

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, 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 337 staff in the 2004-05 fiscal year.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

Lottery games have raised in excess of \$23 billion in revenues for education since the Lottery's inception in 1967. In 2004-05, approximately \$2 billion will be available for education. The Division's costs are supported entirely with Lottery revenues. The 2004-05 Executive Budget recommends \$123 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 more than 30 new Instant games during 2004-05, 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 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 2004-05 Executive Budget provides funds necessary to market and operate Mega Millions for the coming fiscal year. In addition, Lottery has continued efforts to implement the VLT program at various horse racing facilities across the State. It is anticipated that up to three VLT gaming facilities will be open by March 2004, with additional openings scheduled in 2004-05. The 2004-05 Executive Budget provides the necessary funding for this program's continued operation and implementation.

LOTTERY

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2003-04	Appropriations Recommended 2004-05	Change	Reappropriations Recommended 2004-05
State Operations	118,296,000	123,305,000	5,009,000	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	118,296,000	123,305,000	5,009,000	0

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

Full-Time Equivalent Positions (FTE)

Program	2003-04 Estimated FTEs 03/31/04	2004-05 Estimated FTEs 03/31/05	FTE Change
Administration of the Lottery			
Special Revenue Funds - Other	331	337	6
Total	331	337	6

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

Fund Type	Available 2003-04	Recommended 2004-05	Change
Special Revenue Funds - Other	118,296,000	123,305,000	5,009,000
Total	118,296,000	123,305,000	5,009,000

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

Program	Available 2003-04	Recommended 2004-05	Change
Administration of the Lottery			
Special Revenue Funds - Other	101,096,000	123,305,000	22,209,000
Statewide Gaming			
Special Revenue Funds - Other	17,200,000	0	(17,200,000)
Total	118,296,000	123,305,000	5,009,000

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2004-05 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration of the Lottery	123,305,000	22,209,000	15,381,000	395,700
Statewide Gaming	0	(17,200,000)	0	0
Total	123,305,000	5,009,000	15,381,000	395,700

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration of the Lottery	107,924,000	21,813,300	0	0
Statewide Gaming	0	0	0	(17,200,000)
Total	107,924,000	21,813,300	0	(17,200,000)