Fiscal Year 2020-21. However, due to delivery issues they were not received in time and were purchased with Fiscal Year 2021-22 funding.

Due to pandemic related delays with micro-chip availability and vehicle shipping, many dealers were unable to satisfy the state purchases of vehicles. This resulted in a delay of shipment for the department's nine vehicles which ultimately had to be paid from Fiscal Year 2021-22 funding. Therefore, the department requests \$287,784 to replace the nine vehicles it

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2023-24	FY 2023-24	FY 2023-24	
	POS AMOUNT	POS AMOUNT	POS AMOUNT	CODES
LOTTERY, DEPARTMENT OF THE				36000000
PGM: LOTTERY OPERATIONS				36100000
<u>EXEC DIRECTION SUPPRT SVC</u>				36101000
GOV OPERATIONS/SUPPORT				16
<u>EXEC LEADERSHIP/SUPPRT SVC</u>				<u>1602.00.00.00</u>
EQUIPMENT NEEDS				2400000
REPLACEMENT OF MOTOR VEHICLES				2401500

was unable to procure. The department would like to procure nine 2022 Ford Transits which each cost \$31,976, based on State Term Contract pricing.

Linkage to the Florida Lottery Long Range Program Plan:
 Agency Goal #4 - Optimize Business Operations

Linkable to the Florida Strategic Plan for Economic Development:
 #5.2 - Improve the efficiency and effectiveness of government agencies at all levels.

COST SUMMARY:

CATEGORY	FY 23/24 Recurring	FY 23/24 Nonrecurring	FY 23/24 Total
Acquisition of Motor Vehicles	\$0	\$287,784	\$287,784

WORKLOAD				3000000
INCREASE TO LOTTERY OTHER PERSONAL SERVICES BASE				3007100
OTHER PERSONAL SERVICES				030000
OPERATING TRUST FUND -STATE	131,040			2510 1
SPECIAL CATEGORIES				100000
TR/DMS/HR SVCS/STW CONTRCT				107040
OPERATING TRUST FUND -STATE	392			2510 1
TOTAL: INCREASE TO LOTTERY OTHER PERSONAL SERVICES BASE				3007100
TOTAL ISSUE.....	131,432			

AGENCY ISSUE NARRATIVE:
 2023-2024 BUDGET YEAR NARRATIVE:
 ISSUE TITLE:

IT COMPONENT? NO

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2023-24	FY 2023-24	FY 2023-24	
	POS AMOUNT	POS AMOUNT	POS AMOUNT	CODES
LOTTERY, DEPARTMENT OF THE				36000000
PGM: LOTTERY OPERATIONS				36100000
<u>EXEC DIRECTION SUPPRT SVC</u>				36101000
GOV OPERATIONS/SUPPORT				16
<u>EXEC LEADERSHIP/SUPPRT SVC</u>				<u>1602.00.00.00</u>
WORKLOAD				3000000
INCREASE TO LOTTERY OTHER PERSONAL				
SERVICES BASE				3007100

 Increase to Lottery Other Personal Services Base

The Department of the Lottery (department) requests an increase of \$794,930 of recurring budget authority (\$131,432 in the Executive Direction budget entity and \$663,498 in the Lottery Games and Operations budget entity) in the Other Personal Services (OPS) and Human Resource Services appropriation categories to help augment the department's current FTE resources. Currently, the department has a limited amount of OPS funding to fill the significant gaps in each of the program areas to better support the department's workload. This additional funding would enable the department to employ 25 OPS employees in the areas of Administration, Communications, Claims Processing, Gaming Operations, Security and District Office staff.

Administration:

- 1 Human Resource Assistant to provide administrative support to the Human Resources unit who currently does not have a FTE to perform these duties.
- 1 Support Services Specialist to provide operational support in the department's facilities management section.

Communications:

- 1 Contract Coordinator that would be responsible for working with the contract managers in the Partnership and Engagement unit to develop scopes of work for contracts and ensure that the contract requirements/deliverables are being met.
- 1 Strategic Partnership Specialist to be utilized to supplement the efforts of the two FTE's currently working in the Partnership and Engagement unit to better execute the various initiatives for the promotion of the Bright Futures and other educational programs supported by Lottery dollars.

Claims Processing:

- 2 Financial Specialist that will process the increased volume of lottery claims that are received at the Headquarters office.

Gaming Operations:

- 1 Computer Operator to provide information technology (IT) operations scheduling flexibility and needed support with staffing shortages.
- 1 Junior System Quality Assurance(SQA) Testing Tech to increase capacity for the additional volume of testing of IT solutions before turning over to the business.
- 1 Junior IT Business Analyst to aid our current IT Business analysts in requirements gathering and documentation backlog.
- 1 Data Analyst to assist in the public records requests and report generation.
- 1 Cybersecurity Specialist to provide needed capacity for security monitoring and incident responses.
- 1 Games Administration Specialist to assist with higher customer service and retailer related call volumes resulting from increased sales and payment activity.

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2023-24	FY 2023-24	FY 2023-24	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
LOTTERY, DEPARTMENT OF THE				36000000
PGM: LOTTERY OPERATIONS				36100000
<u>EXEC DIRECTION SUPPRT SVC</u>				36101000
GOV OPERATIONS/SUPPORT				16
<u>EXEC LEADERSHIP/SUPPRT SVC</u>				<u>1602.00.00.00</u>
WORKLOAD				3000000
INCREASE TO LOTTERY OTHER PERSONAL				
SERVICES BASE				3007100

Security:

- 1 Special Agent I to serve as a Draw Manger for all of the nightly/daily draws.

District Offices:

- 12 Lottery Marketing Specialists III to serve the increased volume of lottery players redeeming winning lottery tickets in the Pensacola, Jacksonville, Orlando, Tampa, Fort Myers, West Palm Beach and Miami District Offices. The additional staff will decrease wait times for players standing in line to redeem their prizes.

Linkage to the Florida Lottery Long Range Program Plan:

Agency Goal #4 - Optimize Business Operations

Linkable to the Florida Strategic Plan for Economic Development:

#5.2 - Improve the efficiency and effectiveness of government agencies at all levels.

COST SUMMARY:

CATEGORY	FY 23/24 Recurring	FY 23/24 Nonrecurring	FY 23/24 Total
Other Personal Services	\$ 792,480	\$0	\$ 792,480
Human Resource Services	\$ 2,450	\$0	\$ 2,450
	<u>\$ 794,930</u>	<u>\$0</u>	<u>\$ 794,930</u>

FLORIDA LOTTERY INDEPENDENT

SECURITY AUDIT				3009300
SPECIAL CATEGORIES				100000
CONTRACTED SERVICES				100777

OPERATING TRUST FUND	-STATE	250,000	250,000	2510	1
=====					

AGENCY ISSUE NARRATIVE:

2023-2024 BUDGET YEAR NARRATIVE:

IT COMPONENT? NO

ISSUE TITLE:

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2023-24	FY 2023-24	FY 2023-24	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
LOTTERY, DEPARTMENT OF THE				36000000
PGM: LOTTERY OPERATIONS				36100000
<u>EXEC DIRECTION SUPPRT SVC</u>				36101000
GOV OPERATIONS/SUPPORT				16
<u>EXEC LEADERSHIP/SUPPRT SVC</u>				<u>1602.00.00.00</u>
WORKLOAD				3000000
FLORIDA LOTTERY INDEPENDENT				
SECURITY AUDIT				3009300

 Florida Lottery Independent Security Audit

SUMMARY:

 The Department of the Lottery (department) requests an increase of \$250,000 in nonrecurring budget authority in the Contracted Services appropriation category to contract with an independent firm to conduct a comprehensive security evaluation as required in subsection 24.108(7), Florida Statutes. Subsection 24.108(7), Florida Statutes, requires the security evaluation be conducted at least once every two years, and it was last completed in Fiscal Year 2021-22.

If budget authority is not provided to support the security evaluation in Fiscal Year 2023-24, the department will not be in compliance with Florida law.

Linkage to the Florida Lottery Long Range Program Plan:
 Agency Goal #2 - Uphold the Integrity of Business Operations
 Agency Goal #4 - Optimize Business Operations

Linkable to the Florida Strategic Plan for Economic Development:
 #5.2 - Improve the efficiency and effectiveness of government agencies at all levels.

COST SUMMARY:

CATEGORY	FY 23/24	FY 23/24	FY 23/24
	Recurring	Nonrecurring	Total
Contracted Services	\$0	\$250,000	\$250,000

	COL A03	COL A04	COL A05		
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ		
	FY 2023-24	FY 2023-24	FY 2023-24		
POS	AMOUNT	POS	AMOUNT	POS	
				AMOUNT	
				CODES	
LOTTERY, DEPARTMENT OF THE					36000000
PGM: LOTTERY OPERATIONS					36100000
<u>EXEC DIRECTION SUPPRT SVC</u>					36101000
GOV OPERATIONS/SUPPORT					16
<u>EXEC LEADERSHIP/SUPPRT SVC</u>					1602.00.00.00
INCREASING SALES INITIATIVES					4100000
BANKING SERVICES CONTRACT					4100400
SPECIAL CATEGORIES					100000
CONTRACTED SERVICES					100777
OPERATING TRUST FUND					2510 1
-STATE	257,000				

AGENCY ISSUE NARRATIVE:

2023-2024 BUDGET YEAR NARRATIVE:

IT COMPONENT? NO

ISSUE TITLE:

Banking Services Contract

SUMMARY:

The Department of the Lottery (department) requests an increase of \$257,000 of recurring budget authority in the Contracted Services appropriation category to provide and stabilize the department's banking and financial services for the department. The department will competitively procure a new banking services contract in July 2023 and anticipates the additional fees will be necessary in order to accommodate the services required for the department, our winners and our retailers.

Linkage to the Florida Lottery Long Range Program Plan:

Agency Goal #2 - Uphold the Integrity of Business Operations

Agency Goal #4 - Optimize Business Operations

Linkable to the Florida Strategic Plan for Economic Development:

#5.2 - Improve the efficiency and effectiveness of government agencies at all levels.

COST SUMMARY:

CATEGORY	FY 23/24	FY 23/24	FY 23/24
	Recurring	Nonrecurring	Total
Contracted Services	\$ 257,000	\$0	\$ 257,000

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2023-24	FY 2023-24	FY 2023-24	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
LOTTERY, DEPARTMENT OF THE				36000000
PGM: LOTTERY OPERATIONS				36100000
<u>EXEC DIRECTION SUPPRT SVC</u>				36101000
GOV OPERATIONS/SUPPORT				16
<u>EXEC LEADERSHIP/SUPPRT SVC</u>				<u>1602.00.00.00</u>
INCREASING SALES INITIATIVES				4100000
INCREASED OPERATING COSTS				4100500
EXPENSES				040000
OPERATING TRUST FUND				2510 1
-STATE	303,152			
	=====	=====	=====	

AGENCY ISSUE NARRATIVE:

2023-2024 BUDGET YEAR NARRATIVE:

IT COMPONENT? NO

ISSUE TITLE:

Increased Operating Costs

SUMMARY:

The Department of the Lottery (department) requests an increase of \$350,639 of recurring budget authority (\$303,152 in the Executive Direction and Support Services budget entity and \$47,487 in the Lottery Games and Operations budget entity) in the Expenses and Contracted Services appropriation categories to support increased operating costs that are a result of fuel price increases, utility and communication price increases, and janitorial increases for the department's Headquarters building and district offices.

In Fiscal Year 2020-21 the department spent a total of \$225,427 in fuel costs to operate our fleet of 183 vehicles. In Fiscal Year 2021-22 the total fuel costs increased to \$436,582, which is an increase of \$211,155. The department requests an increase of \$215,000 to accommodate this increase in fuel costs.

Additionally, since Fiscal Year 2019-20 in our Lottery Games and Operations budget entity, our phones/communications costs have increased by \$31,819 (7.78% increase), janitorial costs for our district offices have increased \$15,668 (14.09% increase), and in our Executive Direction and Support Services budget entity the utility costs have increased \$88,152 (27.98% increase).

Additional budget will support the daily operations of the department's most basic needs since the department is unable to absorb these increases within its existing budget.

Linkage to the Florida Lottery Long Range Program Plan:

Agency Goal #4 - Optimize Business Operations

Linkable to the Florida Strategic Plan for Economic Development:

#5.2 - Improve the efficiency and effectiveness of government agencies at all levels.

COST SUMMARY:

FY 23/24

FY 23/24

FY 23/24

COL A03		COL A04		COL A05		CODES
AGY REQUEST		AGY REQ N/R		AG REQ ANZ		
FY 2023-24		FY 2023-24		FY 2023-24		
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	

LOTTERY, DEPARTMENT OF THE
 PGM: LOTTERY OPERATIONS
EXEC DIRECTION SUPPRT SVC
 GOV OPERATIONS/SUPPORT
EXEC LEADERSHIP/SUPPRT SVC
 INCREASING SALES INITIATIVES
 INCREASED OPERATING COSTS

36000000
 36100000
 36101000
 16
1602.00.00.00
 4100000
 4100500

CATEGORY	Recurring	Nonrecurring	Total
Expenses	\$ 334,971	\$0	\$ 334,971
Contracted Services	\$ 15,668	\$0	\$ 15,668
	\$ 350,639	\$0	\$ 350,639

INCREASE ACQUISITION OF MOTOR
 VEHICLES
 SPECIAL CATEGORIES
 ACQUISITION/MOTOR VEHICLES

4100600
 100000
 100021

OPERATING TRUST FUND -STATE 102,000 2510 1

=====

AGENCY ISSUE NARRATIVE:

2023-2024 BUDGET YEAR NARRATIVE:

IT COMPONENT? NO

ISSUE TITLE:

Increase Acquisition of Motor Vehicles

SUMMARY:

The Department of the Lottery (department) requests an increase of \$102,000 in recurring budget authority in the Acquisition of Motor Vehicles appropriation category. The department has a backlog of vehicles in need of replacement and is requesting an increase to the recurring appropriation from \$340,000 to \$442,000 (30% increase), to remediate this issue.

According to Department of Management Services (DMS) guidelines, state vehicles are eligible for surplus when they reach 120,000 miles or are 12 years old. Currently, 30 of the 183 vehicles in the department's fleet meet the guidelines but are still in use. The department has maintained its appropriation since Fiscal Year 2015-16, however every year the number of vehicles eligible for surplus increases due to the lack of appropriation and increases in the cost of vehicle replacement.

An increase in the appropriation would allow the department to reduce the backlog of vehicles in need of replacement, reduce the amount required for vehicle repair and maintenance, and ensure the safety of department Sales Representatives as they regularly visit retailers in order to increase Lottery sales.

COL A03		COL A04		COL A05		CODES
AGY REQUEST		AGY REQ N/R		AG REQ ANZ		
FY 2023-24		FY 2023-24		FY 2023-24		
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	

LOTTERY, DEPARTMENT OF THE						36000000
PGM: LOTTERY OPERATIONS						36100000
<u>EXEC DIRECTION SUPPRT SVC</u>						36101000
GOV OPERATIONS/SUPPORT						16
<u>EXEC LEADERSHIP/SUPPRT SVC</u>						<u>1602.00.00.00</u>
INCREASING SALES INITIATIVES						4100000
INCREASE ACQUISITION OF MOTOR VEHICLES						4100600

Linkage to the Florida Lottery Long Range Program Plan:
 Agency Goal #4 - Optimize Business Operations

Linkable to the Florida Strategic Plan for Economic Development:
 #5.2 - Improve the efficiency and effectiveness of government agencies at all levels.

COST SUMMARY:

CATEGORY	FY 23/24 Recurring	FY 23/24 Nonrecurring	FY 23/24 Total
Acquisition of Motor Vehicles	\$102,000	\$0	\$102,000

ADDITIONAL RESOURCES TO SUPPORT PAY INITIATIVES				4200000
ADDITIONAL RESOURCES TO SUPPORT PAY INITIATIVES				4200A20
SALARY RATE				000000
SALARY RATE.....	137,903			
=====				
SALARIES AND BENEFITS				010000
OPERATING TRUST FUND -STATE	164,877			2510 1
=====				
TOTAL: ADDITIONAL RESOURCES TO SUPPORT PAY INITIATIVES				4200A20
TOTAL ISSUE.....	164,877			
TOTAL SALARY RATE.....	137,903			
=====				

AGENCY ISSUE NARRATIVE:
 2023-2024 BUDGET YEAR NARRATIVE: IT COMPONENT? NO
 ISSUE TITLE:

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2023-24	FY 2023-24	FY 2023-24	
	POS	AMOUNT	POS	AMOUNT
				AMOUNT
				CODES
LOTTERY, DEPARTMENT OF THE				36000000
PGM: LOTTERY OPERATIONS				36100000
<u>EXEC DIRECTION SUPPRT SVC</u>				36101000
GOV OPERATIONS/SUPPORT				16
<u>EXEC LEADERSHIP/SUPPRT SVC</u>				<u>1602.00.00.00</u>
ADDITIONAL RESOURCES TO SUPPORT PAY INITIATIVES				4200000
ADDITIONAL RESOURCES TO SUPPORT PAY INITIATIVES				4200A20

Additional Resources to Support Pay Initiatives

SUMMARY:

The Department of the Lottery (department) requests 1,338,240 in Salary Rate and \$1,600,000 of recurring budget authority in the Salaries and Benefits appropriation category to implement a pay plan to stabilize the department's workforce by reducing excessive turnover and facilitating the recruitment and retention of highly skilled personnel critical to the department's daily operations. Executive leadership and senior management level employees are excluded from this request.

BACKGROUND:

The department's mission is to maximize contributions to public education. The department has transferred over \$42 billion to education enhancement since its inception and, as the primary funding source of the Bright Futures Scholarship Program, has helped more than 955,000 students attend Florida colleges, universities, and technical schools. The department is recognized as an industry leader and one of the most successful lotteries in the nation. The department has contributed over \$2 billion to education each of the past two fiscal years.

The department is statutorily directed to operate "as much as possible in the manner of an entrepreneurial business enterprise" and to be "self-supporting." As such, the department is not funded by general revenue, licensing fees, or taxes. The department's two primary functions are selling tickets and paying prizes. A stable, highly skilled, and highly trained workforce is critical to carrying out these functions and achieving the department's mission.

Over the last two fiscal years the department has experienced an unacceptable employee turnover rate of 28%. Twenty percent (20%) of the departures over the past two fiscal years were for higher paying positions in state government and the private sector. These employee departures represent over 900 years of Florida Lottery-specific experience. Additionally, 18% of the department's current work force is either in DROP or eligible for retirement based on age or years of service. In order to remain the industry standard for state lotteries, the department must be able to stabilize our current work force and recruit highly skilled employees.

The department's contributions to education are directly tied to ticket sales. An increase in ticket sales results in increased transfers to education. The department's sales team establishes sales goal for each district office with the ultimate goal of increasing year-over-year sales when compared to the prior fiscal year. This ensures an increase in transfers to fund education. The department's Sales Representatives (SR's) are essential to working with our retailers and facilitating the sale of lottery tickets. As part of the stabilization plan, the department seeks to increase the minimum salary of SR's from \$33,577.56 to \$40,000.00.

The timely payment of prizes is essential to public confidence in the games offered by the Florida Lottery. Lottery Marketing Specialists (LMS's) in the department's nine district offices are responsible for processing the claims

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2023-24	FY 2023-24	FY 2023-24	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
LOTTERY, DEPARTMENT OF THE				36000000
PGM: LOTTERY OPERATIONS				36100000
<u>EXEC DIRECTION SUPPRT SVC</u>				36101000
GOV OPERATIONS/SUPPORT				16
<u>EXEC LEADERSHIP/SUPPRT SVC</u>				<u>1602.00.00.00</u>
ADDITIONAL RESOURCES TO SUPPORT PAY INITIATIVES				4200000
ADDITIONAL RESOURCES TO SUPPORT PAY INITIATIVES				4200A20

received from players. In addition to processing claims and ensuring players are paid, LMS's are responsible for processing debt owed by winners to state agencies. LMS's are essential to department operations. As part of the stabilization plan, the department seeks to increase the minimum salary of LMS's from \$31,200.00 to \$37,000.00.

The department is constantly seeking technological methods of improving department operations. The department's two core functions, selling tickets and paying prizes, are heavily dependent on the effective operations of multiple systems to collect, analyze, share data; generate reports; operate department games; sell tickets and reconcile ticket books; and pay prizes. Department employees, retailers, and players are all recipients/beneficiaries of the functionality supported by the technology solutions employed by the department. The department's heavy dependence on technological systems requires significant investment in the recruitment and retention of highly skilled information technology personnel. As part of the stabilization plan, the department seeks to increase the minimum salaries of multiple information technology personnel positions, including, but not limited to, Systems Analyst I's and II's, Technical Analyst I's and II's, and Software Quality Assurance Analyst I's.

This plan, which excludes executive leadership and senior management level employees, is expected to increase employee retention, knowledge base, productivity, and efficiency while incurring an approximately 4.8% increase in salary and benefits dollars.

Linkage to the Florida Lottery Long Range Program Plan:
 Agency Goal #4 - Optimize Business Operations

Linkable to the Florida Strategic Plan for Economic Development:
 #1.3 - Increase and retain the number of graduates in high demand fields including science, technology, engineering and mathematics (STEM), health and others to meet Florida's needs.
 #1.4 - Expand recruitment for and access to education and training programs for talent in underserved areas and population to close local workforce skills gaps.
 #5.2 - Improve the efficiency and effectiveness of government agencies at all levels.

COST SUMMARY:

CATEGORY	FY 23/24 Recurring	FY 23/24 Nonrecurring	FY 23/24 Total
Salaries and Benefits	\$ 1,600,000	\$0	\$ 1,600,000

COL A03		COL A04		COL A05		CODES
AGY REQUEST		AGY REQ N/R		AG REQ ANZ		
FY 2023-24		FY 2023-24		FY 2023-24		
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	

LOTTERY, DEPARTMENT OF THE						36000000
PGM: LOTTERY OPERATIONS						36100000
<u>EXEC DIRECTION SUPPRT SVC</u>						36101000
GOV OPERATIONS/SUPPORT						16
<u>EXEC LEADERSHIP/SUPPRT SVC</u>						<u>1602.00.00.00</u>
ADDITIONAL RESOURCES TO SUPPORT PAY INITIATIVES						4200000
ADDITIONAL RESOURCES TO SUPPORT PAY INITIATIVES						4200A20

POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A03 - AGY REQUEST FY 2023-24							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
RA01 RATE & SALARY ADJ - BENEFITS NO FTE							
N1006 001	0.00	137,903		26,974	164,877	0.00	164,877
TOTALS FOR ISSUE BY FUND							
2510 OPERATING TRUST FUND							164,877
	0.00	137,903		26,974	164,877		164,877

FLORIDA LOTTERY OPERATIONS FUNDING						5000000
INCREASE FOR LEASES EXPENSES						5000800
OPERATING TRUST FUND -STATE		312,313				2510 1

AGENCY ISSUE NARRATIVE:

2023-2024 BUDGET YEAR NARRATIVE:

IT COMPONENT? NO

ISSUE TITLE:

 Increase for Leases

SUMMARY:

 The Department of the Lottery (department) requests an increase of \$672,761 of recurring budget authority (\$312,313 in

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2023-24	FY 2023-24	FY 2023-24	
	POS	AMOUNT	POS	AMOUNT
				AMOUNT
				CODES
LOTTERY, DEPARTMENT OF THE				36000000
PGM: LOTTERY OPERATIONS				36100000
<u>EXEC DIRECTION SUPPRT SVC</u>				36101000
GOV OPERATIONS/SUPPORT				16
<u>EXEC LEADERSHIP/SUPPRT SVC</u>				<u>1602.00.00.00</u>
FLORIDA LOTTERY OPERATIONS FUNDING				5000000
INCREASE FOR LEASES				5000800

the Executive Direction and Support Services budget entity and \$360,448 in the Lottery Games and Operations budget entity) in the Expenses appropriation category to support increases in leases for the department's Headquarters building and district offices. The department's Headquarters is located in Tallahassee (Leon County) and there are eight additional District Offices throughout the state.

Subsequent to the submittal of the Fiscal Year 2022-23 Legislative Budget Request, the department's leases in the Pensacola and Orlando district offices expired resulting in an additional need of \$148,160. The department also had a subtenant vacate its Headquarters location in March 2022, resulting in an additional need of \$282,550, along with Fiscal Year 2023-24 projected annual price increases of \$242,051. This results in a total increase of \$672,761.

Linkage to the Florida Lottery Long Range Program Plan:
 Agency Goal #4 - Optimize Business Operations

Linkable to the Florida Strategic Plan for Economic Development:
 #5.2 - Improve the efficiency and effectiveness of government agencies at all levels.

COST SUMMARY:

CATEGORY	FY 23/24	FY 23/24	FY 23/24
	Recurring	Nonrecurring	Total
Expenses	\$ 672,761	\$0	\$ 672,761

TOTAL: EXEC LEADERSHIP/SUPPRT SVC				<u>1602.00.00.00</u>
BY FUND TYPE				
	56.50			
TRUST FUNDS.....	12,246,144	537,784		2000
SALARY RATE.....	4,103,268			
	=====	=====	=====	

	COL A03		COL A04		COL A05		CODES
	AGY REQUEST FY 2023-24 POS	AMOUNT	AGY REQ N/R FY 2023-24 POS	AMOUNT	AG REQ ANZ FY 2023-24 POS	AMOUNT	
LOTTERY, DEPARTMENT OF THE							36000000
PGM: LOTTERY OPERATIONS							36100000
GAMES AND OPERATIONS							36102000
GOV OPERATIONS/SUPPORT							16
GOVERNMENTAL OPERATIONS							<u>1601.00.00.00</u>
ESTIMATED EXPENDITURES							1000000
ESTIMATED EXPENDITURES - OPERATIONS							1001000
SALARY RATE							000000
SALARY RATE.....		15,752,547					
=====							
SALARIES AND BENEFITS							010000
OPERATING TRUST FUND -STATE		362.00					
		25,844,714					2510 1
=====							
OTHER PERSONAL SERVICES							030000
OPERATING TRUST FUND -STATE		178,400					2510 1
=====							
EXPENSES							040000
OPERATING TRUST FUND -STATE		2,862,539					2510 1
=====							
OPERATING CAPITAL OUTLAY							060000
OPERATING TRUST FUND -STATE		193,200					2510 1
=====							
SPECIAL CATEGORIES							100000
CONTRACTED SERVICES							100777
OPERATING TRUST FUND -STATE		7,335,276					2510 1
=====							
INSTANT TICKET PURCHASE							101740
OPERATING TRUST FUND -STATE		55,211,856					2510 1
=====							
GAMING SYSTEM CONTRACT							101741
OPERATING TRUST FUND -STATE		65,325,165					2510 1
=====							

	COL A03		COL A04		COL A05		CODES
	AGY REQUEST FY 2023-24 POS	AMOUNT	AGY REQ N/R FY 2023-24 POS	AMOUNT	AG REQ ANZ FY 2023-24 POS	AMOUNT	
LOTTERY, DEPARTMENT OF THE							36000000
PGM: LOTTERY OPERATIONS							36100000
GAMES AND OPERATIONS							36102000
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		2,907,939					2510 1
PAID ADVERTISING/PROMOTION							102380
OPERATING TRUST FUND -STATE		36,312,514					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
LEASE/PURCHASE/EQUIPMENT							105281
OPERATING TRUST FUND -STATE		163,000					2510 1
DATA PROCESSING SERVICES							210000
NORTHWEST REGIONAL DC							210023
OPERATING TRUST FUND -STATE		258,774					2510 1
TOTAL: ESTIMATED EXPENDITURES - OPERATIONS							1001000
TOTAL POSITIONS.....		362.00					
TOTAL ISSUE.....		198,932,437					
TOTAL SALARY RATE.....		15,752,547					

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2023-24	FY 2023-24	FY 2023-24	
	POS	AMOUNT	POS	AMOUNT
				AMOUNT
				CODES
LOTTERY, DEPARTMENT OF THE				36000000
PGM: LOTTERY OPERATIONS				36100000
GAMES AND OPERATIONS				36102000
GOV OPERATIONS/SUPPORT				16
GOVERNMENTAL OPERATIONS				<u>1601.00.00.00</u>
ESTIMATED EXPENDITURES				1000000
SALARY INCREASE FY 2022-23 - LAW				
ENFORCEMENT - EFFECTIVE 7/1/2022				1001110
SALARY RATE				000000
SALARY RATE.....	49,398			
	=====	=====	=====	
SALARIES AND BENEFITS				010000
OPERATING TRUST FUND -STATE	64,133			2510 1
	=====	=====	=====	
TOTAL: SALARY INCREASE FY 2022-23 - LAW				1001110
ENFORCEMENT - EFFECTIVE 7/1/2022				
TOTAL ISSUE.....	64,133			
TOTAL SALARY RATE.....	49,398			
	=====	=====	=====	
SALARY INCREASE FY 2022-23 -				
STATEWIDE 5.38% PAY INCREASE -				
EFFECTIVE 7/1/2022				1001315
SALARY RATE				000000
SALARY RATE.....	846,040			
	=====	=====	=====	
SALARIES AND BENEFITS				010000
OPERATING TRUST FUND -STATE	1,038,385			2510 1
	=====	=====	=====	
TOTAL: SALARY INCREASE FY 2022-23 -				1001315
STATEWIDE 5.38% PAY INCREASE -				
EFFECTIVE 7/1/2022				
TOTAL ISSUE.....	1,038,385			
TOTAL SALARY RATE.....	846,040			
	=====	=====	=====	

	COL A03		COL A04		COL A05		CODES
	AGY REQUEST FY 2023-24 POS	AMOUNT	AGY REQ N/R FY 2023-24 POS	AMOUNT	AG REQ ANZ FY 2023-24 POS	AMOUNT	
LOTTERY, DEPARTMENT OF THE							36000000
PGM: LOTTERY OPERATIONS							36100000
GAMES AND OPERATIONS							36102000
GOV OPERATIONS/SUPPORT							16
GOVERNMENTAL OPERATIONS							<u>1601.00.00.00</u>
ESTIMATED EXPENDITURES							1000000
SALARY INCREASE FY 2022-23 -							
STATEWIDE \$15 MINIMUM WAGE INCREASE							
- EFFECTIVE 7/1/2022							1001325
SALARY RATE							000000
SALARY RATE.....		114,071					
		=====					
SALARIES AND BENEFITS							010000
OPERATING TRUST FUND -STATE		136,344					2510 1
		=====					
OTHER PERSONAL SERVICES							030000
OPERATING TRUST FUND -STATE		15,619					2510 1
		=====					
TOTAL: SALARY INCREASE FY 2022-23 -							1001325
STATEWIDE \$15 MINIMUM WAGE INCREASE							
- EFFECTIVE 7/1/2022							
TOTAL ISSUE.....		151,963					
TOTAL SALARY RATE.....		114,071					
		=====					
FLORIDA RETIREMENT SYSTEM							
ADJUSTMENT - FY 2022-23 - NORMAL							
COST AND UNFUNDED ACTUARIAL							
LIABILITY (UAL)							1002010
SALARIES AND BENEFITS							010000
OPERATING TRUST FUND -STATE		185,977					2510 1
		=====					
FY 2022-23 - LOTTERY CRITICAL							
MARKET PAY ADDITIVE - EFFECTIVE							
7/1/2022							1002020
SALARY RATE							000000
SALARY RATE.....		132,564					
		=====					

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2023-24	FY 2023-24	FY 2023-24	
	POS AMOUNT	POS AMOUNT	POS AMOUNT	CODES
LOTTERY, DEPARTMENT OF THE				36000000
PGM: LOTTERY OPERATIONS				36100000
GAMES AND OPERATIONS				36102000
GOV OPERATIONS/SUPPORT				16
GOVERNMENTAL OPERATIONS				1601.00.00.00
ESTIMATED EXPENDITURES				1000000
FY 2022-23 - LOTTERY CRITICAL				
MARKET PAY ADDITIVE - EFFECTIVE				
7/1/2022				1002020
SALARIES AND BENEFITS				010000
OPERATING TRUST FUND -STATE	157,091			2510 1
TOTAL: FY 2022-23 - LOTTERY CRITICAL				1002020
MARKET PAY ADDITIVE - EFFECTIVE				
7/1/2022				
TOTAL ISSUE.....	157,091			
TOTAL SALARY RATE.....	132,564			
EQUIPMENT NEEDS				2400000
INFORMATION TECHNOLOGY				
INFRASTRUCTURE REPLACEMENT				24010C0
EXPENSES				040000
OPERATING TRUST FUND -STATE	100,000			2510 1

AGENCY ISSUE NARRATIVE:

2023-2024 BUDGET YEAR NARRATIVE:

IT COMPONENT? YES

ISSUE TITLE:

Information Technology Infrastructure Replacement

SUMMARY:

The Department of the Lottery (department) requests an increase of \$100,000 of recurring budget authority in the Expenses appropriation category. The funding is to increase the Lottery's allocation of funds for infrastructure replacement.

The department prepared and the Legislature approved \$155,000 (recurring) funds in the Fiscal Year 2016-17 Legislative Budget Request submittal to replace aging information technology equipment, however the cost of replacement has increased since the original submittal. By replacing equipment with current technology, the Lottery will realize fewer hardware failures and less downtime, reducing the potential for a significant loss of productivity resulting from an unavailability of critical business functions.

Linkage to the Florida Lottery Long Range Program Plan:

Agency Goal #4 - Optimize Business Operations

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2023-24	FY 2023-24	FY 2023-24	
	POS AMOUNT	POS AMOUNT	POS AMOUNT	CODES
LOTTERY, DEPARTMENT OF THE				36000000
PGM: LOTTERY OPERATIONS				36100000
GAMES AND OPERATIONS				36102000
GOV OPERATIONS/SUPPORT				16
GOVERNMENTAL OPERATIONS				1601.00.00.00
EQUIPMENT NEEDS				2400000
INFORMATION TECHNOLOGY				
INFRASTRUCTURE REPLACEMENT				24010C0

Linkable to the Florida Strategic Plan for Economic Development:
 #5.2 - Improve the efficiency and effectiveness of government agencies at all levels.

COST SUMMARY:

CATEGORY	FY 23/24 Recurring	FY 23/24 Nonrecurring	FY 23/24 Total
Expenses	\$ 100,000	\$0	\$ 100,000

WORKLOAD				3000000
INCREASE TO LOTTERY OTHER PERSONAL SERVICES BASE				3007100
OTHER PERSONAL SERVICES				030000
OPERATING TRUST FUND -STATE	661,440			2510 1
SPECIAL CATEGORIES				100000
TR/DMS/HR SVCS/STW CONTRCT				107040
OPERATING TRUST FUND -STATE	2,058			2510 1
TOTAL: INCREASE TO LOTTERY OTHER PERSONAL SERVICES BASE				3007100
TOTAL ISSUE.....	663,498			

AGENCY ISSUE NARRATIVE:

2023-2024 BUDGET YEAR NARRATIVE:

IT COMPONENT? NO

ISSUE TITLE:

Increase to Lottery Other Personal Services Base

The Department of the Lottery (department) requests an increase of \$794,930 of recurring budget authority (\$131,432 in

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2023-24	FY 2023-24	FY 2023-24	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
LOTTERY, DEPARTMENT OF THE				36000000
PGM: LOTTERY OPERATIONS				36100000
<u>GAMES AND OPERATIONS</u>				36102000
GOV OPERATIONS/SUPPORT				16
<u>GOVERNMENTAL OPERATIONS</u>				<u>1601.00.00.00</u>
WORKLOAD				3000000
INCREASE TO LOTTERY OTHER PERSONAL				
SERVICES BASE				3007100

the Executive Direction budget entity and \$663,498 in the Lottery Games and Operations budget entity) in the Other Personal Services (OPS) and Human Resource Services appropriation categories to help augment the department's current FTE resources. Currently, the department has a limited amount of OPS funding to fill the significant gaps in each of the program areas to better support the department's workload. This additional funding would enable the department to employ 25 OPS employees in the areas of Administration, Communications, Claims Processing, Gaming Operations, Security and District Office staff.

Administration:

- 1 Human Resource Assistant to provide administrative support to the Human Resources unit who currently does not have a FTE to perform these duties.
- 1 Support Services Specialist to provide operational support in the department's facilities management section.

Communications:

- 1 Contract Coordinator that would be responsible for working with the contract managers in the Partnership and Engagement unit to develop scopes of work for contracts and ensure that the contract requirements/deliverables are being met.
- 1 Strategic Partnership Specialist to be utilized to supplement the efforts of the two FTE's currently working in the Partnership and Engagement unit to better execute the various initiatives for the promotion of the Bright Futures and other educational programs supported by Lottery dollars.

Claims Processing:

- 2 Financial Specialist that will process the increased volume of lottery claims that are received at the Headquarters office.

Gaming Operations:

- 1 Computer Operator to provide information technology (IT) operations scheduling flexibility and needed support with staffing shortages.
- 1 Junior System Quality Assurance(SQA) Testing Tech to increase capacity for the additional volume of testing of IT solutions before turning over to the business.
- 1 Junior IT Business Analyst to aid our current IT Business analysts in requirements gathering and documentation backlog.
- 1 Data Analyst to assist in the public records requests and report generation.
- 1 Cybersecurity Specialist to provide needed capacity for security monitoring and incident responses.
- 1 Games Administration Specialist to assist with higher customer service and retailer related call volumes resulting from increased sales and payment activity.

Security:

- 1 Special Agent I to serve as a Draw Manger for all of the nightly/daily draws.

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2023-24	FY 2023-24	FY 2023-24	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
LOTTERY, DEPARTMENT OF THE				36000000
PGM: LOTTERY OPERATIONS				36100000
GAMES AND OPERATIONS				36102000
GOV OPERATIONS/SUPPORT				16
GOVERNMENTAL OPERATIONS				<u>1601.00.00.00</u>
WORKLOAD				3000000
INCREASE TO LOTTERY OTHER PERSONAL				
SERVICES BASE				3007100

District Offices:

- 12 Lottery Marketing Specialists III to serve the increased volume of lottery players redeeming winning lottery tickets in the Pensacola, Jacksonville, Orlando, Tampa, Fort Myers, West Palm Beach and Miami District Offices. The additional staff will decrease wait times for players standing in line to redeem their prizes.

Linkage to the Florida Lottery Long Range Program Plan:
 Agency Goal #4 - Optimize Business Operations

Linkable to the Florida Strategic Plan for Economic Development:
 #5.2 - Improve the efficiency and effectiveness of government agencies at all levels.

COST SUMMARY:

CATEGORY	FY 23/24 Recurring	FY 23/24 Nonrecurring	FY 23/24 Total
Other Personal Services	\$ 792,480	\$0	\$ 792,480
Human Resource Services	\$ 2,450	\$0	\$ 2,450
	<u>\$ 794,930</u>	<u>\$0</u>	<u>\$ 794,930</u>

ADDITIONAL LAW ENFORCEMENT
 POSITIONS

SALARY RATE		3007200
SALARY RATE.....	102,600	000000
	=====	=====

SALARIES AND BENEFITS

	2.00	010000
OPERATING TRUST FUND	-STATE	171,890
	=====	=====
		2510 1

		COL A03	COL A04	COL A05	
		AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
		FY 2023-24	FY 2023-24	FY 2023-24	
		POS AMOUNT	POS AMOUNT	POS AMOUNT	CODES
LOTTERY, DEPARTMENT OF THE					36000000
PGM: LOTTERY OPERATIONS					36100000
GAMES AND OPERATIONS					36102000
GOV OPERATIONS/SUPPORT					16
GOVERNMENTAL OPERATIONS					1601.00.00.00
WORKLOAD					3000000
ADDITIONAL LAW ENFORCEMENT					
POSITIONS					3007200
EXPENSES					040000
OPERATING TRUST FUND	-STATE	40,830	14,650		2510 1
OPERATING CAPITAL OUTLAY					060000
OPERATING TRUST FUND	-STATE	26,244	26,244		2510 1
SPECIAL CATEGORIES					100000
ACQUISITION/MOTOR VEHICLES					100021
OPERATING TRUST FUND	-STATE	50,000	50,000		2510 1
CONTRACTED SERVICES					100777
OPERATING TRUST FUND	-STATE	14,180	14,180		2510 1
TR/DMS/HR SVCS/STW CONTRCT					107040
OPERATING TRUST FUND	-STATE	684			2510 1
TOTAL: ADDITIONAL LAW ENFORCEMENT					3007200
POSITIONS					
TOTAL POSITIONS.....	2.00				
TOTAL ISSUE.....		303,828	105,074		
TOTAL SALARY RATE.....	102,600				

AGENCY ISSUE NARRATIVE:

2023-2024 BUDGET YEAR NARRATIVE:

IT COMPONENT? NO

ISSUE TITLE:

 Additional Law Enforcement Positions

SUMMARY:

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2023-24	FY 2023-24	FY 2023-24	
	POS AMOUNT	POS AMOUNT	POS AMOUNT	CODES
LOTTERY, DEPARTMENT OF THE				36000000
PGM: LOTTERY OPERATIONS				36100000
<u>GAMES AND OPERATIONS</u>				36102000
GOV OPERATIONS/SUPPORT				16
<u>GOVERNMENTAL OPERATIONS</u>				<u>1601.00.00.00</u>
WORKLOAD				3000000
ADDITIONAL LAW ENFORCEMENT				
POSITIONS				3007200

 The Department of the Lottery (department) requests two (2) sworn special agent positions in response to the substantial increase of investigative activities, retailer compliance operations, and inspections due to increased sales. These positions will further enhance the security and integrity of the department and optimize the response times, efficiency, and effectiveness of department law enforcement services throughout the state. This request includes associated salaries and benefits, standard expense packages, human resources services assessments, law enforcement gear, and a vehicle for each officer.

The Division of Security is required by Section 24.108(2), Florida Statutes, to conduct investigations of alleged violations of the Florida Public Education Lottery Act and other laws of the state to ensure the integrity and security of the operation of the Lottery. The Division of Security's retailer inspections and compliance investigations center around this mandate and by expanding investigative and inspection resources through additional staffing the Division will be better suited to meet the needs of retailers, players, and local law enforcement agency partners.

To fulfill the Division of Security's obligation to ensure the integrity of the Lottery, each of the Lottery's over 13,000 retailers require inspection by a sworn special agent once every four years. Inspecting all retailers at least once during their current four-year contract cycle aids in safeguarding the Lottery's integrity by maintaining a proactive and highly visible presence in retail locations to deter fraud, underage play, and improper management of Lottery-related products. In addition to retailer inspections, timely and frequent undercover compliance operations are also required to ensure accountability of retailers.

To meet this critical need, two additional special agents are needed. One is to be assigned to the Ft. Myers district and the other to the Miami district office. Both of these district offices require an additional \$1,300 per position in order to provide a critical market pay additive. Currently, Ft. Myers is without a dedicated special agent which requires the special agent assigned to the Tampa district office to also cover this area. The special agent assigned to the Miami office will greatly increase the Division of Security's capacity to conduct inspections and criminal and compliance investigations in the Ft Lauderdale (Broward) and Key West (Monroe) counties since these areas do not have a dedicated special agent as well.

In addition to the specialized equipment required for these positions, it is also required to construct secure office space for law enforcement use. The Division of Security's Florida Department of Law Enforcement (FDLE) Criminal Justice User Agreement requires a physically secure location where confidential and sensitive criminal investigation related information is accessed and stored.

To fulfill the Division of Security's mandate to ensure the integrity of the Lottery, these additional special agents will provide a presence in each of the district offices to promote a safer environment for employees and players, conduct fraud investigations, inspections, and retailer compliance operations needed in the area.

Linkage to the Florida Lottery Long Range Program Plan:

COL A03		COL A04		COL A05		CODES
AGY REQUEST		AGY REQ N/R		AG REQ ANZ		
FY 2023-24		FY 2023-24		FY 2023-24		
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	

LOTTERY, DEPARTMENT OF THE						36000000
PGM: LOTTERY OPERATIONS						36100000
GAMES AND OPERATIONS						36102000
GOV OPERATIONS/SUPPORT						16
GOVERNMENTAL OPERATIONS						1601.00.00.00
WORKLOAD						3000000
ADDITIONAL LAW ENFORCEMENT						
POSITIONS						3007200

Agency Goal #2 - Uphold the Integrity of Business Operations
 Agency Goal #4 - Optimize Business Operations

Linkable to the Florida Strategic Plan for Economic Development:
 #5.2 - Improve the efficiency and effectiveness of government agencies at all levels.

COST SUMMARY:

CATEGORY	FY 23/24 Recurring	FY 23/24 Nonrecurring	FY 23/24 Total
Salaries and Benefits	\$ 171,890	\$0	\$ 171,890
Expenses (Std Pkg)	\$ 18,180	\$ 10,652	\$ 28,832
Acq of Motor Vehicle	\$0	\$ 50,000	\$ 50,000
(Exp) Operation of MV	\$ 8,000	\$0	\$ 8,000
(Exp) Emergency Equip for Vehicle	\$0	\$ 3,998	\$ 3,998
(Cont Svc) Emerg Equip Install	\$0	\$ 1,360	\$ 1,360
(OCO) SLER Radio for Vehicle/Handheld	\$0	\$ 26,244	\$ 26,244
(Cont Svc) SLER Radio Install	\$0	\$ 820	\$ 820
(Cont Svc) Secure Office Space	\$0	\$ 12,000	\$ 12,000
HR Services	\$684	\$0	\$ 684
Total	\$ 198,754	\$ 105,074	\$ 303,828

POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A03 - AGY REQUEST FY 2023-24							
NEW POSITIONS							
2608 SPECIAL AGENT II							
N1000 001	1.00	50,000	1,300	34,645	85,945	0.00	85,945
N1001 001	1.00	50,000	1,300	34,645	85,945	0.00	85,945

COL A03		COL A04		COL A05		CODES
AGY REQUEST FY 2023-24	POS	AGY REQ N/R FY 2023-24	POS	AG REQ ANZ FY 2023-24	POS	
LOTTERY, DEPARTMENT OF THE						36000000
PGM: LOTTERY OPERATIONS						36100000
GAMES AND OPERATIONS						36102000
GOV OPERATIONS/SUPPORT						16
GOVERNMENTAL OPERATIONS						1601.00.00.00
WORKLOAD						3000000
ADDITIONAL LAW ENFORCEMENT POSITIONS						3007200

POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A03 - AGY REQUEST FY 2023-24							
NEW POSITIONS							
TOTALS FOR ISSUE BY FUND							
2510 OPERATING TRUST FUND							171,890
	2.00	100,000	2,600	69,290	171,890		171,890

ADDITIONAL LOTTERY INTELLIGENCE
 ANALYST POSITIONS

SALARY RATE							3007300
SALARY RATE.....	75,472						000000
SALARIES AND BENEFITS							010000
OPERATING TRUST FUND -STATE	2.00	123,112					2510 1
EXPENSES							040000
OPERATING TRUST FUND -STATE		23,480	10,652				2510 1

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2023-24	FY 2023-24	FY 2023-24	
	POS	AMOUNT	POS	AMOUNT
				AMOUNT
				CODES
LOTTERY, DEPARTMENT OF THE				36000000
PGM: LOTTERY OPERATIONS				36100000
GAMES AND OPERATIONS				36102000
GOV OPERATIONS/SUPPORT				16
GOVERNMENTAL OPERATIONS				1601.00.00.00
WORKLOAD				3000000
ADDITIONAL LOTTERY INTELLIGENCE				
ANALYST POSITIONS				3007300
SPECIAL CATEGORIES				100000
TR/DMS/HR SVCS/STW CONTRCT				107040
OPERATING TRUST FUND -STATE		684		2510 1
TOTAL: ADDITIONAL LOTTERY INTELLIGENCE				3007300
ANALYST POSITIONS				
TOTAL POSITIONS.....	2.00			
TOTAL ISSUE.....		147,276	10,652	
TOTAL SALARY RATE.....	75,472			

AGENCY ISSUE NARRATIVE:

2023-2024 BUDGET YEAR NARRATIVE:

IT COMPONENT? NO

ISSUE TITLE:

Additional Lottery Intelligence Analyst Positions

SUMMARY:

The Department of the Lottery (department) requests two (2) intelligence analysts positions to provide critical staffing needed to efficiently conduct timely background investigations, intelligence, and integrity related duties. These positions are vital for the Background and Intelligence Unit to conduct in-depth investigations and research required to protect the Florida Lottery from potential issues that could compromise the integrity of the Lottery. The current staffing level within the Background and Intelligences Unit is not sufficient to effectively conduct and complete the analytical work necessary for the department.

To promote the efficiency of the Department and ensure compliance with Section 24.108(4), Florida Statutes, the Background and Intelligence Unit is required to complete thorough and timely background investigations on every Lottery employee, vendor, retailer, and non-Lottery employee. The timely completion of these background investigations is critical to the overall operational efficiency of the Lottery. In addition to background checks, this unit is required to process lost or stolen ticket intake, retailer terminations/suspensions, background intelligence records maintenance, and fingerprinting.

The increase in Lottery employee turnover, along with non-Lottery employee and vendor backgrounds which are complex and comprehensive in scope justify the need for additional personnel.

Linkage to the Florida Lottery Long Range Program Plan:

COL A03		COL A04		COL A05		CODES
AGY REQUEST		AGY REQ N/R		AG REQ ANZ		
FY 2023-24		FY 2023-24		FY 2023-24		
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	

LOTTERY, DEPARTMENT OF THE						36000000
PGM: LOTTERY OPERATIONS						36100000
GAMES AND OPERATIONS						36102000
GOV OPERATIONS/SUPPORT						16
GOVERNMENTAL OPERATIONS						<u>1601.00.00.00</u>
WORKLOAD						3000000
ADDITIONAL LOTTERY INTELLIGENCE						
ANALYST POSITIONS						3007300

Agency Goal #2 - Uphold the Integrity of Business Operations
 Agency Goal #4 - Optimize Business Operations

Linkable to the Florida Strategic Plan for Economic Development:

#5.2 - Improve the efficiency and effectiveness of government agencies at all levels.

COST SUMMARY:

CATEGORY	FY 23/24 Recurring	FY 23/24 Nonrecurring	FY 23/24 Total
Salaries and Benefits	\$ 123,112	\$ 0	\$ 123,112
Expenses (Std Pkg)	\$ 12,828	\$ 10,652	\$ 23,480
HR Services	\$ 684	\$ 0	\$ 684
Total	\$ 136,624	\$ 10,652	\$ 147,276

POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A03 - AGY REQUEST FY 2023-24							
NEW POSITIONS							
2610 LOTTERY INTELLIGENCE ANALYST							
N1002 001	2.00	75,472		47,640	123,112	0.00	123,112
TOTALS FOR ISSUE BY FUND							
2510 OPERATING TRUST FUND							123,112
	2.00	75,472		47,640	123,112		123,112

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2023-24	FY 2023-24	FY 2023-24	
	POS	AMOUNT	POS	AMOUNT
				AMOUNT
				CODES
LOTTERY, DEPARTMENT OF THE				36000000
PGM: LOTTERY OPERATIONS				36100000
GAMES AND OPERATIONS				36102000
GOV OPERATIONS/SUPPORT				16
GOVERNMENTAL OPERATIONS				1601.00.00.00
AGENCY-WIDE INFORMATION TECHNOLOGY				3620000
CORE DATA SWITCH REPLACEMENT				36233C0
EXPENSES				040000
OPERATING TRUST FUND -STATE	173,945	173,945		2510 1
OPERATING CAPITAL OUTLAY				060000
OPERATING TRUST FUND -STATE	411,919	411,919		2510 1
SPECIAL CATEGORIES				100000
CONTRACTED SERVICES				100777
OPERATING TRUST FUND -STATE	50,955			2510 1
TOTAL: CORE DATA SWITCH REPLACEMENT				36233C0
TOTAL ISSUE.....	636,819	585,864		

AGENCY ISSUE NARRATIVE:

2023-2024 BUDGET YEAR NARRATIVE:

IT COMPONENT? YES

ISSUE TITLE:

Core Data Switch Replacement

SUMMARY:

The Department of the Lottery (department) requests an increase of \$636,819 in budget authority (\$50,955 recurring and \$585,864 nonrecurring) in the Expenses, Operating Capital Outlay, and Contracted Services appropriation categories to enable the Lottery to replace its current core data switch when support for the switch expires in October 2023.

Support will no longer be available for the Lottery data core switch that serves as the backbone to the department's network after October 2023. Core switches serve as the gateway to a wide area network (WAN) or the internet, and provide the final aggregation point for the network and allow multiple aggregation modules to work together.

A new core data switch is necessary to ensure continued Lottery operations due to the age of the current core data switch. If this core data switch is not replaced, the cost of repair and maintenance of a non-supported product and the potential that necessary parts may not be available, increases. New core switches, installation, and annual maintenance are required to update data sources and continue support.

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2023-24	FY 2023-24	FY 2023-24	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
LOTTERY, DEPARTMENT OF THE				36000000
PGM: LOTTERY OPERATIONS				36100000
GAMES AND OPERATIONS				36102000
GOV OPERATIONS/SUPPORT				16
GOVERNMENTAL OPERATIONS				<u>1601.00.00.00</u>
AGENCY-WIDE INFORMATION TECHNOLOGY				3620000
CORE DATA SWITCH REPLACEMENT				36233C0

Should the Lottery continue to operate on older technology without support, the department could be unable to support the systems and applications that integrate with our gaming system and enable our business units to meet statutory requirements of selling tickets and paying prizes. Any downtime could result in loss of revenues in addition to other state agencies being impacted by not receiving their statutorily mandated State Owed Debt collections from player prize payments.

Linkage to the Florida Lottery Long Range Program Plan:
 Agency Goal #4 - Optimize Business Operations

Linkable to the Florida Strategic Plan for Economic Development:
 #5.2 - Improve the efficiency and effectiveness of government agencies at all levels.

COST SUMMARY:

CATEGORY	FY 23/24 Recurring	FY 23/24 Nonrecurring	FY 23/24 Total
Expenses	\$ 0	\$ 173,945	\$ 173,945
Operating Capital Outlay	\$ 0	\$ 411,919	\$ 411,919
Contracted Services	\$ 50,955	\$ 0	\$ 50,955
	<u>\$ 50,955</u>	<u>\$ 585,864</u>	<u>\$ 636,819</u>

ADDITIONAL INFORMATION TECHNOLOGY

SUPPORT				36237C0
SALARY RATE				000000
SALARY RATE.....	340,000			
	=====	=====	=====	
SALARIES AND BENEFITS				010000
	4.00			
OPERATING TRUST FUND -STATE	472,332			2510 1
	=====	=====	=====	

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2023-24	FY 2023-24	FY 2023-24	
	POS AMOUNT	POS AMOUNT	POS AMOUNT	CODES
LOTTERY, DEPARTMENT OF THE				36000000
PGM: LOTTERY OPERATIONS				36100000
GAMES AND OPERATIONS				36102000
GOV OPERATIONS/SUPPORT				16
GOVERNMENTAL OPERATIONS				<u>1601.00.00.00</u>
AGENCY-WIDE INFORMATION TECHNOLOGY				3620000
ADDITIONAL INFORMATION TECHNOLOGY				
SUPPORT				36237C0
EXPENSES				040000
OPERATING TRUST FUND -STATE	46,960	21,304		2510 1
=====				
SPECIAL CATEGORIES				100000
TR/DMS/HR SVCS/STW CONTRCT				107040
OPERATING TRUST FUND -STATE	1,368			2510 1
=====				
TOTAL: ADDITIONAL INFORMATION TECHNOLOGY				36237C0
SUPPORT				
TOTAL POSITIONS.....	4.00			
TOTAL ISSUE.....	520,660	21,304		
TOTAL SALARY RATE.....	340,000			
=====				

AGENCY ISSUE NARRATIVE:

2023-2024 BUDGET YEAR NARRATIVE:

IT COMPONENT? YES

ISSUE TITLE:

Additional Information Technology Support

SUMMARY:

The Department of the Lottery (department) requests four (4) Information Technology (IT) positions to improve information technology within the department. As the department is statutorily mandated to operate as an entrepreneurial business and strives to improve efficiency through innovation, the department's IT staff must be able to proactively lead the business forward and not simply provide the minimum technical support needed to operate. The growing demands on IT necessitate additional IT professionals to promote technical growth and keep the Florida Lottery operating as the number one lottery in the country.

Should the Lottery continue to operate at suboptimal support levels, the department could be unable to support the systems and applications that integrate with our gaming system and prize payment system which are critical in enabling our business units to meet statutory requirements of selling tickets and paying prizes. Any downtime could result in significant loss of revenues.

This request is to hire the following four positions:

COL A03		COL A04		COL A05		CODES
AGY REQUEST		AGY REQ N/R		AG REQ ANZ		
FY 2023-24		FY 2023-24		FY 2023-24		
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	

LOTTERY, DEPARTMENT OF THE						36000000
PGM: LOTTERY OPERATIONS						36100000
GAMES AND OPERATIONS						36102000
GOV OPERATIONS/SUPPORT						16
GOVERNMENTAL OPERATIONS						<u>1601.00.00.00</u>
AGENCY-WIDE INFORMATION TECHNOLOGY						3620000
ADDITIONAL INFORMATION TECHNOLOGY						
SUPPORT						36237C0

- Network Analyst III
- Information Technology Support Supervisor
- Cloud Analyst III
- Information Technology Business Analyst III

The department has seasoned veterans with an abundance of experience and knowledge that have continued to perform duties that are required by more than one individual. It is imperative that the department hire employees in order to facilitate knowledge transfer due to retirements or departures.

Linkage to the Florida Lottery Long Range Program Plan:
 Agency Goal #4 - Optimize Business Operations

Linkable to the Florida Strategic Plan for Economic Development:
 #5.2 - Improve the efficiency and effectiveness of government agencies at all levels.

COST SUMMARY:

CATEGORY	FY 23/24 Recurring	FY 23/24 Nonrecurring	FY 23/24 Total
Salaries and Benefits	\$ 472,332	\$0	\$ 472,332
Expenses (Std Pkg)	\$ 25,656	\$ 21,304	\$ 46,960
HR Services	\$ 1,368	\$0	\$ 1,368
Total	\$ 499,356	\$ 21,304	\$ 520,660

POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A03 - AGY REQUEST FY 2023-24							
NEW POSITIONS							
P101 PROPOSED CLASS CODE							
N1005 001	4.00	340,000		132,332	472,332	0.00	472,332

COL A03		COL A04		COL A05		CODES
AGY REQUEST	AGY REQ N/R	AGY REQ N/R	AGY REQ ANZ	AGY REQ ANZ	AGY REQ ANZ	
FY 2023-24	FY 2023-24	FY 2023-24	FY 2023-24	FY 2023-24	FY 2023-24	
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	
						36000000
						36100000
						36102000
						16
						<u>1601.00.00.00</u>
						3620000
						36237C0

LOTTERY, DEPARTMENT OF THE
 PGM: LOTTERY OPERATIONS
 GAMES AND OPERATIONS
 GOV OPERATIONS/SUPPORT
 GOVERNMENTAL OPERATIONS
 AGENCY-WIDE INFORMATION TECHNOLOGY
 ADDITIONAL INFORMATION TECHNOLOGY
 SUPPORT

POSITION DETAIL OF SALARIES AND BENEFITS:

FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A03 - AGY REQUEST FY 2023-24						
NEW POSITIONS						
TOTALS FOR ISSUE BY FUND						
2510 OPERATING TRUST FUND						472,332
4.00	340,000		132,332	472,332		472,332

INFORMATION TECHNOLOGY UPGRADE AND
 IMPLEMENTATION
 SPECIAL CATEGORIES
 CONTRACTED SERVICES

36238C0
 100000
 100777

OPERATING TRUST FUND -STATE 180,000 180,000 2510 1

AGENCY ISSUE NARRATIVE:

2023-2024 BUDGET YEAR NARRATIVE:

IT COMPONENT? YES

ISSUE TITLE:

Information Technology Upgrade and Implementation

SUMMARY:

The Department of the Lottery (department) requests an increase of \$180,000 of nonrecurring budget authority in the Contracted Services appropriation category.

The company that provides the department's current information technology task request/management system, Cherwell, has

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2023-24	FY 2023-24	FY 2023-24	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
LOTTERY, DEPARTMENT OF THE				36000000
PGM: LOTTERY OPERATIONS				36100000
GAMES AND OPERATIONS				36102000
GOV OPERATIONS/SUPPORT				16
GOVERNMENTAL OPERATIONS				<u>1601.00.00.00</u>
AGENCY-WIDE INFORMATION TECHNOLOGY				3620000
INFORMATION TECHNOLOGY UPGRADE AND				
IMPLEMENTATION				36238C0

merged with another company. The Cherwell product is being retired and a new product will be replacing it. To continue support the department will need funding to migrate to the new product, which requires upgrading enterprise licenses and implementation costs.

Linkage to the Florida Lottery Long Range Program Plan:
 Agency Goal #4 - Optimize Business Operations

Linkable to the Florida Strategic Plan for Economic Development:
 #5.2 - Improve the efficiency and effectiveness of government agencies at all levels.

COST SUMMARY:

CATEGORY	FY 23/24	FY 23/24	FY 23/24
	Recurring	Nonrecurring	Total
Contracted Services	\$ 0	\$ 180,000	\$ 180,000

ADDITIONAL DATA SECURITY
 ADMINISTRATORS

36239C0
 000000

SALARY RATE..... 180,000

=====

SALARIES AND BENEFITS

010000

2.00

OPERATING TRUST FUND -STATE 248,126

2510 1

=====

EXPENSES

040000

OPERATING TRUST FUND -STATE 23,480 10,652

2510 1

=====

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2023-24	FY 2023-24	FY 2023-24	
	POS	AMOUNT	POS	AMOUNT
				AMOUNT
LOTTERY, DEPARTMENT OF THE				36000000
PGM: LOTTERY OPERATIONS				36100000
GAMES AND OPERATIONS				36102000
GOV OPERATIONS/SUPPORT				16
GOVERNMENTAL OPERATIONS				1601.00.00.00
AGENCY-WIDE INFORMATION TECHNOLOGY				3620000
ADDITIONAL DATA SECURITY				
ADMINISTRATORS				36239C0
SPECIAL CATEGORIES				100000
TR/DMS/HR SVCS/STW CONTRCT				107040
OPERATING TRUST FUND -STATE		684		2510 1
TOTAL: ADDITIONAL DATA SECURITY				36239C0
ADMINISTRATORS				
TOTAL POSITIONS.....	2.00			
TOTAL ISSUE.....		272,290	10,652	
TOTAL SALARY RATE.....	180,000			

AGENCY ISSUE NARRATIVE:

2023-2024 BUDGET YEAR NARRATIVE:

IT COMPONENT? YES

ISSUE TITLE:

 Additional Data Security Administrators

SUMMARY:

 The Department of the Lottery (department) requests two (2) Data Security Administrator positions to protect the department amid ever-increasing cybersecurity threats and protect the department's data and technology resources. Cybersecurity is the fastest growing threat to state technology and several governmental entities within Florida have been the victim of cyberattacks.

According to a recent security review required under Section 24.108(7), Florida Statutes, it was noted that the Lottery is at significant risk of data disclosure, disruption of operations, and a possible impact on the department's gaming operations. These additional positions are necessary since the Lottery's digital landscape is everchanging and expanding, and the Lottery needs to be in the position to leverage its technology assets to be able to best serve players and the citizens of Florida.

This recurring funding would ensure cybersecurity initiatives proceed without interruption and would allow for new efforts to further safeguard agency data, information, and resources and to mitigate risks. Paramount to this request is the need for additional dedicated staff to ensure the successful implementation of cybersecurity solutions.

Linkage to the Florida Lottery Long Range Program Plan:

Agency Goal #2 - Uphold the Integrity of Business Operations

Agency Goal #4 - Optimize Business Operations

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2023-24	FY 2023-24	FY 2023-24	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
LOTTERY, DEPARTMENT OF THE				36000000
PGM: LOTTERY OPERATIONS				36100000
GAMES AND OPERATIONS				36102000
GOV OPERATIONS/SUPPORT				16
GOVERNMENTAL OPERATIONS				1601.00.00.00
AGENCY-WIDE INFORMATION TECHNOLOGY				3620000
ADDITIONAL DATA SECURITY				
ADMINISTRATORS				36239C0

Linkable to the Florida Strategic Plan for Economic Development:

#5.2 - Improve the efficiency and effectiveness of government agencies at all levels.

COST SUMMARY:

CATEGORY	FY 23/24 Recurring	FY 23/24 Nonrecurring	FY 23/24 Total
Salaries and Benefits	\$ 248,126	\$0	\$ 248,126
Expenses (Std Pkg)	\$ 12,828	\$ 10,652	\$ 23,480
HR Services	\$ 684	\$0	\$ 684
Total	\$ 261,638	\$ 10,652	\$ 272,290

POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A03 - AGY REQUEST FY 2023-24							
NEW POSITIONS							
9519 DATA SECURITY ADMINISTRATOR II							
N1003 001	2.00	180,000		68,126	248,126	0.00	248,126
TOTALS FOR ISSUE BY FUND							
2510 OPERATING TRUST FUND							248,126
	2.00	180,000		68,126	248,126		248,126

COL A03		COL A04		COL A05		CODES
AGY REQUEST	AGY REQ N/R	AGY REQ ANZ				
FY 2023-24	FY 2023-24	FY 2023-24				
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	
LOTTERY, DEPARTMENT OF THE						36000000
PGM: LOTTERY OPERATIONS						36100000
GAMES AND OPERATIONS						36102000
GOV OPERATIONS/SUPPORT						16
GOVERNMENTAL OPERATIONS						1601.00.00.00
AGENCY-WIDE INFORMATION TECHNOLOGY						3620000
CLOUD INFRASTRUCTURE IMPLEMENTATION						36240C0
SPECIAL CATEGORIES						100000
CONTRACTED SERVICES						100777
OPERATING TRUST FUND						2510 1
-STATE	964,947					

AGENCY ISSUE NARRATIVE:

2023-2024 BUDGET YEAR NARRATIVE:

IT COMPONENT? YES

ISSUE TITLE:

Cloud Infrastructure Implementation

SUMMARY:

The Department of the Lottery (department) requests an increase of \$964,947 in recurring budget authority in the Contracted Services appropriation category to transition its core data center infrastructure to the cloud, complying with the state's cloud-first policy (Section 282.206, Florida Statutes) by removing physical information technology hardware from the department and state-owned data centers and migrating to cloud solutions.

In order to support the Governor's vision of a cloud-first approach, the department requires a universal, highly scalable, innovative, and elastic infrastructure and a first-rate technology platform. The department is certain that a hybrid cloud technology approach will suit the department's business needs by using public cloud computing services which are uniquely positioned to support many of the department's strategic technology requirements in the future while maintaining those required technologies onsite with our strategic vendors.

The Lottery has two core functions: selling tickets and paying prizes. The department relies on multiple systems to collect, analyze, share data; generate reports; operate lottery games; sell tickets and reconcile ticket books; and pay prizes. Lottery employees, retailers, and players are all recipients/beneficiaries of the functionality supported by the cloud-based solutions that will be implemented.

A cloud environment will provide the department with a secure, usage-based cost model with greater budget predictability and a number of additional benefits that include:

- Redundancy in the cloud architecture that is built into the service
- Capacity on demand, allowing for quick turn-up
- Improved hardware, software, and storage scalability for the support of and anticipated capacity requirements based on current growth trends and functionality
- Improved system performance from the agility and flexibility of having an external hosting provider who can add capacity and address and resolve performance issues rapidly
- Inclusion of hardware upgrades in the hosting costs

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2023-24	FY 2023-24	FY 2023-24	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
LOTTERY, DEPARTMENT OF THE				36000000
PGM: LOTTERY OPERATIONS				36100000
<u>GAMES AND OPERATIONS</u>				36102000
GOV OPERATIONS/SUPPORT				16
<u>GOVERNMENTAL OPERATIONS</u>				<u>1601.00.00.00</u>
AGENCY-WIDE INFORMATION TECHNOLOGY				3620000
CLOUD INFRASTRUCTURE IMPLEMENTATION				36240C0

- Reduction in operation risks related to capacity expansion timeframes, disaster recovery and application support
- Ability to leverage virtual and on-demand services for efficient expansion and contraction of application environments
- Reduced downtime and increased level of root cause validation and resolution
- Defined and Enforceable Service Level Agreements (SLAs)
- Continually improved maturity of offerings and service capabilities stemming from competitive pressures on a private cloud vendor

If this issue is not funded, it will be difficult for the department to comply with the cloud-first policy and future funding would be necessary to replace on-premise hardware, which would be provided by the cloud service in the proposed solution.

Linkage to the Florida Lottery Long Range Program Plan:
 Agency Goal #4 - Optimize Business Operations

Linkable to the Florida Strategic Plan for Economic Development:
 #5.2 - Improve the efficiency and effectiveness of government agencies at all levels.

COST SUMMARY:

	FY 23/24	FY 23/24	FY 23/24
CATEGORY	Recurring	Nonrecurring	Total
Contracted Services	\$ 964,947	\$ 0	\$ 964,947

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2023-24	FY 2023-24	FY 2023-24	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
LOTTERY, DEPARTMENT OF THE				36000000
PGM: LOTTERY OPERATIONS				36100000
GAMES AND OPERATIONS				36102000
GOV OPERATIONS/SUPPORT				16
GOVERNMENTAL OPERATIONS				1601.00.00.00
INCREASING SALES INITIATIVES				4100000
INCREASED OPERATING COSTS				4100500
EXPENSES				040000
OPERATING TRUST FUND -STATE	31,819			2510 1
=====				
SPECIAL CATEGORIES				100000
CONTRACTED SERVICES				100777
OPERATING TRUST FUND -STATE	15,668			2510 1
=====				
TOTAL: INCREASED OPERATING COSTS				4100500
TOTAL ISSUE.....	47,487			
=====				

AGENCY ISSUE NARRATIVE:

2023-2024 BUDGET YEAR NARRATIVE:

IT COMPONENT? NO

ISSUE TITLE:

Increased Operating Costs

SUMMARY:

The Department of the Lottery (department) requests an increase of \$350,639 of recurring budget authority (\$303,152 in the Executive Direction and Support Services budget entity and \$47,487 in the Lottery Games and Operations budget entity) in the Expenses and Contracted Services appropriation categories to support increased operating costs that are a result of fuel price increases, utility and communication price increases, and janitorial increases for the department's Headquarters building and district offices.

In Fiscal Year 2020-21 the department spent a total of \$225,427 in fuel costs to operate the department's fleet of 183 vehicles. In Fiscal Year 2021-22 the total fuel costs increased to \$436,582, which is an increase of \$211,155. The department requests an increase of \$215,000 to accommodate this increase in fuel costs.

Additionally, since Fiscal Year 2019-20, in the Lottery Games and Operations budget entity, phones/communications costs have increased by \$31,819 (7.78% increase), janitorial costs for district offices have increased \$15,668 (14.09% increase), and in the Executive Direction and Support Services budget entity the utility costs have increased \$88,152 (27.98% increase).

Additional budget will support the daily operations of the department's most basic needs since the department is unable to absorb these increases within its existing budget.

	COL A03	COL A04	COL A05		
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ		
	FY 2023-24	FY 2023-24	FY 2023-24		
POS	AMOUNT	POS	AMOUNT	POS	
				AMOUNT	
				CODES	
LOTTERY, DEPARTMENT OF THE					36000000
PGM: LOTTERY OPERATIONS					36100000
GAMES AND OPERATIONS					36102000
GOV OPERATIONS/SUPPORT					16
GOVERNMENTAL OPERATIONS					1601.00.00.00
INCREASING SALES INITIATIVES					4100000
INCREASED OPERATING COSTS					4100500

Linkage to the Florida Lottery Long Range Program Plan:

Agency Goal #4 - Optimize Business Operations

Linkable to the Florida Strategic Plan for Economic Development:
 #5.2 - Improve the efficiency and effectiveness of government agencies at all levels.

COST SUMMARY:

CATEGORY	FY 23/24 Recurring	FY 23/24 Nonrecurring	FY 23/24 Total
Expenses	\$ 334,971	\$0	\$ 334,971
Contracted Services	\$ 15,668	\$0	\$ 15,668
	\$ 350,639	\$0	\$ 350,639

ADDITIONAL RESOURCES TO SUPPORT PAY INITIATIVES		4200000
ADDITIONAL RESOURCES TO SUPPORT PAY INITIATIVES		4200A20
SALARY RATE		000000
SALARY RATE.....	1,200,337	
=====		
SALARIES AND BENEFITS		010000
OPERATING TRUST FUND -STATE	1,435,123	2510 1
=====		
TOTAL: ADDITIONAL RESOURCES TO SUPPORT PAY INITIATIVES		4200A20
TOTAL ISSUE.....	1,435,123	
TOTAL SALARY RATE.....	1,200,337	
=====		

COL A03		COL A04		COL A05		CODES
AGY REQUEST	AGY REQ N/R	AGY REQ N/R	AG REQ ANZ	AG REQ ANZ	AG REQ ANZ	
FY 2023-24	FY 2023-24	FY 2023-24	FY 2023-24	FY 2023-24	FY 2023-24	
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	

LOTTERY, DEPARTMENT OF THE						36000000
PGM: LOTTERY OPERATIONS						36100000
GAMES AND OPERATIONS						36102000
GOV OPERATIONS/SUPPORT						16
GOVERNMENTAL OPERATIONS						<u>1601.00.00.00</u>
ADDITIONAL RESOURCES TO SUPPORT PAY						
INITIATIVES						4200000
ADDITIONAL RESOURCES TO SUPPORT						
PAY INITIATIVES						4200A20

AGENCY ISSUE NARRATIVE:

2023-2024 BUDGET YEAR NARRATIVE:

IT COMPONENT? NO

ISSUE TITLE:

Additional Resources to Support Pay Initiatives

SUMMARY:

The Department of the Lottery (department) requests 1,338,240 in Salary Rate and \$1,600,000 of recurring budget authority in the Salaries and Benefits appropriation category to implement a pay plan to stabilize the department's workforce by reducing excessive turnover and facilitating the recruitment and retention of highly skilled personnel critical to the department's daily operations. Executive leadership and senior management level employees are excluded from this request.

BACKGROUND:

The department's mission is to maximize contributions to public education. The department has transferred over \$42 billion to education enhancement since its inception and, as the primary funding source of the Bright Futures Scholarship Program, has helped more than 955,000 students attend Florida colleges, universities, and technical schools. The department is recognized as an industry leader and one of the most successful lotteries in the nation. The department has contributed over \$2 billion to education each of the past two fiscal years.

The department is statutorily directed to operate "as much as possible in the manner of an entrepreneurial business enterprise" and to be "self-supporting." As such, the department is not funded by general revenue, licensing fees, or taxes. The department's two primary functions are selling tickets and paying prizes. A stable, highly skilled, and highly trained workforce is critical to carrying out these functions and achieving the department's mission.

Over the last two fiscal years the department has experienced an unacceptable employee turnover rate of 28%. Twenty percent (20%) of the departures over the past two fiscal years were for higher paying positions in state government and the private sector. These employee departures represent over 900 years of Florida Lottery-specific experience. Additionally, 18% of the department's current work force is either in DROP or eligible for retirement based on age or years of service. In order to remain the industry standard for state lotteries, the department must be able to stabilize our current work force and recruit highly skilled employees.

The department's contributions to education are directly tied to ticket sales. An increase in ticket sales results in increased transfers to education. The department's sales team establishes sales goal for each district office with the ultimate goal of increasing year-over-year sales when compared to the prior fiscal year. This ensures an increase in transfers to fund education. The department's Sales Representatives (SR's) are essential to working with our retailers

COL A03		COL A04		COL A05		CODES
AGY REQUEST		AGY REQ N/R		AG REQ ANZ		
FY 2023-24		FY 2023-24		FY 2023-24		
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	
LOTTERY, DEPARTMENT OF THE						36000000
PGM: LOTTERY OPERATIONS						36100000
GAMES AND OPERATIONS						36102000
GOV OPERATIONS/SUPPORT						16
GOVERNMENTAL OPERATIONS						<u>1601.00.00.00</u>
ADDITIONAL RESOURCES TO SUPPORT PAY INITIATIVES						4200000
ADDITIONAL RESOURCES TO SUPPORT PAY INITIATIVES						4200A20

and facilitating the sale of lottery tickets. As part of the stabilization plan, the department seeks to increase the minimum salary of SR's from \$33,577.56 to \$40,000.00.

The timely payment of prizes is essential to public confidence in the games offered by the Florida Lottery. Lottery Marketing Specialists (LMS's) in the department's nine district offices are responsible for processing the claims received from players. In addition to processing claims and ensuring players are paid, LMS's are responsible for processing debt owed by winners to state agencies. LMS's are essential to department operations. As part of the stabilization plan, the department seeks to increase the minimum salary of LMS's from \$31,200.00 to \$37,000.00.

The department is constantly seeking technological methods of improving department operations. The department's two core functions, selling tickets and paying prizes, are heavily dependent on the effective operations of multiple systems to collect, analyze, share data; generate reports; operate department games; sell tickets and reconcile ticket books; and pay prizes. Department employees, retailers, and players are all recipients/beneficiaries of the functionality supported by the technology solutions employed by the department. The department's heavy dependence on technological systems requires significant investment in the recruitment and retention of highly skilled information technology personnel. As part of the stabilization plan, the department seeks to increase the minimum salaries of multiple information technology personnel positions, including, but not limited to, Systems Analyst I's and II's, Technical Analyst I's and II's, and Software Quality Assurance Analyst I's.

This plan, which excludes executive leadership and senior management level employees, is expected to increase employee retention, knowledge base, productivity, and efficiency while incurring an approximately 4.8% increase in salary and benefits dollars.

Linkage to the Florida Lottery Long Range Program Plan:
 Agency Goal #4 - Optimize Business Operations

Linkable to the Florida Strategic Plan for Economic Development:
 #1.3 - Increase and retain the number of graduates in high demand fields including science, technology, engineering and mathematics (STEM), health and others to meet Florida's needs.
 #1.4 - Expand recruitment for and access to education and training programs for talent in underserved areas and population to close local workforce skills gaps.
 #5.2 - Improve the efficiency and effectiveness of government agencies at all levels.

COST SUMMARY:

CATEGORY	FY 23/24 Recurring	FY 23/24 Nonrecurring	FY 23/24 Total
-----	-----	-----	-----

COL A03		COL A04		COL A05		CODES
AGY REQUEST		AGY REQ N/R		AG REQ ANZ		
FY 2023-24		FY 2023-24		FY 2023-24		
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	

LOTTERY, DEPARTMENT OF THE						36000000
PGM: LOTTERY OPERATIONS						36100000
GAMES AND OPERATIONS						36102000
GOV OPERATIONS/SUPPORT						16
GOVERNMENTAL OPERATIONS						<u>1601.00.00.00</u>
ADDITIONAL RESOURCES TO SUPPORT PAY						
INITIATIVES						4200000
ADDITIONAL RESOURCES TO SUPPORT						
PAY INITIATIVES						4200A20
Salaries and Benefits	\$ 1,600,000			\$0		\$ 1,600,000

POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS

A03 - AGY REQUEST FY 2023-24							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
RA01 RATE & SALARY ADJ - BENEFITS NO FTE							
N1007 001	0.00	1,200,337		234,786	1,435,123	0.00	1,435,123

TOTALS FOR ISSUE BY FUND							
2510 OPERATING TRUST FUND							1,435,123
	0.00	1,200,337		234,786	1,435,123		1,435,123
=====							

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2023-24	FY 2023-24	FY 2023-24	
	POS	AMOUNT	POS	AMOUNT
				AMOUNT
				CODES
LOTTERY, DEPARTMENT OF THE				36000000
PGM: LOTTERY OPERATIONS				36100000
GAMES AND OPERATIONS				36102000
GOV OPERATIONS/SUPPORT				16
GOVERNMENTAL OPERATIONS				1601.00.00.00
FLORIDA LOTTERY OPERATIONS FUNDING				5000000
INCREASE TO INSTANT TICKET PURCHASE				
APPROPRIATION				5000110
SPECIAL CATEGORIES				100000
INSTANT TICKET PURCHASE				101740
OPERATING TRUST FUND				
-STATE		3,853,157		2510 1

AGENCY ISSUE NARRATIVE:

2023-2024 BUDGET YEAR NARRATIVE:

IT COMPONENT? NO

ISSUE TITLE:

Increase to Instant Ticket Purchase Appropriation

SUMMARY:

The Department of the Lottery requests an increase of \$3,853,157 of recurring budget authority in the Instant Ticket Purchase appropriation category in order to align appropriations with the anticipated expenditures to the department's instant ticket vendor based upon sales amounts adopted by the July 2022 Revenue Estimating Conference (REC). The department's instant ticket vendor is compensated based on a percentage of total scratch-off ticket sales. The July 2022 REC forecasted scratch-off ticket sales in Fiscal Year 2023-24 of \$7.03 billion, resulting in a need of \$59,065,013, or \$3,853,157 more than the department's base appropriation of \$55,211,856.

Linkage to the Florida Lottery Long Range Program Plan:

Agency Goal #4 - Optimize Business Operations

Linkable to the Florida Strategic Plan for Economic Development:

#5.2 - Improve the efficiency and effectiveness of government agencies at all levels.

COST SUMMARY:

CATEGORY	FY 23/24	FY 23/24	FY 23/24
	Recurring	Nonrecurring	Total
	-----	-----	-----
Instant Ticket Purchase	\$ 3,853,157	\$0	\$ 3,853,157

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2023-24	FY 2023-24	FY 2023-24	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
LOTTERY, DEPARTMENT OF THE				36000000
PGM: LOTTERY OPERATIONS				36100000
GAMES AND OPERATIONS				36102000
GOV OPERATIONS/SUPPORT				16
GOVERNMENTAL OPERATIONS				1601.00.00.00
FLORIDA LOTTERY OPERATIONS FUNDING				5000000
INCREASE TO GAMING SYSTEM CONTRACT				5000230
SPECIAL CATEGORIES				100000
GAMING SYSTEM CONTRACT				101741
OPERATING TRUST FUND				2510 1
-STATE	3,996,392			

AGENCY ISSUE NARRATIVE:

2023-2024 BUDGET YEAR NARRATIVE:

IT COMPONENT? NO

ISSUE TITLE:

Increase to Gaming System Contract

SUMMARY:

The Department of the Lottery requests an increase of \$3,996,392 of recurring budget authority in the Gaming System Contract appropriation category in order to align appropriations with the anticipated expenditures to the department's gaming system vendor based upon sales amounts adopted by the July 2022 Revenue Estimating Conference (REC). The department's gaming system vendor is compensated based on a percentage of total sales. Based on the July 2022 REC, forecasted total sales in Fiscal Year 2023-24 are \$9.25 billion, resulting in a need of \$69,321,557, or \$3,996,392 more than the department's base appropriation of \$65,325,165.

Linkage to the Florida Lottery Long Range Program Plan:

Agency Goal #4 - Optimize Business Operations

Linkable to the Florida Strategic Plan for Economic Development:

#5.2 - Improve the efficiency and effectiveness of government agencies at all levels.

COST SUMMARY:

CATEGORY	FY 23/24	FY 23/24	FY 23/24
	Recurring	Nonrecurring	Total
Gaming System Contract	\$3,996,392	\$0	\$3,996,392

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2023-24	FY 2023-24	FY 2023-24	
	POS AMOUNT	POS AMOUNT	POS AMOUNT	CODES
LOTTERY, DEPARTMENT OF THE				36000000
PGM: LOTTERY OPERATIONS				36100000
GAMES AND OPERATIONS				36102000
GOV OPERATIONS/SUPPORT				16
GOVERNMENTAL OPERATIONS				1601.00.00.00
FLORIDA LOTTERY OPERATIONS FUNDING				5000000
INCREASE FOR DRAW PROCEEDING				
OVERSIGHT				5000450
SPECIAL CATEGORIES				100000
CONTRACTED SERVICES				100777
OPERATING TRUST FUND -STATE	237,827			2510 1

AGENCY ISSUE NARRATIVE:

2023-2024 BUDGET YEAR NARRATIVE:

IT COMPONENT? NO

ISSUE TITLE:

Increase for Draw Proceeding Oversight

SUMMARY:

The Department of the Lottery (department) requests an increase of \$237,827 in recurring budget authority in the Contracted Services appropriation category. Due to Section 24.105(9)(d), Florida Statutes, any game or promotion involving a draw for prizes must be witnessed by an accountant employed by an independent certified public accounting (CPA) firm and the CPA firm providing auditing services to the department has had contractual rate increases along with an increase in billable hours due to the number of draws increasing.

In 2021, the Florida Lottery competitively procured a CPA firm that met the requirements outlined Section 24.105(9)(d), Florida Statutes. Their responsibilities include witnessing and auditing all draw proceedings to verify and ensure the integrity, security, and fairness of each game, inspecting all equipment used in the draw process both before and after each draw, completing required documentation for each draw and certifying compliance with the draw procedures as determined by approved draw procedures.

In Fiscal Year 2023-24 it is estimated that 3,778 billable hours will be required for auditor services in order to maintain compliance with Section 24.105(9)(d), Florida Statutes. The number of draws increased significantly since the new Cash Pop game is conducted five times daily seven days a week. In addition, Fantasy 5 draws will be conducted twice a day, effective March 2023. These additional draws had a significant impact on the funding necessary to comply with our Florida Statute requirement.

In addition to witnessing and auditing all draw proceedings, the CPA firm is also required to perform other functions at any given time. They include vault entry for draw machine maintenance, new ball set weighing and certification at Department of Law Enforcement, Orlando facility site visits and test draws, and training. The department estimates these additional costs at 5% of their annual billing.

When a new contract agreement was approved in January 2022 the CPA firm rates increased from \$110 dollars per hour to \$119 per hour. The Florida Lottery expended \$234,234 in Fiscal Year 2020-21 for the services of this CPA firm and it is

COL A03		COL A04		COL A05		CODES
AGY REQUEST	AGY REQ N/R	AGY REQ N/R	AGY REQ N/R	AG REQ ANZ	AG REQ ANZ	
FY 2023-24	FY 2023-24	FY 2023-24	FY 2023-24	FY 2023-24	FY 2023-24	
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	

LOTTERY, DEPARTMENT OF THE						36000000
PGM: LOTTERY OPERATIONS						36100000
GAMES AND OPERATIONS						36102000
GOV OPERATIONS/SUPPORT						16
GOVERNMENTAL OPERATIONS						1601.00.00.00
FLORIDA LOTTERY OPERATIONS FUNDING						5000000
INCREASE FOR DRAW PROCEEDING						
OVERSIGHT						5000450

estimated in Fiscal Year 2023-24 these fees will increase to \$472,061. This is an annual increase of \$237,827.

3,778 billable hours * \$119 per hour	=	\$449,582
Add'l Svcs estimated at 5% (\$449,582 *.05)	=	22,479

Total		\$472,061
FY 20/21 expenditures		(234,234)

Requested Increase		\$237,827

Linkage to the Florida Lottery Long Range Program Plan:
 Agency Goal #2 - Uphold the Integrity of Business Operations
 Agency Goal #4 - Optimize Business Operations

Linkable to the Florida Strategic Plan for Economic Development:
 #5.2 - Improve the efficiency and effectiveness of government agencies at all levels.

COST SUMMARY:

CATEGORY	FY 23/24 Recurring	FY 23/24 Nonrecurring	FY 23/24 Total
Contracted Services	\$237,827	\$0	\$237,827

INCREASE FOR LEASES EXPENSES 5000800
 040000

OPERATING TRUST FUND -STATE 360,448 2510 1

AGENCY ISSUE NARRATIVE:

2023-2024 BUDGET YEAR NARRATIVE:

IT COMPONENT? NO

ISSUE TITLE:

Increase for Leases

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2023-24	FY 2023-24	FY 2023-24	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
LOTTERY, DEPARTMENT OF THE				36000000
PGM: LOTTERY OPERATIONS				36100000
GAMES AND OPERATIONS				36102000
GOV OPERATIONS/SUPPORT				16
GOVERNMENTAL OPERATIONS				<u>1601.00.00.00</u>
FLORIDA LOTTERY OPERATIONS FUNDING				5000000
INCREASE FOR LEASES				5000800

SUMMARY:

The Department of the Lottery (department) requests an increase of \$672,761 of recurring budget authority (\$312,313 in the Executive Direction and Support Services budget entity and \$360,448 in the Lottery Games and Operations budget entity) in the Expenses appropriation category to support increases in leases for the department's Headquarters building and district offices. The department's Headquarters is located in Tallahassee (Leon County) and there are eight additional District Offices throughout the state.

Subsequent to the submittal of the Fiscal Year 2022-23 Legislative Budget Request, the department's leases in the Pensacola and Orlando district offices expired resulting in an additional need of \$148,160. The department also had a subtenant vacate its Headquarters location in March 2022, resulting in an additional need of \$282,550, along with Fiscal Year 2023-24 projected annual price increases of \$242,051. This results in a total increase of \$672,761.

Linkage to the Florida Lottery Long Range Program Plan:
 Agency Goal #4 - Optimize Business Operations

Linkable to the Florida Strategic Plan for Economic Development:
 #5.2 - Improve the efficiency and effectiveness of government agencies at all levels.

COST SUMMARY:

CATEGORY	FY 23/24	FY 23/24	FY 23/24
	Recurring	Nonrecurring	Total
Expenses	\$ 672,761	\$0	\$ 672,761

TOTAL: GOVERNMENTAL OPERATIONS				<u>1601.00.00.00</u>
BY FUND TYPE				
TRUST FUNDS.....	372.00			
SALARY RATE.....	214,249,738	913,546		2000
	18,793,029			
	=====	=====	=====	

```

*****
* BPEADL01                                STATISTICAL INFORMATION                                10/14/2022 12:54:34 *
* BUDGET PERIOD: 2013-2024                EXHIBIT A, D AND D-3A LIST REQUEST                MAK 36      SP      *
* COMPILE DATE: 09/16/2015                COMPILE TIME: 09:40:41                                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 *
* -----*

```

```

*****
* BPEADL01                               STATISTICAL INFORMATION                10/14/2022 12:54:34 *
* BUDGET PERIOD: 2013-2024              EXHIBIT A, D AND D-3A LIST REQUEST        MAK 36      SP   *
* COMPILE DATE: 09/16/2015              COMPILE TIME: 09:40:41                PAGE:      2   *
*****
*
* TOTAL RECORDS READ FROM SORT:          94
* TOTAL RECORDS READ FROM CARD:          43
* TOTAL PAF RECORDS READ:                 7
* TOTAL OAF RECORDS READ:                 0
* TOTAL IEF RECORDS READ:                 0
* TOTAL BGF RECORDS READ:                 0
* TOTAL BEF RECORDS READ:                 6
* TOTAL PCF RECORDS READ:                 4
* TOTAL ICF RECORDS READ:                 50
* TOTAL INF RECORDS READ:                 972
* TOTAL ACF RECORDS READ:                 21
* TOTAL FCF RECORDS READ:                 2
* TOTAL FSF RECORDS READ:                 10
* TOTAL PCN RECORDS READ:                 0
* TOTAL BEN RECORDS READ:                 0
* TOTAL DPC RECORDS READ:                 12
* TOTAL RECORDS IN ERROR:                 0
*
*****
*
* BUDGET ENTITIES SELECTED:
*   1-9: 36
*  10-18:
*  19-27:
*
*****

```