



Presentation of Draft Fiscal Year 2020-21 Budget

Presentation to
California State Lottery Commission
May 28, 2020



FISCAL YEAR 2020-21
DRAFT BUDGET
(Dollars in Thousands)

	FY 2019-20 Year-End Estimate	% of Sales	FY 2020-21 Draft Budget	% of Sales	Difference
SALES:					
Scratchers	4,995,680	75.2 %	\$5,100,000	75.2%	\$104,320
Powerball	330,931	5.0 %	370,000	5.5%	39,069
Mega Millions	354,702	5.3 %	387,000	5.7%	32,298
SuperLotto Plus	240,915	3.6 %	243,000	3.6%	2,085
Hot Spot	326,982	4.9 %	295,000	4.4%	(31,982)
Daily Games	393,137	5.9 %	385,000	5.7%	(8,137)
TOTAL, ESTIMATED SALES	\$6,642,347		\$6,780,000		\$137,653

	Prize Payout %	Prize Payout %
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PRIZE EXPENSE:

Scratchers	3,533,432	70.7 %	\$3,615,900	70.9%	\$82,468
Powerball	167,014	50.5 %	185,000	50.0%	17,986
Mega Millions	175,750	49.5 %	193,500	50.0%	17,750
SuperLotto Plus	157,099	65.2 %	133,650	55.0%	(23,449)
Hot Spot	206,001	63.0 %	188,800	64.0%	(17,201)
Daily Games	194,296	49.4 %	192,007	49.9%	(2,289)
2nd Chance - Scratchers	3,900		5,200		1,300
2nd Chance - Draw Games	2,925		3,900		975
Prize Expense Savings	(41,328)		(55,000)		(13,672)
TOTAL, PRIZE EXPENSE	\$4,399,090	66.2 %	\$4,462,957	65.8%	\$63,867
NET SALES AFTER PRIZE EXPENSE	\$2,243,258		\$2,317,043		\$73,785

ADMINISTRATIVE EXPENSES:

Retailer Compensation:

Commission	\$387,913	5.8 %	\$395,952	5.8%	\$8,039
Cashing Bonus	38,526	0.6 %	39,324	0.6%	798
Special Handling	28,562	0.4 %	29,154	0.4%	592
Incentives	3,467	0.1 %	3,250	0.0%	(217)
Gaming Costs:					
Gaming Contract (IGT)	102,606	1.5 %	104,083	1.5%	1,478
Administrative Retailer Fees	(21,261)		(21,553)		(292)
Gaming Monitor Fees	(518)		(596)		(78)
Scratchers Ticket Costs	33,587	0.5 %	36,877	0.5%	3,290
Scratchers Delivery and Support Costs	8,234	0.1 %	8,949	0.1%	715
TOTAL, RETAILER & GAMING COSTS	\$581,116	8.7 %	\$595,440	8.8%	\$14,325

Operating Costs:

Personal Services	\$98,803	1.5 %	\$107,351	1.6%	\$8,548
Marketing Budget Plan	66,167	1.0 %	70,000	1.0%	3,833
Contractual Services	16,892	0.3 %	20,000	0.3%	3,108
Depreciation	18,674	0.3 %	21,043	0.3%	2,369
Operating Expense	18,288	0.3 %	19,014	0.3%	726
Reserve for Insurable Risk	0	0.0 %	5,000	0.1%	5,000
Administrative Spending Reserve	0	0.0 %	43,552	0.6%	43,552
Subtotal, Operating Costs	\$218,824	3.3 %	\$285,960	4.2%	\$67,135
TOTAL, ADMINISTRATIVE EXPENSES	\$799,940	12.0 %	\$881,400	13.0%	\$81,460

CONTRIBUTION TO EDUCATION	\$1,443,318		\$1,435,643		(\$7,675)
Unclaimed Prizes	78,800		35,000		(43,800)
Interest Income	13,913		13,000		(913)
TOTAL AVAILABLE FOR EDUCATION	\$1,536,031		\$1,483,643		(\$52,388)
TOTAL CONTRIBUTION TO EDUCATION WITH RESERVES	\$1,536,031		\$1,532,195		(\$3,836)

Draft Fiscal Year 2020-21 Budget



Sales

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Prize Expense Savings	<u>(41,328)</u>	-	<u>(55,000)</u>	-	<u>(13,672)</u>
TOTAL, PRIZE EXPENSE	<u>\$4,399,090</u>	66.2 %	<u>\$4,462,957</u>	65.8%	<u>\$63,867</u>
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Administrative Expenses – Retailer and Gaming Costs

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Contribution To Education

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Breakout of Lottery Sales Revenue

