



**Budget Request  
FY 2025**



**Katie Hobbs**  
Governor

**Alec Esteban Thomson**  
Executive Director

August 31, 2023

The Honorable Katie Hobbs  
Governor of the State of Arizona  
1700 W. Washington Street  
Phoenix, AZ 85007

Governor Hobbs,

I am pleased to deliver the FY2025 budget request for the Arizona Lottery. This request will aid the Lottery in the pursuit of our mission to support Arizona programs for public benefit by maximizing net revenue in a responsible manner, offering a reasoned approach for remaining the state's second largest source of revenue.

The budget request is focused on sustaining continued revenue growth for the State of Arizona, which remains our top priority. We respectfully request consideration for the following funding issue:

Advertising Funding Adjustment - \$4,000,000. The Lottery's advertising budget has remained stagnant for the last 14 years. The Lottery requests a \$4 million increase over the current appropriation to keep pace with media and monetary inflation costs, sustain and expand new product launches, and compete with legalized sports betting/casino gaming. The requested marketing funds are projected to generate up to an additional \$22.6 million in transfers and will further the Lottery's mission of maximizing funding for state programs.

We look forward to working with your staff, the Governor's Office of Strategic Planning & Budgeting, and the Joint Legislative Budget Committee to address the Lottery's needs throughout the FY2025 budget process. Thank you for your support of the Arizona Lottery and our efforts to maximize revenues for the State of Arizona.

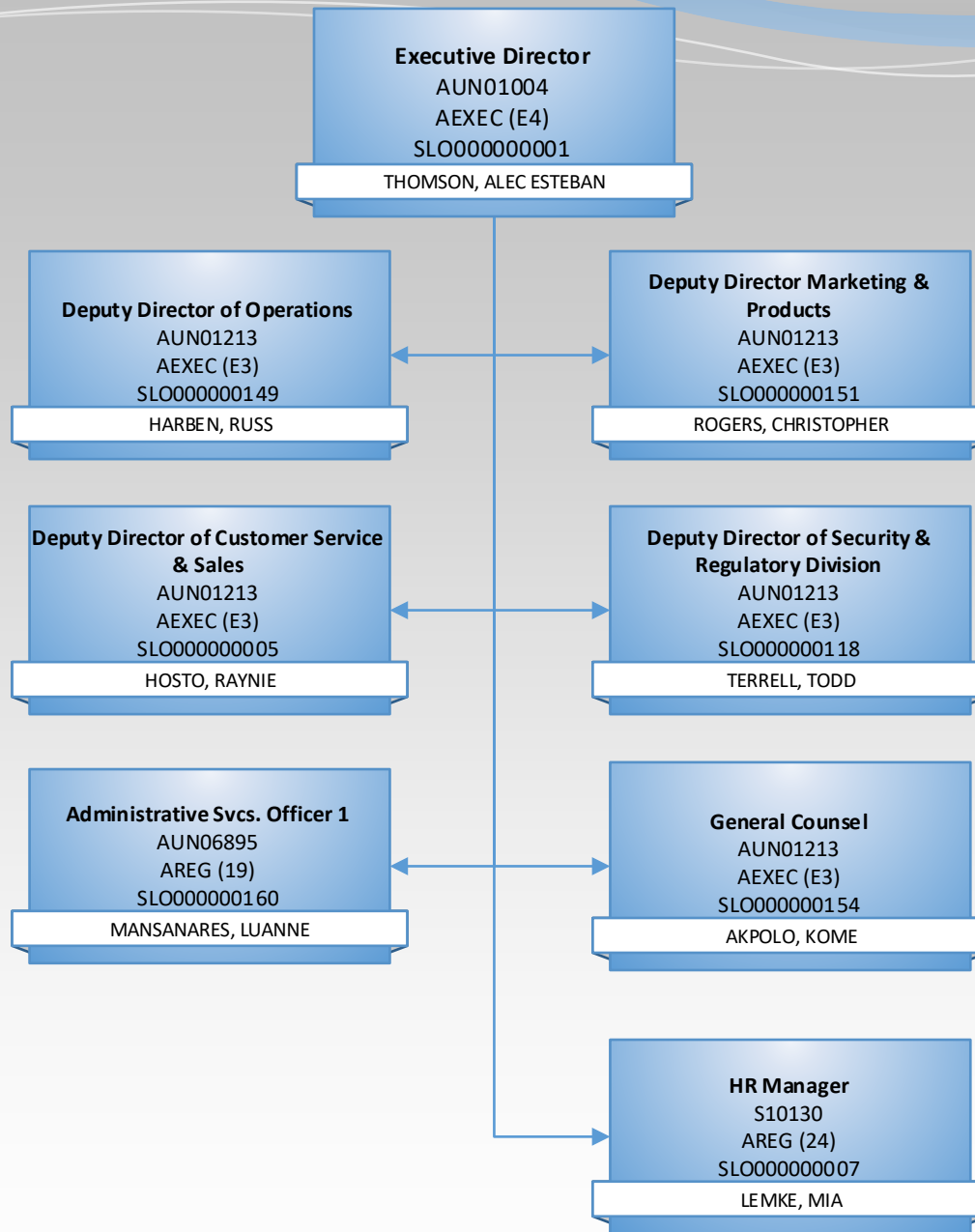
Sincerely,

A handwritten signature in black ink that reads "Alec E. Thomson".

Alec Esteban Thomson  
Executive Director

Enclosure

# Arizona Lottery – Executive Organizational Chart



Effective: July 10,  
2023



# State of Arizona Budget Request

State Agency

Lottery

A.R.S. Citation: A.R.S. §§ 5-551 et seq.

## Governor Hobbs:

This and the accompanying budget schedules, statements and explanatory information constitute the operating budget request for this agency for Fiscal Year 2025.

To the best of my knowledge all statements and explanations contained in the estimates submitted are true and correct.

### Appropriated Funds

	FY 2024 Expenditure Plan	FY 2025 Funding Issue	FY 2025 Total Request
Total Amount Requested:	188,761.9	4,000.0	192,761.9
Lottery Fund	188,761.9	4,000.0	192,761.9

### Non-Appropriated Funds

	FY 2024 Expenditure Plan	FY 2025 Funding Issue	FY 2025 Total Request
Total Amount Planned:	2,251,402.0	-	2,251,402.0
Lottery Fund	1,106,922.3	-	1,106,922.3
Lottery - Prize Fund	1,144,479.7	-	1,144,479.7
Lottery Total:	2,440,163.9	4,000.0	2,444,163.9

Agency Head: **Alec E. Thomson**

Title: **Executive Director**

*Adam R. Harben*

8/31/2023

(signature)

Phone: 480-921-4505

Prepared by: Pam DiNunzio

Email Address: pdinunzio@azlottery.gov

Date Prepared: August 31, 2023

## Revenue Schedule

**Agency:** Lottery

**Fund:** LO2122 Lottery Fund

AFIS Code	Category of Receipt and Description	FY 2023 Actuals	FY 2024 Estimate	FY 2025 Request
4335	Lottery Revenue	1,516,700.6	1,541,700.0	1,541,700.0
4699	Miscellaneous Receipts	13.8	14.0	14.0
<b>Lottery Fund Total:</b>		<b>1,516,714.4</b>	<b>1,541,714.0</b>	<b>1,541,714.0</b>

**Forecast Methology**

See attachments

**Fund:** LO3179 Lottery - Prize Fund

AFIS Code	Category of Receipt and Description	FY 2023 Actuals	FY 2024 Estimate	FY 2025 Request
4335	Lottery Revenue	1,034,658.2	1,106,922.3	1,106,922.3
4631	Treasurer's Interest Income	1,073.7	1,100.0	1,100.0
<b>Lottery - Prize Fund Total:</b>		<b>1,035,731.9</b>	<b>1,108,022.3</b>	<b>1,108,022.3</b>

**Forecast Methology**

See attachment

## Lottery Fund Revenue – Justification

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- Statutory reference: A.R.S. §5-571.
- Lottery revenue for FY24-25 reflects sales estimates as outlined in the JLBC Appropriations Report so that corresponding expenses for sales-driven line items (Instant Tickets, On-Line Vendor Fees, Retailer/Charitable Commissions) will align with revenues. Because the expenditure plan must tie to the appropriation, JLBC estimates are used for consistency in reporting.
- For informational purposes, the following page provides FY24 Lottery sales estimates and assumptions by game.

**Arizona Lottery**  
**FY 2024 Sales & Transfer Estimates**

Product	Total	
	Fiscal Year	Mkt Share
Scratchers	\$1,115,067,800	
Charitable Pull-Tabs	\$9,614,200	
Pull-Tabs (Age-Restricted/Other)	\$6,780,600	
<b>Total Instant</b>	<b>\$1,131,462,600</b>	78.0%
Multi-State Draw Games	\$178,000,000	
In-State Draw Games	\$88,700,000	
Fastplay	\$48,500,000	
Quick Draw	\$3,364,600	
<b>Total Draw Games</b>	<b>\$318,564,600</b>	22.0%
<b>Total</b>	<b>\$1,450,027,200</b>	
<b>Beneficiary Transfer</b>	<b>\$277,700,000</b>	

**Assumptions:**

General Assumption - overall sales decrease from prior year of 4.4%. This reflects \$53M sales growth in the instant game products, offset by a decline in draw game sales of about \$120M. The unusual number of game jackpots in FY23 makes it unlikely the same sales threshold can be attained in FY24.

Scratchers - Continuation of existing strategies and price points (ranging from \$1 to \$50). Use of interactive games and second chance drawings to enhance sales. Total instant sales represent an increase of about 5%.

Charitable Pull-Tabs - Expect increase in charitable games sales of 5% based on recent sales trends.

Age-Restricted/Other Pull Tabs - Project moderate growth in this game category of approximately 8% due to targeted recruitment efforts.

Multi-State Draw Games - Historical average draw sales, factoring 2 or 3 moderate to large jackpots during the course of the fiscal year for Powerball and Mega Millions.

In-State Draw Games - Factoring an overall sales increase of about 4.5% over prior year for in-state games: The Pick, Fantasy 5, Pick 3, Triple Twist. Prior year sales lacked jackpot activity; assuming FY24 will be more in line with historical sales.

Fastplay - an instant win game played via the draw game terminals. Sales currently tracking at approximately \$3.8M per month and game projections represent an increase of 5%. Game portfolio changes may help to boost sales.

Quick Draw - a game offering launched in mid-FY22, with multiple games drawn at different times throughout the hour. Currently, there are 4 Quick Draw games, with a draw occurring every 15 minutes. Increasing sales trend in recent months, estimated at \$3.4M.

Projected Transfers equate to approximately 19.1% of sales.

## Prize Fund Revenue – Justification

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- Statutory reference: A.R.S. §5-573.
- By statute, at least 50% of Lottery revenues must be deposited to the Prize Fund. Percentages vary by game; aggregate revenues to the Prize Fund for FY24-25 reflect approximately 72% of Lottery revenues.



## Sources and Uses

**Agency:** Lottery

**Fund:** LO2122 Lottery Fund

Revenues are derived from Lottery sales and are used for Arizona Lottery operating costs and are distributed to beneficiaries according to statute.

<b>Cash Flow Summary</b>	<b>FY 2023 Actuals</b>	<b>FY 2024 Estimate</b>	<b>FY 2025 Request</b>
Beginning Balance	94,069.3	141,313.2	69,484.5
Revenue (from Revenue Schedule)	1,516,714.4	1,541,714.0	1,541,714.0
<b>Total Available</b>	<b>1,610,783.7</b>	<b>1,683,027.2</b>	<b>1,611,198.5</b>
Total Appropriated Disbursements	177,603.4	195,320.4	192,976.1
Total Non-Appropriated Disbursements	1,291,867.1	1,418,222.3	1,418,222.3
Balance Forward to Next Year	141,313.2	69,484.5	0.1

Explanation for Negative Ending Balance(s): Lottery

<b>Appropriated Expenditure</b>	<b>FY 2023 Actuals</b>	<b>FY 2024 Estimate</b>	<b>FY 2025 Request</b>
<b>Expenditure Categories</b>			
Personal Services	4,859.2	5,218.3	5,218.3
Employee Related Expenditures	1,931.4	2,186.2	2,186.2
Professional & Outside Services	18,969.4	18,225.6	18,225.6
Travel In-State	35.8	271.6	271.6
Travel Out-Of-State	45.8	16.8	16.8
Food	-	-	-
Aid To Organizations & Individuals	-	-	-
Other Operating Expenditures	145,683.7	162,843.4	166,843.4
Equipment	-	-	-
Capital Outlay	-	-	-
Capital Equipment	12.9	-	-
Non-Capital Equipment	166.0	-	-
Debt Service	-	-	-
Cost Allocation & Indirect Costs	-	-	-
Transfers-Out	131.7	-	-
<b>Appropriated Expenditure Sub-Total:</b>	<b>171,835.8</b>	<b>188,761.9</b>	<b>192,761.9</b>
Non-Lapsing Authority from Prior Years (no entry for BY)	-	144.3	-
Administrative Adjustments (no entry for BY)	5,735.5	6,200.0	-
Capital Projects (Land, Bldgs, Improv)	32.1	214.2	214.2
Appropriated 27th Pay Roll	-	-	-
Legislative Fund Transfers	-	-	-
IT Project Transfers	-	-	-

## Sources and Uses

<b>Agency:</b>	<b>Lottery</b>
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<b>Fund:</b>	<b>LO2122 Lottery Fund</b>
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Residual Equity Transfer	-	-	-
Transfer Due to Fund Balance Cap	-	-	-
Prior Committed or Obligated Expenditures (no entry for AY)	-	-	-
Non-Appropriated 27th Pay Roll	-	-	-
<b>Appropriated Expenditure Total:</b>	177,603.4	195,320.4	192,976.1
<b>Appropriated FTE</b>	64.0	98.8	98.8

<b>Non-Appropriated Expenditure</b>
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	FY 2023 Actuals	FY 2024 Estimate	FY 2025 Request
<b>Expenditure Categories</b>			
Personal Services	-	-	-
Employee Related Expenditures	-	-	-
Professional & Outside Services	-	-	-
Travel In-State	-	-	-
Travel Out-Of-State	-	-	-
Food	-	-	-
Aid To Organizations & Individuals	-	-	-
Other Operating Expenditures	-	-	-
Equipment	-	-	-
Capital Outlay	-	-	-
Capital Equipment	-	-	-
Non-Capital Equipment	-	-	-
Debt Service	-	-	-
Cost Allocation & Indirect Costs	-	-	-
Transfers-Out	1,034,658.2	1,106,922.3	1,106,922.3
<b>Non-Appropriated Expenditure Sub-Total:</b>	<b>1,034,658.2</b>	<b>1,106,922.3</b>	<b>1,106,922.3</b>
Non-Lapsing Authority from Prior Years (no entry for BY)	-	-	-
Administrative Adjustments (no entry for BY)	-	-	-
Capital Projects (Land, Bldgs, Improv)	-	-	-
Appropriated 27th Pay Roll	-	-	-
Legislative Fund Transfers	-	-	-
IT Project Transfers	-	-	-
Residual Equity Transfer	257,208.9	311,300.0	311,300.0
Transfer Due to Fund Balance Cap	-	-	-
Prior Committed or Obligated Expenditures (no entry for AY)	-	-	-
Non-Appropriated 27th Pay Roll	-	-	-
<b>Non-Appropriated Expenditure Total:</b>	1,291,867.1	1,418,222.3	1,418,222.3

## Sources and Uses

<b>Agency:</b>	Lottery
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<b>Fund:</b>	LO2122	Lottery Fund
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<b>Non-Appropriated FTE</b>	-	-	-
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## Source and Use - Justification Lottery Fund (2122)

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Breakdown of non-appropriated transfers (rounded to hundreds):

Residual Equity Transfers	FY23 Actual	FY24-25 Est.
State Distributions 1/	256,340.2	310,400.0
ICACF/VREF 2/	868.7	900.0
<b>TOTAL:</b>	<b>257,208.9</b>	<b>311,300.0</b>

Non-Appropriated Transfers	FY23 Actual	FY24-25 Est.
To Prize Fund	<b>1,034,658.2</b>	<b>1,106,922.3</b>

- 1/ State distributions for FY24-25 reflect estimated distribution figures from the JLBC Appropriations Report. Transfers to the Court Appointed Special Advocate (CASA) Fund and Tribal College Dual Enrollment Program Fund are outlined on the Prize Fund source and disposition schedule.

State distributions for FY23 reflect Lottery Fund residual equity transfers as reported in AFIS. Please note that this figure has a timing factor; it includes preliminary and final profit distributions processed in FY23, but associated with FY22 sales revenues. FY23 profit distributions will be processed upon completion of the annual financial audit (anticipated October 2023).

- 2/ A total of \$1 million are transferred to the Internet Crimes Against Children Enforcement (ICACF) Fund and Victims' Rights Enforcement (VREF) Fund, with proceeds coming from vending machine sales in age-restricted locations. If necessary, unclaimed prizes are to be used to fund any shortfall. ICACF/VREF transfers for FY23 were partially paid from designated game proceeds in the amount of \$868.7 with the difference of \$131.3 paid from the Prize Fund (unclaimed prizes). Transfers from designated game proceeds for FY24-25 are reflected at \$900.0 as estimated in the JLBC Appropriations Report.

***Administrative Note: Although the Lottery Fund is appropriated, the funding source for transfers is shown as non-appropriated to prevent this figure from posting to the Transmittal as part of the operating budget request.***

## Sources and Uses

**Agency:** Lottery

**Fund:** LO3179 Lottery - Prize Fund

Revenues consist of at least 50% of the proceeds from Lottery game sales. Funds are primarily used to pay winning game prizes. After the 180-day prize redemption period expires, 30% of unclaimed prize monies are distributed to the Court Appointed Special Advocate (CASA) Fund and 15% of unclaimed prize monies, up to \$250,000, are distributed to the Tribal College Dual Enrollment Program Fund. Any additional remaining monies in the fund are used to supplement future game prizes.

### Cash Flow Summary

	FY 2023 Actuals	FY 2024 Estimate	FY 2025 Request
Beginning Balance	40,093.3	72,914.9	36,457.5
Revenue (from Revenue Schedule)	1,035,731.9	1,108,022.3	1,108,022.3
<b>Total Available</b>	<b>1,075,825.2</b>	<b>1,180,937.2</b>	<b>1,144,479.8</b>
Total Appropriated Disbursements	-	-	-
Total Non-Appropriated Disbursements	1,002,910.3	1,144,479.7	1,144,479.7
Balance Forward to Next Year	72,914.9	36,457.5	0.1
Explanation for Negative Ending Balance(s):	Lottery		

### Appropriated Expenditure

Expenditure Categories	FY 2023 Actuals	FY 2024 Estimate	FY 2025 Request
Personal Services	-	-	-
Employee Related Expenditures	-	-	-
Professional & Outside Services	-	-	-
Travel In-State	-	-	-
Travel Out-Of-State	-	-	-
Food	-	-	-
Aid To Organizations & Individuals	-	-	-
Other Operating Expenditures	-	-	-
Equipment	-	-	-
Capital Outlay	-	-	-
Capital Equipment	-	-	-
Non-Capital Equipment	-	-	-
Debt Service	-	-	-
Cost Allocation & Indirect Costs	-	-	-
Transfers-Out	-	-	-
<b>Appropriated Expenditure Sub-Total:</b>	<b>-</b>	<b>-</b>	<b>-</b>
Non-Lapsing Authority from Prior Years (no entry for BY)	-	-	-
Administrative Adjustments (no entry for BY)	-	-	-
Capital Projects (Land, Bldgs, Improv)	-	-	-
Appropriated 27th Pay Roll	-	-	-
Legislative Fund Transfers	-	-	-

## Sources and Uses

<b>Agency:</b>	<b>Lottery</b>
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<b>Fund:</b>	<b>LO3179 Lottery - Prize Fund</b>
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IT Project Transfers	-	-	-
Residual Equity Transfer	-	-	-
Transfer Due to Fund Balance Cap	-	-	-
Prior Committed or Obligated Expenditures (no entry for AY)	-	-	-
Non-Appropriated 27th Pay Roll	-	-	-
<b>Appropriated Expenditure Total:</b>	-	-	-
<b>Appropriated FTE</b>	-	-	-

<b>Non-Appropriated Expenditure</b>
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	FY 2023 Actuals	FY 2024 Estimate	FY 2025 Request
<b>Expenditure Categories</b>			
Personal Services	-	-	-
Employee Related Expenditures	-	-	-
Professional & Outside Services	-	-	-
Travel In-State	-	-	-
Travel Out-Of-State	-	-	-
Food	-	-	-
Aid To Organizations & Individuals	-	-	-
Other Operating Expenditures	995,547.0	1,138,054.7	1,138,054.7
Equipment	-	-	-
Capital Outlay	-	-	-
Capital Equipment	-	-	-
Non-Capital Equipment	-	-	-
Debt Service	-	-	-
Cost Allocation & Indirect Costs	-	-	-
Transfers-Out	7,363.3	6,425.0	6,425.0
<b>Non-Appropriated Expenditure Sub-Total:</b>	<b>1,002,910.3</b>	<b>1,144,479.7</b>	<b>1,144,479.7</b>
Non-Lapsing Authority from Prior Years (no entry for BY)	-	-	-
Administrative Adjustments (no entry for BY)	-	-	-
Capital Projects (Land, Bldgs, Improv)	-	-	-
Appropriated 27th Pay Roll	-	-	-
Legislative Fund Transfers	-	-	-
IT Project Transfers	-	-	-
Residual Equity Transfer	-	-	-
Transfer Due to Fund Balance Cap	-	-	-
Prior Committed or Obligated Expenditures (no entry for AY)	-	-	-
Non-Appropriated 27th Pay Roll	-	-	-

## Sources and Uses

<b>Agency:</b>	<b>Lottery</b>
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<b>Fund:</b>	<b>LO3179</b>	<b>Lottery - Prize Fund</b>
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<b>Non-Appropriated Expenditure Total:</b>	1,002,910.3	1,144,479.7	1,144,479.7
<b>Non-Appropriated FTE</b>	-	-	-

## Source and Use - Justification Prize Fund (3179)

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Breakdown of non-appropriated transfers (rounded to hundreds):

<b>Program</b>	<b>FY23 Actual</b>	<b>FY24-25 Est.</b>
CASA <sup>1/</sup>	6,907.0	6,000.0
Tribal College Fund <sup>2/</sup>	325.0	325.0
ICACF/VREF <sup>3/</sup>	131.3	100.0
<b>TOTAL:</b>	<b>7,363.3</b>	<b>6,425.0</b>

- 1/ Thirty percent of unclaimed prize monies are transferred to the CASA (Court Appointed Special Advocate) Fund. Transfers to CASA vary annually as a function of unclaimed prizes.
- 2/ Fifteen percent of unclaimed prizes, not to exceed \$325,000 are transferred to the Tribal College Dual Enrollment Program Fund. Laws 2021, Chapter 404 increased the maximum allocation from \$250,000 to \$325,000
- 3/ A total of \$1 million are transferred to the Internet Crimes Against Children Enforcement (ICACF) Fund and Victims' Rights Enforcement (VREF) Fund, with proceeds coming from vending machine sales in age-restricted locations. If necessary, unclaimed prizes are to be used to fund any shortfall. For FY23, transfers were comprised of both funding sources - \$868.7 from game proceeds and \$131.3 from unclaimed prizes. It is estimated that \$100.0 in transfers for FY24-25 will come from unclaimed prizes.



# Funding Issue List

**Agency:** Lottery

FY 2023

Priority	Funding Issue Title	Total FTE	Total Amount	General Fund	Other Appropriated Funds	Non- Appropriated Funds
1	Advertising Funding Adjustment	-	4,000.0	-	4,000.0	-
<b>Total:</b>		-	<b>4,000.0</b>	-	<b>4,000.0</b>	-

## Funding Issue Detail

**Agency:** Lottery

**Issue:** 1 Advertising Funding Adjustment

**Calculated ERE:**  
**Uniform Allowance:**

**Program:** SLI Advertising  
**Fund:** LO2122 Lottery Fund (Appropriated)

	<b>Expenditure Categories</b>	<b>FY 2025</b>
7000	Other Operating Expenditures	4,000.0
	<b>Program/Fund Total:</b>	<b>4,000.0</b>

# Funding Issue Narrative

**Agency:** Lottery

**Issue:** 1 Advertising Funding Adjustment

**Description of Issue:** See attachment

**Proposal:** See attachment

**Alternatives Considered:** See attachment

**Impact of Not Funding This Year:** See attachment

**Statutory Reference:** See attachment

**Equipment to be Purchased (if applicable):** See attachment

**Classification of New Positions:** See attachment

**Annualization(s):** See attachment

**Alignment with Agency's Strategic Plan or Statutory Responsibilities:** See attachment

**Impact on Historically Underserved, Marginalized, or Adversely Affected Groups:** See attachment

**How has feedback been incorporated from groups directly impacted by proposal?:** See attachment

**Description of how this furthers the Governor's priorities:** See attachment

**TITLE: ADVERTISING FUNDING ADJUSTMENT**  
**AMOUNT: \$4,000,000 LOTTERY FUND**  
**PRIORITY: 1**

**SUMMARY:**

The Arizona Lottery is tasked with maximizing revenue to state programs. Integral to achieving this objective is an advertising budget that is sufficient to meet evolving marketing needs.

The Lottery is requesting an ongoing **\$4 million** increase over the current appropriation to keep pace with media and monetary inflationary costs, sustain and expand new product launches, and compete with legalized sports betting/casino gaming. Projected annual net revenues based on the increased marketing investment are **\$22.6 million** higher than baseline projections using the current advertising budget. This investment will further the Lottery's mission of maximizing funding for state programs.

**DESCRIPTION:**

The Lottery's advertising budget, currently set at \$15.5M per year, has remained stagnant for the last 14 fiscal years. Historically, the Lottery's advertising budget has been capped at various levels, in accordance with provisions in the Lottery's establishing statute, annual appropriation, or both. In FY09, the advertising budget reached its maximum of \$20.2M after the Legislature removed the statutory cap on advertising expenditures. The budget was reduced to \$16.0M in FY10 and \$15.5M in FY11, remaining at that amount ever since.

The marketing environment has changed dramatically during this time-frame. Media and price inflation means marketing dollars do not go as far and consumer habits have also changed, with a myriad of new media channels that did not exist when the Lottery budget was last adjusted.

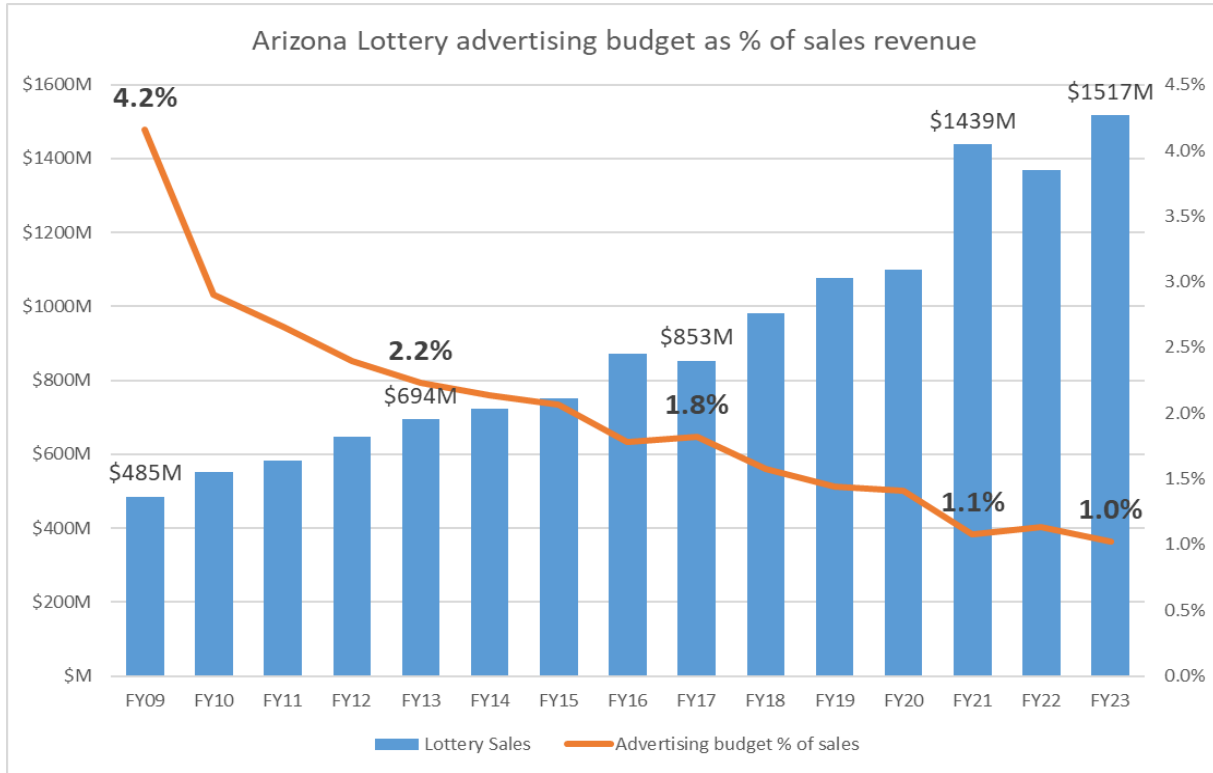
Lottery sales received a boost during the COVID-19 pandemic due to closure of casinos and other entertainment venues, but now that businesses have largely returned to normal, an investment in advertising funding is even more critical for continued growth of beneficiary transfers.

Research, data tracking, and experience indicate that marketing efforts have a direct influence on product sales, and the lottery industry is no exception. There are various ways advertising funds are used to drive game sales, of which a few examples include: 1) Lottery games, especially new games or redesigned games, require an introduction to the public, 2) mature games require advertising to sustain sales, 3) marketing and advertising efforts notify players of jackpot increases, 4) advertising support drives traffic into retail stores to purchase Lottery products, 5) expanded efforts in channels such as on-line advertising and social media engages a new generation of players.

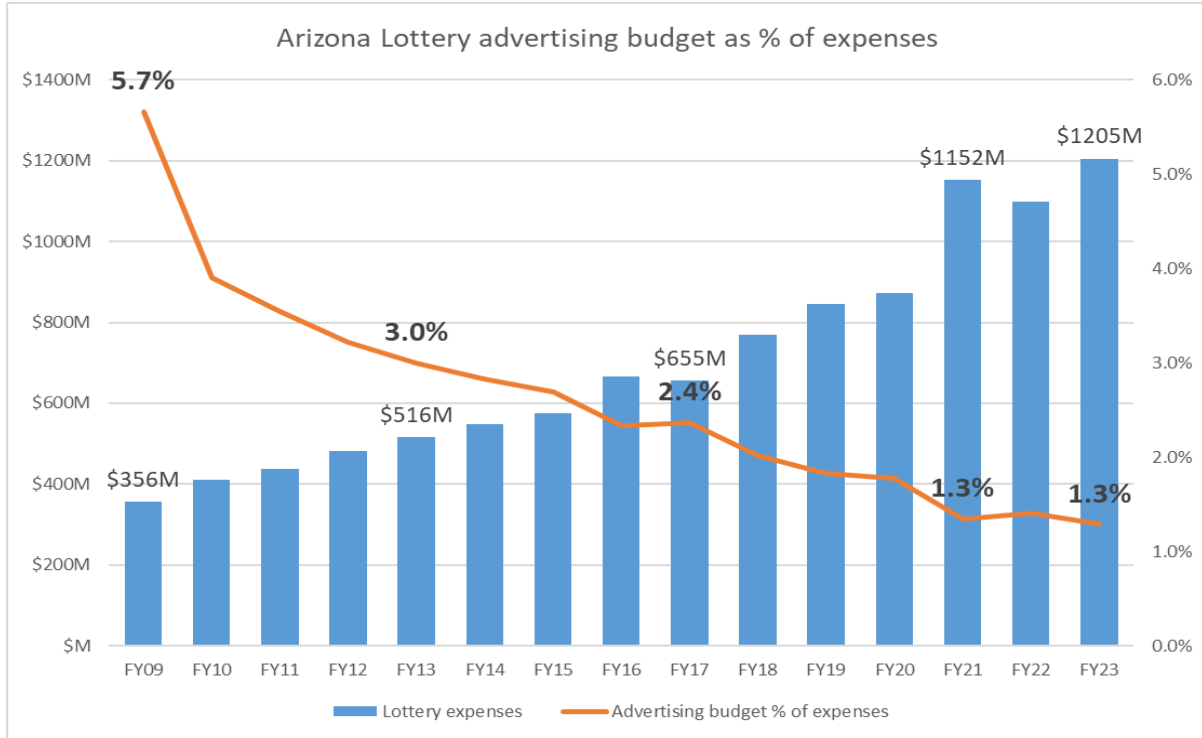
The Arizona Lottery faces challenges – some unique as compared to other states - with respect to advertising. Although the Lottery has utilized existing funding to its best advantage, the Lottery's advertising/marketing budget has remained unchanged, while media costs have increased and audiences have become more sophisticated in their marketing content expectations.

## Advertising Allocation

Expressed as a percentage of total Lottery ticket sales revenue, the advertising budget has declined from **4.2%** of sales revenue in FY09 to **1.0%** of sales revenue in FY23.



As a percentage of total expenses (including prize expense and other appropriated expenditures) the advertising budget has declined from **5.7%** in FY09 to **1.3%** in FY23.



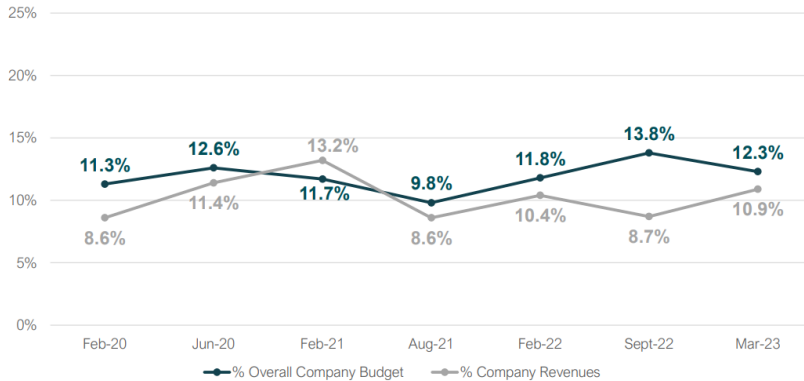
### Industry comparisons

For comparison, data collected by the CMO Survey from over 300 business enterprises in March 2023 shows that marketing budgets on average account for **12.3%** of budgeted expenses, and **10.9%** of total revenues. These percentages are even higher in the highly competitive B2C Product sector in which the Lottery operates, averaging **17.8%** of budget and **16.1%** of revenues.

The proposed \$4M adjustment amount would increase the Lottery's advertising allocation to **1.7%** of budgeted expenses, and **1.3%** of total ticket sales revenues based on current FY24 projections.

## Marketing budgets as a percent of company budget drop to pre-Covid levels, while marketing budgets as a percent of revenues rise

Marketing expenses account for what percent of your company's overall budget?  
 Marketing expenses account for what percent of your company's sales revenues?



### Insights

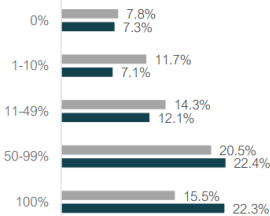
Weakening sales growth has increased marketing budgets as a percent of company revenues. Smaller companies (<50 employees) and companies with smaller sales revenues (<\$10 million) spend more on marketing budgets as a percent of company revenues than their larger counterparts. Interestingly, companies that make 50%+ of their sales through Internet allocate on average 15%-20% of their budgets to marketing expenses. Overall, marketing budgets as a percent of overall company budgets hover closer to pre-Covid levels (11.3% versus 12.3%). B2C Product and Service economic sectors are spending above average on marketing (17.8% and 15.0%). Among industries, Consumer Packaged Goods spend the most on marketing as percent of overall budget, reaching 22.6%.

[https://cmosurvey.org/wp-content/uploads/2023/03/The\\_CMO\\_Survey-Highlights\\_and\\_Insights\\_Report-March\\_2023.pdf](https://cmosurvey.org/wp-content/uploads/2023/03/The_CMO_Survey-Highlights_and_Insights_Report-March_2023.pdf)

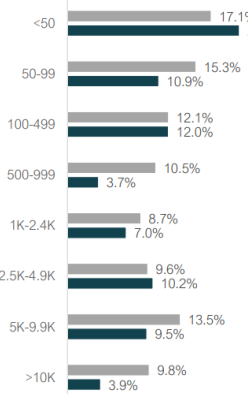
## How marketing budgets vary by firm and industry breakouts

Marketing budgets account for **12.3%** of overall budgets and **10.9%** of company revenues

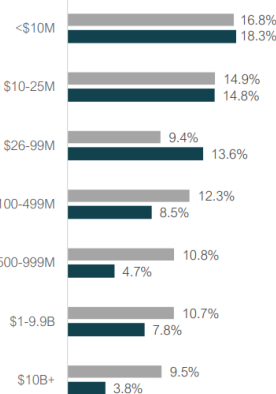
### Internet Sales



### Employees



### Revenues



### Economic Sector

	% Budget	% Revenue
B2B Product	10.9%	8.5%
B2B Services	7.9%	10.3%
B2C Product	17.8%	16.1%
B2C Services	15.0%	10.0%

### Industry Sector

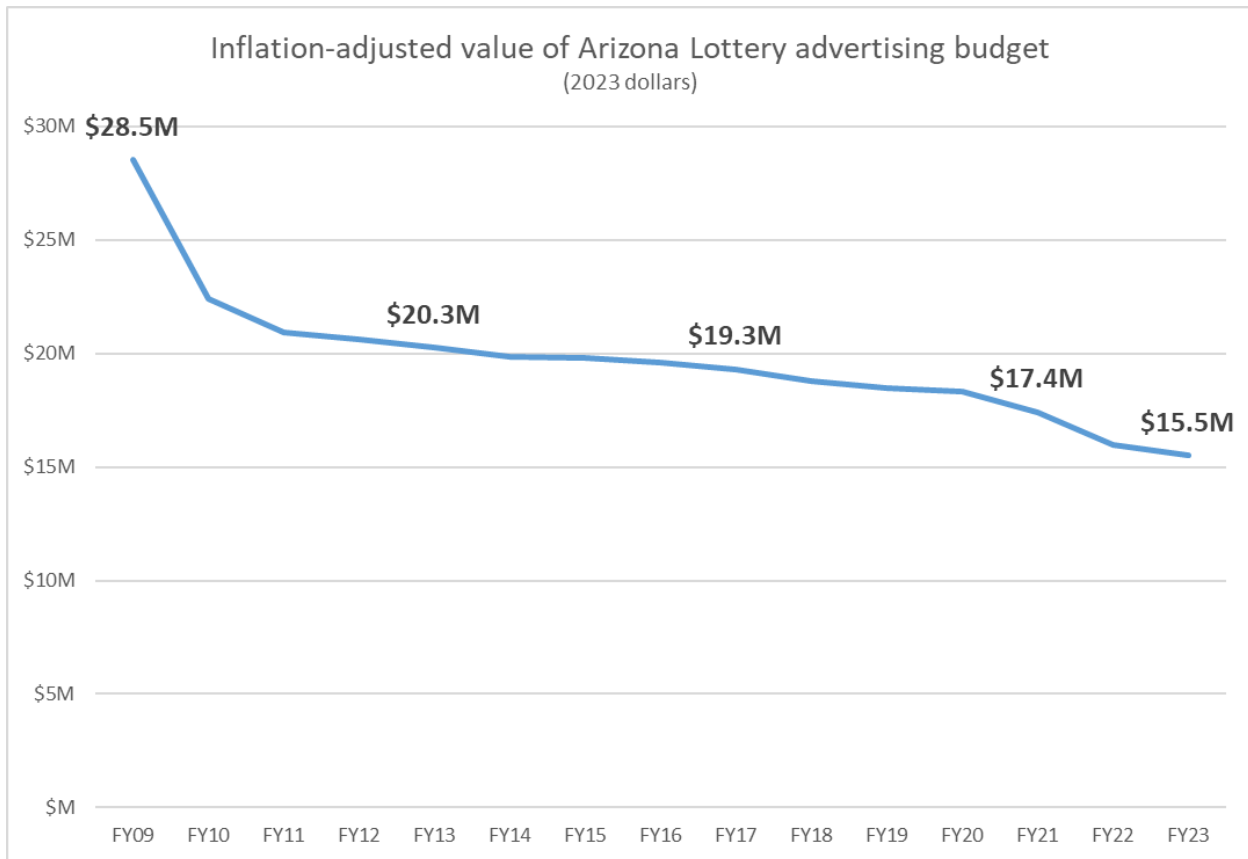
	% Budget	% Revenue
Top Sectors	Consumer Packaged Goods (22.6%)	Communications/Media (19.4%)
Bottom Sectors	Mining/Construction (3.8%)	Mining/Construction (3.5%)

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[https://cmosurvey.org/wp-content/uploads/2023/03/The\\_CMO\\_Survey-Highlights\\_and\\_Insights\\_Report-March\\_2023.pdf](https://cmosurvey.org/wp-content/uploads/2023/03/The_CMO_Survey-Highlights_and_Insights_Report-March_2023.pdf)

## Inflation

Core Consumer Price Index (CPI) inflation has also reduced the purchasing power of the Lottery's advertising budget. Since 2009, inflation has caused overall prices to increase by 41%. Over this period, the inflation-adjusted value of the Lottery's advertising budget, expressed in 2023 dollars, has declined from \$28.5M to \$15.5M. The requested \$4M funding amount would restore the real value of the Lottery's advertising budget to a level equivalent to the allocation from FY16.



## Jackpot Fatigue

The lottery industry in general continues to experience “jackpot fatigue,” which means that it takes larger and larger jackpots before players purchase tickets. As players become accustomed to high jackpots, there is a drop-off in regular play until the jackpot reaches headline-making size. The corresponding drop-off in sales further delays jackpot growth. As a result, jackpot awareness campaigns become important just to maintain game interest.

## New Game Support

Sufficient funding is essential to the successful introduction of new Lottery games. Typically, new games require major launch campaigns to educate and inform players/retailers about the new game. Dedicated resources to this effort are important to both motivate initial purchases as well as to sustain sales and awareness after the launch period. For example, the Lottery will be



expanding Scratchers offerings in FY24; advertising support is critical to ensure players are aware of the new games and also to sustain interest into FY25 and beyond. Advertising/marketing resources are important to ensure that the investments made to bring these products to market are not wasted.

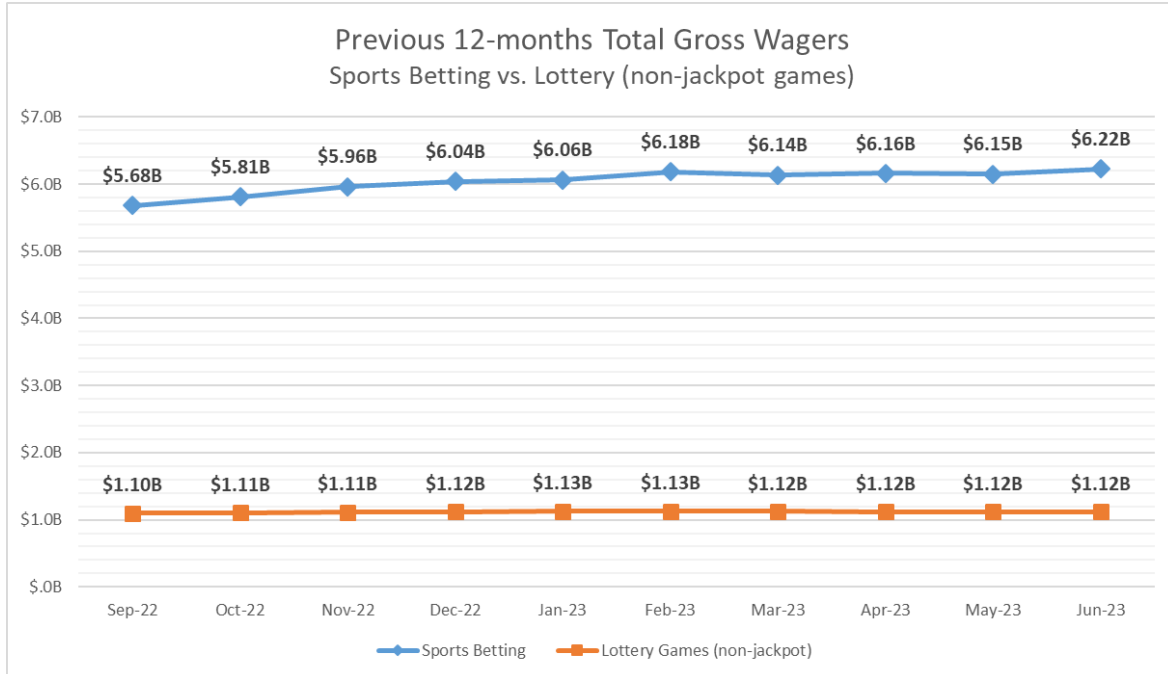
### **Sports Betting and Share of Voice**

The legalization of Sports Betting has caused the Arizona Lottery to lose significant Share of Voice (SOV) - a measure that directly impacts Return on Investment (ROI) and subsequent sales. Share of voice is a marketing metric used to determine how much brand awareness and ad space a specific brand holds versus competitors in a market. The Arizona Lottery has lost share of voice in both broadcast TV and terrestrial radio since 2017, with the legalization of sports betting greatly impacting advertiser ranking and the ability to maintain strong messaging presence in the market.

Since sports betting was legalized, the Lottery has been outspent and retains significantly lower advertiser rankings than sports betting operators, with an average advertiser ranking of 39 over the past 3 years (as compared to #15 in 2017). DraftKings continues to outspend in the gaming category with a 60% SOV vs. 11% SOV for the Arizona Lottery. (Note: Arizona Lottery core players are 18% more likely to watch broadcast TV than the general Arizona population.)

Radio advertiser ranking for the Lottery has also decreased continuously since 2017, with spend decreasing by 23%. Similar to TV, sports betting operators maintain a significant share of voice in the market, with DraftKings and FanDuel outspending all other gaming advertisers. Arizona Lottery Scratchers players over-index for radio consumption against the general population by 6%.

The chart below shows the relative growth of Arizona Sports Betting compared to sales of non-jackpot Arizona Lottery games (i.e., sales of local Arizona games that do not feature rolling jackpots).



Between September 2022 and June 2023, the total Sports Betting gross wagers for the previous 12-months has grown **9.5%**, from \$5.68 billion to \$6.22 billion. Meanwhile, Lottery gross sales for the previous 12 months over the same period have only grown by **1.6%**, from \$1.10 billion to \$1.12 billion. This demonstrates the impact of the increased Share of Voice for Sports Betting, compared to the lower Share of Voice for Lottery games.

### Increased Media Costs

Media inflation has increased significantly over the past 10 years making it difficult to sustain equivalent marketing support as compared to previous years. Cost per Thousand (CPM) increases for TV buys have increased 171%. For Radio buys, CPMs have increased 165%. Digital Out of Home CPMs have also soared, increasing 273%. Social and Retail CPMs have increased as well at 127% and 156% respectively.

Based on the current media mix, media investments are delivering 40% fewer impressions per buy due to media inflation as compared to 2014. That equates to a loss of 5M media impressions per buy for TV and radio alone.

Media costs in the short / medium term are projected to continue to skyrocket based on increasing advertising demand. For example, the Lottery's advertising agency, OH Partners, is currently projecting that over \$1 billion will be spent on political advertising in Arizona during the 2024 election cycle.

### Population Growth

Many other lottery states have stable population bases and consistent demographics. According to [U.S. Census Bureau statistics](#) for the period April 1, 2020 through July 1, 2022, Maricopa County had the nation's highest net population growth of any US county, adding nearly 60,000

residents. Additionally, the State of Arizona ranked fifth in the United States in total population growth and eighth in percentage growth.

Because Arizona is a dynamic, fast-growing state with both new residents and a significant winter visitor population, Lottery advertising must routinely educate those who are not familiar with Lottery games.

### **Mitigating Future Revenue Loss**

Over the last five years, Arizona Lottery has averaged a 7.4% annual growth rate for total ticket sales revenue. Given that the advertising budget remained static during this period, it might be reasonable to expect that future additional revenue growth can continue without making additional investment in marketing expenses. However, due to the previously mentioned market trends, Arizona Lottery is already beginning to experience revenue growth challenges.

The Lottery's original FY24 projections called for a 4% decline in total sales revenue compared to FY23, primarily due to fewer projected large multi-state jackpots. However, the first two months of actual sales show that some product categories are already falling short of the initial FY24 projections. In particular, Scratchers sales, which typically comprise 70%-80% of total ticket sales revenue, and do not benefit from occasional large jackpots, are already 4.6% behind FY24 projections and are currently trending below FY23.

Notably, the JLBC forecast for FY24 anticipates total Lottery sales of \$1.541 billion, which would represent a 4.0% sales *increase* compared to FY23. The Lottery's internal FY24 projections are currently 5.9% lower than JLBC's forecast, and FY25 revenues are likely to fall further if the current decline in Scratchers sales continues.

Given the previously mentioned trends, without additional investment in marketing, the projected decline in sales will likely accelerate in FY25. The requested \$4M in additional advertising funds will help preserve existing Lottery revenues, preventing a more significant decline in the next few years, and creating new opportunities to promote sales growth.

### **PROPOSAL:**

Marketing funds are an integral resource to support the business of the agency, educate the public about Lottery products, and influence product sales. The requested increase is critical to remaining competitive in order to maximize product sales and beneficiary transfers.

The proposed \$4M adjustment amount would increase the Lottery's advertising budget to \$19.5 million, which would represent just **1.7%** of budgeted expenses, and **1.3%** of total ticket sales revenues based on current FY24 projections. This is well short of industry averages for advertising spend: **12.3%** of budgeted expenses, and **10.9%** of total revenues.

From an inflation perspective, the requested amount restores the real value of the Lottery's advertising dollar to the approximate purchasing level of FY16.

### **Return On Investment**

The Lottery estimates that the requested incremental marketing investment will return **\$22.6 million** more in transfers compared to projections based on the Lottery's current advertising spend. This estimate is based on the marketing ROI that was calculated from the sales

generated by the Lottery's top-tier advertising campaigns in FY23. An investment of approximately \$5.4 million in advertising resulted in \$169 million in ticket sales attributable to marketing spend, and produced \$30 million in net transfers, for an overall ROI of nearly 6:1.

Using this ROI, the additional \$4 million investment would produce \$126 million in ticket sales and incremental net transfer of \$26.6 million. *It should be noted that due to the previously identified declining sales trend in FY24, this incremental impact may not necessarily produce nominal year-over-year growth in sales and net transfers in FY25 and beyond.* However, the additional marketing investment will help offset declining sales, producing a higher overall impact compared to the results that the Lottery would have achieved with the current level of advertising spend.

**ALTERNATIVES CONSIDERED:**

Reduce or cut back on new games/marketing initiatives. This alternative is counterproductive to the mission of maximizing revenue. New games and corresponding advertising support are necessary to refresh player interest and attract new players. In addition, consumers today obtain information from more media delivery services than ever before – often simultaneously. Reaching new customers through digital channels requires an increased advertising investment as compared to earlier years.

**IMPACT OF NOT FUNDING THIS YEAR:**

As outlined earlier, the Lottery is currently projecting a total sales decline for FY24, which will likely continue into FY25 and beyond due to the previously noted factors that are impacting the market for Lottery ticket sales in Arizona. The direct impact of not funding the requested increase in the advertising budget is lower ticket sales and less transfers to Lottery beneficiaries in the coming years.

Aside from the immediate direct impact on revenue in the short-term, not funding additional investment in marketing activities will produce secondary impacts that will likely compound to produce more significant losses of ticket sales over the next 5-10 years. These impacts include declining product awareness, lower market share in the gaming and entertainment sectors, and a smaller player base that will disproportionately omit younger players of diverse backgrounds.

**STATUTORY REFERENCE:**

ARS §5-551 et. seq.

**EQUIPMENT TO BE PURCHASED (IF APPLICABLE):**

Not applicable to this issue

**CLASSIFICATION OF NEW POSITIONS:**

Not applicable to this issue

**ANNUALIZATION:**

Not applicable to this issue

**ALIGNMENT WITH AGENCY'S STRATEGIC PLAN OR STATUTORY RESPONSIBILITIES:**

This issue furthers the Lottery's statutory mission of maximizing revenue to State programs in a responsible manner.

The success of this proposal will be evaluated using the Lottery's Strategic Plan performance metrics for product sales and beneficiary transfers. As explained above, we project that a \$4

million increase in advertising/marketing spending will likely generate an additional \$126 million in sales annually, producing \$22.6 million in additional revenues to Lottery beneficiaries and the General Fund.

Additionally, the Lottery also plans to calculate and track the marketing ROI and number of incremental advertising impressions that are achieved from new or expanded marketing campaigns that are launched with the additional advertising funds.

**IMPACT ON HISTORICALLY UNDERSERVED, MARGINALIZED, OR ADVERSELY AFFECTED GROUPS:**

Since this funding request is expected to generate incremental revenue for Lottery beneficiaries, including the General Fund, the Lottery believes that it can have a positive impact on underserved, marginalized and adversely affected groups. Lottery revenues are directed to various state programs, some of which benefit groups in this category.

Several historically underserved groups that can be categorized under Governor Hobbs' blueprint initiatives receive direct Lottery funding through the beneficiary waterfall. These include:

Improving Education

- Tribal College Dual Enrollment program

Housing and Human Services

- Department of Economic Security Homeless Services
- Court Appointed Special Advocate Program (Housing and Human Services)

Health and Reproductive Freedom

- Department of Child Safety Healthy Families Program
- Department of Health Services Healthy Start Program
- Department of Health Services Women, Infants and Children food program

Public Safety, Border Security and Corrections Reform

- Department of Public Safety Internet Crimes Against Children Enforcement Fund
- Department of Public Safety Victims' Rights Enforcement Fund

An investment in advertising will also help to generate additional revenue for the General Fund, which can fund additional state programs that can provide a positive impact for underserved, marginalized or adversely affected groups.

**FEEDBACK INCORPORATED FROM GROUPS DIRECTLY IMPACTED BY PROPOSAL:**

The Lottery has not identified any specific groups or constituencies that would be directly impacted by this proposal. Since all of the Lottery's operating expenses are funded directly from Lottery sales revenues, the increased advertising budget would not require a direct transfer of capital, only additional spending authority. The increased expenses would be offset by higher revenue transfers to the General Fund.

**FURTHERANCE OF GOVERNOR'S PRIORITIES:**

Arizona Lottery funding represents the State's largest source of non-tax revenue, and is projected to provide more than \$200M to the General Fund for FY23, in addition to nearly \$100 million in funds to Lottery beneficiary programs.

Many of the Lottery's statutorily-designated revenue beneficiaries support the Governor's Blueprints and priorities. The additional advertising/marketing funds will help ensure that these beneficiaries continue to receive sustainable funding for the foreseeable future. Furthermore, additional General Fund dollars generated as a result of the increased advertising budget would support incremental spending that can support initiatives for any of these priorities.

**Improving Education:**

- Arizona Board of Regents - University Capital Improvement Bond Fund: \$38 million
- Tribal College Dual Enrollment program: \$325K

**Housing and Human Services**

- Department of Economic Security Homeless Services - \$1 million
- Court Appointed Special Advocate Program - 30% of unclaimed prizes

**Health and Reproductive Freedom**

- Department of Gaming Compulsive Gambling Services - \$300K
- Healthy Arizona Programs - \$24M
  - Department of Child Safety Healthy Families Program - \$7 million
  - Arizona Board of Regents Health Education System - \$6 million
  - Department of Health Services Teen Pregnancy Program - \$4 million
  - Department of Health Services Healthy Start Program - \$3 million
  - Department of Health Services Disease Control Research Fund - \$3 million
  - Department of Health Services Women, Infants and Children food program - \$1 million

**Resilience, Water and the Environment**

- Department of Game and Fish Heritage Fund - \$10 million

**Public Safety, Border Security and Corrections Reform**

- Department of Public Safety Internet Crimes Against Children Enforcement Fund - \$900K
- Department of Public Safety Victims' Rights Enforcement Fund - \$100K

**Affordable and Thriving Economy**

- Local Transportation Assistance Fund - \$11 million
- Arizona Commerce Authority Arizona Competes Fund - \$3.5 million

**Infrastructure**

- Arizona Board of Regents - University Capital Improvement Bond Fund: \$38 million

## Summary of Expenditure and Budget Request for All Funds

**Agency:** **Lottery**

<b>Appropriated Funds</b>	<b>FY 2023 Actuals</b>	<b>FY 2024 Expenditure Plan</b>	<b>FY 2025 Funding Issue</b>	<b>FY 2025 Total Request</b>
<b>Program:</b>				
LOA-1-0 Lottery	171,835.8	188,761.9	4,000.0	192,761.9
<b>Appropriated Funds Total:</b>	<b>171,835.8</b>	<b>188,761.9</b>	<b>4,000.0</b>	<b>192,761.9</b>
<b>Expenditure Categories</b>				
FTE	64.0	98.8	-	98.8
Personal Services	4,859.2	5,218.3	-	5,218.3
Employee Related Expenditures	1,931.4	2,186.2	-	2,186.2
<b>Subtotal Personal Services and ERE</b>	<b>6,790.6</b>	<b>7,404.5</b>	<b>-</b>	<b>7,404.5</b>
Professional & Outside Services	18,969.4	18,225.6	-	18,225.6
Travel In-State	35.8	271.6	-	271.6
Travel Out-Of-State	45.8	16.8	-	16.8
Other Operating Expenditures	145,683.7	162,843.4	4,000.0	166,843.4
Capital Equipment	12.9	-	-	-
Non-Capital Equipment	166.0	-	-	-
Transfers-Out	131.7	-	-	-
<b>Expenditure Categories Total:</b>	<b>171,835.8</b>	<b>188,761.9</b>	<b>4,000.0</b>	<b>192,761.9</b>

## Summary of Expenditure and Budget Request for All Funds

**Agency:** Lottery

<b>Non-Appropriated</b>		<b>FY 2023 Actuals</b>	<b>FY 2024 Expenditure Plan</b>	<b>FY 2025 Funding Issue</b>	<b>FY 2025 Total Request</b>
<b>Program:</b>					
LOA-1-0	Lottery	2,037,568.5	2,251,402.0	-	2,251,402.0
<b>Non-Appropriated Total:</b>		<b>2,037,568.5</b>	<b>2,251,402.0</b>	<b>-</b>	<b>2,251,402.0</b>
<b>Expenditure Categories</b>					
	FTE	-	-	-	-
	Personal Services	-	-	-	-
	Employee Related Expenditures	-	-	-	-
	<b>Subtotal Personal Services and ERE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	Professional & Outside Services	-	-	-	-
	Travel In-State	-	-	-	-
	Travel Out-Of-State	-	-	-	-
	Other Operating Expenditures	995,547.0	1,138,054.7	-	1,138,054.7
	Capital Equipment	-	-	-	-
	Non-Capital Equipment	-	-	-	-
	Transfers-Out	1,042,021.5	1,113,347.3	-	1,113,347.3
<b>Expenditure Categories Total:</b>		<b>2,037,568.5</b>	<b>2,251,402.0</b>	<b>-</b>	<b>2,251,402.0</b>
<b>Lottery Total for All Funds:</b>		<b>2,209,404.3</b>	<b>2,440,163.9</b>	<b>4,000.0</b>	<b>2,444,163.9</b>

<b>Appropriated and Non-Appropriated</b>		<b>FY 2023 Actuals</b>	<b>FY 2024 Expenditure Plan</b>	<b>FY 2024 Funding Issue</b>	<b>FY 2025 Total Request</b>
LOA-1-0	Lottery	2,209,404.3	2,440,163.9	4,000.0	2,444,163.9
<b>Lottery Total for All Funds:</b>		<b>2,209,404.3</b>	<b>2,440,163.9</b>	<b>4,000.0</b>	<b>2,444,163.9</b>



## Summary of Expenditure and Budget Request for Selected Funds

<b>Agency:</b>	<b>Lottery</b>
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<b>Fund:</b>	<b>LO2122 Lottery Fund (Appropriated)</b>
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	FY 2023 Actuals	FY 2024 Expenditure Plan	FY 2025 Funding Issue	FY 2025 Total Request
<b>Program:</b>				
LOA-1-0 Lottery	171,835.8	188,761.9	4,000.0	192,761.9
<b>Lottery Fund (Appropriated) Summary Total:</b>	<b>171,835.8</b>	<b>188,761.9</b>	<b>4,000.0</b>	<b>192,761.9</b>
<b>Expenditure Categories</b>				
FTE	64.0	98.8	-	98.8
Personal Services	4,859.2	5,218.3	-	5,218.3
Employee Related Expenditures	1,931.4	2,186.2	-	2,186.2
<b>Subtotal Personal Services and ERE</b>	<b>6,790.6</b>	<b>7,404.5</b>	-	<b>7,404.5</b>
Professional & Outside Services	18,969.4	18,225.6	-	18,225.6
Travel In-State	35.8	271.6	-	271.6
Travel Out-Of-State	45.8	16.8	-	16.8
Other Operating Expenditures	145,683.7	162,843.4	4,000.0	166,843.4
Capital Equipment	12.9	-	-	-
Non-Capital Equipment	166.0	-	-	-
Transfers-Out	131.7	-	-	-
<b>Expenditure Categories Total:</b>	<b>171,835.8</b>	<b>188,761.9</b>	<b>4,000.0</b>	<b>192,761.9</b>

## Summary of Expenditure and Budget Request for Selected Funds

<b>Agency:</b>	<b>Lottery</b>
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<b>Fund:</b>	<b>LO2122 Lottery Fund (Non-Appropriated)</b>
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	FY 2023 Actuals	FY 2024 Expenditure Plan	FY 2025 Funding Issue	FY 2025 Total Request
<b>Program:</b>				
LOA-1-0 Lottery	1,034,658.2	1,106,922.3	-	1,106,922.3
<b>Lottery Fund (Non-Appropriated) Summary Total:</b>	<b>1,034,658.2</b>	<b>1,106,922.3</b>	-	<b>1,106,922.3</b>
<b>Expenditure Categories</b>				
FTE	-	-	-	-
Personal Services	-	-	-	-
Employee Related Expenditures	-	-	-	-
<b>Subtotal Personal Services and ERE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Professional & Outside Services	-	-	-	-
Travel In-State	-	-	-	-
Travel Out-Of-State	-	-	-	-
Other Operating Expenditures	-	-	-	-
Capital Equipment	-	-	-	-
Non-Capital Equipment	-	-	-	-
Transfers-Out	1,034,658.2	1,106,922.3	-	1,106,922.3
<b>Expenditure Categories Total:</b>	<b>1,034,658.2</b>	<b>1,106,922.3</b>	-	<b>1,106,922.3</b>

## Summary of Expenditure and Budget Request for Selected Funds

<b>Agency:</b>	<b>Lottery</b>
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<b>Fund:</b>	<b>LO3179 Lottery - Prize Fund (Non-Appropriated)</b>
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	FY 2023 Actuals	FY 2024 Expenditure Plan	FY 2025 Funding Issue	FY 2025 Total Request
<b>Program:</b>				
LOA-1-0 Lottery	1,002,910.3	1,144,479.7	-	1,144,479.7
<b>Lottery - Prize Fund (Non-Appropriated)</b>	<b>1,002,910.3</b>	<b>1,144,479.7</b>	<b>-</b>	<b>1,144,479.7</b>
<b>Summary Total:</b>	<b>1,002,910.3</b>	<b>1,144,479.7</b>	<b>-</b>	<b>1,144,479.7</b>
<b>Expenditure Categories</b>				
FTE	-	-	-	-
Personal Services	-	-	-	-
Employee Related Expenditures	-	-	-	-
<b>Subtotal Personal Services and ERE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Professional & Outside Services	-	-	-	-
Travel In-State	-	-	-	-
Travel Out-Of-State	-	-	-	-
Other Operating Expenditures	995,547.0	1,138,054.7	-	1,138,054.7
Capital Equipment	-	-	-	-
Non-Capital Equipment	-	-	-	-
Transfers-Out	7,363.3	6,425.0	-	6,425.0
<b>Expenditure Categories Total:</b>	<b>1,002,910.3</b>	<b>1,144,479.7</b>	<b>-</b>	<b>1,144,479.7</b>

## Program Summary of Expenditure and Budget Request

**Agency:** Lottery

**Program:** Lottery

<b>Program Summary</b>		<b>FY 2023 Actuals</b>	<b>FY 2024 Expenditure Plan</b>	<b>FY 2025 Funding Issue</b>	<b>FY 2025 Total Request</b>
LOA-1-1	Lottery	2,047,396.1	2,261,877.2	-	2,261,877.2
LOA-1-2	SLI Instant Tickets	27,416.5	40,411.8	-	40,411.8
LOA-1-3	SLI Advertising	14,006.7	15,500.0	4,000.0	19,500.0
LOA-1-4	SLI On-Line Vendor Fees	18,388.6	17,838.8	-	17,838.8
LOA-1-5	SLI Retailer Commissions	100,366.0	102,667.6	-	102,667.6
LOA-1-7	SLI Charitable Commissions	1,830.3	1,868.5	-	1,868.5
<b>Lottery Summary Total:</b>		<b>2,209,404.3</b>	<b>2,440,163.9</b>	<b>4,000.0</b>	<b>2,444,163.9</b>
<b>Expenditure Categories</b>					
FTE	FTE	64.0	98.8	-	98.8
6000	Personal Services	4,859.2	5,218.3	-	5,218.3
6100	Employee Related Expenditures	1,931.4	2,186.2	-	2,186.2
<b>Subtotal Personal Services and ERE</b>		<b>6,790.6</b>	<b>7,404.5</b>	<b>-</b>	<b>7,404.5</b>
6200	Professional & Outside Services	18,969.4	18,225.6	-	18,225.6
6500	Travel In-State	35.8	271.6	-	271.6
6600	Travel Out-Of-State	45.8	16.8	-	16.8
7000	Other Operating Expenditures	1,141,230.7	1,300,898.1	4,000.0	1,304,898.1
8400	Capital Equipment	12.9	-	-	-
8500	Non-Capital Equipment	166.0	-	-	-
9100	Transfers-Out	1,042,153.2	1,113,347.3	-	1,113,347.3
<b>Expenditure Categories Total:</b>		<b>2,209,404.3</b>	<b>2,440,163.9</b>	<b>4,000.0</b>	<b>2,444,163.9</b>
<b>Fund Source</b>					
<b>Appropriated Funds</b>					
LO2122	Lottery Fund (Appropriated)	171,835.8	188,761.9	4,000.0	192,761.9
<b>Appropriated Funds Total:</b>		<b>171,835.8</b>	<b>188,761.9</b>	<b>4,000.0</b>	<b>192,761.9</b>
<b>Non-Appropriated Funds</b>					
LO2122	Lottery Fund (Non-Appropriated)	1,034,658.2	1,106,922.3	-	1,106,922.3
LO3179	Lottery - Prize Fund (Non-Appropriated)	1,002,910.3	1,144,479.7	-	1,144,479.7
<b>Non-Appropriated Funds Total:</b>		<b>2,037,568.5</b>	<b>2,251,402.0</b>	<b>-</b>	<b>2,251,402.0</b>
<b>Lottery Summary Total:</b>		<b>2,209,404.3</b>	<b>2,440,163.9</b>	<b>4,000.0</b>	<b>2,444,163.9</b>

## Program Summary of Expenditure and Budget Request for Selected Funds

**Agency:** Lottery

**Program:** Lottery

**Fund:** LO2122 Lottery Fund (Appropriated)

<b>Program Expenditures</b>		<b>FY 2023 Actuals</b>	<b>FY 2024 Expenditure Plan</b>	<b>FY 2025 Funding Issue</b>	<b>FY 2025 Total Request</b>
LOA-1-1	Lottery	9,827.6	10,475.2	-	10,475.2
LOA-1-2	SLI Instant Tickets	27,416.5	40,411.8	-	40,411.8
LOA-1-3	SLI Advertising	14,006.7	15,500.0	4,000.0	19,500.0
LOA-1-4	SLI On-Line Vendor Fees	18,388.6	17,838.8	-	17,838.8
LOA-1-5	SLI Retailer Commissions	100,366.0	102,667.6	-	102,667.6
LOA-1-7	SLI Charitable Commissions	1,830.3	1,868.5	-	1,868.5
<b>Lottery Fund (Appropriated) Summary Total:</b>		<b>171,835.8</b>	<b>188,761.9</b>	<b>4,000.0</b>	<b>192,761.9</b>
<b>Appropriated Funding</b>					
6000	Personal Services	4,859.2	5,218.3	-	5,218.3
6100	Employee Related Expenditures	1,931.4	2,186.2	-	2,186.2
<b>Subtotal Personal Services and ERE</b>		<b>6,790.6</b>	<b>7,404.5</b>	<b>-</b>	<b>7,404.5</b>
6200	Professional & Outside Services	18,969.4	18,225.6	-	18,225.6
6500	Travel In-State	35.8	271.6	-	271.6
6600	Travel Out-Of-State	45.8	16.8	-	16.8
7000	Other Operating Expenditures	145,683.7	162,843.4	4,000.0	166,843.4
8400	Capital Equipment	12.9	-	-	-
8500	Non-Capital Equipment	166.0	-	-	-
9100	Transfers-Out	131.7	-	-	-
<b>Expenditure Categories Total:</b>		<b>171,835.8</b>	<b>188,761.9</b>	<b>4,000.0</b>	<b>192,761.9</b>
<b>Fund LO2122 - A Total:</b>		<b>171,835.8</b>	<b>188,761.9</b>	<b>4,000.0</b>	<b>192,761.9</b>

## Program Summary of Expenditure and Budget Request for Selected Funds

<b>Agency:</b>	<b>Lottery</b>
<b>Program:</b>	<b>Lottery</b>
<b>Fund:</b>	<b>LO2122 Lottery Fund (Non-Appropriated)</b>

<b>Program Expenditures</b>	FY 2023 Actuals	FY 2024 Expenditure Plan	FY 2025 Funding Issue	FY 2025 Total Request
LOA-1-1 Lottery	1,034,658.2	1,106,922.3	-	1,106,922.3
<b>Lottery Fund (Non-Appropriated) Summary Total:</b>	<b>1,034,658.2</b>	<b>1,106,922.3</b>	-	<b>1,106,922.3</b>
<b>Non-Appropriated Funding</b>				
6000 Personal Services	-	-	-	-
6100 Employee Related Expenditures	-	-	-	-
<b>Subtotal Personal Services and ERE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
6200 Professional & Outside Services	-	-	-	-
6500 Travel In-State	-	-	-	-
6600 Travel Out-Of-State	-	-	-	-
7000 Other Operating Expenditures	-	-	-	-
8400 Capital Equipment	-	-	-	-
8500 Non-Capital Equipment	-	-	-	-
9100 Transfers-Out	1,034,658.2	1,106,922.3	-	1,106,922.3
<b>Expenditure Categories Total:</b>	<b>1,034,658.2</b>	<b>1,106,922.3</b>	-	<b>1,106,922.3</b>
<b>Fund LO2122 - N Total:</b>	<b>1,034,658.2</b>	<b>1,106,922.3</b>	-	<b>1,106,922.3</b>

## Program Summary of Expenditure and Budget Request for Selected Funds

<b>Agency:</b>	<b>Lottery</b>
<b>Program:</b>	<b>Lottery</b>
<b>Fund:</b>	<b>LO3179 Lottery - Prize Fund (Non-Appropriated)</b>

<b>Program Expenditures</b>	FY 2023 Actuals	FY 2024 Expenditure Plan	FY 2025 Funding Issue	FY 2025 Total Request
LOA-1-1 Lottery	1,002,910.3	1,144,479.7	-	1,144,479.7
<b>Lottery - Prize Fund (Non-Appropriated) Summary Total:</b>	<b>1,002,910.3</b>	<b>1,144,479.7</b>	-	<b>1,144,479.7</b>
<b>Non-Appropriated Funding</b>				
6000 Personal Services	-	-	-	-
6100 Employee Related Expenditures	-	-	-	-
<b>Subtotal Personal Services and ERE</b>	-	-	-	-
6200 Professional & Outside Services	-	-	-	-
6500 Travel In-State	-	-	-	-
6600 Travel Out-Of-State	-	-	-	-
7000 Other Operating Expenditures	995,547.0	1,138,054.7	-	1,138,054.7
8400 Capital Equipment	-	-	-	-
8500 Non-Capital Equipment	-	-	-	-
9100 Transfers-Out	7,363.3	6,425.0	-	6,425.0
<b>Expenditure Categories Total:</b>	<b>1,002,910.3</b>	<b>1,144,479.7</b>	-	<b>1,144,479.7</b>
<b>Fund LO3179 - N Total:</b>	1,002,910.3	1,144,479.7	-	1,144,479.7
<b>Lottery Total:</b>	<b>2,209,404.3</b>	<b>2,440,163.9</b>	<b>4,000.0</b>	<b>2,444,163.9</b>

## Program Budget Unit Summary of Expenditure and Budget Request for All Funds

**Agency:** Lottery

	FY 2023 Actuals	FY 2024 Expenditure Plan	FY 2025 Funding Issue	FY 2025 Total Request
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**Program:** LOA-1-0 Lottery

### Expenditure Categories

FTE	64.0	98.8	-	98.8
Personal Services	4,859.2	5,218.3	-	5,218.3
Employee Related Expenditures	1,931.4	2,186.2	-	2,186.2
<b>Subtotal Personal Services and ERE</b>	<b>6,790.6</b>	<b>7,404.5</b>	<b>-</b>	<b>7,404.5</b>
Professional & Outside Services	18,969.4	18,225.6	-	18,225.6
Travel In-State	35.8	271.6	-	271.6
Travel Out-Of-State	45.8	16.8	-	16.8
Other Operating Expenditures	1,141,230.7	1,300,898.1	4,000.0	1,304,898.1
Capital Equipment	12.9	-	-	-
Non-Capital Equipment	166.0	-	-	-
Transfers-Out	1,042,153.2	1,113,347.3	-	1,113,347.3
<b>Expenditure Categories Total:</b>	<b>2,209,404.3</b>	<b>2,440,163.9</b>	<b>4,000.0</b>	<b>2,444,163.9</b>

### Fund Source

#### Appropriated Funds

Lottery Fund (Appropriated)	171,835.8	188,761.9	4,000.0	192,761.9
<b>Appropriated Funds Total:</b>	<b>171,835.8</b>	<b>188,761.9</b>	<b>4,000.0</b>	<b>192,761.9</b>

#### Non-Appropriated Funds

Lottery Fund (Non-Appropriated)	1,034,658.2	1,106,922.3	-	1,106,922.3
Lottery - Prize Fund (Non-Appropriated)	1,002,910.3	1,144,479.7	-	1,144,479.7
<b>Non-Appropriated Funds Total:</b>	<b>2,037,568.5</b>	<b>2,251,402.0</b>	<b>-</b>	<b>2,251,402.0</b>
<b>Lottery Total:</b>	<b>2,209,404.3</b>	<b>2,440,163.9</b>	<b>4,000.0</b>	<b>2,444,163.9</b>

**Sub Program:** LOA-1-1 Lottery

### Expenditure Categories

FTE	64.0	98.8	-	98.8
Personal Services	4,859.2	5,218.3	-	5,218.3
Employee Related Expenditures	1,931.4	2,186.2	-	2,186.2
<b>Subtotal Personal Services and ERE</b>	<b>6,790.6</b>	<b>7,404.5</b>	<b>-</b>	<b>7,404.5</b>
Professional & Outside Services	580.8	386.8	-	386.8



## Program Budget Unit Summary of Expenditure and Budget Request for All Funds

**Agency:** Lottery

	FY 2023 Actuals	FY 2024 Expenditure Plan	FY 2025 Funding Issue	FY 2025 Total Request
<b>Program: LOA-1-0 Lottery</b>				
<b>Sub Program: LOA-1-1 Lottery</b>				
Travel In-State	35.8	271.6	-	271.6
Travel Out-Of-State	45.8	16.8	-	16.8
Other Operating Expenditures	997,661.2	1,140,450.2	-	1,140,450.2
Capital Equipment	12.9	-	-	-
Non-Capital Equipment	166.0	-	-	-
Transfers-Out	1,042,103.2	1,113,347.3	-	1,113,347.3
<b>Expenditure Categories Total:</b>	<b>2,047,396.1</b>	<b>2,261,877.2</b>	<b>-</b>	<b>2,261,877.2</b>

### Fund Source

#### Appropriated Funds

Lottery Fund (Appropriated)	9,827.6	10,475.2	-	10,475.2
<b>Appropriated Funds Total:</b>	<b>9,827.6</b>	<b>10,475.2</b>	<b>-</b>	<b>10,475.2</b>

#### Non-Appropriated Funds

Lottery Fund (Non-Appropriated)	1,034,658.2	1,106,922.3	-	1,106,922.3
Lottery - Prize Fund (Non-Appropriated)	1,002,910.3	1,144,479.7	-	1,144,479.7
<b>Non-Appropriated Funds Total:</b>	<b>2,037,568.5</b>	<b>2,251,402.0</b>	<b>-</b>	<b>2,251,402.0</b>
<b>Lottery Total:</b>	<b>2,047,396.1</b>	<b>2,261,877.2</b>	<b>-</b>	<b>2,261,877.2</b>

**Sub Program: LOA-1-2 SLI Instant Tickets**

### Expenditure Categories

FTE	-	-	-	-
Personal Services	-	-	-	-
Employee Related Expenditures	-	-	-	-
<b>Subtotal Personal Services and ERE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Professional & Outside Services	-	-	-	-
Travel In-State	-	-	-	-
Travel Out-Of-State	-	-	-	-
Other Operating Expenditures	27,416.5	40,411.8	-	40,411.8
Capital Equipment	-	-	-	-
Non-Capital Equipment	-	-	-	-
Transfers-Out	-	-	-	-

## Program Budget Unit Summary of Expenditure and Budget Request for All Funds

**Agency:** Lottery

	FY 2023 Actuals	FY 2024 Expenditure Plan	FY 2025 Funding Issue	FY 2025 Total Request
<b>Program:</b> LOA-1-0 Lottery				

**Sub Program:** LOA-1-2 SLI Instant Tickets

<b>Expenditure Categories Total:</b>	27,416.5	40,411.8	-	40,411.8
<b>Fund Source</b>				
<b>Appropriated Funds</b>				
Lottery Fund (Appropriated)	27,416.5	40,411.8	-	40,411.8
<b>Appropriated Funds Total:</b>	<b>27,416.5</b>	<b>40,411.8</b>	<b>-</b>	<b>40,411.8</b>
<b>Lottery Total:</b>	<b>27,416.5</b>	<b>40,411.8</b>	<b>-</b>	<b>40,411.8</b>

**Sub Program:** LOA-1-3 SLI Advertising

<b>Expenditure Categories</b>				
FTE	-	-	-	-
Personal Services	-	-	-	-
Employee Related Expenditures	-	-	-	-
<b>Subtotal Personal Services and ERE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Professional & Outside Services	-	-	-	-
Travel In-State	-	-	-	-
Travel Out-Of-State	-	-	-	-
Other Operating Expenditures	13,956.7	15,500.0	4,000.0	19,500.0
Capital Equipment	-	-	-	-
Non-Capital Equipment	-	-	-	-
Transfers-Out	50.0	-	-	-
<b>Expenditure Categories Total:</b>	<b>14,006.7</b>	<b>15,500.0</b>	<b>4,000.0</b>	<b>19,500.0</b>

<b>Fund Source</b>				
<b>Appropriated Funds</b>				
Lottery Fund (Appropriated)	14,006.7	15,500.0	4,000.0	19,500.0
<b>Appropriated Funds Total:</b>	<b>14,006.7</b>	<b>15,500.0</b>	<b>4,000.0</b>	<b>19,500.0</b>
<b>Lottery Total:</b>	<b>14,006.7</b>	<b>15,500.0</b>	<b>4,000.0</b>	<b>19,500.0</b>

**Sub Program:** LOA-1-4 SLI On-Line Vendor Fees

**Expenditure Categories**

## Program Budget Unit Summary of Expenditure and Budget Request for All Funds

**Agency:** Lottery

	FY 2023 Actuals	FY 2024 Expenditure Plan	FY 2025 Funding Issue	FY 2025 Total Request
<b>Program: LOA-1-0 Lottery</b>				
<b>Sub Program: LOA-1-4 SLI On-Line Vendor Fees</b>				
FTE	-	-	-	-
Personal Services	-	-	-	-
Employee Related Expenditures	-	-	-	-
<b>Subtotal Personal Services and ERE</b>	-	-	-	-
Professional & Outside Services	18,388.6	17,838.8	-	17,838.8
Travel In-State	-	-	-	-
Travel Out-Of-State	-	-	-	-
Other Operating Expenditures	-	-	-	-
Capital Equipment	-	-	-	-
Non-Capital Equipment	-	-	-	-
Transfers-Out	-	-	-	-
<b>Expenditure Categories Total:</b>	<b>18,388.6</b>	<b>17,838.8</b>	<b>-</b>	<b>17,838.8</b>

### Fund Source

#### Appropriated Funds

Lottery Fund (Appropriated)	18,388.6	17,838.8	-	17,838.8
<b>Appropriated Funds Total:</b>	<b>18,388.6</b>	<b>17,838.8</b>	<b>-</b>	<b>17,838.8</b>
<b>Lottery Total:</b>	<b>18,388.6</b>	<b>17,838.8</b>	<b>-</b>	<b>17,838.8</b>

### Sub Program: LOA-1-5 SLI Retailer Commissions

### Expenditure Categories

FTE	-	-	-	-
Personal Services	-	-	-	-
Employee Related Expenditures	-	-	-	-
<b>Subtotal Personal Services and ERE</b>	-	-	-	-
Professional & Outside Services	-	-	-	-
Travel In-State	-	-	-	-
Travel Out-Of-State	-	-	-	-
Other Operating Expenditures	100,366.0	102,667.6	-	102,667.6
Capital Equipment	-	-	-	-
Non-Capital Equipment	-	-	-	-

## Program Budget Unit Summary of Expenditure and Budget Request for All Funds

**Agency:** Lottery

	FY 2023 Actuals	FY 2024 Expenditure Plan	FY 2025 Funding Issue	FY 2025 Total Request
<b>Program:</b> LOA-1-0 Lottery				
<b>Sub Program:</b> LOA-1-5 SLI Retailer Commissions				
Transfers-Out	-	-	-	-
<b>Expenditure Categories Total:</b>	100,366.0	102,667.6	-	102,667.6

### Fund Source

#### Appropriated Funds

Lottery Fund (Appropriated)	100,366.0	102,667.6	-	102,667.6
<b>Appropriated Funds Total:</b>	100,366.0	102,667.6	-	102,667.6
<b>Lottery Total:</b>	100,366.0	102,667.6	-	102,667.6

**Sub Program:** LOA-1-7 SLI Charitable Commissions

### Expenditure Categories

FTE	-	-	-	-
Personal Services	-	-	-	-
Employee Related Expenditures	-	-	-	-
<b>Subtotal Personal Services and ERE</b>	-	-	-	-
Professional & Outside Services	-	-	-	-
Travel In-State	-	-	-	-
Travel Out-Of-State	-	-	-	-
Other Operating Expenditures	1,830.3	1,868.5	-	1,868.5
Capital Equipment	-	-	-	-
Non-Capital Equipment	-	-	-	-
Transfers-Out	-	-	-	-
<b>Expenditure Categories Total:</b>	1,830.3	1,868.5	-	1,868.5

### Fund Source

#### Appropriated Funds

Lottery Fund (Appropriated)	1,830.3	1,868.5	-	1,868.5
<b>Appropriated Funds Total:</b>	1,830.3	1,868.5	-	1,868.5
<b>Lottery Total:</b>	1,830.3	1,868.5	-	1,868.5

**Program Budget Unit Summary of Expenditure and Budget Request  
for All Funds**

<b>Agency:</b>	<b>Lottery</b>
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<b>FY 2023 Actuals</b>	<b>FY 2024 Expenditure Plan</b>	<b>FY 2025 Funding Issue</b>	<b>FY 2025 Total Request</b>
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## Program Budget Unit Summary of Expenditure and Budget Request for Selected Funds

**Agency:** Lottery

	FY 2023 Actuals	FY 2024 Expenditure Plan	FY 2025 Funding Issue	FY 2025 Total Request
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**Program:** LOA-1-0 Lottery

**Fund:** LO2122 Lottery Fund

**Appropriated**

Personal Services	4,859.2	5,218.3	-	5,218.3
Employee Related Expenditures	1,931.4	2,186.2	-	2,186.2
<b>Subtotal Personal Services and ERE</b>	<b>6,790.6</b>	<b>7,404.5</b>	-	<b>7,404.5</b>
Professional & Outside Services	18,969.4	18,225.6	-	18,225.6
Travel In-State	35.8	271.6	-	271.6
Travel Out-Of-State	45.8	16.8	-	16.8
Other Operating Expenditures	145,683.7	162,843.4	4,000.0	166,843.4
Capital Equipment	12.9	-	-	-
Non-Capital Equipment	166.0	-	-	-
Transfers-Out	131.7	-	-	-
<b>Expenditure Categories Total:</b>	<b>171,835.8</b>	<b>188,761.9</b>	<b>4,000.0</b>	<b>192,761.9</b>

**Non-Appropriated**

Personal Services	-	-	-	-
Employee Related Expenditures	-	-	-	-
<b>Subtotal Personal Services and ERE</b>	-	-	-	-
Professional & Outside Services	-	-	-	-
Travel In-State	-	-	-	-
Travel Out-Of-State	-	-	-	-
Other Operating Expenditures	-	-	-	-
Capital Equipment	-	-	-	-
Non-Capital Equipment	-	-	-	-
Transfers-Out	1,034,658.2	1,106,922.3	-	1,106,922.3
<b>Expenditure Categories Total:</b>	<b>1,034,658.2</b>	<b>1,106,922.3</b>	-	<b>1,106,922.3</b>
<b>Lottery Fund Total:</b>	<b>1,206,494.0</b>	<b>1,295,684.2</b>	<b>4,000.0</b>	<b>1,299,684.2</b>

**Fund:** LO3179 Lottery - Prize Fund

**Non-Appropriated**

Personal Services	-	-	-	-
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## Program Budget Unit Summary of Expenditure and Budget Request for Selected Funds

**Agency:** Lottery

	FY 2023 Actuals	FY 2024 Expenditure Plan	FY 2025 Funding Issue	FY 2025 Total Request
<b>Program: LOA-1-0 Lottery</b>				
<b>Fund: LO3179 Lottery - Prize Fund</b>				
Employee Related Expenditures	-	-	-	-
<b>Subtotal Personal Services and ERE</b>	-	-	-	-
Professional & Outside Services	-	-	-	-
Travel In-State	-	-	-	-
Travel Out-Of-State	-	-	-	-
Other Operating Expenditures	995,547.0	1,138,054.7	-	1,138,054.7
Capital Equipment	-	-	-	-
Non-Capital Equipment	-	-	-	-
Transfers-Out	7,363.3	6,425.0	-	6,425.0
<b>Expenditure Categories Total:</b>	<b>1,002,910.3</b>	<b>1,144,479.7</b>	-	<b>1,144,479.7</b>
<b>Lottery - Prize Fund Total:</b>	<b>1,002,910.3</b>	<b>1,144,479.7</b>	-	<b>1,144,479.7</b>
<b>Program Total for Select Funds:</b>	<b>2,209,404.3</b>	<b>2,440,163.9</b>	<b>4,000.0</b>	<b>2,444,163.9</b>

**Sub Program: LOA-1-1 Lottery**

**Fund: LO2122 Lottery Fund**

**Appropriated**

Personal Services	4,859.2	5,218.3	-	5,218.3
Employee Related Expenditures	1,931.4	2,186.2	-	2,186.2
<b>Subtotal Personal Services and ERE</b>	<b>6,790.6</b>	<b>7,404.5</b>	-	<b>7,404.5</b>
Professional & Outside Services	580.8	386.8	-	386.8
Travel In-State	35.8	271.6	-	271.6
Travel Out-Of-State	45.8	16.8	-	16.8
Other Operating Expenditures	2,114.2	2,395.5	-	2,395.5
Capital Equipment	12.9	-	-	-
Non-Capital Equipment	166.0	-	-	-
Transfers-Out	81.7	-	-	-
<b>Expenditure Categories Total:</b>	<b>9,827.6</b>	<b>10,475.2</b>	-	<b>10,475.2</b>

**Non-Appropriated**

## Program Budget Unit Summary of Expenditure and Budget Request for Selected Funds

**Agency:** Lottery

	FY 2023 Actuals	FY 2024 Expenditure Plan	FY 2025 Funding Issue	FY 2025 Total Request
<b>Program: LOA-1-0 Lottery</b>				
<b>Sub Program: LOA-1-1 Lottery</b>				
<b>Fund: LO2122 Lottery Fund</b>				
Personal Services	-	-	-	-
Employee Related Expenditures	-	-	-	-
<b>Subtotal Personal Services and ERE</b>	-	-	-	-
Professional & Outside Services	-	-	-	-
Travel In-State	-	-	-	-
Travel Out-Of-State	-	-	-	-
Other Operating Expenditures	-	-	-	-
Capital Equipment	-	-	-	-
Non-Capital Equipment	-	-	-	-
Transfers-Out	1,034,658.2	1,106,922.3	-	1,106,922.3
<b>Expenditure Categories Total:</b>	1,034,658.2	1,106,922.3	-	1,106,922.3
<b>Lottery Fund Total:</b>	1,044,485.8	1,117,397.5	-	1,117,397.5

**Fund: LO3179 Lottery - Prize Fund**

**Non-Appropriated**

Personal Services	-	-	-	-
Employee Related Expenditures	-	-	-	-
<b>Subtotal Personal Services and ERE</b>	-	-	-	-
Professional & Outside Services	-	-	-	-
Travel In-State	-	-	-	-
Travel Out-Of-State	-	-	-	-
Other Operating Expenditures	995,547.0	1,138,054.7	-	1,138,054.7
Capital Equipment	-	-	-	-
Non-Capital Equipment	-	-	-	-
Transfers-Out	7,363.3	6,425.0	-	6,425.0
<b>Expenditure Categories Total:</b>	1,002,910.3	1,144,479.7	-	1,144,479.7
<b>Lottery - Prize Fund Total:</b>	1,002,910.3	1,144,479.7	-	1,144,479.7



## Program Budget Unit Summary of Expenditure and Budget Request for Selected Funds

**Agency:** Lottery

	FY 2023 Actuals	FY 2024 Expenditure Plan	FY 2025 Funding Issue	FY 2025 Total Request
<b>Program:</b> LOA-1-0 Lottery				
<b>Sub Program:</b> LOA-1-1 Lottery				
<b>Sub Program Total for Select Funds:</b>	2,047,396.1	2,261,877.2	-	2,261,877.2

**Sub Program:** LOA-1-2 SLI Instant Tickets

**Fund:** LO2122 Lottery Fund

**Appropriated**

Personal Services	-	-	-	-
Employee Related Expenditures	-	-	-	-
<b>Subtotal Personal Services and ERE</b>	-	-	-	-
Professional & Outside Services	-	-	-	-
Travel In-State	-	-	-	-
Travel Out-Of-State	-	-	-	-
Other Operating Expenditures	27,416.5	40,411.8	-	40,411.8
Capital Equipment	-	-	-	-
Non-Capital Equipment	-	-	-	-
Transfers-Out	-	-	-	-
<b>Expenditure Categories Total:</b>	27,416.5	40,411.8	-	40,411.8
<b>Lottery Fund Total:</b>	27,416.5	40,411.8	-	40,411.8
<b>Sub Program Total for Select Funds:</b>	27,416.5	40,411.8	-	40,411.8

**Sub Program:** LOA-1-3 SLI Advertising

**Fund:** LO2122 Lottery Fund

**Appropriated**

Personal Services	-	-	-	-
Employee Related Expenditures	-	-	-	-
<b>Subtotal Personal Services and ERE</b>	-	-	-	-
Professional & Outside Services	-	-	-	-
Travel In-State	-	-	-	-
Travel Out-Of-State	-	-	-	-

## Program Budget Unit Summary of Expenditure and Budget Request for Selected Funds

**Agency:** Lottery

	FY 2023 Actuals	FY 2024 Expenditure Plan	FY 2025 Funding Issue	FY 2025 Total Request
<b>Program: LOA-1-0 Lottery</b>				
<b>Sub Program: LOA-1-3 SLI Advertising</b>				
<b>Fund: LO2122 Lottery Fund</b>				
Other Operating Expenditures	13,956.7	15,500.0	4,000.0	19,500.0
Capital Equipment	-	-	-	-
Non-Capital Equipment	-	-	-	-
Transfers-Out	50.0	-	-	-
<b>Expenditure Categories Total:</b>	<b>14,006.7</b>	<b>15,500.0</b>	<b>4,000.0</b>	<b>19,500.0</b>
<b>Lottery Fund Total:</b>	<b>14,006.7</b>	<b>15,500.0</b>	<b>4,000.0</b>	<b>19,500.0</b>
<b>Sub Program Total for Select Funds:</b>	<b>14,006.7</b>	<b>15,500.0</b>	<b>4,000.0</b>	<b>19,500.0</b>

**Sub Program: LOA-1-4 SLI On-Line Vendor Fees**

**Fund: LO2122 Lottery Fund**

**Appropriated**

Personal Services	-	-	-	-
Employee Related Expenditures	-	-	-	-
<b>Subtotal Personal Services and ERE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Professional & Outside Services	18,388.6	17,838.8	-	17,838.8
Travel In-State	-	-	-	-
Travel Out-Of-State	-	-	-	-
Other Operating Expenditures	-	-	-	-
Capital Equipment	-	-	-	-
Non-Capital Equipment	-	-	-	-
Transfers-Out	-	-	-	-
<b>Expenditure Categories Total:</b>	<b>18,388.6</b>	<b>17,838.8</b>	<b>-</b>	<b>17,838.8</b>
<b>Lottery Fund Total:</b>	<b>18,388.6</b>	<b>17,838.8</b>	<b>-</b>	<b>17,838.8</b>
<b>Sub Program Total for Select Funds:</b>	<b>18,388.6</b>	<b>17,838.8</b>	<b>-</b>	<b>17,838.8</b>

## Program Budget Unit Summary of Expenditure and Budget Request for Selected Funds

**Agency:** Lottery

	FY 2023 Actuals	FY 2024 Expenditure Plan	FY 2025 Funding Issue	FY 2025 Total Request
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**Program:** LOA-1-0 Lottery

**Sub Program:** LOA-1-5 SLI Retailer Commissions

**Fund:** LO2122 Lottery Fund

**Appropriated**

Personal Services	-	-	-	-
Employee Related Expenditures	-	-	-	-
<b>Subtotal Personal Services and ERE</b>	-	-	-	-
Professional & Outside Services	-	-	-	-
Travel In-State	-	-	-	-
Travel Out-Of-State	-	-	-	-
Other Operating Expenditures	100,366.0	102,667.6	-	102,667.6
Capital Equipment	-	-	-	-
Non-Capital Equipment	-	-	-	-
Transfers-Out	-	-	-	-
<b>Expenditure Categories Total:</b>	<b>100,366.0</b>	<b>102,667.6</b>	-	<b>102,667.6</b>
<b>Lottery Fund Total:</b>	<b>100,366.0</b>	<b>102,667.6</b>	-	<b>102,667.6</b>
<b>Sub Program Total for Select Funds:</b>	<b>100,366.0</b>	<b>102,667.6</b>	-	<b>102,667.6</b>

**Sub Program:** LOA-1-7 SLI Charitable Commissions

**Fund:** LO2122 Lottery Fund

**Appropriated**

Personal Services	-	-	-	-
Employee Related Expenditures	-	-	-	-
<b>Subtotal Personal Services and ERE</b>	-	-	-	-
Professional & Outside Services	-	-	-	-
Travel In-State	-	-	-	-
Travel Out-Of-State	-	-	-	-
Other Operating Expenditures	1,830.3	1,868.5	-	1,868.5
Capital Equipment	-	-	-	-
Non-Capital Equipment	-	-	-	-

## Program Budget Unit Summary of Expenditure and Budget Request for Selected Funds

<b>Agency:</b>	<b>Lottery</b>
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	FY 2023 Actuals	FY 2024 Expenditure Plan	FY 2025 Funding Issue	FY 2025 Total Request
<b>Program:</b> LOA-1-0 Lottery				
<b>Sub Program:</b> LOA-1-7 SLI Charitable Commissions				
<b>Fund:</b> LO2122 Lottery Fund				

Transfers-Out	-	-	-	-
<b>Expenditure Categories Total:</b>	1,830.3	1,868.5	-	1,868.5
<b>Lottery Fund Total:</b>	1,830.3	1,868.5	-	1,868.5
<b>Sub Program Total for Select Funds:</b>	1,830.3	1,868.5	-	1,868.5

## Program Expenditure Schedule

**Agency:** Lottery

**Program:** Lottery

<b>FTE</b>	<b>FY 2023 Actuals</b>	<b>FY 2024 Expenditure Plan</b>	<b>FY 2025 Funding Issue</b>	<b>FY 2025 Total Request</b>
FTE	64.0	98.8	-	98.8
<b>Expenditure Category Total:</b>	-	-	-	-

### Fund Source

#### Appropriated Funds

LO2122 Lottery Fund (Appropriated)	64.0	98.8	-	98.8
<b>Appropriated Funds Total:</b>	<b>64.0</b>	<b>98.8</b>	<b>-</b>	<b>98.8</b>
<b>Fund Source Total:</b>	<b>64.0</b>	<b>98.8</b>	<b>-</b>	<b>98.8</b>

<b>Personal Services</b>	<b>FY 2023 Actuals</b>	<b>FY 2024 Expenditure Plan</b>	<b>FY 2025 Funding Issue</b>	<b>FY 2025 Total Request</b>
Personal Services	4,857.8	5,216.7	-	5,216.7
Board & Commission Members Compensation	1.4	1.6	-	1.6
<b>Expenditure Category Total:</b>	<b>4,859.2</b>	<b>5,218.3</b>	<b>-</b>	<b>5,218.3</b>

### Fund Source

#### Appropriated Funds

LO2122 Lottery Fund (Appropriated)	4,859.2	5,218.3	-	5,218.3
<b>Appropriated Funds Total:</b>	<b>4,859.2</b>	<b>5,218.3</b>	<b>-</b>	<b>5,218.3</b>
<b>Fund Source Total:</b>	<b>4,859.2</b>	<b>5,218.3</b>	<b>-</b>	<b>5,218.3</b>

<b>Employee Related Expenditures</b>	<b>FY 2023 Actuals</b>	<b>FY 2024 Expenditure Plan</b>	<b>FY 2025 Funding Issue</b>	<b>FY 2025 Total Request</b>
Employee Related Expenses	-	2,186.2	-	2,186.2
FICA Taxes	357.9	-	-	-
Medical Insurance	855.2	-	-	-
Basic Life	0.5	-	-	-
Long-Term Disability (ASRS)	6.3	-	-	-
Unemployment Compensation & Other State' Taxes	1.1	-	-	-
Dental Insurance	6.1	-	-	-
Workers' Compensation	70.1	-	-	-
Arizona State Retirement System	538.8	-	-	-

## Program Expenditure Schedule

**Agency:** Lottery

**Program:** Lottery

	FY 2023 Actuals	FY 2024 Expenditure Plan	FY 2025 Funding Issue	FY 2025 Total Request
Alternate Retirement Contributions – Reemployed Retirees	6.6	-	-	-
Personnel Board Pro-Rata Charges	41.8	-	-	-
Information Technology Pro Rata Charge	27.7	-	-	-
Accumulated Sick Leave Fund Charge	19.4	-	-	-
<b>Expenditure Category Total:</b>	<b>1,931.4</b>	<b>2,186.2</b>	<b>-</b>	<b>2,186.2</b>

### Fund Source

#### Appropriated Funds

LO2122 Lottery Fund (Appropriated)	1,931.4	2,186.2	-	2,186.2
<b>Appropriated Funds Total:</b>	<b>1,931.4</b>	<b>2,186.2</b>	<b>-</b>	<b>2,186.2</b>
<b>Fund Source Total:</b>	<b>1,931.4</b>	<b>2,186.2</b>	<b>-</b>	<b>2,186.2</b>

	FY 2023 Actuals	FY 2024 Expenditure Plan	FY 2025 Funding Issue	FY 2025 Total Request
Professional and Outside Services	-	18,225.6	-	18,225.6
Other External Financial Services	59.9	-	-	-
Attorney General Legal Services	109.7	-	-	-
Other Professional & Outside Services	18,799.8	-	-	-
<b>Expenditure Category Total:</b>	<b>18,969.4</b>	<b>18,225.6</b>	<b>-</b>	<b>18,225.6</b>

### Fund Source

#### Appropriated Funds

LO2122 Lottery Fund (Appropriated)	18,969.4	18,225.6	-	18,225.6
<b>Appropriated Funds Total:</b>	<b>18,969.4</b>	<b>18,225.6</b>	<b>-</b>	<b>18,225.6</b>
<b>Fund Source Total:</b>	<b>18,969.4</b>	<b>18,225.6</b>	<b>-</b>	<b>18,225.6</b>

	FY 2023 Actuals	FY 2024 Expenditure Plan	FY 2025 Funding Issue	FY 2025 Total Request
Travel In-State	-	271.6	-	271.6
Airfare and Other Common Carrier Charges	(0.0)	-	-	-
Mileage - Private Vehicle	0.3	-	-	-
Motor Pool Charges	18.6	-	-	-
Car Rental In-State	0.2	-	-	-

## Program Expenditure Schedule

**Agency:** Lottery

**Program:** Lottery

	FY 2023 Actuals	FY 2024 Expenditure Plan	FY 2025 Funding Issue	FY 2025 Total Request
Lodging	13.2	-	-	-
Meals with Overnight Stay	3.2	-	-	-
Other Miscellaneous In- State Travel	0.4	-	-	-
<b>Expenditure Category Total:</b>	<b>35.8</b>	<b>271.6</b>	<b>-</b>	<b>271.6</b>
<b>Fund Source</b>				
<b>Appropriated Funds</b>				
LO2122 Lottery Fund (Appropriated)	35.8	271.6	-	271.6
<b>Appropriated Funds Total:</b>	<b>35.8</b>	<b>271.6</b>	<b>-</b>	<b>271.6</b>
<b>Fund Source Total:</b>	<b>35.8</b>	<b>271.6</b>	<b>-</b>	<b>271.6</b>

	FY 2023 Actuals	FY 2024 Expenditure Plan	FY 2025 Funding Issue	FY 2025 Total Request
<b>Travel Out-Of-State</b>				
Travel Out of State	-	16.8	-	16.8
Airfare and Other Common Carrier Charges	10.2	-	-	-
Airfare Out-of-Country	5.0	-	-	-
Car Rental Out-of-State	0.9	-	-	-
Lodging Out-of-State	15.5	-	-	-
Lodging Out-of-Country	9.1	-	-	-
Meals with Overnight Stay	1.9	-	-	-
Meals with Overnight Stay Out-of-Country	1.3	-	-	-
Other Miscellaneous Out-of- State Travel	1.9	-	-	-
<b>Expenditure Category Total:</b>	<b>45.8</b>	<b>16.8</b>	<b>-</b>	<b>16.8</b>

<b>Fund Source</b>				
<b>Appropriated Funds</b>				
LO2122 Lottery Fund (Appropriated)	45.8	16.8	-	16.8
<b>Appropriated Funds Total:</b>	<b>45.8</b>	<b>16.8</b>	<b>-</b>	<b>16.8</b>
<b>Fund Source Total:</b>	<b>45.8</b>	<b>16.8</b>	<b>-</b>	<b>16.8</b>

	FY 2023 Actuals	FY 2024 Expenditure Plan	FY 2025 Funding Issue	FY 2025 Total Request
<b>Other Operating Expenditures</b>				
Other Operating Expenses	-	1,300,898.1	4,000.0	1,304,898.1

## Program Expenditure Schedule

**Agency:** Lottery

**Program:** Lottery

	FY 2023 Actuals	FY 2024 Expenditure Plan	FY 2025 Funding Issue	FY 2025 Total Request
Risk Management Charges to State Agencies	47.8	-	-	-
External Programming and System Development Costs	52.5	-	-	-
Other External Computer Processing, Hosting, Maintenance and Support Costs	65.1	-	-	-
Charges Imposed Related to AFIS.	10.1	-	-	-
External Telecommunications Charges	367.0	-	-	-
Electricity	22.4	-	-	-
Sanitation Waste Disposal	2.1	-	-	-
Water	9.3	-	-	-
Gas & Fuel Oil for Buildings	2.6	-	-	-
Miscellaneous Rent	1.3	-	-	-
Late Charges on Overdue Payments	2.6	-	-	-
Repair & Maintenance - Buildings	35.4	-	-	-
Repair & Maintenance - Other Equipment	25.4	-	-	-
Repair & Maintenance - Other	8.7	-	-	-
Software Support, Maintenance Short-term Licensing	1,071.3	-	-	-
Office Supplies	12.3	-	-	-
Computer Supplies	14.6	-	-	-
Housekeeping Supplies	2.7	-	-	-
Repair & Maintenance Supplies - Related to Buildings	11.1	-	-	-
Other Operating Supplies	24.2	-	-	-
Aggregate commissions withheld by or paid to sales agents.	102,196.3	-	-	-
Lottery Prizes	995,547.0	-	-	-
Lottery Distribution Costs	14,469.7	-	-	-
Other Resale Supplies	12,946.8	-	-	-
Employee Tuition Reimbursement	10.9	-	-	-
Conference Registration / Attendance Fees	15.3	-	-	-
Other Education & Training Costs	4.4	-	-	-
Advertising	13,956.7	-	-	-
Internal Printing	1.5	-	-	-
External Printing	2.9	-	-	-
Postage & Delivery	22.0	-	-	-



## Program Expenditure Schedule

**Agency:** Lottery

**Program:** Lottery

	FY 2023 Actuals	FY 2024 Expenditure Plan	FY 2025 Funding Issue	FY 2025 Total Request
Document Shredding and Destruction Services	0.3	-	-	-
Awards	2.2	-	-	-
Dues	55.3	-	-	-
Books, Subscriptions & Publications	15.1	-	-	-
Security Services	139.5	-	-	-
Fingerprinting, Background Checks, Etc.	50.5	-	-	-
Other Miscellaneous Operating	5.3	-	-	-
<b>Expenditure Category Total:</b>	<b>1,141,230.7</b>	<b>1,300,898.1</b>	<b>4,000.0</b>	<b>1,304,898.1</b>
<b>Fund Source</b>				
<b>Appropriated Funds</b>				
LO2122 Lottery Fund (Appropriated)	145,683.7	162,843.4	4,000.0	166,843.4
<b>Appropriated Funds Total:</b>	<b>145,683.7</b>	<b>162,843.4</b>	<b>4,000.0</b>	<b>166,843.4</b>
<b>Non-Appropriated Funds</b>				
LO3179 Lottery - Prize Fund (Non-Appropriated)	995,547.0	1,138,054.7	-	1,138,054.7
<b>Non-Appropriated Funds Total:</b>	<b>995,547.0</b>	<b>1,138,054.7</b>	<b>-</b>	<b>1,138,054.7</b>
<b>Fund Source Total:</b>	<b>1,141,230.7</b>	<b>1,300,898.1</b>	<b>4,000.0</b>	<b>1,304,898.1</b>

	FY 2023 Actuals	FY 2024 Expenditure Plan	FY 2025 Funding Issue	FY 2025 Total Request
<b>Capital Equipment</b>				
Computer Equipment - Capitalized Purchase	12.9	-	-	-
<b>Expenditure Category Total:</b>	<b>12.9</b>	<b>-</b>	<b>-</b>	<b>-</b>

	FY 2023 Actuals	FY 2024 Expenditure Plan	FY 2025 Funding Issue	FY 2025 Total Request
<b>Fund Source</b>				
<b>Appropriated Funds</b>				
LO2122 Lottery Fund (Appropriated)	12.9	-	-	-
<b>Appropriated Funds Total:</b>	<b>12.9</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Source Total:</b>	<b>12.9</b>	<b>-</b>	<b>-</b>	<b>-</b>

	FY 2023 Actuals	FY 2024 Expenditure Plan	FY 2025 Funding Issue	FY 2025 Total Request
<b>Non-Capital Equipment</b>				
Computer Equipment – Non- Capitalized Purchases	145.7	-	-	-
Other Equipment - Non- Capital Purchase	20.3	-	-	-

## Program Expenditure Schedule

**Agency:** Lottery

**Program:** Lottery

	FY 2023 Actuals	FY 2024 Expenditure Plan	FY 2025 Funding Issue	FY 2025 Total Request
<b>Expenditure Category Total:</b>	166.0	-	-	-
<b>Fund Source</b>				
<b>Appropriated Funds</b>				
LO2122 Lottery Fund (Appropriated)	166.0	-	-	-
<b>Appropriated Funds Total:</b>	166.0	-	-	-
<b>Fund Source Total:</b>	166.0	-	-	-

	FY 2023 Actuals	FY 2024 Expenditure Plan	FY 2025 Funding Issue	FY 2025 Total Request
<b>Transfers-Out</b>				
Transfers	-	1,113,347.3	-	1,113,347.3
Transfers Out – Not Subject to Cost Allocation	1,042,153.2	-	-	-
<b>Expenditure Category Total:</b>	1,042,153.2	1,113,347.3	-	1,113,347.3

	FY 2023 Actuals	FY 2024 Expenditure Plan	FY 2025 Funding Issue	FY 2025 Total Request
<b>Fund Source</b>				
<b>Appropriated Funds</b>				
LO2122 Lottery Fund (Appropriated)	131.7	-	-	-
<b>Appropriated Funds Total:</b>	131.7	-	-	-
<b>Non-Appropriated Funds</b>				
LO2122 Lottery Fund (Non-Appropriated)	1,034,658.2	1,106,922.3	-	1,106,922.3
LO3179 Lottery - Prize Fund (Non-Appropriated)	7,363.3	6,425.0	-	6,425.0
<b>Non-Appropriated Funds Total:</b>	1,042,021.5	1,113,347.3	-	1,113,347.3
<b>Fund Source Total:</b>	1,042,153.2	1,113,347.3	-	1,113,347.3

## Program Expenditure Schedule

<b>Agency:</b>	<b>Lottery</b>
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<b>Administrative Costs Summary</b>	<b>FY 2025</b>
Personal Services	3,152.4
ERE	1,291.8
All Other	2,518.4
<b>Administrative Costs Total:</b>	<b>6,962.6</b>

<b>Administrative Costs / Total Expenditure Ratio</b>	<b>Request</b>	<b>Admin %</b>
<b>FY 2025</b>	2,444,163.9	0.3%