

D.C. Lottery and Charitable Games Control Board

www.lottery.dc.gov
Telephone: 202-645-8000

Table DC0-1

Description	FY 2015 Actual	FY 2016 Approved	FY 2017 Proposed	% Change from FY 2016
OPERATING BUDGET	\$212,190,209	\$220,000,000	\$215,000,000	-2.3
FTEs	65.8	73.5	73.5	0.0

The mission of the D.C. Lottery and Charitable Games Control Board (DCLB) is to generate revenue for the District's General Fund through the sale of lottery games and to regulate charitable gaming.

Since its inception in 1982, DCLB has contributed over \$1.8 billion to the District's General Fund. The DCLB annual transfer to the General Fund remains a vital component in aiding the city's economy, thereby benefiting all residents of the District of Columbia. The General Fund supports services such as education, recreation and parks, public safety, housing, and senior and child services. The DCLB directly benefits its players by paying out more than 50 percent of annual sales in prize money. It also directly benefits local businesses by providing commissions to retailers licensed to sell D.C. Lottery games and offering contracting opportunities.

The agency's FY 2017 proposed budget is presented in the following tables:

FY 2017 Proposed Gross Funds Operating Budget and FTEs, by Revenue Type

Table DC0-2 contains the proposed FY 2017 budget by revenue type compared to the FY 2016 approved budget. It also provides FY 2015 actual data.

Table DC0-2

(dollars in thousands)

Appropriated Fund	Dollars in Thousands					Full-Time Equivalents				
	Actual FY 2015	Approved FY 2016	Proposed FY 2017	Change from FY 2016	Percentage Change*	Actual FY 2015	Approved FY 2016	Proposed FY 2017	Change from FY 2016	Percentage Change
GENERAL FUND										
SPECIAL PURPOSE REVENUE FUNDS	-232	0	0	0	N/A	0.0	0.0	0.0	0.0	N/A
TOTAL FOR GENERAL FUND	-232	0	0	0	N/A	0.0	0.0	0.0	0.0	N/A
ENTERPRISE AND OTHER										
ENTERPRISE AND OTHER FUNDS	212,423	220,000	215,000	-5,000	-2.3	65.8	73.5	73.5	0.0	0.0
TOTAL FOR ENTERPRISE AND OTHER	212,423	220,000	215,000	-5,000	-2.3	65.8	73.5	73.5	0.0	0.0
GROSS FUNDS	212,190	220,000	215,000	-5,000	-2.3	65.8	73.5	73.5	0.0	0.0

*Percent change is based on whole dollars.

Note: If applicable, for a breakdown of each Grant (Federal and Private), Special Purpose Revenue type and Intra-District agreement, please refer to **Schedule 80 Agency Summary by Revenue Source** in the **FY 2017 Operating Appendices** located on the Office of the Chief Financial Officer's website.

FY 2017 Proposed Operating Budget, by Comptroller Source Group

Table DC0-3 contains the proposed FY 2017 budget at the Comptroller Source Group (object class) level compared to the FY 2016 approved budget. It also provides FY 2014 and FY 2015 actual expenditures.

Table DC0-3

(dollars in thousands)

Comptroller Source Group	Actual FY 2014	Actual FY 2015	Approved FY 2016	Proposed FY 2017	Change from FY 2016	Percentage Change*
11 - REGULAR PAY - CONTINUING FULL TIME	5,461	5,534	6,616	6,717	102	1.5
12 - REGULAR PAY - OTHER	22	133	80	193	113	141.4
13 - ADDITIONAL GROSS PAY	114	91	16	16	0	0.0
14 - FRINGE BENEFITS - CURRENT PERSONNEL	1,115	1,149	1,486	1,582	96	6.5
15 - OVERTIME PAY	36	61	123	156	33	26.9
SUBTOTAL PERSONAL SERVICES (PS)	6,748	6,968	8,321	8,664	344	4.1
20 - SUPPLIES AND MATERIALS	19	51	85	503	418	494.7
30 - ENERGY, COMMUNICATION AND BUILDING RENTALS	192	77	355	328	-27	-7.5
31 - TELEPHONE, TELEGRAPH, TELEGRAM, ETC.	256	234	312	294	-17	-5.5
32 - RENTALS - LAND AND STRUCTURES	2,556	2,855	2,547	2,067	-480	-18.8
34 - SECURITY SERVICES	0	540	31	1,368	1,338	4,363.7
35 - OCCUPANCY FIXED COSTS	0	0	8	0	-8	-100.0

Table DC0-3

(dollars in thousands)

Comptroller Source Group	Actual FY 2014	Actual FY 2015	Approved FY 2016	Proposed FY 2017	Change from FY 2016	Percentage Change*
40 - OTHER SERVICES AND CHARGES	13,559	6,535	7,511	8,665	1,154	15.4
41 - CONTRACTUAL SERVICES - OTHER	1,916	10,174	13,042	13,822	780	6.0
50 - SUBSIDIES AND TRANSFERS	190,416	184,643	187,306	178,752	-8,553	-4.6
70 - EQUIPMENT AND EQUIPMENT RENTAL	0	112	484	535	51	10.5
SUBTOTAL NONPERSONAL SERVICES (NPS)	208,914	205,222	211,679	206,336	-5,344	-2.5
GROSS FUNDS	215,662	212,190	220,000	215,000	-5,000	-2.3

*Percent change is based on whole dollars.

FY 2017 Proposed Operating Budget and FTEs, by Division/Program and Activity

Table DC0-4 contains the proposed FY 2017 budget by division/program and activity compared to the FY 2016 approved budget. It also provides FY 2015 actual data. For a more comprehensive explanation of divisions/programs and activities, please see the Division/Program Description section, which follows the table.

Table DC0-4

(dollars in thousands)

Division/Program and Activity	Dollars in Thousands				Full-Time Equivalents			
	Actual FY 2015	Approved FY 2016	Proposed FY 2017	Change from FY 2016	Actual FY 2015	Approved FY 2016	Proposed FY 2017	Change from FY 2016
(1000) AGENCY MANAGEMENT								
(1010) HUMAN RESOURCES	647	699	677	-22	6.1	7.0	6.0	-1.0
(1015) EXECUTIVE DIRECTION AND SUPPORT	2,408	747	774	27	3.5	3.0	4.0	1.0
(1030) PROPERTY AND FLEET MANAGEMENT	345	714	587	-127	2.6	3.0	3.0	0.0
(1040) INFORMATION TECHNOLOGY	724	1,433	8,952	7,519	2.6	3.0	3.0	0.0
(1050) FINANCIAL SERVICES	3,117	4,549	5,657	1,108	0.0	0.0	0.0	0.0
(1060) LEGAL SERVICES	0	10	8	-2	0.0	0.0	0.0	0.0
(1075) SECURITY	1,331	1,000	1,037	37	3.5	4.0	4.0	0.0
(1080) COMMUNICATIONS	654	801	865	64	4.3	5.0	5.0	0.0
SUBTOTAL (1000) AGENCY MANAGEMENT	9,225	9,953	18,556	8,603	22.5	25.0	25.0	0.0
(100F) AGENCY FINANCIAL OPERATIONS								
(110F) BUDGET OPERATIONS	107	127	132	4	0.9	1.0	1.0	0.0
(120F) ACCOUNTING OPERATIONS	611	669	702	33	5.2	6.0	6.0	0.0
(130F) FISCAL OFFICER	185,199	187,748	179,586	-8,162	2.6	3.0	4.0	1.0
SUBTOTAL (100F) AGENCY FINANCIAL OPERATIONS	185,917	188,545	180,420	-8,125	8.7	10.0	11.0	1.0
(2000) INSTANT GAMES								
(2100) INSTANT GAMES (ACTIVITY)	-56	0	0	0	0.0	0.0	0.0	0.0
SUBTOTAL (2000) INSTANT GAMES	-56	0	0	0	0.0	0.0	0.0	0.0

Table DC0-4

(dollars in thousands)

Division/Program and Activity	Dollars in Thousands				Full-Time Equivalents			
	Actual FY 2015	Approved FY 2016	Proposed FY 2017	Change from FY 2016	Actual FY 2015	Approved FY 2016	Proposed FY 2017	Change from FY 2016
(3000) ON LINE GAMES								
(3100) LUCKY NUMBERS	-40	0	0	0	0.0	0.0	0.0	0.0
(3300) DC FOUR	-60	0	0	0	0.0	0.0	0.0	0.0
(3600) POWERBALL	-39	0	0	0	0.0	0.0	0.0	0.0
(3800) KENO	-8	0	0	0	0.0	0.0	0.0	0.0
(4200) HOT LOTTO	-8	0	0	0	0.0	0.0	0.0	0.0
(4400) DC FIVE	-14	0	0	0	0.0	0.0	0.0	0.0
(4600) MEGA MILLION	-7	0	0	0	0.0	0.0	0.0	0.0
(4700) RACE 2 RICHES	-4	0	0	0	0.0	0.0	0.0	0.0
SUBTOTAL (3000) ON LINE GAMES	-179	0	0	0	0.0	0.0	0.0	0.0
(6000) GAMING OPERATIONS								
(6200) MARKETING	7,019	7,533	7,752	219	6.9	8.0	8.0	0.0
(6300) TRADE DEVELOPMENT	2,069	3,682	4,380	698	9.5	11.0	11.0	0.0
(6400) DRAW DIVISION	6,768	8,358	2,025	-6,333	3.5	3.5	3.5	0.0
(6500) LICENSING AND CHARITABLE GAMES	645	771	784	13	5.2	5.0	5.0	0.0
(6600) INFORMATION TECHNOLOGY (GAMES)	707	1,068	989	-79	8.7	10.0	9.0	-1.0
(6700) CLAIM CENTER	76	89	94	5	0.9	1.0	1.0	0.0
SUBTOTAL (6000) GAMING OPERATIONS	17,283	21,502	16,024	-5,478	34.6	38.5	37.5	-1.0
TOTAL PROPOSED OPERATING BUDGET	212,190	220,000	215,000	-5,000	65.8	73.5	73.5	0.0

(Change is calculated by whole numbers and numbers may not add up due to rounding)

Note: For more detailed information regarding the proposed funding for the activities within this agency's programs, please see **Schedule 30-PBB Program Summary by Activity** in the **FY 2017 Operating Appendices** located on the Office of the Chief Financial Officer's website. "No Activity Assigned" indicates budget or actuals that are recorded at the division/program level.

Program Description

The D.C. Lottery and Charitable Games Control Board operates through the following 3 programs:

Gaming Operations – provides support services to lottery retail agents and the gaming public so that they can benefit from the portfolio of games offered by DCLB. Gaming Operation oversees 2 types of games: Instant Games – provides a portfolio of instant lottery games to the gaming public so that they can experience the entertainment value and potential reward of playing and winning with scratch-off style lottery tickets; and Online Games – provides online lottery-type games and services, which are lottery game tickets sold to the gaming public by lottery retail agents and video gaming machines, and played by the public at social settings targeted to the gaming public, so that the District can experience a steady source of revenue through the transfer of net proceeds from lottery sales. Online games are comprised of 11 games: DC3, DC4, DC5, Powerball, Mega Millions, Hot Lotto, D.C. Keno, Race 2 Riches, Lucky for Life, Tap-N-Play, and D.C. Fast Play – provides online (kiosk-based) lottery gaming experience for the gaming public so that they can experience the entertainment value of the DCLB's portfolio of games and potential rewards of playing and winning.

This program contains the following 6 activities:

- **Marketing** – provides advertising and promotional information to eligible players. The goal is to attract eligible players to purchase lottery tickets so that they may enjoy the entertainment value offered by the D.C. Lottery and Charitable Games Control Board's portfolio of games;

- **Trade Development (Sales Department)** – provides sales goals and retail development services to lottery retail agents. The goals are to assist lottery retail agents in reaching established minimum sales volume levels and to achieve sustained growth;
- **Draw Division** – provides draw-related services to the gaming public. The goal is to maintain the public trust through ensuring unbiased and random draws;
- **Licensing and Charitable Games** – provides licensing and regulatory compliance services to existing and prospective lottery retail agents and non-profit charitable organizations. The goals are to ensure that lottery retail agents and non-profit charitable organizations receive appropriate licenses to sell lottery products and conduct charitable gaming activities in accordance with the laws and regulations set forth by the District;
- **Information Technology** – provides technical coordination and oversight services to lottery retail agents, customers, and internal DCLB operations. The goals are for retail agents, customers and internal operations to deliver, play and provide an uncompromised portfolio of lottery products; and
- **Claim Center** – provides claims processing and gaming information services to the gaming public. The goals are for the public to redeem prizes and enjoy a positive gaming experience.

Agency Management – provides for administrative support and the required tools to achieve operational and programmatic results. This program is standard for all agencies using performance-based budgeting.

Agency Financial Operations – provides for comprehensive and efficient financial management services to, and on behalf of, District agencies so that the financial integrity of the District of Columbia is maintained. This program is standard for all agencies using performance-based budgeting.

Program Structure Change

The D.C. Lottery and Charitable Games Control Board has no program structure changes in the FY 2017 proposed budget.

FY 2016 Approved Budget to FY 2017 Proposed Budget, by Revenue Type

Table DC0-5 itemizes the changes by revenue type between the FY 2016 approved budget and the FY 2017 proposed budget. For a more comprehensive explanation of changes, please see the FY 2017 Proposed Budget Changes section, which follows the table.

Table DC0-5

(dollars in thousands)

DESCRIPTION	DIVISION/PROGRAM	BUDGET	FTE
ENTERPRISE AND OTHER FUNDS: FY 2016 Approved Budget and FTE		220,000	73.5
Increase: To align resources with operational spending goals	Multiple Programs	1,154	0.0
Increase: To align Fixed Costs with proposed estimates	Multiple Programs	806	0.0
Increase: To adjust the Contractual Services budget	Multiple Programs	780	0.0
Increase: To align personal services and Fringe Benefits with projected costs	Multiple Programs	344	0.0
Decrease: To align resources with operational spending goals	Multiple Programs	-8,084	0.0
ENTERPRISE AND OTHER FUNDS: FY 2017 Agency Budget Submission		215,000	73.5
No Change		0	0.0
ENTERPRISE AND OTHER FUNDS: FY 2017 Mayor's Proposed Budget		215,000	73.5
No Change		0	0.0
ENTERPRISE AND OTHER FUNDS: FY 2017 District's Proposed Budget		215,000	73.5
GROSS FOR DC0 - D.C. LOTTERY AND CHARITABLE GAMES CONTROL BOARD		215,000	73.5

(Change is calculated by whole numbers and numbers may not add up due to rounding)

FY 2016 Proposed Budget Changes

The D.C. Lottery and Charitable Games Control Board's (DCLB) proposed FY 2017 gross budget is \$215,000,000, which represents a 2.3 percent decrease from its FY 2016 approved gross budget of \$220,000,000. The budget is comprised entirely of Enterprise and Other Funds. The DCLB budget reflects the impact of declining sales, specifically; a reduction instant game ticket sales.

Agency Budget Submission

Increase: For FY 2017, DCLB realigned its proposed Special Purpose Revenue budget to more accurately reflect spending in the agency's core activities. As such, Other Services and Charges is increased by \$1,154,458 across multiple programs to support anticipated increases in professional service fees, which include payments to vendors and lottery game agents. Additionally, the proposed budget includes the following increases across multiple programs: a net increase of \$806,260 to align the budget with the Fixed Costs estimates primarily in Security Services; \$780,023 to support Contractual Services costs for the purchase of instant game tickets and certain gaming services; and \$343,669 in personal services to cover salaries, Fringe Benefits, overtime, costs and the conversion of one Full-Time Equivalent position from Continuing to Term Full-Time status.

Decrease: The DCLB proposed budget reflects a net decrease of \$8,084,410 across multiple programs, primarily in Subsidies and Transfers, because of a projected reduction in the estimated revenues from Instant Games sales.

Mayor's Proposed Budget

No Change: D.C. Lottery and Charitable Games Control Board's budget proposal reflects no change from the agency budget submission to the Mayor's proposed budget.

District's Proposed Budget

No Change: D.C. Lottery and Charitable Games Control Board's budget proposal reflects no change from the Mayor's proposed budget to the District's proposed budget