
Office of Lottery and Charitable Games

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Table DC0-1

Description	FY 2016 Actual	FY 2017 Actual	FY 2018 Approved	FY 2019 Proposed	% Change from FY 2018
OPERATING BUDGET	\$228,270,362	\$218,854,202	\$240,000,000	\$225,281,568	-6.1
FTEs	64.7	74.5	74.5	76.5	2.7

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 2019 proposed budget is presented in the following tables:

FY 2019 Proposed Gross Funds Operating Budget and FTEs, by Revenue Type

Table DC0-2 contains the proposed FY 2019 budget by revenue type compared to the FY 2018 approved budget. It also provides FY 2016 and FY 2017 actual data.

Table DC0-2

(dollars in thousands)

	Dollars in Thousands							Full-Time Equivalents					
	Actual FY 2016	Actual FY 2017	Approved FY 2018	Proposed FY 2019	Change from FY 2018	% Change*	Actual FY 2016	Actual FY 2017	Approved FY 2018	Proposed FY 2019	Change from FY 2018	% Change	
Appropriated Fund													
ENTERPRISE AND OTHER													
Enterprise and Other Funds	228,270	218,854	240,000	225,282	-14,718	-6.1	64.7	74.5	74.5	76.5	2.0	2.7	
TOTAL FOR ENTERPRISE AND OTHER	228,270	218,854	240,000	225,282	-14,718	-6.1	64.7	74.5	74.5	76.5	2.0	2.7	
GROSS FUNDS	228,270	218,854	240,000	225,282	-14,718	-6.1	64.7	74.5	74.5	76.5	2.0	2.7	

*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 2019 Operating Appendices** located on the Office of the Chief Financial Officer's website.

FY 2019 Proposed Operating Budget, by Comptroller Source Group

Table DC0-3 contains the proposed FY 2019 budget at the Comptroller Source Group (object class) level compared to the FY 2018 approved budget. It also provides FY 2016 and FY 2017 actual expenditures.

Table DC0-3

(dollars in thousands)

	Actual FY 2016	Actual FY 2017	Approved FY 2018	Proposed FY 2019	Change from FY 2018	Percentage Change*
Comptroller Source Group						
11 - Regular Pay - Continuing Full Time	5,666	5,506	6,544	7,282	738	11.3
12 - Regular Pay - Other	229	178	337	231	-106	-31.4
13 - Additional Gross Pay	87	56	16	16	0	0.0
14 - Fringe Benefits - Current Personnel	1,214	1,224	1,576	1,721	145	9.2
15 - Overtime Pay	49	64	156	156	0	0.0
SUBTOTAL PERSONAL SERVICES (PS)	7,244	7,027	8,629	9,406	777	9.0
20 - Supplies and Materials	45	31	347	338	-9	-2.6
30 - Energy, Communication and Building Rentals	5	111	14	49	35	257.8
31 - Telephone, Telegraph, Telegram, Etc.	205	202	227	227	0	-0.1
32 - Rentals - Land and Structures	2,174	2,067	2,330	2,456	126	5.4
34 - Security Services	27	1,291	1,370	822	-548	-40.0
35 - Occupancy Fixed Costs	7	0	50	71	22	43.4
40 - Other Services and Charges	6,790	7,513	9,182	9,519	336	3.7
41 - Contractual Services - Other	11,355	10,269	13,690	14,712	1,022	7.5
50 - Subsidies and Transfers	200,290	190,044	203,621	187,232	-16,389	-8.0
70 - Equipment and Equipment Rental	128	298	540	450	-90	-16.7
SUBTOTAL NONPERSONAL SERVICES (NPS)	221,026	211,827	231,371	215,876	-15,495	-6.7

*Percent change is based on whole dollars.

FY 2019 Proposed Operating Budget and FTEs, by Division/Program and Activity

Table DC0-4 contains the proposed FY 2019 budget by division/program and activity compared to the FY 2018 approved budget. It also provides FY 2016 and FY 2017 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	Actual FY 2017	Approved FY 2018	Proposed FY 2019	Change from FY 2018	Actual FY 2016	Actual FY 2017	Approved FY 2018	Proposed FY 2019	Change from FY 2018
(1000) AGENCY MANAGEMENT										
(1010) Human Resources	636	649	678	784	106	6.2	6.1	6.0	7.0	1.0
(1015) Executive Direction and Support	747	772	959	1,123	164	2.6	4.0	4.0	4.0	0.0
(1030) Property and Fleet Management	499	468	554	659	106	2.6	3.0	3.0	3.0	0.0
(1040) Information Technology	581	7,675	1,552	1,582	30	2.6	3.0	3.0	3.0	0.0
(1050) Financial Services	3,737	4,288	5,615	5,256	-358	0.0	0.0	0.0	0.0	0.0
(1060) Legal Services	1	2	8	6	-2	0.0	0.0	0.0	0.0	0.0
(1075) Security	901	839	816	1,054	238	3.5	4.0	4.0	5.0	1.0
(1080) Communications	566	584	823	1,424	601	4.4	5.1	5.0	4.0	-1.0
SUBTOTAL (1000) AGENCY MANAGEMENT	7,668	15,277	11,004	11,887	884	22.0	25.3	25.0	26.0	1.0
(100F) AGENCY FINANCIAL OPERATIONS										
(110F) Budget Operations	95	108	132	132	1	0.9	1.0	1.0	1.0	0.0
(120F) Accounting Operations	644	668	705	724	19	5.3	6.1	6.0	6.0	0.0
(130F) Fiscal Officer	200,509	190,740	204,493	188,118	-16,375	2.6	4.0	4.0	4.0	0.0
SUBTOTAL (100F) AGENCY FINANCIAL OPERATIONS	201,248	191,516	205,329	188,974	-16,355	8.8	11.1	11.0	11.0	0.0
(6000) GAMING OPERATIONS PROGRAM										
(6200) Marketing	7,162	7,537	7,803	8,379	577	7.0	8.1	8.0	10.0	2.0
(6300) Trade Development	2,767	2,615	5,370	5,247	-123	9.7	11.2	11.0	10.0	-1.0
(6400) Draw Division	7,762	596	820	1,045	224	3.1	3.6	3.5	3.5	0.0
(6500) Licensing and Charitable Games	606	570	817	720	-97	4.4	5.1	6.0	5.0	-1.0
(6600) Information Technology (Games)	979	705	8,615	9,021	407	8.8	9.1	9.0	11.0	2.0
(6700) Claim Center	78	42	243	8	-235	0.9	1.0	1.0	0.0	-1.0
SUBTOTAL (6000) GAMING OPERATIONS PROGRAM	19,355	12,064	23,667	24,420	753	33.9	38.0	38.5	39.5	1.0
(9950) AUDIT ADJUSTMENTS										
No Activity Assigned	0	-3	0	0	0	0.0	0.0	0.0	0.0	0.0
SUBTOTAL (9950) AUDIT ADJUSTMENTS	0	-3	0	0	0	0.0	0.0	0.0	0.0	0.0
TOTAL PROPOSED OPERATING BUDGET	228,270	218,854	240,000	225,282	-14,718	64.7	74.5	74.5	76.5	2.0

(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 2019 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 Operations oversees two 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 the following 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;
- **Sales Department (Trade Development)** – 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 (Games)** –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
- **Prize 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 Program – 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 2019 proposed budget.

FY 2018 Approved Budget to FY 2019 Proposed Budget, by Revenue Type

Table DC0-5 itemizes the changes by revenue type between the FY 2018 approved budget and the FY 2019 proposed budget. For a more comprehensive explanation of changes, please see the FY 2019 Proposed Budget Changes section, which follows the table.

Table DC0-5

(dollars in thousands)

DESCRIPTION	DIVISION/PROGRAM	BUDGET	FTE
ENTERPRISE AND OTHER FUNDS: FY 2018 Approved Budget and FTE		240,000	74.5
COLA: FY 2019 COLA Adjustment	Multiple Programs	282	0.0
Agency Request-Increase: To align resources with operational spending goals	Multiple Programs	1,349	0.0
Agency Request-Increase: To support additional FTEs	Gaming Operations Program	289	1.0
Agency Request-Increase: To support additional FTEs	Agency Management	210	1.0
Agency Request-Decrease: To align Fixed Costs with proposed estimates	Multiple Programs	-365	0.0
Agency Request-Decrease: To align budget with projected revenues	Multiple Programs	-16,484	0.0
ENTERPRISE AND OTHER FUNDS: FY 2019 Mayor's Proposed Budget		225,282	76.5
No Change		0	0.0
ENTERPRISE AND OTHER FUNDS: FY 2019 District's Proposed Budget		225,282	76.5
GROSS FOR DC0 - OFFICE OF LOTTERY AND CHARITABLE GAMES		225,282	76.5

(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 2019 gross budget is \$225,281,568, which represents a 6.1 percent decrease from its FY 2018 approved gross budget of \$240,000,000. The budget is comprised entirely of Enterprise and Other funds.

No Change: The Office of Lottery and Charitable Games' budget proposal reflects no change from the FY 2018 approved budget to the FY 2019 recurring budget.

Mayor's Proposed Budget

Cost-of-Living Adjustment: The OLCG's budget proposal includes cost-of-living adjustments (COLA) of \$281,568 in Special Purpose Revenue funds.

Agency Request – Increase: OLCG FY 2019 proposed budget includes a total increase of \$1,349,444 in operational costs across the agency, primarily in contractual services and professional services fees across multiple programs to partially support the costs associated with printing lottery tickets. The proposed budget also includes an increase of \$289,067 and 1.0 Full-Time Equivalent (FTE) in Gaming Operations Program and \$210,460 and 1.0 FTE in the Agency Management program. These increases support salary, Fringe, and other personal services adjustments within the agency.

Agency Request – Decrease: The proposed budget includes a decrease of \$365,444, which properly aligns the fixed costs budget with estimates from the Department of General Services. Additionally, the proposed budget includes a decrease \$16,483,526 to align the budget with projected revenue.

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.