

# ***DIVISION OF THE LOTTERY***

## ***MISSION***

In 1966, New Yorkers approved a constitutional amendment to authorize a State Lottery in support of education. The Division of the Lottery raises revenue through the sale and marketing of Lottery games.

## ***ORGANIZATION AND STAFFING***

The Division of the Lottery is an independent unit of the Department of Taxation and Finance, whose Commissioner appoints the Director of the Lottery. The Division maintains a central office in Schenectady, regional offices in Buffalo, Schenectady, Syracuse, New York City and Long Island, a satellite office in Fishkill to serve the Hudson Valley, and a claims center in Rochester. Marketing sales representatives are stationed in the regional offices, and recruit and support point-of-sale retailers, which include convenience stores, newsstands, supermarkets, restaurants and bowling centers. The Division of the Lottery will have a workforce of 331 staff in the 2003-04 fiscal year.

## ***FISCAL BACKGROUND AND BUDGET HIGHLIGHTS***

Lottery games have raised in excess of \$21 billion in revenues for education since the Lottery's inception in 1967. In 2003-04, the Division estimates gross sales of \$5.6 billion. The Division's costs are supported entirely with Lottery sales revenues. The 2003-04 Executive Budget recommends \$101 million to support Lottery operations. By law, no more than 15 percent of gross Lottery sales may be used for administration. Historically, the Lottery Division's total administrative costs have been below the statutory limit.

## ***PROGRAM HIGHLIGHTS***

Lottery games sold on the Division's on-line computer system include: Mega Millions, Lotto, Pick 10, New York Numbers, Win 4, and Take Five. These games can be played from approximately 15,000 locations across the State and offer players the opportunity to match their "picks" to televised drawings that take place twice daily, daily, or twice weekly, depending on the game. Winning tickets up to \$600 can be validated and redeemed by customers at any location selling Lottery products.

The Lottery Division's Instant games have contributed significantly to the growth of Lottery revenues. The Division will market approximately 34 new Instant games during 2003-04, with tickets ranging from \$1 to \$10.

Quick Draw, first introduced in 1995, is an electronic version of Pick 10, with winning numbers drawn by computer every five minutes. Quick Draw is displayed at approximately 3,000 authorized establishments statewide, such as restaurants and bowling centers.

In 2001, legislation was enacted to broaden the Lottery gaming opportunities in New York State, authorizing New York's involvement in a multi-state Lottery game and permitting the installation of Video Lottery Terminals (VLTs) at various horse racing facilities across the State. Pursuant to this legislation, the Division of the Lottery entered into an agreement with nine other states to create a new multi-state Lottery game, "Mega Millions". Mega Millions' first drawing occurred on May 17, 2002. The 2003-04 Executive Budget provides funds necessary to market and operate Mega Millions for the coming fiscal year. The 2003-04 Executive Budget also provides funding necessary to continue the Division's VLT implementation efforts.

# LOTTERY

## ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2002-03	Appropriations Recommended 2003-04	Change	Reappropriations Recommended 2003-04
State Operations	125,743,000	118,296,000	(7,447,000)	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	125,743,000	118,296,000	(7,447,000)	0

## ALL FUND TYPES PROJECTED LEVELS OF EMPLOYMENT BY PROGRAM FILLED ANNUAL SALARIED POSITIONS

### Full-Time Equivalent Positions (FTE)

Program	2002-03 Estimated FTEs 03/31/03	2003-04 Estimated FTEs 03/31/04	FTE Change
Administration of the Lottery			
Special Revenue Funds - Other	337	331	(6)
Total	337	331	(6)

## STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

Fund Type	Available 2002-03	Recommended 2003-04	Change
Special Revenue Funds - Other	125,743,000	118,296,000	(7,447,000)
Total	125,743,000	118,296,000	(7,447,000)

## STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Program	Available 2002-03	Recommended 2003-04	Change
Administration of the Lottery			
Special Revenue Funds - Other	108,543,000	101,096,000	(7,447,000)
Statewide Gaming			
Special Revenue Funds - Other	17,200,000	17,200,000	0
Total	125,743,000	118,296,000	(7,447,000)

## STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2003-04 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration of the Lottery	101,096,000	(7,447,000)	14,985,300	(1,120,000)
Statewide Gaming	17,200,000	0	0	0
Total	118,296,000	(7,447,000)	14,985,300	(1,120,000)

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration of the Lottery	86,110,700	(6,327,000)	0	0
Statewide Gaming	0	0	17,200,000	0
Total	86,110,700	(6,327,000)	17,200,000	0