

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

COL A12	COL A14	COL A15	COL A16	COL A14-A12	
AGY FIN REQ FY 2013-14	AGY AMD REQ FY 2013-14	AGY AMD N/R FY 2013-14	AGY AMD ANZ FY 2013-14	AGY AMD REQ FY 2013-14 OVER(UNDER) AGY FIN REQ FY 2013-14	CODES
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT
LOTTERY, DEPARTMENT OF THE					36000000
PGM: LOTTERY OPERATIONS					36010000
GOV OPERATIONS/SUPPORT					16
GOVERNMENTAL OPERATIONS					1601.00.00.00
INCREASING SALES INITIATIVES					4100000
FULL SERVICE VENDING MACHINES					
- FSVM					4100200
SPECIAL CATEGORIES					100000
LOTTERY FSVM					102383
OPERATING TRUST FUND	-STATE	2,916,000		2,916,000	2510 1

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AGENCY ISSUE NARRATIVE:

2013-2014 BUDGET YEAR NARRATIVE:

IT COMPONENT? NO

AMENDED 2013-14 Narrative after February 1, 2013

In order to continue growth of Lottery revenues and the resulting transfers to the Educational Enhancement Trust Fund (EETF), the Florida Lottery is looking to increase the distribution network for the sale of Lottery products. The Florida Lottery currently has 500 Full Service Vending Machines (FSVMs) throughout the state that are demonstrating increased sales. To continue the growth pattern, the Florida Lottery is requesting \$2,916,000 to lease an additional 300 FSVMs for placement at retailer locations throughout the state, most of which will be new retailers.

FSVMs currently in place have demonstrated that the self-service feature in retailer locations supplements the counter sales activity. The self-service feature has gained the interest of new groups of large chain retailers who have previously expressed concern over the labor-intensive nature of the existing customer service counter business model. The lack of full-service equipment was cited as an obstacle in the past when trying to recruit new corporate retailers. The Lottery has been approached by two new corporate retailers and is pursuing a third that is looking for a completely self-service model for implementation. These three entities would require approximately 200 units, and two already existing retailers have identified new location needs that would use the other 100 units. The Revenue Estimating Conference (REC) adopted an impact for FSVMs in November 2011. The additional units were forecasted to yield transfers of \$8.1 million in the first partial year, and \$20.1 million the first full year of operation, after the cost of equipment.

FSVMs are much like a typical vending machine in that money is inserted, a button is pressed, or a standard play slip is inserted, and the desired product is then dispersed from the machine. In compliance with state statute, FSVMs can be remotely disabled in order to prevent underage players from purchasing tickets. The machine transmits sales information in real-time to the in-store terminal, allowing for more effective accounting and tracking of ticket inventory, greatly enhancing the retailers' and the Lottery's ability to monitor and manage scratch-off inventory while also selling terminal games.

The Florida Lottery is authorized under section 24.112(15), Florida Statutes, to utilize player-activated terminals. Early analysis of sales using the recently implemented equipment, by comparing sales for the 13 week period immediately preceding installation of the FSVMs to the 13 week period following installation, shows that retailers with the new equipment have experienced an average of 17% growth in sales. The majority of these retailers already had experienced instant ticket growth from the Instant Ticket Vending Machines (ITVMs). At the present the department has data that reports between 10% to 12% of the sales from the FSVMs are for terminal products. The average weekly sales amount for the FSVMs is \$5.6 million.

COL A12		COL A14		COL A15		COL A16		COL A14-A12		CODES
AGY FIN REQ FY 2013-14	POS AMOUNT	AGY AMD REQ FY 2013-14	POS AMOUNT	AGY AMD N/R FY 2013-14	POS AMOUNT	AGY AMD ANZ FY 2013-14	POS AMOUNT	AGY AMD REQ FY 2013-14 OVER(UNDER)	AGY FIN REQ FY 2013-14	

LOTTERY, DEPARTMENT OF THE										36000000
PGM: LOTTERY OPERATIONS										36010000
GOV OPERATIONS/SUPPORT										16
GOVERNMENTAL OPERATIONS										<u>1601.00.00.00</u>
INCREASING SALES INITIATIVES										4100000
FULL SERVICE VENDING MACHINES										
- FSVM										4100200

Summary: This is a new issue.

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* NEADLP01                                STATISTICAL INFORMATION                                03/12/2013 08:57 *
* BUDGET PERIOD: 2003-2014                EXHIBIT A, D AND D-3A LIST REQUEST                DJG 36 SP *
*                                                                                                     PAGE: 1 *
*****
*          SAVE INITIALS:          SAVE DEPARTMENT: 07      SAVE ID: ED3R      SAVE TITLE: EXHIBIT D-3A AMENDED REQUEST *
* -----*
* ** DATA SELECTIONS ** *
* =====*
* REPORT OPTION 1 - Exhibit A, D and D-3A *
* =====*
* COLUMN: A12      A14      A15      A16      A14-A12      CODES *
* CALCULATE DIFFERENCE ONLY (Y/N): N THAT EXCEED: _____ *
* INCLUDE (Y/N) FTE: Y      SALARY RATE: Y POSITION DATA: Y *
* REPORT TOTAL: *
* REPORT: NO TOTAL *
* =====*
* BUDGET ENTITY OR GROUP/ACCUMULATION LEVEL (0=MERGE, 1=LEVEL 1, 2=LEVEL 2, 3=LEVEL 3, 4=LOWEST LEVEL) *
* 1-7: 4      -      -      -      -      -      -      -      - *
* 8-14: _____ - _____ - _____ - _____ - _____ - _____ - _____ *
* 15-21: _____ - _____ - _____ - _____ - _____ - _____ - _____ *
* 22-27: _____ - _____ - _____ - _____ - _____ - _____ - _____ *
* EXCLUDE: _____ - _____ - _____ - _____ - _____ - _____ - _____ *
* *
* BUDGET ENTITY TOTALS: *
* *
* LEVEL 1: NO TOTAL *
* LEVEL 2: NO TOTAL *
* LEVEL 3: NO TOTAL *
* LOWEST LEVEL: BY FUND TYPE *
* =====*
* PROGRAM COMPONENT/ACCUMULATION LEVEL (1, 2, 3, 4 OR 5 FOR 2, 4, 6, 8 OR 10 DIGITS, 0=MERGED): *
* PROGRAM COMPONENT: 5 *
* PROGRAM COMPONENT TOTAL: *
* POLICY AREA: NO TOTAL *
* PROGRAM COMPONENT: BY FUND TYPE *
* =====*
* ISSUE CODE OR GROUP/ACCUMULATION LEVEL (1, 2 OR 3 FOR 1, 3 OR 7 CHARACTERS, 0=MERGED): *
* ISSUE CODE OR GROUP: 4100200 3 *
* ISSUE TOTAL: *
* SUMMARY: NO TOTAL *
* DETAIL: LINE TOTAL *
* =====*
* APPROPRIATION CATEGORY OR GROUP/ACCUMULATION LEVEL (1=MAJOR, 2=MINOR, 0=MERGED): *
* 2 *
* INCLUDE FCO (Y/N): Y APPROPRIATION CATEGORY TITLE (S=SHORT, L=LONG): S *
* APPROPRIATION CATEGORY TOTAL: *
* MAJOR: NO TOTAL *
* MINOR: BY DETAIL FUND *
* =====*
* ITEMIZATION OF EXPENDITURE: _____ *
* ACCUMULATION LEVEL (1=OPE/FCO, 2=IOE, 0=MERGE): 0 *
* ITEMIZATION OF EXPENDITURE TOTAL: *
* ITEMIZATION OF EXPENDITURE: NO TOTAL *
* =====*

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* NEADLP01                                STATISTICAL INFORMATION                                03/12/2013 08:57 *
* BUDGET PERIOD: 2003-2014                EXHIBIT A, D AND D-3A LIST REQUEST                DJG 36 SP *
*                                                                                                     PAGE: 2 *
*****
* FUND GROUPS SET: _____ OR FUND: _____ *
* FUNDING SOURCE IDENTIFIER: _ _ _ _ _ *
* REPORT BY FSI (Y/N): Y *
* ===== *
* DEPARTMENT NARRATIVE SET: _____ *
* BUDGET ENTITY NARRATIVE SET: _____ *
* ISSUE/ACTIVITY NARRATIVE SET: A1 _ _ _ _ _ *
* *
* INCLUDE PROGRAM COMPONENT NARRATIVE (Y/N): N *
* ===== *
* ** FORMATTING ** *
* ===== *
* REPORT HEADING: EXHIBIT D-3A *
* EXPENDITURES BY *
* ISSUE AND APPROPRIATION CATEGORY *
* ===== *
* PAGE BREAKS: LOWEST LEVEL PRC *
* (LEVEL 1, LEVEL 2, LEVEL 3, LOWEST LEVEL, *
* IOE, GRP, PRC, SIS, ISC) *
* ===== *
* COLUMN CODES (Y/N): Y FORMAT (L=LANDSCAPE, P=PORTRAIT): L *
* SORT OPTIONS: DEPARTMENT/BUDGET ENTITY (C=CODE, T=TITLE): C *
* PROGRAM COMPONENT (C=CODE, T=TITLE): C *
* ===== *
* TOTAL RECORDS READ FROM SORT: 1 *
* TOTAL RECORDS READ FROM CARD: 44 *
* TOTAL RECORDS READ FROM PAF: 0 *
* TOTAL RECORDS READ FROM OAF: 0 *
* TOTAL RECORDS READ FROM IEF: 0 *
* TOTAL RECORDS READ FROM BGF: 0 *
* TOTAL RECORDS READ FROM BEF: 4 *
* TOTAL RECORDS READ FROM PCF: 2 *
* TOTAL RECORDS READ FROM ICF: 2 *
* TOTAL RECORDS READ FROM INF: 30 *
* TOTAL RECORDS READ FROM ACF: 2 *
* TOTAL RECORDS READ FROM FCF: 1 *
* TOTAL RECORDS READ FROM FSF: 10 *
* TOTAL RECORDS READ FROM PCN: 0 *
* TOTAL RECORDS READ FROM BEN: 0 *
* TOTAL RECORDS READ FROM DPC: 0 *
* TOTAL RECORDS IN ERROR: 0 *
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\* NEADLP01 STATISTICAL INFORMATION 03/12/2013 08:57 \*  
\* BUDGET PERIOD: 2003-2014 EXHIBIT A, D AND D-3A LIST REQUEST DJG 36 SP \*  
\* PAGE: 3 \*  
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\*  
\* BUDGET ENTITIES SELECTED: \*  
\* 1-9: 36 \*  
\* 10-18: \*  
\* 19-27: \*  
\*  
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