

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 game tickets.

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, Schenectady, Syracuse, New York City and Long Island, and a new satellite office in Fishkill to serve the Hudson Valley. District sales representatives are stationed in the regional offices, and recruit and support point-of-sale agents, which include convenience stores, newsstands, supermarkets, restaurants and bowling alleys.

In 1999-2000, Lottery will have a workforce of 346. District sales representatives reflect 35 percent of this total.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

Lottery games have raised more than \$14.5 billion in revenues for education since the Lottery's inception in 1967. In 1998-99, the Division estimates gross sales of \$3.8 billion.

The Division's costs are supported entirely with Lottery sales revenues. The 1999-2000 Executive Budget recommends \$108.7 million to support Lottery operations. By law, no more than 15 percent of gross Lottery sales may be used for administration, including sales agents' commissions which total 6 percent of gross sales. Historically, the Lottery Division's total administrative costs have been well below the statutory limit.

PROGRAM HIGHLIGHTS

LOTTERY GAMES

Lottery games sold on the Division's on-line computer system include: Lotto, Pick 10, New York Numbers, Win 4, and Take Five. These games can be played from more than 13,700 locations across the State and offer players the opportunity to match their "picks" to televised drawings that take place nightly 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 "Scratcher" cash games have contributed significantly to the growth of Lottery revenues. The Division will market up to 45 types of Instant Cash games during 1999-2000, including the "TV Cash" game, which is associated with the "NY Wired" television show. The New York Wired initiative provides computer equipment for local schools and supports the NY Wired Scholars Program, which provides a group of accomplished high school sophomores the opportunity to participate in a year-long series of educational television programs that will be broadcast as part of the history curriculum for 7th and 8th graders across New York State.

Quick Draw, first introduced in 1995, is an electronic version of Pick 10, with winning numbers drawn by computer every five minutes, from 10 a.m. to 3 p.m. and 4 p.m. to 12 a.m. every day. Quick Draw is displayed at nearly 3,200 authorized establishments

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statewide, such as restaurants and bowling alleys. The 1999-2000 Executive Budget includes legislation that would expand the number of hours played and also allow for an increased number of authorized facilities.

ALL FUNDS APPROPRIATIONS

Category	Available 1998-99	Appropriations Recommended 1999-00	Change	Reappropriations Recommended 1999-00
State Operations	\$105,305,000	\$108,709,400	+ \$3,404,400	. . . .
Aid To Localities . . . . .	. . . .	. . . .	. . . .	. . . .
Capital Projects . . . . .	. . . .	. . . .	. . . .	. . . .
Total	\$105,305,000	\$108,709,400	+ \$3,404,400	. . . .

ALL FUND TYPES LEVELS OF EMPLOYMENT BY PROGRAM ANNUAL SALARIED POSITIONS

Program	Available 1998-99	1999-00 Recommended Average Fill Level			Change
		Personal Service (Regular)	Maintenance Undistributed	Total Recommended 1999-00	
Administration of the Lottery Special Revenue Funds — Other	351	346	. . . .	346	-5
Total	351	346	. . . .	346	-5

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS

Fund Type	Available 1998-99	Recommended 1999-00	Change
Special Revenue Funds — Other	\$105,305,000	\$108,709,400	+ \$3,404,400
Total	\$105,305,000	\$108,709,400	+ \$3,404,400

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS

Program	Available 1998-99	Recommended 1999-00	Change
Administration of the Lottery Special Revenue Funds — Other	\$105,305,000	\$108,709,400	+ \$3,404,400
Total	\$105,305,000	\$108,709,400	+ \$3,404,400

**STATE OPERATIONS — OTHER THAN GENERAL FUND
SUMMARY OF APPROPRIATIONS AND CHANGES
1999-00 RECOMMENDED**

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration of the Lottery	<u>\$108,709,400</u>	<u>+ \$3,404,400</u>	<u>\$13,966,100</u>	<u>-\$69,300</u>
Total	<u>\$108,709,400</u>	<u>+ \$3,404,400</u>	<u>\$13,966,100</u>	<u>-\$69,300</u>

Program	Nonpersonal Service	
	Amount	Change
Administration of the Lottery	<u>\$94,743,300</u>	<u>+ \$3,473,700</u>
Total	<u>\$94,743,300</u>	<u>+ \$3,473,700</u>