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 COL A11  
 CH VIIIB-2  
 REDUCTIONS  
 POS AMOUNT PRIORITY CODES  
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LOTTERY, DEPARTMENT OF THE 36000000

PRIORITY SUMMARY NARRATIVE:

The Florida Lottery is a revenue-producing department of state government created to generate significant additional funds to support improvements to Florida's public education system. In Fiscal Year 2006-07 the Lottery's base expense appropriation was reduced by \$1.5 million, then in Fiscal Year 2007-08 the Lottery's base budget (operating) was reduced by \$1.15 million. Due to the economic downturn, in the current fiscal year it is anticipated that there will be even further reductions. In many areas of the Lottery's operations mandated reductions will directly result in decreases in sales and therefore in profits available for transfer to the Educational Enhancement Trust Fund (EETF).

The approach the Lottery has taken in this exercise is to identify areas that would have minimal impact to the operation/function of the agency. Two areas were identified to have minimal impact:

1. The Transfer to the Educational Enhancement Trust Fund - This line item can be eliminated with no impact to the agency. Since the Lottery is required by statute to transfer the unencumbered balance to the EETF at the end of the fiscal year, there is no need to include an amount in the Lottery's appropriation and artificially inflate its operating budget. This small percentage of the total yearly transfer could be accomplished by way of the non-operating category that is used for the balance of the transfer.
2. The Instant Ticket Purchase Category - This contract has been renegotiated effective 10/01/2008, with the new contracted amount and the decreased sales projections this appropriation category would allow for a reduction with very minimal impact to Lottery Operations.

SCHEDULE VIIIB REDUCTIONS - OPERATING		33B0000
POTENTIAL REDUCTION TO TRANSFERS TO EDUCATIONAL ENHANCEMENT TRUST FUND	1	33B0060
TRUST FUNDS.....	2,000,000-	2000

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SCH VIIIB-2 NARR 09-10 NOTES:

The recurring line item appropriation for Fiscal Year 2009-2010 totals \$2 million. This amount represents the unspent appropriation from the prior years operations that is required by statute to be transferred to the Educational Enhancement Trust Fund. The transfer can be accomplished through a different mechanism so the transferred to the Educational Enhancement Trust Fund will be unaffected and the budget is still reduced. This issue reflects a reduction of \$2 million from that category in the event of a revenue shortfall.

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 COL A11  
 CH VIIIIB-2  
 REDUCTIONS  
 POS AMOUNT PRIORITY CODES  
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LOTTERY, DEPARTMENT OF THE			36000000
SCHEDULE VIIIIB REDUCTIONS -			
OPERATING			33B0000
POTENTIAL REDUCTION TO INSTANT			
TICKET PURCHASE, VENDOR FEES		2	33B0310
TRUST FUNDS.....	14,018,770-		2000

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SCH VIIIIB-2 NARR 09-10 NOTES:

The recurring line item appropriation for Fiscal Year 2008-09 Instant Ticket Purchase category has been identified as a potential reduction in the event of a revenue shortfall for Fiscal Year 2009-10. Due to contract renegotiations the Lottery feels it can absorb the 14 million dollar reduction from the current appropriation level.

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TOTAL: LOTTERY, DEPARTMENT OF THE			36000000
BY FUND TYPE			
TRUST FUNDS.....	16,018,770-		2000

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