

**BUDGET HEARING
FY 2009 BUDGET REQUEST OF THE D.C.
LOTTERY AND CHARITABLE GAMES CONTROL
BOARD**

**Before the
Committee on Finance and Revenue
Council of the District of Columbia**

The Honorable Jack Evans, Chairman

**April 9, 2008, 11:00am
John A. Wilson Building
Council Chamber**



**Testimony of
Jeffrey Young
Chief Operating Officer
On behalf of Jeanette A. Michael
Executive Director
DC Lottery and Charitable Games Control Board**

**Natwar M. Gandhi
Chief Financial Officer
Government of the District of Columbia**

Good morning Chairman Evans and Members of the Committee. I am Jeffrey Young, Chief Operating Officer of the D.C. Lottery and Charitable Games Control Board. I am pleased to have this opportunity to present testimony on the D.C. Lottery's fiscal year 2009 Proposed Budget on behalf of Executive Director Jeanette A. Michael, who is on extended medical leave. Today, I am accompanied by the Lottery's Agency Fiscal Officer William Robinson and Associate General Counsel Ridgely Bennett.

In FY 2009, the D.C. Lottery will continue its mission to provide District residents with financial benefits by generating revenue to supplement the District's General Fund through the operation of a lottery and by regulating charitable gaming. Since its inception, the Lottery has transferred over \$1.4 billion to the General Fund, which has helped sustain economic development within the city. Also, as the entity that regulates charitable gaming in the District, we assist non-profit organizations by licensing them to hold charitable gaming events that support programs and services dedicated to helping those in need through a variety of ways, including funding medical research, advancing higher education, or supporting youth awards programs. In holding charitable gaming events, these organizations have raised millions of dollars for their causes.

FY 2009 Budget Request

The D.C. Lottery's FY 2009 Proposed Budget is \$265.0 million, which is comprised of \$263.5 million in sales and \$1.5 million in investment and other income.

This proposed revenue level supports operating expenses such as: prizes, agent commissions, gaming contractual fees, administrative costs, and other direct charges. Furthermore, based on the estimated revenue and expenditures for FY 2009, the projected transfer to the General Fund is \$71.0 million.

The FY 2009 Proposed Budget of \$265.0 million reflects a marginal increase of \$3.0 million essentially in our DC Four, Powerball and instant games.

The Proposed Budget is conservative in nature taking into consideration that FY 2009 will be a transitional year for the agency from an operational prospective. The Lottery will be implementing a new gaming system. The budget also provides for higher prize payouts for the DC Four game and administrative fixed costs as a result of new leasing arrangements.

Lottery Programs

We feel that the D.C. Lottery has an attainable sales goal of \$265.0 million. To achieve that goal, the D.C. Lottery will execute business plans that are strategically designed to move the agency forward in continuously attaining its three core goals of:

- Increasing the transfer to provide funding for District of Columbia services;
- Creating an environment where employees are highly trained, motivated, and effective; a workforce, that meets the needs of internal and external customers
- Providing better customer service.

We will continue to implement forward-thinking business strategies to attract new players and foster stronger partnerships with our agents by generating market excitement and positive media coverage about the Lottery and its games.

Also in FY 2009, the Lottery will continue its role of licensing non-profit organizations to host charitable gaming events within the District to raise money for charitable programs and services that under gird the social safety net of the city.

Mr. Chairman, I would like to express our gratitude to the D.C. Lottery's Advisory Council and employees for their enthusiasm, commitment, and dedication to the agency.

Thank you, Mr. Chairman, for this opportunity to present testimony on the D.C. Lottery and Charitable Games Control Board's FY 2009 Proposed Budget. I will be happy to answer any questions that you or the Committee members have.