
Office of Lottery and Charitable Games

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Table DC0-1

Description	FY 2016 Actual	FY 2017 Approved	FY 2018 Proposed	% Change from FY 2017
OPERATING BUDGET	\$228,270,362	\$215,000,000	\$240,000,000	11.6
FTEs	64.7	73.5	74.5	1.4

The mission of the Office of Lottery and Charitable Games (OLCG) 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, OLCG has contributed over \$2 billion to the District's General Fund. The OLCG 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 OLCG 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 2018 proposed budget is presented in the following tables:

FY 2018 Proposed Gross Funds Operating Budget and FTEs, by Revenue Type

Table DC0-2 contains the proposed FY 2018 budget by revenue type compared to the FY 2017 approved budget. It also provides FY 2016 actual data.

Table DC0-2

(dollars in thousands)

Appropriated Fund	Dollars in Thousands					Full-Time Equivalents				
	Actual FY 2016	Approved FY 2017	Proposed FY 2018	Change from FY 2017	Percentage Change*	Actual FY 2016	Approved FY 2017	Proposed FY 2018	Change from FY 2017	Percentage Change
ENTERPRISE AND OTHER										
ENTERPRISE AND OTHER FUNDS	228,270	215,000	240,000	25,000	11.6	64.7	73.5	74.5	1.0	1.4
TOTAL FOR ENTERPRISE AND OTHER	228,270	215,000	240,000	25,000	11.6	64.7	73.5	74.5	1.0	1.4
GROSS FUNDS	228,270	215,000	240,000	25,000	11.6	64.7	73.5	74.5	1.0	1.4

*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 2018 Operating Appendices** located on the Office of the Chief Financial Officer's website.

FY 2018 Proposed Operating Budget, by Comptroller Source Group

Table DC0-3 contains the proposed FY 2018 budget at the Comptroller Source Group (object class) level compared to the FY 2017 approved budget. It also provides FY 2015 and FY 2016 actual expenditures.

Table DC0-3

(dollars in thousands)

Comptroller Source Group	Actual FY 2015	Actual FY 2016	Approved FY 2017	Proposed FY 2018	Change from FY 2017	Percentage Change*
11 - REGULAR PAY - CONTINUING FULL TIME	5,534	5,666	6,717	6,544	-174	-2.6
12 - REGULAR PAY - OTHER	133	229	193	337	145	75.3
13 - ADDITIONAL GROSS PAY	91	87	16	16	0	0.0
14 - FRINGE BENEFITS - CURRENT PERSONNEL	1,149	1,214	1,582	1,576	-7	-0.4
15 - OVERTIME PAY	61	49	156	156	0	0.0
SUBTOTAL PERSONAL SERVICES (PS)	6,968	7,244	8,664	8,629	-35	-0.4
20 - SUPPLIES AND MATERIALS	51	45	503	347	-156	-31.0
30 - ENERGY, COMMUNICATION AND BUILDING RENTALS	77	5	328	14	-314	-95.8
31 - TELEPHONE, TELEGRAPH, TELEGRAM, ETC.	234	205	294	227	-67	-22.9
32 - RENTALS - LAND AND STRUCTURES	2,855	2,174	2,067	2,330	263	12.7
34 - SECURITY SERVICES	540	27	1,368	1,370	1	0.1
35 - OCCUPANCY FIXED COSTS	0	7	0	50	50	N/A
40 - OTHER SERVICES AND CHARGES	6,535	6,790	8,665	9,182	517	6.0
41 - CONTRACTUAL SERVICES - OTHER	10,174	11,355	13,822	13,690	-132	-1.0
50 - SUBSIDIES AND TRANSFERS	184,643	200,290	178,752	203,621	24,869	13.9
70 - EQUIPMENT AND EQUIPMENT RENTAL	112	128	535	540	5	0.9
SUBTOTAL NONPERSONAL SERVICES (NPS)	205,222	221,026	206,336	231,371	25,035	12.1
GROSS FUNDS	212,190	228,270	215,000	240,000	25,000	11.6

*Percent change is based on whole dollars.

FY 2018 Proposed Operating Budget and FTEs, by Division/Program and Activity

Table DC0-4 contains the proposed FY 2018 budget by division/program and activity compared to the FY 2017 approved budget. It also provides FY 2016 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 2016	Approved FY 2017	Proposed FY 2018	Change from FY 2017	Actual FY 2016	Approved FY 2017	Proposed FY 2018	Change from FY 2017
(1000) AGENCY MANAGEMENT								
(1010) HUMAN RESOURCES	636	677	678	1	6.2	6.0	6.0	0.0
(1015) EXECUTIVE DIRECTION AND SUPPORT	747	774	959	185	2.6	4.0	4.0	0.0
(1030) PROPERTY AND FLEET MANAGEMENT	499	587	554	-34	2.6	3.0	3.0	0.0
(1040) INFORMATION TECHNOLOGY	581	8,952	1,552	-7,400	2.6	3.0	3.0	0.0
(1050) FINANCIAL SERVICES	3,737	5,657	5,615	-43	0.0	0.0	0.0	0.0
(1060) LEGAL SERVICES	1	8	8	0	0.0	0.0	0.0	0.0
(1075) SECURITY	901	1,037	816	-221	3.5	4.0	4.0	0.0
(1080) COMMUNICATIONS	566	865	823	-42	4.4	5.0	5.0	0.0
SUBTOTAL (1000) AGENCY MANAGEMENT	7,668	18,556	11,004	-7,553	22.0	25.0	25.0	0.0
(100F) AGENCY FINANCIAL OPERATIONS								
(110F) BUDGET OPERATIONS	95	132	132	0	0.9	1.0	1.0	0.0
(120F) ACCOUNTING OPERATIONS	644	702	705	3	5.3	6.0	6.0	0.0
(130F) FISCAL OFFICER	200,509	179,586	204,493	24,906	2.6	4.0	4.0	0.0
SUBTOTAL (100F) AGENCY FINANCIAL OPERATIONS	201,248	180,420	205,329	24,910	8.8	11.0	11.0	0.0
(6000) GAMING OPERATIONS PROGRAM								
(6200) MARKETING	7,162	7,752	7,803	50	7.0	8.0	8.0	0.0
(6300) TRADE DEVELOPMENT	2,767	4,380	5,370	990	9.7	11.0	11.0	0.0
(6400) DRAW DIVISION	7,762	2,025	820	-1,205	3.1	3.5	3.5	0.0
(6500) LICENSING AND CHARITABLE GAMES	606	784	817	33	4.4	5.0	6.0	1.0
(6600) INFORMATION TECHNOLOGY (GAMES)	979	989	8,615	7,626	8.8	9.0	9.0	0.0
(6700) CLAIM CENTER	78	94	243	149	0.9	1.0	1.0	0.0
SUBTOTAL (6000) GAMING OPERATIONS PROGRAM	19,355	16,024	23,667	7,643	33.9	37.5	38.5	1.0
TOTAL PROPOSED OPERATING BUDGET	228,270	215,000	240,000	25,000	64.7	73.5	74.5	1.0

(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 2018 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 Office of Lottery and Charitable Games 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 OLCG. 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 OLCG’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 Office of Lottery and Charitable Games’ 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 OLCG 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 Office of Lottery and Charitable Games has no program structure changes in the FY 2018 proposed budget.

FY 2017 Approved Budget to FY 2018 Proposed Budget, by Revenue Type

Table DC0-5 itemizes the changes by revenue type between the FY 2017 approved budget and the FY 2018 proposed budget. For a more comprehensive explanation of changes, please see the FY 2018 Proposed Budget Changes section, which follows the table.

Table DC0-5

(dollars in thousands)

DESCRIPTION	DIVISION/PROGRAM	BUDGET	FTE
ENTERPRISE AND OTHER FUNDS: FY 2017 Approved Budget and FTE		215,000	73.5
Increase: To align budget with projected revenues	Agency Financial Operations	24,869	0.0
Increase: To align resources with operational spending goals	Multiple Programs	367	0.0
Increase: To align personal services and Fringe Benefits with projected costs	Multiple Programs	154	3.0
Decrease: To align Fixed Costs with proposed estimates	Agency Management	-68	0.0
Decrease: To adjust the Contractual Services budget	Multiple Programs	-132	0.0
Decrease: To recognize savings from a reduction in FTEs	Multiple Programs	-189	-2.0
ENTERPRISE AND OTHER FUNDS: FY 2018 Agency Budget Submission		240,000	74.5
No Change		0	0.0
ENTERPRISE AND OTHER FUNDS: FY 2018 Mayor's Proposed Budget		240,000	74.5
No Change		0	0.0
ENTERPRISE AND OTHER FUNDS: FY 2018 District's Proposed Budget		240,000	74.5
GROSS FOR DC0 - OFFICE OF LOTTERY AND CHARITABLE GAMES		240,000	74.5

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

FY 2018 Proposed Budget Changes

The Office of Lottery and Charitable Games' (OLCG) proposed FY 2018 gross budget is \$240,000,000, which represents an 11.6 percent increase over its FY 2017 approved gross budget of \$215,000,000. The budget is comprised entirely of Enterprise and Other funds.

Agency Budget Submission

Increase: For FY 2018, OLCG realigned its proposed to budget more accurately reflect spending in the agency's core activities. As such, Subsidies and Transfers is increased by \$24,869,201 in the Agency Financial Operations program because of anticipated increases in revenue, which include payments to the District's General Fund. Additionally, the proposed budget includes a net increase of \$366,508 in nonpersonal services to cover supplies and equipment. The proposed budget also includes an increase of \$153,633 and 3.0 Full Time Equivalent (FTE) positions to align the budget with projected personal services costs.

Decrease: OLCG's proposed budget reflects a net decrease of \$67,790 in the Agency Management program to align the budget for Fixed Costs with projected estimates. Additionally, the proposed budget includes a reduction of \$132,456 in Contractual Services to support the costs associated with printing instant lottery tickets, and a decrease of \$189,096 and 2.0 FTEs to recognize savings from the reclassification of 2.0 FTEs from full-time to part-time status.

Mayor's Proposed Budget

No Change: Office of Lottery and Charitable Games' budget proposal reflects no change from the agency budget submission to the Mayor's proposed budget.

District's Proposed Budget

No Change: The Office of Lottery and Charitable Games' budget proposal reflects no change from the Mayor's proposed budget to the District's proposed budget.