



# COMPREHENSIVE ANNUAL BUDGET REPORT

2024 - 2025



# California State Lottery

Committed to enhancing education and supporting local communities



## Annual Fiscal Year Budget

For the Fiscal Year Beginning July 1, 2024

Prepared by the Finance Division of the California Lottery

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## Introductory Section

# Letter of Introduction

The California State Lottery is pleased to provide this Annual 2024 2025 Fiscal Year Budget for the year beginning July 1, 2024. Transitioning from a longstanding practice of base budgeting, the California Lottery adopted zero based budgeting (ZBB) starting with the FY 2019 20 budget cycle. We have continued this approach for developing spending plans from the ground up to produce more granular budgets and improved transparency for the budgeting process.

Zero basing enables the allocation of resources to where they are most effective and best align with strategic priorities. Although the Lottery Act caps the Lottery's administrative expenses at 13 percent of total sales revenue each year, current regulations and contractual agreements require that roughly 9 percent of annual sales revenue be used to pay for retailer compensation and gaming costs. Additionally, salary and benefit costs for the Lottery's employees currently account for approximately 1.5 percent of annual sales revenue; this leaves only roughly 2.5 percent of total sales revenue each year to cover all of the Lottery's other operating expenses (marketing, equipment, contracts, etc.). The ZBB process better assures more effective, mission focused, utilization of limited funds.

The Budgets Unit's software technology implementation of Workiva's productivity platform was instrumental in the successful transformation to the more robust ZBB approach, enabling the team to provide additional support in managing the Lottery's limited funding resources through organizational efforts such as streamlining employee position numbers, incorporating additional features and budgeting tools into the Lottery's upgraded financial accounting system, and working more closely with the fiscal systems unit to ensure the systems function properly and that various financial reports include appropriate underlying data and best meet the Lottery's needs. The result of these changes is a systematic approach for collection and management of information and chart of accounts administration that improves Lottery teams' ability to harvest data for analysis and support a new era of forecasting beyond development of the fiscal year budget.

Finally, the ZBB approach requires more upfront planning on the part of each division and greater scrutinization by the Budgets team for each element of the divisional budgets. The successful adoption of these critical elements can be attributed to the Lottery's change management effort and renewed focus for mission, vision, and values to support the heightened levels of communication and engagement needed to yield more cost effective ways for us to achieve business objectives and better orient our culture towards cost benefit analysis to maximize supplemental funding to education now and into the future.

For an in depth understanding of our budgetary process and the strategic allocation of funds, we invite you to review the accompanying detailed report.

# Fiscal Year Budget 2024-25

The California State Lottery (Lottery) has presented to the California State Lottery Commission (Commission) its proposed budget for Fiscal Year (FY) 2024-25, as per the Lottery's policy. The budget outlines sales goals reflective of operational strategies, includes estimated operational expenses, and displays the resulting and anticipated contributions to public education.

The proposed budget sets a sales goal of \$9.10 billion, a slight decrease from the previous fiscal year, and estimates contributions of \$2.08 billion to public education, marking the first time the Lottery has projected over \$2 billion for education. The decrease in sales is primarily attributed to the unusual high number of billion dollar jackpots in multi state games during FY 2023-24, which are not expected to recur at the same level. Nonetheless, this decrease is partially mitigated by anticipated growth in Scratchers and Hot Spot sales.

The budget also details expenses, including an estimated \$6.0 billion for prize expenses, which also represents a slight decrease from the previous fiscal year. The prize payout rate is optimized within a 65 to 67 percent range to ensure maximum funding for education. Administrative expenses, capped at 13.0 percent of sales revenues, are expected to slightly decrease to \$1.09 billion due to reduced sales projections but include strategic investments for the FY 2024-25 Business Plan. The budget includes a \$5.0 million reserve for insurable risks and an \$84.2 million administrative spending reserve, which provides financial flexibility and ensures that unspent amounts are transferred directly to public education.

Approximately two thirds of Lottery's fiscal year budget funding for administrative expenses is allocated to fixed costs (compensation for Lottery retailers and gaming services), leaving just one third to fund operating costs and long term strategies which include investments in staff to expedite payments to winners (paying claims at the district field offices), communicating the Lottery's mission (Mission Education Campaign), and funding continuous improvement for brand awareness (various efforts aimed at simplifying the purchase experience) to increase transparency, communicate the good the Lottery does, and increase playership to aid the Lottery in meeting its funding goals for public education in California.

# About Us

**Mission:** *We generate supplemental funding for public education from elementary schools to universities. With honesty and integrity, we build a better tomorrow for students and our communities through the responsible sale of entertaining lottery products.*

## Profile of the Lottery

The 1984 ballot initiative that created Lottery was approved by 58 percent of the voters and established the Lottery as an independent state agency to market and sell lottery products to the California public. The Lottery Act specifies that the Lottery is operated and administered by a five-member Commission appointed by the Governor. A Director, who is also appointed by the Governor, serves as the chief administrator of the Lottery. The Legislature has the authority to amend the Lottery Act by a two-thirds majority if, by doing so, it furthers the purposes of the measure.

Lottery ticket sales began on October 3, 1985, with the sale of the first Scratchers® ticket game called “California Jackpot.” More than 21 million tickets were sold on the very first day and more than 1.7 billion tickets were sold in the first nine months. Draw game sales began on October 14, 1986, with Lotto 6/49®. Daily draw games were introduced in March 1990.

On April 8, 2010, the Legislature amended the Lottery Act (Act) with Assembly Bill (AB) 142. AB 142 requires the Lottery to return at least 87 percent of revenues to the public in the form of prizes and contributions to education, and established a cap of 13 percent of revenues as the amount the Lottery may spend on operating expenses.

As stated in the state budget narrative the Lottery, prior to AB 142, was required to return, as nearly as practical, 50 percent of revenues to the public in the form of prizes; at least 34 percent to public education; and allocate no more than 16 percent to administrative costs.

By allowing the Lottery to pay out more in prizes, AB 142 was designed to increase ticket sales and the Lottery’s resulting contribution to education. The changes made by AB 142 have clearly been successful, as the average of the Lottery’s annual contribution to education over the 14 fiscal years following full implementation of AB 142 is more than \$625 million higher (a more than 62 percent increase) compared to the 14 fiscal years prior to AB 142 being fully implemented.

# California State Lottery Commission

Ensuring integrity, security, fairness, and transparency.

The Lottery Act requires that the five member Commission appointed by the Governor be comprised of no more than three members from the same political party; one must be a Certified Public Accountant, and another must have at least five years of experience as a law enforcement officer. The Commission meets at least once a quarter, and their meetings are open to the public.

Anthony Garrison Engbrecht  
Lottery Commission Chair



Dr. Anthony Garrison Engbrecht is a dedicated higher education administrator and educator committed to crafting transformative, holistic student experiences that meet individuals where they are and empower them to reach their fullest potential. Currently serving as the Vice President of Student Affairs at the California Institute of the Arts, he brings a wealth of experience and a proven track record in student life leadership. Previously, Garrison Engbrecht served as the Vice President of Student Life at Saint Mary's College of California. He has also held leadership positions at the University of California Merced, the University of California Berkeley, and Loyola Marymount University. Throughout his career, Garrison Engbrecht has consistently demonstrated a steadfast commitment to increasing access to education, cultivating inclusive campus environments, and elevating student engagement. Garrison Engbrecht earned a BA in Sociology from Loyola University New Orleans, an MA in Education and Psychology from Pepperdine University, and an MA in Theology from Loyola Marymount University. He pursued his graduate studies in Culture and Curriculum at Chapman University and Rural Education at Oregon State University. His research interests encompass the impact of rurality and poverty on college access. He completed his Ph.D. in Education with an emphasis in Culture and Curriculum at Chapman University in 2018.

Keetha Mills  
Lottery Commission  
Vice Chair



Ms. Mills is President and Chief Executive Officer of the Foundation for California Community Colleges (Foundation), the nonprofit auxiliary serving the California Community Colleges Board of Governors, Chancellor's Office, and all 116 colleges. Ms. Mills professional background includes over 20 years of experience in executive leadership, finance, accounting, and operations. Prior to joining the Foundation, she served in a management role at Hines Interest Limited Partnership and held several regional positions at Planned Parenthood, including Chief Financial Officer of Planned Parenthood of Houston and Southeast Texas, Interim Chief Executive Officer of Planned Parenthood of Louisiana and the Mississippi Delta, and Chief Operating Officer of Planned Parenthood Gulf Coast. Earlier in her career, Ms. Mills worked with two of the nation's largest accounting firms at the time, Arthur Andersen and Price WaterhouseCoopers, and held positions at Dynegy. A community college alumna, Ms. Mills earned her associate of arts degree in business administration from Lee College in Baytown, Texas, and her Bachelor of Science degree in accounting from the University of Houston.



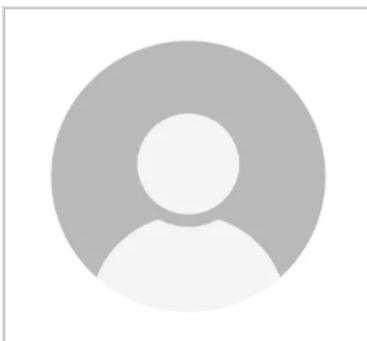
**Tiffani Alvidrez**  
**Lottery Commission**  
**Member**

Tiffani Alvidrez leads strategic initiatives for public sector ecosystem expansion for NVIDIA. Prior to this role, she served as a Regional Policy Manager for Instacart, where she used her deep knowledge of public policy and her political acumen to help shape complex, cutting-edge public policy debates that define the future of work and e-commerce in the western region of the United States. Before that, she built a career in California state policy and politics. She spent 10 years as a Chief of Staff in the California State Legislature and held positions at every level of state government, including a former governor's administration and as a state civil servant. Tiffani serves on the boards of Leadership California and the Environmental Justice League. She is also a member of the SALA Series, a community of leaders from a variety of industry sectors who share a common motivation to engage around important societal and business matters and help drive positive change. Tiffani has a Bachelor of Arts degree from the University of California, Davis and a Masters in Business Administration. She is a proud member of Alpha Kappa Alpha Sorority, Inc. Tiffani currently resides in the Sacramento area.



**Alexandre Rasouli, M.D.**  
**Lottery Commission**  
**Member**

Alexandre Rasouli, M.D. is a nationally recognized, board-certified spine surgeon who specializes in the surgical and nonsurgical management of cervical, thoracic and lumbar disorders of the spine, degenerative disorders, spinal trauma, adult and pediatric deformity, spinal oncology and minimally invasive surgery. He has been the medical director of RasouliSpine since 2006. He received his undergraduate degree from Stanford University and his Doctor of Medicine degree from the University of California, Irvine. He has been a Consultant Reviewer at the Journal of Bone & Joint Surgery since 2008. Rasouli is a member of the North American Spine Society and serves on the medical board of the International Society of Children with Cancer.



**Vacant**  
**Lottery Commission**  
**Member**

# California State Lottery Management Team



Harjinder K. Shergill-Chima  
Director

Director Harjinder K. Shergill-Chima brings extensive experience to the California Lottery. She served Lottery in the capacity of Chief Deputy Director for four years before Governor Gavin Newsom appointed her to the Director position.

Prior to Lottery, Shergill-Chima was Assistant General Counsel at the California Government Operations Agency from 2018 to 2019. Before that, she was an Attorney at the California Department of Transportation from 2004 to 2018. She was an Associate at Rich, Fudge, Morris & Iverson Inc. from 2002 to 2004 and at Reinecke & Daily in 2001. She earned a Bachelor of Science degree in Criminal Justice from California State University, Sacramento and a Juris Doctor degree from Whittier Law School.

Shergill-Chima is the first Indian American serving as Director of the California Lottery.



Florence Bernal  
Chief Deputy Director



Fernando Aceves  
Chief Legal Counsel



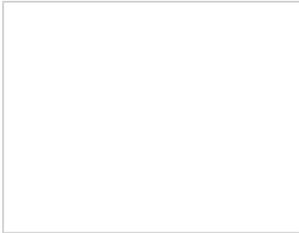
Nicholas Buchen  
Deputy Director, CFO  
Finance



Carolyn Becker  
Deputy Director  
Public Affairs &  
Communications



Sharon Allen  
  
Deputy Director Sales  
& Marketing



Vacant  
  
Deputy Director  
IT Services



Chris Fernandez  
  
Deputy Director  
Human Resources



Jim Hasegawa  
  
Deputy Director  
Business Planning &  
Research



John Lowden  
  
Deputy Director  
Security &  
Law Enforcement



Paula Negrete  
  
Deputy Director  
Legislative & External  
Affairs



Sara Sheikholislam  
  
Deputy Director  
Internal Audits



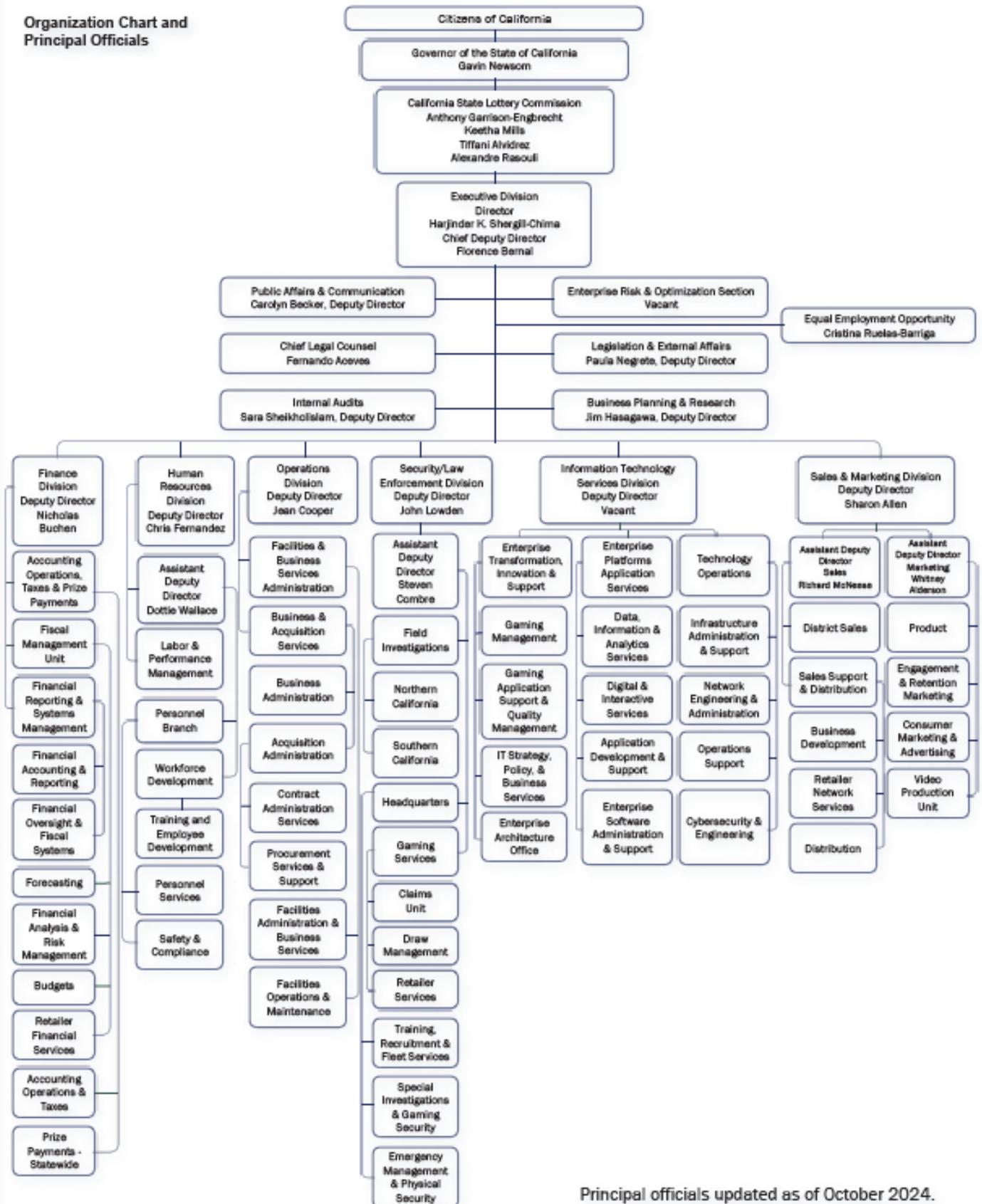
Christina Ruelas-  
Barriga  
  
Equal  
Employment  
Opportunity Officer



Jean Cooper  
  
Deputy Director  
Operations

# Organizational Chart

## Organization Chart and Principal Officials



Principal officials updated as of October 2024.

# Exhibit Commission Agenda Item - Fiscal Year 2024 - 2025 Budget





**Date:** June 27, 2024

**To:** California State Lottery Commission

**From:** Harjinder K. Shergill  
Chima Director

**Prepared By:** Nicholas Buchen  
Deputy Director, Finance Division

**Subject:** Item 9(e) – FY 2024-25 Budget

### **ISSUE**

Pursuant to California State Lottery (Lottery) policy, the Lottery is required to present the California State Lottery Commission (Commission) with a proposed annual budget each June.

### **BACKGROUND**

The Lottery's budget prepared for Fiscal Year (FY) 2024-25 presents a sales goal of \$9.10 billion and is estimated to provide \$2.08 billion to public education. This proposed budget includes resources to responsibly maintain operational growth as well as the resources necessary to implement the Lottery's FY 2024-25 Business Plan. The budget represents the financial plan to deploy strategies to further the Lottery's current multi-year strategic plan and drive bottom-line contributions to education.

### **DISCUSSION**

Development of the Lottery's FY 2024-25 budget began by zero-basing divisional operating expense budgets. A preliminary sales projection was used to determine the availability of resources to fund proposed business plan initiatives and address operational improvements to drive increased sales and contributions to public education.

This comprehensive assessment of sales goals, the funding needed to deliver those goals, and the resulting contribution to education culminates in the proposed FY 2024-25 budget presented for approval. A summary of the elements of the proposed FY 2024-25 budget is presented below:

#### **Sales**

Total sales for all Lottery products are projected to be \$9.10 billion for FY 2024-25; this represents a decrease of \$263 million, or 2.8 percent from the estimated year-end sales levels for FY 2023-24. The primary driver of this projected year-over-year decrease in sales is that the multi-state jackpot games (Mega Millions® and Powerball®) each experienced multiple instances of extremely high jackpot levels in FY 2023-24 (combined, there were 13 different draws for which the advertised jackpot was \$1 billion or higher) that fueled exponential growth in sales.

Having this many jackpots of these levels is a statistical anomaly and cannot be assumed to repeat in the coming fiscal year. These decreases are partially offset by modest projected year-over-year growth in Scratchers® and Hot Spot® sales.

The following chart compares the FY 2023-24 year-end estimate with proposed sales goals for the FY 2024-25 budget.

**Fiscal Years Comparison Chart**

<b>Comparison of Revenues</b>			
<b>FY 2023-24 Estimated Year-End Sales and Proposed FY 2024-25 Budget (Dollars in Thousands)</b>			
<b>Sales:</b>	<b>Year-End Estimate FY 2023-24</b>	<b>Proposed Budget FY 2024-25</b>	<b>Difference</b>
<b>Scratchers®</b>	\$6,650,000	\$6,830,000	\$180,000
<b>Multi-State Jackpot Games</b>	1,598,000	1,175,000	(423,000)
<b>SuperLotto Plus®</b>	266,000	240,000	(26,000)
<b>Hot Spot</b>	424,800	438,000	13,200
<b>Daily Games</b>	424,200	417,000	(7,200)
<b>Total Sales</b>	<b>\$9,363,000</b>	<b>\$9,100,000</b>	<b>\$(263,000)</b>

**Expenses**

The following section describes costs associated with the FY 2024-25 budget.

**Prize Expense**

Prize expense is estimated to total \$6.0 billion in FY 2024-25. This is a decrease of \$107.8 million (1.8 percent) from the estimated FY 2023-24 prize expense mainly due to the decreased sales projection.

Pursuant to Lottery policy, the Director is required to make a determination that prize payout levels across all games have been optimized for the coming fiscal year to ensure that funding for education is maximized annually. Since Scratchers sales account for more than 70 percent of total revenues and the Lottery has more direct influence on the sale of these tickets, the Lottery ran several product plan scenarios for Scratchers to identify the optimal mix yielding the highest contribution to education. The resulting estimated prize expense total is 66.2 percent of projected sales for FY 2024-25, which is within the range of 65 percent to 67 percent that was recommended as being ideal in an analysis that was conducted for the Lottery to determine the optimal prize payout rate.

## Administrative Expenses

Administrative expenses include retailer compensation, gaming costs, and operating costs. The Lottery Act caps administrative expenses at 13.0 percent of total annual sales revenues.

Excluding the reserve for insurable risk and administrative spending reserve (described below), total administrative expenses for FY 2024-25 are estimated to be \$1.09 billion, a slight decrease of \$14.4 million (1.3 per- cent) from estimated administrative expenses for FY 2023-24. This year-over-year change primarily reflects the decreased sales projection partially offset by strategic investment in FY 2024-25 Business Plan initiatives and operational improvements to help achieve and sustain future growth.

Retailer compensation costs are estimated to total \$612.2 million for FY 2024-25, which represents a decrease of \$30.2 million (4.7 percent) from the FY 2023-24 year-end projection. This budget category includes the cost to pay the Lottery's more than 23,000 retail partners incentives to sell Lottery tickets and cash the associated eligible winning tickets. Retailers also earn bonuses for selling eligible winning jackpot/top prize tickets and certain winning tickets worth \$1.0 million or more. The year-over-year decrease in this item is primarily associated with the year-over-year decrease in projected sales for FY 2024-25.

Gaming costs are budgeted at \$150.5 million for FY 2024-25, which is a decrease of \$5.0 million (3.2 percent) from the FY 2023-24 year-end projection. This budget category includes the cost of operating the gaming system, gaming equipment installation and maintenance, and production and distribution of Scratchers tickets. This year-over-year decrease is due to the estimated decrease in overall sales, partially offset by the projected increase in Scratchers sales in FY 2024-25.

Excluding the reserves, retailer compensation and gaming costs account for 69.7 percent of the Lottery's administrative expenses for FY 2024-25. The remaining administrative expenditures are the Lottery's operating costs, which include personnel costs, advertising/marketing costs, and other overhead costs. Operating costs also contain the funding and resources required to execute the FY 2024-25 Business Plan initiatives and funding for operational improvements which, combined, account for the vast majority of the projected year-over-year increase in this budget category.

Year-over-year personal services costs increases are mainly due to a general salary increase negotiated last year that becomes effective on July 1, the assumption that the Lottery will be more effective in filling positions in the upcoming fiscal year, the conversion of several permanent intermittent positions to full time positions to meet operational needs in the field, and the proposed addition of 8.0 new positions for FY 2024-25.

Also included within administrative expenses for FY 2024-25 is a \$5.0 million reserve for insurable risk to cover fiscal exposures for the areas of our organization that we are continuing to self-insure, as well as a \$84.2 million administrative spending reserve to act as a safeguard against future uncertainties. The administrative spending reserve also provides the Commission and the Lottery with the flexibility to take advantage of opportunities to increase funding for education that may emerge over the upcoming year. The administrative spending reserve is an element of the 13 percent of total revenues specified for administrative expenses. Pursuant to provisions of the Lottery Act, the entire unspent amount within both the administrative spending reserve and the reserve for insurable risk will be transferred directly to public education.

## **Summary**

The proposed FY 2024-25 budget contains sales goals of \$9.10 billion, which, combined with the other elements in the budget, is estimated to result in \$2.08 billion in contributions to California public schools. The Lottery takes pride in this being its first budget that projects more than \$2 billion in supplemental funding being generated for education.

The \$9.10 billion sales goal and the approximately \$2.08 billion estimated contribution to education for FY 2024-25 are based on executing the annual Business Plan which is designed to result in the sustainable growth of future revenues. The proposed budget includes a balanced approach between actions that enable the Lottery to sustain growth in sales and contributions to public education in years to come.

## **RECOMMENDATION**

Staff recommends that the Commission approve the Lottery's budget for FY 2024-25.

# Allocations for Budget Funding

The 13 percent cap of revenues allowed by the Act for Lottery administrative expenses is spread over Retailer Compensation, Gaming Costs and Operating Costs as shown in the following commission approved Lottery budget (page 19) for fiscal year 2024-25. Additionally, the Optimal Prize Expense is maintained at the prescribed percent of budgeted sales revenues.

The comprehensive annual budget covers the financial activity of the Lottery as a single enterprise fund. Lottery management is responsible for the accuracy and completeness of the presentation and to the best of our knowledge, the enclosed information is accurate in all material respects and is reported in a manner designed to present fairly the financial resources forecasted to support operations, the administrative expenses of the Lottery, and the resulting proceeds. In addition to publication of the Lottery's annual budget within the state budget, statutes require submission of preliminary and proposed Lottery budgets to the California Legislature along with the final budget approved by the California State Lottery Commission for the fiscal year that begins the following July 1. Additionally, statutes require submission to the Lottery Commission and the California State Controller's Office for monthly budget-to-actual spending reports.

The Lottery Act requires quarterly distribution for proceeds from the sale of Lottery products, including any surplus revenues (see page 20) and, in their entirety, interest/other income and any unclaimed prizes to be transferred to public education.

The Lottery's budget reflects a careful balance between sustaining operational growth and maximizing contributions to education. The proposed budget is grounded in a strategic approach to maintain sales and foster future revenue growth.





FISCAL YEAR 2024-25

ANNUAL PLAN

(Dollars in Thousands)

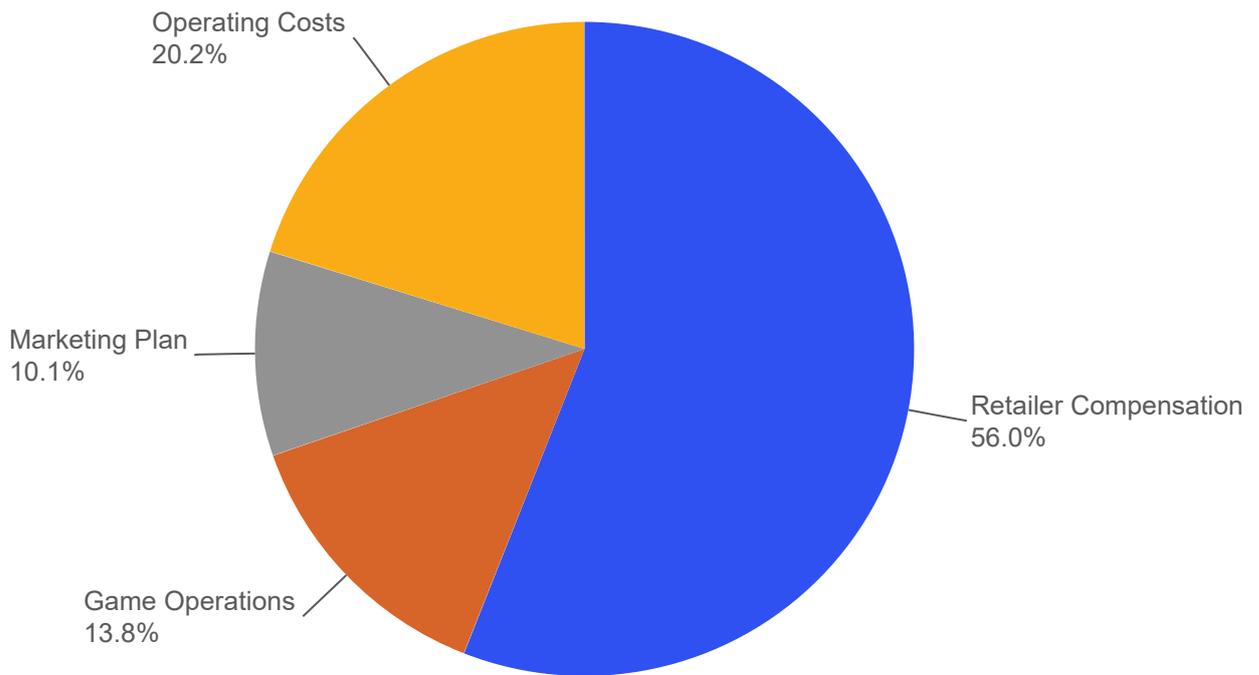
	FY 2023-24		FY 2024-25		
	Year-End	% of	Proposed	% of	
	Estimate	Sales	Budget	Sales	Difference
<b>SALES:</b>					
Scratchers	\$6,650,000	71.0 %	\$6,830,000	75.1 %	\$180,000
Powerball	893,000	9.5 %	580,000	6.4 %	(313,000)
Mega Millions	705,000	7.5 %	595,000	6.5 %	(110,000)
SuperLotto Plus	266,000	2.8 %	240,000	2.6 %	(26,000)
Hot Spot	424,800	4.5 %	438,000	4.8 %	13,200
Fantasy 5	179,500	1.9 %	170,000	1.9 %	(9,500)
Daily 3	178,300	1.9 %	175,000	1.9 %	(3,300)
Daily 4	35,400	0.4 %	35,000	0.4 %	(400)
Daily Derby	31,000	0.3 %	37,000	0.4 %	6,000
<b>TOTAL, ESTIMATED SALES</b>	<b>\$9,363,000</b>		<b>\$9,100,000</b>		<b>(\$263,000)</b>
		<b>Prize Payout %</b>		<b>Prize Payout %</b>	
<b>PRIZE EXPENSE:</b>					
Scratchers	\$4,763,194	71.6 %	\$4,890,280	71.6 %	\$127,086
Powerball	459,022	51.4 %	290,000	50.0 %	(169,022)
Mega Millions	366,860	52.0 %	297,500	50.0 %	(69,360)
SuperLotto Plus	120,602	45.3 %	120,000	50.0 %	(602)
Hot Spot	270,114	63.6 %	278,349	63.6 %	8,235
Daily Games	210,941	49.7 %	207,975	49.9 %	(2,966)
2nd Chance	9,100		9,100		0
Prize Expense Savings	(71,981)		(73,194)		(1,212)
<b>TOTAL, PRIZE EXPENSE</b>	<b>\$6,127,852</b>	<b>65.4 %</b>	<b>\$6,020,010</b>	<b>66.2 %</b>	<b>(\$107,842)</b>
<b>NET SALES AFTER PRIZE EXPENSE</b>	<b>\$3,235,148</b>		<b>\$3,079,990</b>		<b>(\$155,158)</b>
		<b>% of Sales</b>		<b>% of Sales</b>	
<b>ADMINISTRATIVE EXPENSES:</b>					
<b>Retailer Compensation:</b>					
Commission	\$548,731	5.9 %	\$524,042	5.8 %	(\$24,690)
Cashing Bonus	52,915	0.6 %	51,024	0.6 %	(1,891)
Special Handling	34,337	0.4 %	33,110	0.4 %	(1,227)
Incentives	6,425	0.1 %	4,000	0.0 %	(2,425)
<b>Gaming Costs:</b>					
Gaming Contract (IGT)	128,605	1.4 %	122,961	1.4 %	(5,644)
Retailer Administrative and Gaming Fees	(21,817)		(22,655)		(839)
Scratchers Ticket, Delivery, and Support Costs	48,656	0.5 %	50,190	0.6 %	1,534
<b>TOTAL, RETAILER &amp; GAMING COSTS</b>	<b>\$797,853</b>	<b>8.5 %</b>	<b>\$762,672</b>	<b>8.4 %</b>	<b>(\$35,181)</b>
<b>Operating Costs:</b>					
Personal Services	\$134,797	1.4 %	\$144,913	1.6 %	\$10,115
Marketing Budget Plan	114,804	1.2 %	110,392	1.2 %	(4,411)
Contractual Services	21,507	0.2 %	36,782	0.4 %	15,275
Depreciation	14,555	0.2 %	12,902	0.1 %	(1,653)
Operating Expense	24,603	0.3 %	26,093	0.3 %	1,490
Reserve for Insurable Risk	0	0.0 %	5,000	0.1 %	5,000
Administrative Spending Reserve	0	0.0 %	84,246	0.9 %	84,246
<b>Subtotal, Operating Costs</b>	<b>\$310,266</b>	<b>3.3 %</b>	<b>\$420,328</b>	<b>4.6 %</b>	<b>\$110,062</b>
<b>TOTAL, ADMINISTRATIVE EXPENSES</b>	<b>\$1,108,118</b>	<b>11.8 %</b>	<b>\$1,183,000</b>	<b>13.0 %</b>	<b>\$74,882</b>
<b>CONTRIBUTION TO EDUCATION</b>					
Unclaimed Prizes	68,079		35,000		(33,079)
Interest Income	63,561		60,000		(3,561)
<b>TOTAL AVAILABLE FOR EDUCATION</b>	<b>\$2,258,669</b>		<b>\$1,991,990</b>		<b>(\$266,679)</b>
<b>TOTAL CONTRIBUTION TO EDUCATION WITH RESERVES</b>	<b>\$2,258,669</b>		<b>\$2,081,236</b>		<b>(\$177,434)</b>

\*Numbers may not add due to rounding.

### Distribution of Budget for Administrative Expenses

Budget utilization is calculated using year-to-date expenditures, known year-end costs, and spending trends to provide estimated current year figures and these are compared to the budget year to show changes by dollar amount and percentage. The greatest share of the 13 percent allowance provided for expenses of the Lottery is consistently budgeted for payments to incentivize retailers for selling Lottery products (i.e., retailer compensation). Combined with the costs of the Lottery's gaming system contractor (i.e., game operations), these two components typically comprise approximately 9 percentage points of the 13 percent cap on administrative expenses.

## Distribution of Administrative Expenses Fiscal Year 2024-25



\*Assumes both the Administrative Spending Reserve and Reserve for Insurable Risk remain unspent

### Provision for surplus funding

Pursuant to Government Code (GC) § 8880.4 (a)(5), "No more than 13 percent of the total annual revenues shall be allocated for payment of expenses of the lottery as described in this chapter. To the extent that expenses of the lottery are less than 13 percent of the total annual revenues, any surplus funds also shall be allocated to the benefit of public education."

# State Budget Summary

California state government designates the State Lottery Commission as department 0850 within the legislative, judicial, and executive branch.

Further, the annual State Budget includes a special display for the department that provides the following information to the citizens of the state: (1) the accumulative total Lottery contributions up through the prior year, (2) the three-year statement of operations reflecting actual revenues, expenditures, and the contribution to education for the past fiscal year and estimates for these for the current and coming fiscal years, and (3) the projected distribution of Lottery funds by major public education entity for those same three fiscal years.

It should be noted that the supplemental funds generated by the Lottery and contributed to schools are part of a broader trajectory for funding public education in California, and that the state's General Fund is the primary funding vehicle for California public schools, providing over \$100 billion in educational funding annually.



2024-25  
STATE BUDGET

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*Welcome to California's*

## 2024-25 State Budget

ENACTED ON JUNE 26, 2024

LEGISLATIVE, JUDICIAL, AND EXECUTIVE

2024-25 STATE BUDGET — LJE 1

### 0850 California State Lottery Commission

In 1984, Proposition 37 amended the California Constitution to authorize the establishment of a statewide lottery. As an initiative statute, the California State Lottery Act (Act) of 1984 created the California State Lottery Commission and gave it broad powers to oversee the operations of a statewide lottery. The purpose of the Act was to provide supplemental monies to benefit public education. The Lottery is overseen by a five-person Commission appointed by the Governor and confirmed by the State Senate.

The Act initially required that 50 percent of total annual revenues be returned to the public in the form of prizes and at least 34 percent of total revenues be allocated to the benefit of public education. No more than 16 percent of total revenues were to be used for administrative costs.

In 2010, the Act was changed to allow the Lottery flexibility to pay out more money in prizes and reduce the administrative cost limit to 13 percent of total revenues. Along with that flexibility, the new law requires the Lottery to meet minimum levels of contribution to public education. Revenues to education are placed in a special fund, known as the California State Lottery Education Fund, which holds revenues until they are allocated on a per capita basis, using prior year certified Average Daily Attendance data, to the following categories: K-12 education, Community Colleges, the California State University, the University of California, and other educational entities, including the California Schools for the Deaf and Blind.

In the 38 years since sales began in October 1985 through June 30, 2023, the California State Lottery has raised \$43.8 billion for public education, including approximately \$2.3 billion in 2022-23.

Because of the inherently variable nature of lottery ticket sales, revenue estimates for 2023-24 and 2024-25 cannot be made with certainty.

#### LEGAL CITATIONS AND AUTHORITY

##### DEPARTMENT AUTHORITY

Government Code, Title 2, Division 1, Chapter 12.5 (Sections 8880-8880.72).

**0850 California State Lottery Commission - Continued**

**Statement of Operations**

	<b>2022-23*</b>	<b>2023-24*</b>	<b>2024-25*</b>
Lottery sales	\$9,239,353	\$9,363,000	\$9,100,000
Less prizes	5,960,302	6,127,852	6,020,010
Sales after prizes	<u>3,279,051</u>	<u>3,235,148</u>	<u>3,079,990</u>
Less Gaming Costs:			
Retailer costs	633,200	642,408	612,176
Gaming system costs	109,721	106,789	100,306
Instant ticket costs	50,429	48,656	50,190
Total, Game Costs	<u>\$793,350</u>	<u>\$797,853</u>	<u>\$762,672</u>
Resources before operating expenses	2,485,701	2,437,296	2,317,318
Operating Expenses:			
Salaries, wages and benefits	100,823	134,797	144,913
Advertising	89,182	103,557	96,725
Promotion, public relations and point-of-sale	11,096	11,247	13,667
Other professional services	18,073	21,507	36,782
Depreciation and amortization	14,962	14,555	12,902
Other general and administrative expenses	20,463	24,603	115,339
Total, Operating Expenses	<u>\$254,599</u>	<u>\$310,266</u>	<u>\$420,328</u>
Income and Proceeds to Education	2,231,102	2,127,030	1,896,990
Interest and Other Income	25,784	63,561	60,000
Net Resources	<u>\$2,256,886</u>	<u>\$2,190,591</u>	<u>\$1,956,990</u>
Unclaimed Prizes	51,828	68,078	35,000
Administrative Reserve	0	0	89,246
<b>TOTAL RESOURCES DUE TO EDUCATION FUND</b>	<b>\$2,308,714</b>	<b>\$2,258,669</b>	<b>\$2,081,236</b>

**0850 California State Lottery Commission - Continued**

**Distribution of State Lottery Education Fund Revenues**

	<b>2022-23*</b>	<b>2023-24*</b>	<b>2024-25*</b>
Department of Education (K-12)	\$1,769,729	\$1,731,367	\$1,595,357
California Community Colleges	\$386,837	\$378,452	\$348,722
California State University	\$86,095	\$84,229	\$77,612
University of California	\$65,567	\$64,146	\$59,107
Other Public Colleges and Universities	\$262	\$256	\$236
Miscellaneous Educational Institutions	\$224	\$219	\$202
<b>TOTALS</b>	<b>\$2,308,714</b>	<b>\$2,258,669</b>	<b>\$2,081,236</b>

\* Dollars in thousands, except in Salary Range. Numbers may not add or match to other statements due to rounding of budget details.

## Lottery Products

**Scratchers** – Tickets are played by removing a scratch-off coating to reveal symbols and “instantly” learn whether the ticket is a winner. Games are offered in a variety of price-points and feature many different themes and play styles. The Lottery started Scratchers game sales in October 1985 with a single \$1 game. Multiple Scratchers games were first offered at retailer locations in October 1991, and games that retailed for more than \$1 went on sale in October 1993. Currently, prices for Scratchers tickets range from \$1 to \$30, and games may feature prizes up to \$20 million.



**Powerball** – Players select five numbers from a field of 1 through 69 and one Powerball number from a field of 1 through 26. There are nine prize categories in this game. To win the jackpot, players must match all five numbers plus the Powerball number. The jackpot prize in this multi-state game reached a record high \$2.04 billion in November 2022 and was won by a single ticket in California. Jackpots are determined by sales. Winning numbers are drawn every Monday, Wednesday, and Saturday at 7:59 p.m. PST.



**Mega Millions** – Players select five numbers from a field of 1 through 70 and one Mega number from a field of 1 through 25. There are nine prize categories in this game. To win the jackpot, players must match all five numbers plus the Mega number. The jackpot prize in this multi-state game has reached as high as \$1.60 billion in August 2023. Jackpots are determined by sales. Winning numbers are drawn every Tuesday and Friday at 7:59 p.m. PST.



**SuperLotto Plus®** – Players select five numbers from a field of 1 through 47 and one Mega number from a field of 1 through 27. There are nine prize categories in this game. To win the jackpot, players must match all five numbers plus the Mega number. Jackpot prizes start at \$7 million and have reached more than \$190 million. Winning numbers are drawn every Wednesday and Saturday at 7:57 p.m. PST.



**Hot Spot®** – This game was designed primarily for social trade styles like restaurants and bowling centers but is available at all Lottery retailer locations. Players select numbers from a field of 1 through 80 and have a choice of playing ten different “Spots.” For example, a player who chooses to play a “3 Spot” would pick a set of three numbers. Players can also select the “Bulls-eye” option for a chance at winning more prizes if one of their chosen numbers also matches the Bulls-eye number. There are a total of 92 prize categories (including the Bulls-eye prizes) in this game. Twenty winning numbers are selected for each draw, one of them being the Bulls-eye. Top prizes have been as high as \$300,000. Draws are conducted daily every four minutes with the first draw at 6:04 a.m. and last draw at 2:00 a.m. PST.



**Daily 3** – This daily game was designed to provide very good odds of winning smaller prizes. Players select a set of three numbers, each from 0 through 9, as well as a playstyle where players try to match the three numbers drawn in the exact order (Straight) or in any order (Box). Based on the selected playstyle (Straight, Box, or Straight/Box combined), there are many ways to win a prize. The top prizes average \$600. Winning numbers are drawn twice a day.



**Daily 4** – This daily game was designed to offer a similar playstyle to Daily 3, but with larger prizes. Players select a set of four numbers, each from 0 through 9, as well as a playstyle where players try to match whether the four numbers drawn will be in the exact order (Straight) or in any order (Box). Based on the selected playstyle (Straight, Box, or Straight/Box combined), there are many ways to win a prize. The top prize averages \$6,000. Winning numbers are drawn once a day.



**Fantasy 5** – This daily Lotto-style game was designed with better odds than SuperLotto Plus. Players select a set of five numbers from 1 through 39. Winning tickets are those that match any two, three, four, or all five of the five numbers drawn. There are four prize categories in this game. Top prizes start at \$60,000 and have reached more than \$700,000 for matching all five numbers. Fantasy 5 is the only draw game that has a free ticket as part of the prize structure, with tens of thousands of free tickets awarded each draw.



**Daily Derby®** – This daily game was designed with a horse racing theme but is not associated with the results of any actual horse race. Players select three “horses” from a field of 12 and a “race time” which is a set of three numbers (e.g. 0, 1, and 9) with each number selected from a field of 0 through 9. There are five prize categories in this game. Top prizes start at \$50,000 and have reached more than \$1.5 million for matching the race time and all three horses in exact order.



## Revenue Recognition - Scratchers

Sales of Scratchers tickets are made to the public through contracted retailers. Revenue is recognized upon the sale of tickets to the retailers for active games. An allowance is recognized for the retailers' right to return unsold tickets. Operating revenue is reduced for free tickets and for unsold tickets remaining in vending machines. Retailers receive a commission of up to six percent which is recognized when tickets are sold to the retailers.

## Revenue Recognition - Draw Games

Lottery sales for draw games are made to the public through gaming terminals at contracted retailers. Revenue is recognized upon the sale to the public. With the exception of Powerball® and Mega Millions®, the public has the right to cancel a sale on the same day before pool closure. All Powerball and Mega Millions sales are final. The applicable retailers' commission of four and one half to six percent is recognized when sales are made to the public. Recognition of the revenue from sales for future draws is considered unearned until those draws become current. The retailers' commission related to the unearned revenue is reflected as a prepaid expense until the revenue is recognized.

The Fund is accounted for as an enterprise fund. The financial statements are prepared on the accrual basis of accounting and the economic resources measurement focus in accordance with accounting principles generally accepted in the United States of America. Operating revenues and expenses are those that result from providing services and producing and delivering goods and/or services. The principal operating revenues of the Fund come from the sale of lottery tickets. The principal operating expenses of the Fund are prizes, retailer commissions, game costs, salaries and benefits, advertising and promotion, professional services, depreciation of assets, and general and administrative costs.



# Major Initiatives

The California Lottery celebrated its 38th anniversary and has once again broken its all-time sales and contribution records during the fiscal year ended June 30, 2023. Lottery sales were more than \$9.23 billion in fiscal year 2022-23, shattering the previous sales record of \$8.85 billion set the prior year and surpassing the \$9 billion threshold for the first time. The increase in sales led to a record-high transfer of funds to the Lottery's beneficiary, California public schools. For the second year in a row, the Lottery transferred more than \$2 billion to its beneficiary during a single fiscal year, fulfilling its mission to earn supplemental funding for education in a spectacular way. Fiscal year 2022-23 marked the 23rd consecutive year the Lottery transferred more than \$1 billion to its beneficiary.

Scratchers games remain the biggest driver of Lottery sales with nearly \$6.6 billion and accounted for 71.2 percent of total record sales during fiscal year 2022-23. The Lottery sets prize payout levels designed to maximize the contribution to its beneficiary. As part of that effort, the Lottery offered the Set for Life – Millionaire game at the popular \$30 price point, offering a top prize of \$20 million, the largest prize yet for a Scratchers game. In addition, the Lottery launched a new Scratchers ad campaign anchored by the tagline “A Little Play Can Make Your Day.” These efforts and more helped grow player ship by making the Scratchers brand more appealing to the casual players.

The two multi-state lotto games, Powerball and Mega Millions, were the biggest driver of Lottery sales increases during fiscal year 2022-23. Powerball ended the fiscal year with more than \$750 million in sales, a 31.7

percent increase from the prior year. This was primary due to Powerball's jackpot prize reaching a record high \$2.04 billion during fiscal year 2022-23. Mega Millions had two separate runs with jackpots reaching over \$1 billion during the fiscal year. California's Mega Millions sales in fiscal year 2022-23 were nearly \$793 million, a staggering 112.6 percent increase from the prior fiscal year.

Sales of California's own lotto-style game, SuperLotto Plus, are also largely driven by jackpot levels. Sales of SuperLotto Plus were \$276.1 million during fiscal year 2022-23, an increase of 13.7 percent from the prior year. The Hot Spot game was another Lottery record-breaker. Hot Spot sales were \$410.9 million during fiscal year 2022-23, a 2.3 percent increase from the prior year's previous record-high sales levels. This increase coincided with an effort by the Lottery to place more Hot Spot monitors in retail locations and working with our retail partners to promote the game.

Lastly, sales of the Lottery's four daily games (Fantasy 5, Daily 3, Daily 4, and Daily Derby) totaled approximately \$435 million combined in fiscal year 2022-23, which is nearly unchanged from the prior year.

The Lottery continues its commitment to balance safety and concern for its employees, retail partners, players, and the public at large, with the need to fulfill its critical mission of supplementing education funding. During fiscal year 2022-23, the Lottery's network of retail partners consisted of more than 23,000. The Lottery supports its retail partners by making its product more appealing, fun, and exciting for Lottery players. Additionally, Lottery staff worked diligently to reduce prize claim processing times and expand its program of paying qualifying prizes by check at some district offices. These efforts get needed funds to prizewinners more quickly.



The Lottery recognizes it has a responsibility to its players to encourage responsible gaming. During fiscal year 2022-23, the Lottery was re-certified at the highest level, Level 4 Responsible Gaming, from the World Lottery Association.

In February 2015, the California State Lottery became the first Lottery in the nation to receive a World Lottery Association (WLA) Responsible Gaming Level Four Certification. This is the highest level of internationally recognized certification for responsible gaming. In 2021, we were honored to receive a level four recertification.

WLA, the global authority on the lottery business, consists of state-authorized lotteries and gaming organizations from more than 80 countries on 6 continents. Its Responsible Gaming Principles and Framework Certification Program outlines lotteries' level of commitment to corporate social responsibility and responsible gaming. Its aim is to protect lottery players and assure that revenues are used for the public good.



Certification date: December, 2021

This certificate is valid until: December, 2024

Rebecca Paul  
WLA President

Lynne Roiter  
WLA Secretary General



RG-LM1-2111

The Lottery also continues its commitment to environmental sustainability regarding its buildings and operations. Nine Lottery buildings throughout the state, including its headquarters building, have earned the ENERGY STAR rating from the United States Environmental Protection Agency. In addition to protecting the environment, these energy-efficient buildings require lower operating costs, which supports the Lottery's mission of earning more money for its beneficiary.



# Budgetary Controls

# Financial Controls

## *Accounting System and Policies*

The Lottery operates the California State Lottery Fund, which is accounted for as an enterprise fund and like a private business, utilizes the full accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

## **Budgetary Controls**

Budgetary control for the Lottery is addressed through its enabling legislation, which provides specific limitations on operating and administrative expenses. A comprehensive annual budget is prepared in conjunction with the Lottery's Annual Business Plan. The budget is prepared on both the cash basis and the full accrual basis of accounting. It is also prepared in distinct, quarterly segments to facilitate comparison to the quarterly financial statements. The budget is based on sales forecasts, industry trends, program proposals, and approved action plans. While the Lottery does not have a legislatively appropriated budget, the operating budget is submitted to the Lottery Commission with the Annual Business Plan for approval. Actual costs are monitored throughout the year for compliance with the approved budget and appropriate adjustments are approved if necessary.

## **Internal Controls**

An internal control structure has been designed ensuring checks and balances are in place within the accounting system appropriately limiting Budgets Unit staff access, and a separate budgeting productivity platform is utilized to facilitate creation for the annual budget spending plan. The read-only access for budgeting staff to the accounting system is sufficient to allow for monitoring budget utilization using budget-to-actual reports and ensures separation of duties to maintain system integrity. Additionally, procedures and processes are in place requiring directorate approval to augment Commission-approved budget funding and updates to the Commission for quarterly budget adjustments are provided by Lottery management.

## Position Controls

	FY 22-23 Permanent Positions	FY 23-24 Permanent Positions	FY 24-25 Permanent Positions
Executive	60	60	60
Finance	126	137	141
Human Resources	50	53	53
Operations	71	78	77
Public Affairs and Communications	7	7	7
Security and Law Enforcement	80	85	87
Information Technology Services	121	137	140
Sales and Marketing	550	559	559
<b>Total</b>	<b>1065</b>	<b>1116</b>	<b>1124</b>

## Employees

As of July 1, 2024, the Lottery Commission authorized a total of 1,124 positions for the Lottery's headquarters located in Sacramento; for its nine district offices located in Sacramento, Milpitas, Richmond, Fresno, Chatsworth, Rancho Cucamonga, Santa Fe Springs, Costa Mesa, and San Diego; and for its two distribution centers located in West Sacramento and Rancho Cucamonga.

During the annual budget development process, Lottery divisions are tasked with the careful evaluation of staffing requirements to align with the organization's mission and optimize contributions to educational funding. For the budget year, this budget cycle included nineteen positions requested by various divisions; however, only eight were ultimately approved for inclusion in the budget. The approval process includes a cross-divisional review by personnel in the Human Resources Division, to ensure compliance with state administrative classification criteria and proper supervisory structures; Finance Division, which scrutinizes available funding and prioritizes allocations to assert position control; and Executive Management, which contemplates the broader organizational needs and external factors before recommending position proposals for the Commission's consideration. Furthermore, the Lottery organization employs a strategic approach in managing its workforce by considering the repurposing of existing vacant positions. This method entails the reevaluation and reallocation of roles to areas with the most significant need, enhancing the efficacy and efficiency of operations. This practice demonstrates to the public and stakeholders that the organization is dedicated to maximizing its operational output and, by extension, increasing Lottery revenues that support public education.

To support the Lottery's operational objectives, eight new positions were strategically allocated across three key divisions:

#### Finance Division

- The Accounting Administrator I (Supervisor) will manage the Accounts Receivable, Cashiering and Travel sections to distribute the workload and allow for more staff training, allowing for gaps in processes to be identified and mitigated, ensuring audit findings are addressed timely, and resulting in an overall more positive work environment for the team.
- A Program Technician position will provide additional technical support for the number of prize claims being processed at the Milpitas district office.
- A Supervising Program Technician II will provide the Finance supervisory support necessary to ensure the personnel needs of the Finance technicians and the success of the Paying Claims at the District Office program.

#### Security and Law Enforcement Division

- Two Associate Governmental Program Analysts were converted from a limited term time base to permanent full-time staff allowing expansion of the SmartCount program that is used to block/unblock retailers activated Scratchers inventory 24/7/365 to prevent cashing stolen tickets.

#### Information Technology Services Division

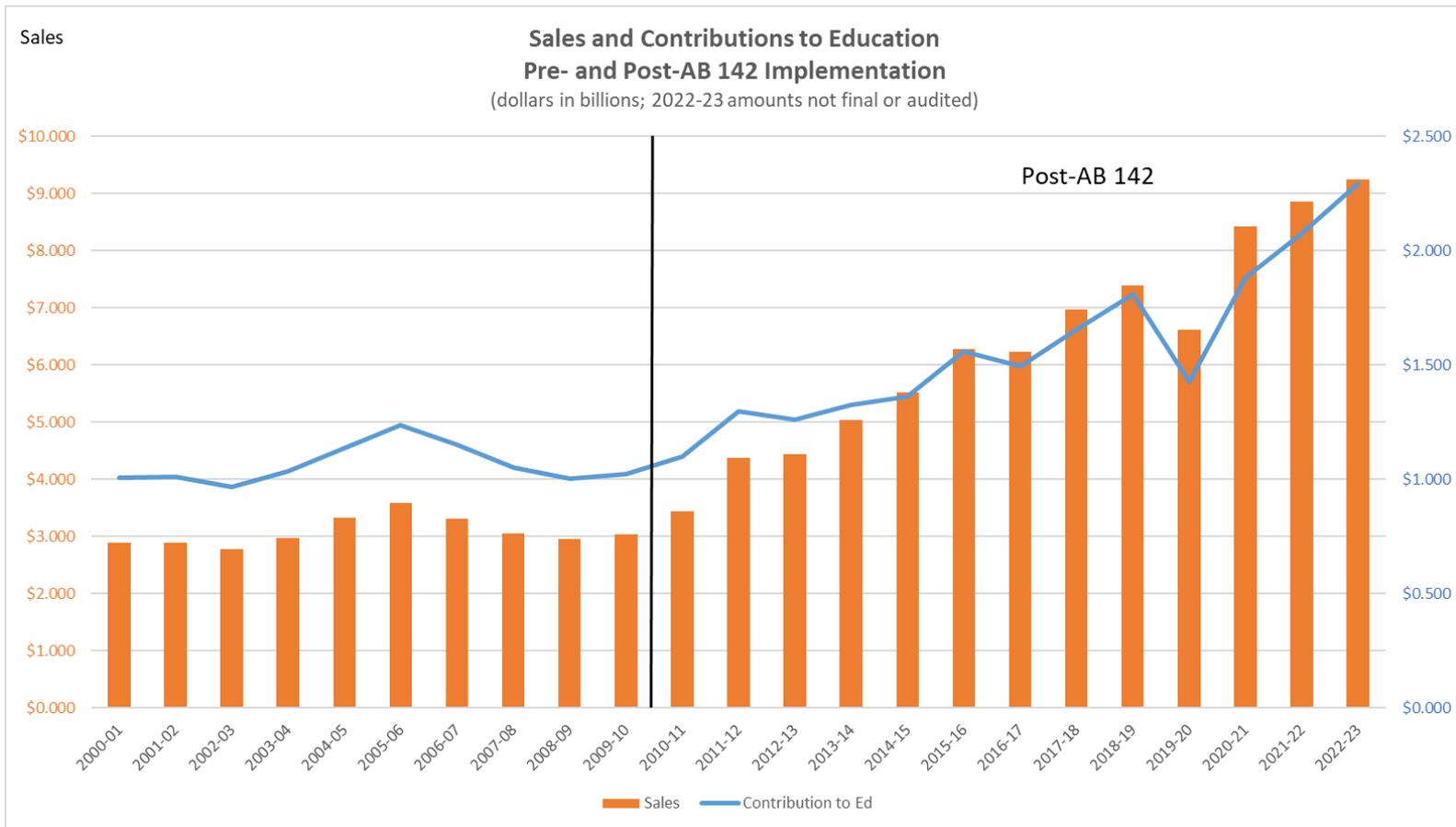
- An Information Technology Specialist II will help provide technical and operational support for the Lottery's physical security system consisting of over 1,100 devices located at the Lottery's 12 facilities. The position will provide 2nd/3rd level support for the Access Control, Video Surveillance, Alarm, Intercom, and Axis Analytic software platforms.
- The Information Technology Supervisor II position will plan, coordinate, and direct the day-to-day activities of six Information Technology and Administrative staff to provide operational oversight in the areas of IT procurement, contracting, administrative services, and asset management.
- An Information Technology Specialist I position will be responsible for developing business requirements documentation, ensure compliance with accessibility guidelines and the Software Development Life Cycle (SDLC), and would increase capacity to deliver new Public Website features.

# Issues and Priorities

Significant changes and strategic initiatives constituting our priorities for the fiscal year 2024-25 include expanding Scratchers sales, growing draw game sales, and leveraging our retail network, all while improving public knowledge and perceptions of the Lottery. To help boost Scratchers sales and the resulting funding for education, new \$25 and \$40 price points will be added to our Scratchers product offerings to bring in 2025 and celebrate the Lottery's 40th anniversary.

Introduction for these new \$25 and \$40 games that will initially be utilized for a pair of special events – the new year 2025 and the Lottery's 40th anniversary – reflect player trends within the Lottery industry of shifting towards higher priced games. Our most popular Scratchers price point currently is \$20, which is a significant jump from the \$5 price point that was most popular here around a decade ago. Although profitability on a per-dollar basis tends to be more moderate for high price-point products, the Lottery continues to assess new opportunities and review different prize structures to create novelty and variety in the Scratchers portfolio, which helps ensure that the Lottery reaches more Californians with more types of games to deliver more funding to public education. The following chart shows how our sales and, most importantly, the amount of supplemental funding the Lottery is able to provide to California's public schools, have greatly increased following enactment of AB 142 in 2010. This legislation authorized a greater proportion of Lottery revenues to be returned to the public as prizes, thereby allowing the Lottery to offer higher price point Scratchers games.

## Sales and Contributions to Education



As a result of the revenue distribution changes from AB 142, the Lottery expects to continue to deliver increased sales and revenues to the public in the form of both prizes and contributions to education. Through tight management of the Lottery’s budget, actions to reduce or otherwise control costs can aid in meeting the provision.

Long-term growth shown in the graph with average sales nearly doubling since the Lottery Act was amended with AB 142, and annual sales tripling in recent years gives the Lottery confidence that the optimal prize pay-out allowed by the amendment is proving to be effective in promoting long-term growth.

## Issues Facing the Lottery

As the only legal lottery in the state, the California Lottery does not have a direct competitor. However, we face competition from other forms of entertainment and leisure vying for consumers' discretionary dollars. As such, the Lottery's performance is impacted by issues such as broader economic conditions (e.g., rising inflation, gas prices, etc.) as well as consumer trends such as shifting to being a cashless society and more consumers purchasing online instead of through traditional "brick and mortar" locations. It is also clear the Lottery needs to be more effective at educating the public on the Lottery's mission and positioning the Lottery in a more favorable light among California adults. In a recent survey, only 31 percent of the respondents were able to correctly identify the mission of the Lottery. To help rectify this, the Lottery is actively investing in a dedicated advertising campaign to amplify the Lottery's mission, educate Californians about the Lottery as a whole, and reposition the Lottery as a credible and reliable source for additional funds for California's public education system.

Another issue facing the Lottery is the increased salary and benefit costs of Lottery employees. Salary increases for represented California government employees are negotiated between the state and union organizations through a process called Collective Bargaining, and the Lottery has no control over the cost increases for these agreements. The Lottery's 2024-25 budget includes funding for the 3 percent salary hike negotiated for state employees for the budget year as well as increases in the associated staff benefits costs.

The Lottery is also hamstrung by some of the provisions of the Lottery Act that established the Lottery. One such provision restricts changes in the types of games or methods of delivery of games that incorporate technologies or mediums that did not exist, were not widely available, or were not commercially feasible at the time the Lottery was authorized in 1984. Similarly, the Lottery Act prevents vending machines selling Lottery tickets from dispensing change; these machines currently only accept cash and require exact change.

An additional challenge the Lottery faces is to meet a provision of AB 142 that requires ongoing growth in the Lottery's contribution to education. Specifically, in each fiscal year following an initial "test period" designed to ensure its provisions were meeting the intended purpose of generating more funding for public education, AB 142 requires the Lottery's net revenues allocated to public schools to be at least as much as were allocated on average in the prior five fiscal years. A significant portion of the Lottery's portfolio is comprised of lotto style games for which the jackpot continues to grow until it is hit.

Although sales in these games grow exponentially when jackpots are high, jackpot levels can vary greatly from one fiscal year to another. For example, in FY 2019-20, there were no draws the entire fiscal year in either Powerball or Mega Millions for which the advertised jackpot was \$500 million or higher. By comparison, there were a total of 65 such draws in FY 2023-24; further, there were 13 different draws in Powerball and Mega Millions combined in FY 2023-24 for which the advertised jackpot was \$1 billion or higher. Such performance drives up the five-year average making it more of a challenge for the Lottery to meet this provision in future fiscal years with jackpot luck on the other end of the spectrum. The following table illustrates the pressure the Lottery faces to meet this requirement in the future.

## AB 142 5-Year Average Provision

Fiscal Year	Net Revenues Allocated to Public Education 1/	Previous 5-Yr Average Net Revenues	Amount Over (Under) Requirement
2010-11 2/	\$1,100,817		
2011-12	\$1,298,249		
2012-13	\$1,260,789		
2013-14	\$1,326,652		
2014-15	\$1,363,242		
2015-16 3/	\$1,559,669	\$1,269,950	\$289,719
2016-17	\$1,494,178	\$1,361,720	\$132,458
2017-18	\$1,656,055	\$1,400,906	\$255,149
2018-19	\$1,809,721	\$1,479,959	\$329,762
2019-20 4/	\$1,425,155	\$1,576,573	(\$151,418)
2020-21	\$1,857,731	\$1,588,956	\$268,775
2021-22	\$2,015,049	\$1,648,568	\$366,481
2022-23	\$2,231,054	\$1,752,742	\$478,313
2023-24 5/	\$2,127,030	\$1,867,742	\$259,288
2024-25 6/	\$1,986,236	\$1,931,204	\$55,032

Gov't Code Sec. 8880.4.5(d): ...in subsequent fiscal years, to ensure continued growth in lottery net revenues allocated to public education, the commission, when setting the percentage [of the total budgeted annual revenues to be allocated to the benefit of public education], shall ensure that net revenues allocated to public schools are at least as much as were allocated on average in the prior five fiscal years...

1/ Prior to interest, other income, and unclaimed prizes.

2/ 2010-11 was the first full fiscal year after AB 142 enactment (Ch 13, Stats of 2010 signed April 8, 2010).

3/ 2015-16 was the first fiscal year following the five-year "test period."

4/ Lottery sales and the resulting funding for education were severely negatively impacted in FY 2019-20 by the onset of the pandemic as well as unusually low jackpots in Powerball and Mega Millions.

5/ Estimated contribution to education to be presented to Commission on June 27, 2024.

6/ As reflected in the FY 2024-25 budget to be presented for Commission approval on June 27, 2024.

\*Dollars shown in thousands

# Strategic Goals and Strategies

The Lottery's strategic goals and strategies at a high-level aim to consistently exceed \$2 billion in contributions to California's public schools and are broken down into annual objectives which are funded year-to-year based on available resources. These objectives are provided to the Lottery commission in conjunction with the budget wherein the draft budget and draft strategies are presented by the CFO and Deputy Director of Business Planning & Research respectively in the month of May and the final budget and strategies receiving funding in the budget are presented to the Lottery Commission for approval in June.

Strategic objectives funded for FY 2024-25 include

- Grow draw games sales, particularly in jackpot games and Hot Spot
- Explore new ways to expand and utilize the strong retail network
- Continuing to improve knowledge and perceptions about the Lottery
- Expand Scratchers sales by removing barriers to play among infrequent players
- Complete planning and begin celebrating the Lottery's 40th Anniversary

The annual objectives the Lottery implements to achieve its strategic goals are developed through the business plan proposal (BPP) process, and BPP milestones are shown in the Business Planning and Budget Development Timeline (see page 49). The BPP process works in unison with budget planning and begins with Lottery divisions submitting titles and conceptual paragraphs for implementation projects and research/analysis efforts. It may include continuing projects as well as new initiatives. Next, teams led by the sponsoring divisions develop, review, and edit BPPs. Following the submission of final BPPs to the Business Planning and Research Office, BPPs requiring funding for the upcoming fiscal year are included in the divisional ZBB funding requests. Finally, BPPs are reviewed, evaluated, and prioritized for recommendation with an underlying goal to balance funding in a manner that supports infrastructure for building and equipment, technology needs, and provides funding to support growing sales opportunities.

1. **Strategic Goals:** The Lottery's overarching strategic goal is to increase contributions to California public education consistently, with an ambitious financial objective of surpassing the \$2 billion mark annually without reliance on extraordinary circumstances. This goal is anchored in the broader strategic plan out-lined in the Lottery's most recent Strategic Directions adopted by the Lottery Commission in June 2023, which serves as a general guidance to steer the organization towards this target.

2. **The Process for Creating the Strategic Goals:** The strategic goals were established through a comprehensive planning process, and as such the Commission approved a set of strategic objectives based on prior performance and future projections. These objectives were shaped by an analysis of past achievements, such as the Lottery's contributions to CA public education exceeding \$2 billion for two consecutive fiscal years and informed by the need to adapt to post-pandemic market conditions and consumer behaviors.

3. **Action Plans and Strategies:** To achieve these goals, the following strategies and action plans have been developed and implemented:

- o **Grow Draw Game Sales:** The focus here is on Jackpot Games and Hot Spot, leveraging past successes such as the introduction of a third Powerball draw day and conducting research to explore potential game enhancements.

- o **Retail Network Expansion:** This strategy includes installing equipment in new trade channels like Walmart Supercenters, updating existing Lottery retailer equipment, and exploring in-lane ticket selling solutions to make it easier for consumers to purchase tickets.

- o **Improve Knowledge and Perceptions:** A campaign is in place to better inform the public about the Lottery's mission and to change perceptions about Lottery, aiming to increase top-of-mind awareness and positive feelings towards the organization.

- o **Expand Scratchers Sales:** This involves identifying and removing barriers that prevent infrequent players from engaging with Scratchers games, which could include addressing the need for cash transactions and simplifying the choice of games.

- o **Modernization Initiatives:** Continuation of initiatives related to transforming and modernizing the Lottery, which involves improving infrastructure, enhancing processes, and evolving the corporate culture. These efforts are integrated into the Lottery's Annual Business Plan.

The strategies included in the Annual Business Plan provide the tactical details necessary to execute these strategic goals within a specific fiscal year, ensuring that the organization remains on course to achieve its long-term objectives. Multiple new chain stores are scheduled to come on board this year and FY 2025-26, future fiscal years' sales will reflect the full impact of this expansion to the Lottery retailer network.

Additionally, a Marketing Budget Plan includes funding for actions and campaign efforts to accomplish the Lottery's goals.

The Annual Marketing Plan supports the advertising and promotional efforts of the different program areas of the Marketing Department. The Consumer Marketing & Advertising budget focuses on actions and strategies driving sales growth in multi-state jackpot games and expanding Scratchers playership, while the Engagement & Retention Marketing program focuses on driving customer engagement, retention and loyalty while building long-term brand value with consumers. These two areas manage large contracts responsible for the production and advertising of Lottery products across multiple media platforms. Another important component of the Marketing Plan is promoting the Lottery brand to retailers and existing and new players. The Promotions and Events team works with chains, independent retailers and at events to promote products that will drive sales and benefit our Lottery partners. Consumer promotions are geared towards engaging players and introducing new and exciting products that generates additional brand exposure and creates more meaningful impressions that remain impactful well beyond a store purchase.

ANNUAL MARKETING BUDGET PLAN

<b>Grow Draw Game Sales, Particularly in Jackpot Games and Hot Spot</b>					
	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>Total</u>
<b><i>Consumer Marketing and Advertising</i></b>					
60000 1805 Media					
Jackpot Alerts	\$4,750,000	\$0	\$0	\$0	\$4,750,000
Jackpot Always On	760,000	760,000	760,000	760,000	
Permanent Out-of-Home (JP Perms and Digital Boards)	0	0	0	3,562,500	3,562,500
Mega Millions Game Change	\$0	\$0	\$0	\$7,500,000	
	<u>\$5,510,000</u>	<u>\$760,000</u>	<u>\$760,000</u>	<u>\$11,822,500</u>	<u>\$18,852,500</u>
60100 1805 Production					
Jackpot Alerts	\$285,000	\$285,000	\$285,000	\$285,000	\$1,140,000
Jackpot Game Support (JPA Creative Refresh)	0	2,000,000	0	0	\$2,000,000
Permanent Out-of-Home (JP Perms and Digital Boards)	0	100,000	0	280,000	380,000
Mega Millions Game Change	\$0	\$0	\$2,250,000	\$0	2,250,000
	<u>\$285,000</u>	<u>\$2,385,000</u>	<u>\$2,535,000</u>	<u>\$565,000</u>	<u>\$5,770,000</u>
<i>Subtotal</i>	<u>\$5,795,000</u>	<u>\$3,145,000</u>	<u>\$3,295,000</u>	<u>\$12,387,500</u>	<u>\$24,622,500</u>
<b><i>Engagement and Retention Marketing</i></b>					
60200 1805 Digital					
Production - 2nd Chance and Jackpot Captains	\$110,000	\$200,000	\$110,000	\$105,000	\$525,000
Prize Fund - 2nd Chance Promotion Bonus Draws	150,000	150,000	150,000	150,000	600,000
Prize Fund - Jackpot Captains	0	0	30,000	35,000	65,000
	<u>0</u>	<u>0</u>	<u>30,000</u>	<u>35,000</u>	<u>65,000</u>
<i>Subtotal</i>	<u>\$260,000</u>	<u>\$350,000</u>	<u>\$290,000</u>	<u>\$290,000</u>	<u>\$1,190,000</u>
<b><i>Retailer Marketing</i></b>					
60475 1805 POS - Collateral					
Statewide Gaming Systems Promotions - Draw Games	\$0	\$0	\$500,000	\$0	\$500,000
<b>Total</b>	<u><b>\$6,055,000</b></u>	<u><b>\$3,495,000</b></u>	<u><b>\$4,085,000</b></u>	<u><b>\$12,677,500</b></u>	<u><b>\$26,312,500</b></u>

Alerting various playership (casual/infrequent players, player group captains, California adults generally) is conducted via digital billboards to stimulate interest in Lottery products and curtailed when media outlets begin to feature stories for large jackpots (known as earned media).

**Explore New Ways to Expand and Utilize the Strong Retail Network**

	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>Total</u>
<b><i>Retailer Marketing</i></b>					
60500 1805 POS - Permanent					
Playcenters - includes parts and deployment	\$37,500	\$37,500	\$37,500	\$37,500	\$150,000
Scratchers Merchandising Displays and Parts	1,750,000	0	0	1,750,000	3,500,000
Corporate Branding - Play Now/Lucky Retailers/Prizes Paid/Millionaire Made Here Kits/Contributions to Education/Pay at District Offices	100,000	200,000	300,000	300,000	900,000
Retail Publications - RPP	140,000	140,000	140,000	140,000	560,000
	<hr/>				
<i>Subtotal</i>	\$2,027,500	\$377,500	\$477,500	\$2,227,500	\$5,110,000
60410 1805 Promotions - Retailer					
Activations and Out-of-Stock Promotions	\$50,000	\$50,000	\$50,000	\$50,000	\$200,000
Retailer Marketing Support	62,500	62,500	62,500	62,500	250,000
Independent Retailer Promotions	0	0	15,000	15,000	30,000
	<hr/>				
<i>Subtotal</i>	\$112,500	\$112,500	\$127,500	\$127,500	\$480,000
60410 1900 Promotions - Retailer					
In-Counter Install Rebates	\$7,500	\$7,500	\$7,500	\$7,500	\$30,000
Retailer Program Support	22,500	22,500	22,500	22,500	90,000
Key Account Trade Associations	40,105	40,105	40,105	40,105	160,420
	<hr/>				
<i>Subtotal</i>	\$70,105	\$70,105	\$70,105	\$70,105	\$280,420
	<hr/>				
<b><i>Total</i></b>	<b>\$2,210,105</b>	<b>\$560,105</b>	<b>\$675,105</b>	<b>\$2,425,105</b>	<b>\$5,870,420</b>

Point-of-Sale messaging for “Contributions to Education” is a means for educating the public for the Lottery’s value and supporting the business objective to improve knowledge and perceptions about the Lottery.

**Continuing to Improve Knowledge and Perceptions About the Lottery**

	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>Total</u>
<b><i>Consumer Marketing and Advertising</i></b>					
60000 1805 Media					
New Game Announcements	\$210,000	\$210,000	\$210,000	\$210,000	\$840,000
Brand Effort (PCDO, Mobile App, African American and LGBTQ efforts, etc.)	0	0	1,000,000	1,000,000	2,000,000
	<u>\$210,000</u>	<u>\$210,000</u>	<u>\$1,210,000</u>	<u>\$1,210,000</u>	<u>\$2,840,000</u>
60100 1805 Production					
Brand Effort (e.g. PCDO, Mobile App, African Am. Effort, etc.)	\$30,000	\$30,000	\$30,000	\$30,000	\$120,000
Agency Fees	3,090,000	3,090,000	3,090,000	3,090,000	12,360,000
	<u>\$3,120,000</u>	<u>\$3,120,000</u>	<u>\$3,120,000</u>	<u>\$3,120,000</u>	<u>\$12,480,000</u>
<i>Subtotal</i>	<u>\$3,330,000</u>	<u>\$3,330,000</u>	<u>\$4,330,000</u>	<u>\$4,330,000</u>	<u>\$15,320,000</u>
<b><i>Engagement and Retention Marketing</i></b>					
60200 1805 Digital					
Digital Media - Social - Opportunistic and Boosted	\$75,000	\$75,000	\$75,000	\$75,000	\$300,000
Digital Media - Paid Search	400,000	400,000	400,000	400,000	1,600,000
Digital Media - Influencers	517,500	750,000	750,000	750,000	2,767,500
Production - Social Media	75,000	75,000	75,000	75,000	300,000
Production - Asset and Content Development	75,000	75,000	75,000	75,000	300,000
Marketing Technology - Marketing Platforms and Platform Support	62,500	62,500	62,500	62,500	250,000
	<u>\$1,205,000</u>	<u>\$1,437,500</u>	<u>\$1,437,500</u>	<u>\$1,437,500</u>	<u>\$5,517,500</u>
<i>Subtotal</i>	<u>\$1,205,000</u>	<u>\$1,437,500</u>	<u>\$1,437,500</u>	<u>\$1,437,500</u>	<u>\$5,517,500</u>
<b><i>Promotions and Events</i></b>					
60400 1805 Promotions - Consumer					
New Event and Consumer Experiences Activation - Equipment	\$0	\$30,000	\$18,500	\$38,500	\$87,000
Experiential Activations	0	190,000	0	190,000	380,000
Branded Items - Collectible Scratching Tools	0	450,000	0	0	450,000
Agency Fees - POS and Promotions Vendor (Alcone)	1,145,000	1,145,000	1,145,000	1,145,000	4,580,000
	<u>\$1,145,000</u>	<u>\$1,815,000</u>	<u>\$1,163,500</u>	<u>\$1,373,500</u>	<u>\$5,497,000</u>
<i>Subtotal</i>	<u>\$1,145,000</u>	<u>\$1,815,000</u>	<u>\$1,163,500</u>	<u>\$1,373,500</u>	<u>\$5,497,000</u>
<b>Total</b>	<b><u>\$5,680,000</u></b>	<b><u>\$6,582,500</u></b>	<b><u>\$6,931,000</u></b>	<b><u>\$7,141,000</u></b>	<b><u>\$26,334,500</u></b>

Production, media, and promotional items for the Lottery's "Brand Effort" provides an entertainment option for California adults that has a positive impact for schools.

**Expand Scratchers Sales by Removing Barriers to Play Among Infrequent Players**

	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>Total</u>
<b><i>Consumer Marketing and Advertising</i></b>					
60000 1805 Media					
Scratchers Category	\$9,825,000	\$1,250,000	\$10,150,000	\$11,950,000	\$33,175,000
Dedicated Scratchers Campaigns (Holiday, etc.)	0	12,000,000	0	0	12,000,000
<i>Subtotal</i>	<u>\$9,825,000</u>	<u>\$13,250,000</u>	<u>\$10,150,000</u>	<u>\$11,950,000</u>	<u>\$45,175,000</u>
60100 1805 Production					
Scratchers Category	\$600,000	\$0	\$1,200,000	\$600,000	\$2,400,000
Dedicated Scratchers Campaigns (Holiday, etc.)	0	2,500,000	0	0	2,500,000
<i>Subtotal</i>	<u>\$600,000</u>	<u>\$2,500,000</u>	<u>\$1,200,000</u>	<u>\$600,000</u>	<u>\$4,900,000</u>
<b><i>Retail Marketing</i></b>					
60475 1805 POS - Collateral					
Scratchers Brand - NGA and Feature Games	\$325,000	\$325,000	\$325,000	\$325,000	\$1,300,000
Holiday Scratchers	0	500,000	0	0	500,000
<i>Subtotal</i>	<u>\$325,000</u>	<u>\$825,000</u>	<u>\$325,000</u>	<u>\$325,000</u>	<u>\$1,800,000</u>
<b><i>Total</i></b>	<b><u>\$10,750,000</u></b>	<b><u>\$16,575,000</u></b>	<b><u>\$11,675,000</u></b>	<b><u>\$12,875,000</u></b>	<b><u>\$51,875,000</u></b>

***Total Marketing Plan for Sales and Marketing***

**\$24,695,105 \$27,212,605 \$23,366,105 \$35,118,605 \$110,392,420**

Quarterly campaigns deliver brand messaging to keep Lottery products top-of-mind and to remove negative misconceptions about the Lottery by informing the public that all proceeds go to California public schools. Additionally, specialty products are offered seasonally to provide California adults with additional gift-giving opportunities by gifting Holiday Scratchers.

Lastly, the annual budget provides funding for research efforts to aid the Lottery in accomplishing its goals via contractual services with companies that provide advertising tracking studies and focus groups services to track and create outreach to players.

# Financial Policies

The Lottery’s Budgeting Requirements Policy applies to all Lottery employees who are authorized to expend or are involved in the associated procurement processes for expending Lottery administrative funds and holds staff accountable for adhering to the annual budget. Additionally, it requires budget expenditure activities to be consistent with the California Lottery Act, Lottery Regulations, Lottery policies, processes, and procedures, and applicable state laws.



# Fund and Reporting Requirements

Government Code (GC) § 8880.61 (a) establishes, A special fund to be known as the "State Lottery Fund" is created within the State Treasury that is continuously appropriated for carrying out the purposes of the Lottery Act. The fund's resources are protected by provisions that prevent the transfer of money from the General Fund or any other state fund to support the lottery or its associated debts, except for authorized loans to the state's General Fund. Such loans must carry interest at a specified rate above the Pooled Money Investment Account rate and cannot impede the objectives of the State Lottery Fund. Administrative and operational expenses of the lottery are capped at 13% of total annual revenues from lottery ticket sales, and specific non-monetary exchanges are excluded from this expense calculation. Costs include the operation and administration of the lottery, contracts for goods and services, promotional activities, retailer compensation, and reimbursement to other governmental entities for services provided to the lottery. The net revenues of the lottery, which are the funds remaining after all obligations for prizes, expenses, and repayments are covered, are transferred quarterly to the California State Lottery Education Fund. Lastly, the Commission is responsible for reimbursing other governmental entities for services necessary to carry out the lottery's purpose.

## Pooled Money Investment Board (PMIB)

To ensure the needed liquidity for current expenses including quarterly payments to the beneficiary the Lottery reports its cash needs prior to each quarterly meeting of the PMIB which, through the Pooled Money Investment Account, invests special funds held by state agencies including the Lottery

Through the Pooled Money Investment Account (PMIA), the State Treasurer invests taxpayers' money to manage the State's cash flow and strengthen the financial security of local governmental entities. PMIA policy sets as primary investment objectives safety, liquidity and yield.

The Investment Division of the State Treasurer's Office manages the PMIA under statutory authority granted by California Government Code sections 16430 and 16480.4. The Pooled Money Investment Board (PMIB) governs the PMIA. The State Treasurer chairs the PMIB, which also includes the State Controller and the State Director of Finance.

The PMIA has three primary sources of funds: the State general fund; special funds held by State agencies; and moneys deposited by cities, counties and other entities into the Local Agency Investment Fund . At the end of July 2024, the PMIA portfolio totaled approximately \$170.8 billion. The daily investment activity in July 2024 averaged \$2.226 billion.

Under (GC) § 8880.42, “The director shall provide a monthly cumulative sales report to the commission and the Controller within 15 days after the end of each month. The report shall include cumulative lottery sales by product, compared to the commission-approved budget and the estimated administrative expenses for the current fiscal year.”

In accordance with GC § 8880.43, “The director shall provide the following informational reports to the Department of Finance, the Joint Legislative Budget Committee, and the budget committees of the Legislature:

(a) No later than January 10 of each year, a copy of the proposed administrative budget for the California State Lottery Commission for the fiscal year that begins the following July 1.

(b) No later than June 1 of each year, a copy of the California State Lottery Commission’s proposed administrative budget and expected sales revenues for the fiscal year that begins the following July 1. If applicable, this report shall detail any administrative funding that is proposed to be used to supplement the prize pool of any lottery game.

(a) No later than June 30 of each year, the final budget and revenue projections approved by the California State Lottery Commission for the fiscal year that begins the following July 1. The report shall include any approved revision, and supporting documentation, to the June 1 proposed budget provided pursuant to subdivision (b). If applicable, this report shall detail any administrative funding that is proposed to be used to supplement the prize pool of any lottery game.”

Exhibit: Joint Legislative Budget Committee transmittal letter and final budget per GC § 8880.43 (c)



June 27, 2024

The Honorable Scott D. Wiener Joint  
Legislative Budget Committee 1020 N  
Street, Room 553  
Sacramento, CA 95814 Dear

Chairperson Wiener:

Subject: Fiscal Year Budget, California State Lottery

Pursuant to Government Code section 8880.43 (c), the California State Lottery is transmitting the Fiscal Year 2024-25 final budget adopted by the Lottery Commission on June 27, 2024.

If you have any questions, please call me at (916) 822-8110. Sincerely,

Harjinder K. Shergill Chima  
Director

Attachments

cc: Hans Hemann, Principal Consultant  
Joe Shinstock, Assembly Republican Leader's Office

**CALIFORNIA STATE LOTTERY  
FUND FISCAL YEAR 2024-25 FINAL  
BUDGET  
(Dollars in Thousands)**

	FY 2024-25 Final Budget
Lottery Sales	\$9,100,000
Less Prizes	\$6,020,010
Resources after prizes	\$3,079,990
Less Game Costs:	
Retailer Costs	\$612,176
Gaming Costs	150,496
Total Game Costs	\$762,672
Income Before Operating Expenses	\$2,317,318
Operating Expenses:	
Salaries, Wages and Benefits	\$144,913
Advertising, Promotions, Public Relations and Point-of-Sale	110,392
Other Contractual Services	36,782
Depreciation and Amortization	12,902
Other General and Administrative Expenses	26,093
Administrative Reserves	89,246
Total Operating Expenses	\$420,328
Net revenue	\$1,896,990
Interest income, net	\$60,000
Unclaimed Prizes	35,000
Administrative Reserves	89,246
Net Resources to Education Fund	\$2,081,236

# Budget Process

The Lottery utilizes a zero-based budgeting (ZBB) approach to build each fiscal year budget plan from the ground up generating budget funding schedules for eight divisional areas and for non-divisional costs.

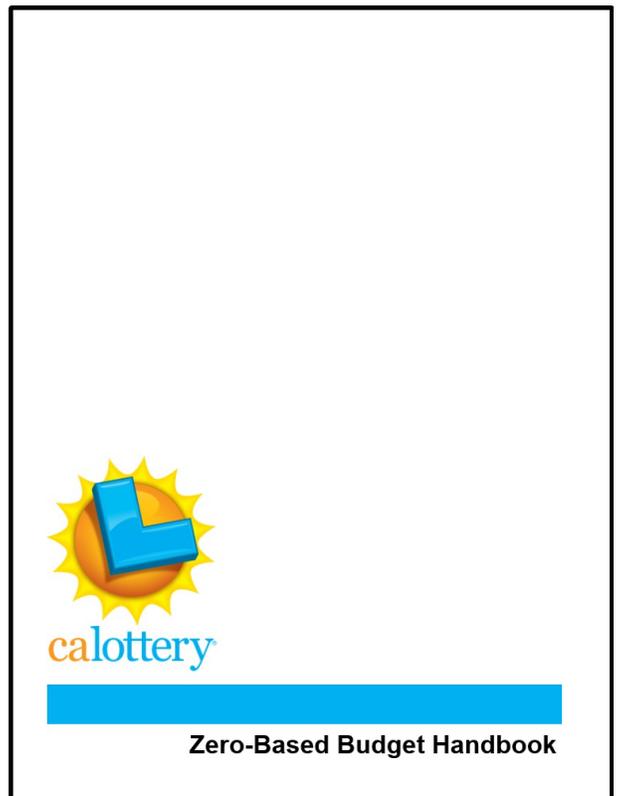
The Budgeting Requirements policy approved by the Lottery Director April 2024, is supported with processes for:

- Commission Budget development,
- Budget Monitoring,
- Budget Maintenance,
- External Reporting Governor,
- External Reporting Legislature, and
- ZBB process for Divisions.

## ZBB Tools

The ZBB process, template and handbook creates a transparent allocation of funding based on current business needs, and not on historical programs that may be obsolete today. With changes in technology, economy, and administrations, it is critical to evaluate our tactics more frequently and thoroughly to ensure we are using best practices in all divisions; this includes reviewing existing contracts to verify that they are being utilized to conduct current business. By evaluating a program, managers and staff have an opportunity to identify activities in a given division and assess if funding levels are appropriate, or if there are more cost-effective ways to improve operations.

The ZBB Handbook provides guidance to divisional staff for requesting fiscal year budget funding to meet ongoing business needs and an analysis template is provide for division use in requesting new funding resources wherein utilization for the new funds must be justified.



# *ZBB Analysis Template*



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**Date:**

**Topic:** (Activity or Program area)

**Prepared for:** (Receiving Deputy Director)

**Contributors:** (Prepared by)

## **SUMMARY**

(briefly describe the purpose and focus of this activity; how does this support the program objectives and the organization's business initiatives?)

## **BACKGROUND**

(brief history of activity)

## **EXPECTED BENEFITS**

(brief description of this activity's value)

## **ANALYSIS**

(describe results for conducting this activity)

Pro: (discuss what is working well)

Con: (list opportunities)

## **FISCAL IMPACT**

(describe any short-term or long-term funding needs; include details if request is for a cross-divisional project or activity)

## **Recommendations**

(How do you see this program developing in the future - what would you recommend?)

## Budget Timeline

The process for building the annual budget is kicked off with posting and dissemination of the Fiscal Year Business Planning & Budget Development Timeline that communicates the order for significant milestones along the path to constructing the proposed budget for presentation to the Lottery commission beginning with gathering funding request data from Lottery divisions and concluding with presentation for the budget to the commission.

## **Fiscal Year 2024-25 Business Planning & Budget Development Timeline**

<b>Activity</b>	<b>Target Date</b>
• Budgets team FY 2024-25 Annual budget development timeline	November
• Budgets team provides Zero Based Budget (ZBB) planning tools to Divisions	11/15 – 11/17
• Budgets generates estimates for ZBB routine operating costs (excluding new proposals)	11/20 – 12/01
• Draft ZBB reviews with Budgets/Divisions for operational/core[i] and potential project costs	12/01 – 12/29
• Divisions submit to Business Planning all titles and conceptual paragraphs for both implementation projects and research and analysis efforts for FY 2024-25. This includes both continuing projects and new initiatives.	12/11
• Divisions review titles and descriptive paragraphs for potential Business Plan Proposals[ii] (BPPs) and submit names of staff for each proposal where they would like Division representatives to be involved with the review and editing of the BPP.	01/08
• Teams led by the sponsoring division develop, review, and edit BPPs[iii]	Jan-Feb
• Assessing current year spending (FY 2023-24 Q2 BEAR)	01/15 - 02/02
• Sales Division to provide Preliminary FY 2024-25 IGT Equipment Plan	02/23
• Final BPPs submitted to Business Planning	03/04
• Final ZBB proposals including BPPs (only for funds needed in FY 2024-25), initial sales goals, Scratchers tickets purchase plan, out-of-state travel requests due to Budgets	03/08
• BPP review, evaluation, recommendations, and prioritization	3/08 – 4/19
• HR accepts requests for unit code changes (additions, deletions, and reorganizations)	April
• Budgets presentation #1 to the Director: funding for Operational/Core functionality	04/01 – 04/05
• Budgets presentation #2 to the Director: funding for Discretionary items[iv]	04/22 – 04/26
• Final decisions from Director on discretionary funding requests	04/29 – 05/03

<b>Activity</b>	<b>Target Date</b>
• Proposed Out-of-State Travel Blanket due to the Director	05/03
• Business Planning to provide final sales goals to Budgets	05/03
• Budgets to provide Draft Proposed Budget to the Director	05/06
• Decision on Proposed Budget from the Director, including any changes	05/10
• Budgets finalizes Proposed Budget to reflect the Director's changes for May meeting	05/13 – 05/17
• Out-of-State Travel Blanket due to the Governor's Office	05/15
• Draft Annual Plan & Draft Proposed Budget presented to the Commission	05/23
• Incorporate Business Plan Strategies/Objectives to the Budget Issue Memorandum	05/27 – 05/31
• Final Budget approval from the Director	06/07
• Final Proposed FY 2024-25 Business Plan & Proposed Budget presented to the Commission	06/27

[i] Operational/core functionality includes funding for items that cannot skip a year such as utilities, properties maintenance, creative production elements, ongoing contracts remaining relevant and critical to business operations, etc.

[ii] Business Plan Proposals are essentially pre-Project Charter documents for either initiatives requiring coordinated work in multiple divisions or projects involving just one division but requiring significant staff resources in that division.

[iii] Several meetings would occur involving the sponsoring division and all divisions identified as stakeholders to discuss, clear-up, and resolve details associated with the BPP. This would include reviewing most sections of the BPP before finalizing. The meetings may be held for individual BPP concepts or a group of similar BPPs with the same stakeholders. Business Planning staff assists in facilitating these meetings, as needed.

[iv] Discretionary items include new positions, new goods/services not needed to maintain operations, and new campaigns over and above routine advertising campaigns (including fiscal detail of all proposed campaigns and how they will deliver return on investment).

**Note:**

In addition to Deputy Directors, key managers, and Budget Liaisons, staff responsible for expending Lottery funds (i.e., contract managers) should be involved in budget planning, tracking, and reporting.

Initial sales goals generated by the Business Planning and Research Office are refined to deliver final fiscal year sales goals as shown in the timeline. The process to develop the final fiscal year sales forecast is based on projecting full-year sales for newer retail outlets selling for less than a year, forecasting sales for planned additional chain stores, calculating Scratchers tickets sales based on the release of added high price point products, studying the effects for changes to the matrices for multi-state jackpot games, using modeling to project validation sales (sales occurring at the point of sale) over the coming fiscal year, and utilizing statistical modeling to develop a range of percentiles for the occurrence of jackpots resulting in jackpot-fever (jackpots over \$200 million). Finally, historical results are considered to understand the effects of "cannibalization" as consumer purchases graduate to newer high price point products added to the Lottery's product portfolio.

## Budget Forecasting Methodology and Recommendations

Audited financials for each fiscal year since inception of the Lottery constitute the available data for analysis however a smaller subset (i.e., post-AB 142 sales and costs) may be analyzed to best represent the impact for higher price-point products and to exclude atypical fiscal years, such as the first and second years of the pandemic. Additionally, unaudited data (not yet certified by the third-party auditor) is utilized to capture all available data for use in running predictive analyses. With the preferred data set arranged for analysis, two common time series forecasting methods - ARIMA (AutoRegressive Integrated Moving Average) and ETS (Error, Trend, Seasonality) – are run to best capture patterns in the time series data used to predict future points for annual sales and costs.

The outcomes for the ARIMA and ETS forecasts are then compared using AIC (Akaike Information Criterion) to select the model that best explains the data in the simplest way (preferring the model that uses the smallest number of parameters). With the best data identified the display is constructed to provide the sales and costs forecast for the future periods.

	<b>Audited</b>		<b>Unaudited</b>		<b>Forecasted</b>		<b>Forecasted</b>	<b>Y-O-Y</b>
	<b>FY 2022-23</b>	<b>% OF</b>	<b>FY 2023-24</b>	<b>% OF</b>	<b>FY 2024-25</b>	<b>% OF</b>	<b>FY 2025-26</b>	<b>%</b>
	<b>Jun-30-23</b>	<b>SALES</b>	<b>Jun-30-24</b>	<b>SALES</b>	<b>Jun-30-25</b>	<b>SALES</b>	<b>Jun-30-26</b>	<b>CHANGE</b>
Budget Detail								
Personal Services	100,872.00	1.09%	126,348.63	1.36%	132,285.63	1.35%	138,222.62	4.49%
Advertising	100,277.60	1.09%	114,018.16	1.23%	114,018.16	1.17%	114,018.16	0.00%
Contractual Services	18,072.62	0.20%	22,173.44	0.24%	21,181.93	0.22%	23,414.59	10.54%
Depreciation (ETS Model)	14,961.64	0.16%	14,529.36	0.16%	14,549.37	0.15%	14,549.37	0.00%
Operating Expenses	20,464.42	0.22%	26,510.74	0.29%	26,510.74	0.27%	26,510.74	0.00%
Total Budget Detail	<u>254,648.28</u>	2.76%	<u>303,580.33</u>	3.27%	<u>316,380.32</u>	3.24%	<u>329,180.31</u>	4.05%
Total Administrative Expenses	<u>1,047,997.65</u>	11.34%	<u>1,090,894.47</u>	11.75%	<u>1,144,333.23</u>	11.71%	<u>1,197,771.99</u>	4.67%

Additional analysis was applied to the ARIMA and ETS outcomes using Monte Carlo simulations (using random sampling) to generate a distribution of possible outcomes (rather than the single point estimates) to provide a more comprehensive picture of potential future scenarios, which is particularly useful for risk assessment and decision-making.

Next, it is up to the analyst to increase/decrease any amount generated by the simulations for known future costs (i.e., an upcoming change in a contract rate) and to adjust amounts based on confidence-levels or risk tolerance.

### Recommendations

Provide estimated costs to Business Planning & Research Office of approximately \$1.25 billion for total administrative expenses in FY 2025-26. This assumes funding in the amount of \$3.0 million for the Lottery's Mission Education Campaign and \$4 million for the Public Web Site (these are the amounts withheld from these projects in FY 2024-25).

# Managing Budgeted Funds

## Budget Development

The Budgets Unit utilizes the Wdesk productivity platform provided by Workiva which brings together data connectivity, management reporting, and report design, all in a single application. Utilizing Wdesk's secure data cloud environment enables the budgeting team to collaborate on budget schedules and track productivity while maintaining control of the budget with data linking. These features allow simultaneous budget development as the entire team produces division budget schedules all at the same time and data is fed real-time to the roll-ups for the accrual budget display, annual/quarterly budget schedules, and even the presentation slide deck presented to the Lottery commission for approval of the annual fiscal year budget. Further, the history feature and built-in messaging features allow staff to pinpoint costs for updating and store changes made to the data. Lastly, this makes it possible to update a single budget allocation at the source level and instantaneously update all the destination cells, ensuring that the budget process is nimble and giving the team confidence that everything adds up across the multitude of schedules.

## Budget Monitoring

For budget monitoring, monthly budget-to-actual spending reports are utilized to identify any discrepancies. When services are received earlier than planned the budget is modified to match funding availability with invoicing to avoid any false reporting for lack of funding e.g., the Lottery maintains self-insurance and funding reserves (Reserve for Insurable Risk and the Administrative Spending Reserve) to lower the costs for insurance and to protect against unanticipated costs.

## Discrepancies

A thorough analysis of monthly expenses must be performed to ensure adherence to planned spending and to identify necessary adjustments including reclassification for mis-posted expenses.

Budgets Unit analysts ensure costs are tracking with allocated funding by reviewing monthly Budget Expenditure Tracking System (BETS) reports and performing detailed analyses. Any improperly posted expenses identified are input to the Expenditures Reclassifications log, forwarded to Accounting Operations and Financial Accounting & Reporting staff, and reposted to the planned budget account.

By maintaining accurate expenditure reports, the organization can evaluate how the budget is performing, as well as provide spending trends to facilitate forecasting future budget allocations.

Number	Journal Sequence	Journal No.	Journal Date	Posted Date	GL Division	From Account	To Account	Amount	Description	Budget Analyst	Corrected Date	Corrected By	Corrected Journal Entry Number	Comments

## Budget Maintenance

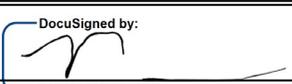
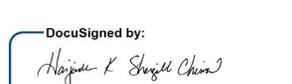
Budget modifications authorized in DocuSign by the Lottery Director, in accordance with procedure, are input to Wdesk to produce the revised budget file that is utilized to update the budget in the financial system. The benefits for utilizing the Wdesk platform include integration of the Budget Adjustment Request (BAR) budget maintenance transactions for ease of file production, maintaining separation for budgeting staff from working within the financial system, and providing an audit trail for changes to the authorized budget. Budget augmentations using funds from the Lottery's Administrative Spending Reserve and Reserve for Insurable Risk funds (i.e., the Lottery budget include \$5 million to self-insure for certain costs including workers compensation claims and property damage) are reported to the Lottery Commission. Transfers from these reserves are associated with the strategic objectives the funding supports or are assigned to Administrative Support if directed towards expenses for Lottery overhead costs as shown in the following authorizing documents and charts.

CALIFORNIA LOTTERY

**BUDGET ADJUSTMENT REQUEST (BAR)**

Interdivisional (between divisions)

Intradivisional (within division)

<b>Initiating Division</b> Finance	Initiating Department/Section	Initiating Cost Center	Fiscal Year 2023-24
<b>Receiving Division</b>	Receiving Department/Section Multiple	Receiving Cost Center	Effective Date Jun 1, 2024
Justification for Proposed Redirection:  The purpose of this BAR is to transfer funding from the Lottery's Administrative Spending Reserve and Reserve for Insurable Risk to account for expenditures that were not explicitly budgeted for in FY 2023-24. These augmentations total \$12.4 million, and the Lottery's Commission approved budget for FY2023-24 includes \$63 million in the Administrative Spending Reserve and \$5 million in the Reserve for Insurable Risk. The Administrative Spending Reserve was reduced by approximately \$8.1 million after the first three BAR transfers. With this fourth BAR approved, \$43.5 million would remain in the Administrative Spending Reserve and \$4 million will remain in the Reserve for Insurable Risk. We are also including intra- and inter- divisional funding transfers in this package for increased transparency, even though these items don't require Director approval and do not impact the reserves.  Please see the attached workbook which includes worksheets for: 1. Admin. Reserve Augmentations (transfers from the Administrative Spending Reserve) 2. Insurable Risk Fund Augmentations (transfers from the Lottery's Reserve for Insurable Risk) 3. Transfers (intra- and inter-divisional) 4. Strategic Objectives (applicable objective augmentation ties to or is needed for admin. support)			
Requested by		Division	Date
Approval by Initiating Deputy Director Nicholas Buchen		Division Finance	Date 6/3/2024
Approval by Receiving Deputy Director		Division	Date
<b>FOR BUDGET USE ONLY:</b>		<b>BUDGET OFFICE COMMENTS/RECOMMENDATION:</b>	
FROM:			
TO:			
AMOUNT:			
Budget Analyst Approval	Signature	DocuSigned by: 	Date 6/3/2024
Budget Office Approval (\$10K+)	Signature	76B135F3ECC14F5...  25B7D9FE1DA2407...	Date 6/3/2024
Lottery Director Approval <i>(Administrative Spending Reserve Redirection Only)</i>	Signature	DocuSigned by:  F6354300A259415	Date 6/3/2024

Proposed Augmentations to Divisions' Budgets from the Lottery's Administrative Reserve Fund							
Division and Proposed Augmentation Explanation	Account	Division	Location	Unit	Expense Category	Total	Strategic Objective
<b>Operations:</b> Unplanned long-term vehicle rentals are utilized in the interim until vans obtained for the Sales Department can be deployed.	69900	04	00	1400	Vehicle Operations	\$430,000	5
<b>Operations:</b> Building bump-out funding Z Squared amendment (NDC Project).	68910	04	00	1400	Alterations & Remodeling	\$155,000	5
<b>Operations:</b> Primarily funding physical security equipment and installation for Z Squared amendment (NDC Project).	99998	04	00	0000	Fixed Assets	\$1,001,265	5
<b>Security &amp; Law Enforcement:</b> Increased depreciation expense for 55 Motorola radios used to communicate with CHP and local law enforcement.	99998	00	00	0000	Fixed Assets	\$521,588	5
<b>Information Technology Services:</b> Increased depreciation expense for 32 Sharp multi-function printers.	99998	00	00	0000	Fixed Assets	\$234,148	5
<b>Information Technology Services:</b> Software license/ maintenance for 32 Sharp multi-function printers.	67100	06	00	1600	Printing	\$123,631	5
<b>Information Technology Services:</b> Storage hardware for enterprise data.	99998	00	00	0000	Fixed Asset	\$91,741	5
<b>Information Technology Services:</b> Contract Amendment to add funds for Epicor Maintenance and Operations.	63200	06	00	1600	Professional Services-External	\$33,333	5
<b>Information Technology Services:</b> Year-end funding for Ahead Inc.contract to provide implementation for the Human Resources Service Delivery to the ServiceNow platform.	63200	06	00	1600	Professional Services-External	\$98,686	5
<b>Information Technology Services:</b> Funding needed to complete approved equipment purchases for Enterprise refresh plan.	69700	00	00	0000	Expendable Equipment	\$100,000	5
<b>Information Technology Services:</b> Costs to add retiring Lottery staff to the blanket.	50500	00	00	0000	Temporary Help Blanket	\$81,233	5
<b>Sales &amp; Marketing:</b> Funding to support the return for Marketing staff in-state travel to promotional events.	68100	08	00	1805	In-State Travel	\$8,000	5
<b>Sales &amp; Marketing:</b> Costs to replace video camera for the Video Production Unit.	99998	00	00	0000	Dep Exp- Audio Video Equipment	\$12,800	5
<b>Sales &amp; Marketing:</b> Funding for returning employee in District Sales business area.	50500	08	00	1925	Civil Service Temporary	\$21,975	5
<b>Sales &amp; Marketing:</b> Funds Asian advertising, Scratchers Category Repositioning Effort, and Jackpot Alerts.	60100	08	00	1805	Production	\$4,000,000	4
<b>Sales &amp; Marketing:</b> Funding to air additional Jackpot Alerts due to the number of high jackpots.	60000	08	00	1805	Media	\$4,500,000	2
<b>Total</b>						<b>\$11,413,401</b>	
Proposed Augmentations from Administrative Reserve, Total						<b>\$11,413,401</b>	
Proposed Augmentations from Insurable Risk Fund, Total						<b>\$1,000,000</b>	
Total Augmentations						<b>\$12,413,401</b>	

Proposed Augmentations to Divisions' Budgets from the Lottery's Reserve for Insurable Risk Fund							
Division and Proposed Augmentation Explanation	Account	Division	Location	Unit	Expense Category	Total	Strategic Objective
<b>Human Resources:</b> Workers Compensation liabilities increased this fiscal year due to large claim amounts.	55150	03	10	1300	Workers Compensation	\$1,000,000	5
Proposed Augmentations from Administrative Reserve, Total						<b>\$1,000,000</b>	

### Transfers of Budgeted Funds Between Accounts and/or Divisions

Division and Transfer Summary	Account	Division	Location	Unit	Expense Category	Quarter 4	Total
From: Executive - Directorate	50100	01	10	1110	Salary: Permanent	(19,000)	(19,000)
To: Executive - Directorate	50500	01	10	1110	Salary: Temporary	19,000	19,000
Summary: Costs for Retired Annuitant in the Equal Employment & Opportunity Office.							
From: Executive- Internal Audits	50500	01	10	1130	Salary: Temporary	(42,686)	(42,686)
To: Executive- Internal Audits	55xxx	01	10	1130	Benefits	(9,174)	(9,174)
Summary: ProCAsp ADA Consultants is contracted to perform inspections for the Retailer Access Program (formerly contracted with the Department of Rehabilitation).							
	63200	01	10	1130	Professional Services - Ext	51,860	51,860
From: Executive: External Affairs	71200	01	10	1140	Event Sponsorship	(209,991)	(209,991)
To: Sales & Marketing	60000	08	00	1805	Media Expense	134,995	134,995
To: Sales & Marketing	60200	08	00	1805	Digital Marketing	74,996	74,996
Summary: Transfer funds to Marketing for advertising costs for Gift Responsibly and Problem Gambling Awareness Month programs.							
From: Finance	68500	02	00	1200	Training	(10,000)	(10,000)
To: Finance	70500	02	00	1200	Interest Penalties	10,000	10,000
Summary: Funding for late payment penalties.							
From: Finance	67000	02	00	1200	General Expense	(208)	(208)
To: Finance	60465	02	00	1200	Promotions- Consumer	208	208
Summary: Transfer funds to cover Goodwill Scratchers tickets expense for mis-calibrated tickets.							
From: Public Affairs & Communications	63200	05	10	1500	Professional Services - Ext	(1,934,312)	(1,934,312)
To: Sales & Marketing	60000	08	00	1805	Media	1,367,194	1,367,194
Summary: Mission Education Campaign funds transferred to the advertising contract budget in the Marketing Department.							
	60100	08	00	1805	Production	567,118	567,118
From: Sales & Marketing	60475	08	00	1805	Point of Sale - Collateral	(450,000)	(450,000)
To: Sales & Marketing	60500	08	00	1806	Point of Sale - Permanent	450,000	450,000
Summary: For Point-of-Sale acquisitions, a greater amount of funding is needed for Permanent POS assets due to cost increases.							

## Strategic Objectives for FY 2023-24 Business Plan

- 1 Expand Scratchers sales by removing barriers to play among infrequent players.
- 2 Grow Draw Game sales particularly in Jackpot Games and Hot Spot
- 3 Explore new ways to expand and utilize the Lottery's strong retail network,
- 4 Continue to improve knowledge and perceptions about the Lottery,
- 5 Administrative Support.

## Itemized Reserve Listing

Additionally, an itemized reserve listing is produced with the fiscal year budget to prioritize the release of funds from the Administrative Spending Reserve during the fiscal year and these releases are contingent upon Lottery sales levels allowing for additional spending. Because the Lottery's Administrative Spending Reserve and Reserve for Insurable Risk reduce the risk for the Lottery exceeding the 13 percent cap for administration of the Lottery by maintaining a buffer and reducing insurance costs, it is in the Lottery's benefit to prioritize funding which may be released from the reserves to ensure the financial health for these funds as they also help when emergency funding needs arise.

### FY 24-25 Itemized Reserve

Item #	Description	Business Area	Funding Request Type	Total Cost
1	Scratchers Ticket Cost (see SCR Calculation)	Organizational	Budget Reduction	\$5,674,039
2	Scratchers Ticket Licensing Cost	Organizational	Budget Reduction	\$6,000,000
3	Sales Incentive Bonus	SMD	Budget Reduction	1,000,000
4	SPB Triennial Compliance Audit	HRD	Budget Reduction	100,000
5	DOJ (i.e., personnel actions, merit claims, etc.)	EXEC (Legal)/HRD	Typical augmentation	100,000
6	Staff Retirements	Various	Typical augmentation	300,000
7	Individual Out-of-State Travel Requests	Various	Typical augmentation	50,000
9	Lottery 40th Anniversary Consumer Promo Efforts	SMD	Possible promotions costs	250,000
			<b>Grand Total</b>	<b>\$13,474,039</b>

## Historical Lottery Sales Tracking

Additionally, the results of modeling and changing trends are investigated are evaluated against historical costs to understand future funding needs. The Finance Division publication “History of Lottery Sales and Costs” is updated only with data certified by the Lottery’s third-party auditor to provide the accumulative financial history data beginning with the first year of operation up through FY 2022-23, the most recently certified fiscal year.

This part of the California State Lottery’s Comprehensive Annual Budget Report utilizes detailed historical information as a context for evaluating future costs estimates as the budget model shifts towards budgeting for contractual service agreements and amortization in place of funds historically budget for equipment purchases.

UPDATED July 25, 2024	FY 2019-20	% OF	FY 2020-21	% OF	FY 2021-22	% OF	FY 2022-23	% OF
ACCUMULATIVE FINANCIAL HISTORY	Jun-30-20	SALES	Jun-30-21	SALES	Jun-30-22	SALES	Jun-30-23	SALES
LESS: PRIZES	4,403,715.159	66.50%	5,610,605.541	66.65%	5,825,673.018	65.80%	5,960,301.724	64.51%
RESOURCES AFTER PRIZES	2,218,288.246	33.50%	2,807,338.276	33.35%	3,027,577.150	34.20%	3,279,051.588	35.49%
LESS - GAME COSTS								
RETAIL COMMISSIONS	386,417.375	5.84%	497,338.353	5.91%	516,860.381	5.84%	537,897.347	5.82%
RETAILER SPECIAL HANDLING	30,713.98	0.46%	34,115.88	0.41%	37,489.622	0.42%	36,429.434	0.39%
RETAIL INCENTIVES	3,522.877	0.05%	3,320.753	0.04%	5,327.426	0.06%	5,578.870	0.06%
RETAILER CASHING BONUSES	40,052.405	0.60%	51,086.915	0.61%	55,033.321	0.62%	53,294.576	0.58%
ON-LINE GAME FEES	104,048.355	1.57%	118,563.765	1.41%	123,720.177	1.40%	131,320.369	1.42%
ON-LINE PLAY SLIPS								
ON-LINE TELECOMMUNICATIONS	(21,355.490)	-0.32%	(20,600.617)	-0.24%	(21,399.756)	-0.24%	(21,599.782)	-0.23%
AITGS CONTRACT COSTS								
SCRATCHER TICKET COST	29,363.849	0.44%	38,997.037	0.46%	37,041.629	0.42%	42,492.283	0.46%
COURIER DELIVERY	7,203.472	0.11%	5,604.487	0.07%	4,795.164	0.05%	7,936.275	0.09%
SCRATCHER VENDING MACHINE MAINT								
TOTAL GAME COSTS	579,966.826	8.76%	728,426.577	8.65%	758,867.963	8.57%	793,349.371	8.59%
LESS - BUDGET DETAIL:								
PERSONAL SERVICES	111,146.383	1.68%	104,757.919	1.24%	101,243.980	1.14%	100,871.997	1.09%
ADVERTISING	40,856.926	0.62%	59,135.920	0.70%	88,043.772	1.05%	85,110.757	0.92%
BROADCAST								
ON-LINE MARKETING	1,943.706	0.03%	3,207.481	0.04%	4,806.087	0.05%	4,071.054	0.04%
CONSUMER PROMOTIONS	3,240.836	0.05%	1,441.332	0.02%	1,163.192	0.01%	5,240.931	0.06%
RETAIL PROMOTIONS	99.223	0.00%	48.169	0.00%	803.205	0.01%	504.099	0.01%
POINT OF SALE	4,101.854	0.06%	2,793.514	0.03%	6,563.265	0.07%	5,350.763	0.06%
PUBLIC RELATIONS								
CONTRACTUAL SERVICES	14,012.328	0.21%	15,080.198	0.18%	18,129.419	0.20%	18,072.617	0.20%
STATE CONTROLLERS OFFICE	2,213.427	0.03%	2,648.193	0.03%				
OPERATING EXPENSES	16,090.784	0.24%	15,201.403	0.18%	16,841.503	0.19%	19,755.299	0.21%
DEPRECIATION: GAME RELATED EQUIP.	12,607.054	0.19%	10,493.751	0.12%	8,982.674	0.10%	1,946.495	0.02%
OTHER PROPERTY & EQUIP.	5,821.481	0.09%	6,271.376	0.07%	7,000.058	0.08%	13,015.149	0.14%
DEFERRED DEVELOPMENT								
MISC EXP. (INTEREST, BAD DEBT)	836.841	0.01%	101.563	0.00%	82.714	0.00%	709.120	
TOTAL BUDGET DETAIL	212,970.843	3.22%	221,180.820	2.63%	253,659.869	2.87%	254,648.282	2.76%
TOTAL ADMINISTRATIVE EXPENSES	792,937.669	11.97%	949,607.397	11.28%	1,012,527.832	11.44%	1,047,997.653	11.34%
NET INCOME FROM OPERATIONS	1,425,350.577	21.52%	1,857,730.878	22.07%	2,015,049.317	22.76%	2,231,053.935	24.15%
INTEREST INCOME	11,833.269	0.18%	3,592.599	0.04%	4,021.399	0.05%	25,776.709	0.28%
OTHER INCOME	195.722	0.00%	1,823.112	0.02%	611.692	0.01%	6.897	0.00%
UNCLAIMED PRIZES	75,396.516	1.14%	19,407.816	0.23%	57,691.492	0.65%	51,827.506	0.56%
* TOTAL AVAILABLE FOR EDUCATION	1,512,776.084	22.84%	1,882,554.405	22.36%	2,077,373.900	23.46%	2,308,665.047	24.99%



**Financial Section**

# Financial Schedules

## Quarterly Budget

FISCAL YEAR  
2024 25

ANNUAL PLAN

(Dollars in  
Thousands)

	Quarter 1	% of Sales	Quarter 2	% of Sales	Quarter 3	% of Sales	Quarter 4	% of Sales	Total
<b>SALES:</b>									
Scratchers	\$1,604,580	73.9	\$1,630,680	74.1	\$1,777,210	76.0	\$1,817,530	76.1	\$6,830,000
Powerball	146,775	6.8	145,672	6.6	143,145	6.1	144,408	6.0	580,000
Mega Millions	151,050	7.0	150,599	6.8	145,367	6.2	147,983	6.2	595,000
SuperLotto Plus	60,502	2.8	60,387	2.7	59,278	2.5	59,833	2.5	240,000
Hotspot	105,384	4.9	107,807	4.9	111,383	4.8	113,426	4.7	438,000
Fantasy 5	42,319	1.9	42,778	1.9	42,293	1.8	42,610	1.8	170,000
Daily 3	43,535	2.0	43,740	2.0	43,344	1.9	44,381	1.9	175,000
Daily 4	8,656	0.4	8,785	0.4	8,694	0.4	8,865	0.4	35,000
Daily Derby	9,339	0.4	9,324	0.4	9,117	0.4	9,220	0.4	37,000
<b>TOTAL, ESTIMATED SALES</b>	<b>\$2,172,141</b>		<b>\$2,199,771</b>		<b>\$2,339,831</b>		<b>\$2,388,257</b>		<b>\$9,100,000</b>
<b>PRIZE EXPENSE:</b>									
		Prize Payout %							
Scratchers	\$1,148,879	71.6	\$1,167,567	71.6	\$1,272,482	71.6	\$1,301,351	71.6	\$4,890,280
Powerball	73,387	50.0	72,836	50.0	71,572	50.0	72,204	50.0	290,000
Mega Millions	75,525	50.0	75,300	50.0	72,684	50.0	73,992	50.0	297,500
SuperLotto Plus	30,251	50.0	30,193	50.0	29,639	50.0	29,916	50.0	120,000
Hot Spot	66,972	63.6	68,511	63.6	70,784	63.6	72,082	63.6	278,349
Fantasy 5	21,160	50.0	21,389	50.0	21,146	50.0	21,305	50.0	85,000
Other Daily Draw Games	30,635	49.8	30,793	49.8	30,447	49.8	31,100	49.8	122,975
2nd Chance - Scratchers	1,300		1,300		1,300		1,300		5,200
2nd Chance - Draw Games	975		975		975		975		3,900
Prize Expense Savings	(17,196)		(17,475)		(19,046)		(19,478)		(73,194)
<b>TOTAL, PRIZE EXPENSE</b>	<b>\$1,431,889</b>	<b>65.9</b>	<b>\$1,451,388</b>	<b>66.0</b>	<b>\$1,551,984</b>	<b>66.3</b>	<b>\$1,584,749</b>	<b>66.4</b>	<b>\$6,020,010</b>
<b>NET SALES AFTER PRIZE EXPENSE</b>	<b>\$740,252</b>		<b>\$748,383</b>		<b>\$787,847</b>		<b>\$803,508</b>		<b>\$3,079,990</b>
<b>ADMINISTRATIVE EXPENSES:</b>									
		% of Sales							
<b>Retailer Compensation:</b>									
Commission	\$125,087	5.8	\$126,678	5.8	\$134,744	6.2	\$137,533	6.3	\$524,042
Cashing Bonus	12,179	0.6	12,334	0.6	13,120	0.6	13,391	0.6	51,024
Special Handling	7,903	0.4	8,004	0.4	8,513	0.4	8,689	0.4	33,110
Incentives	1,000	0.0	1,000	0.0	1,000	0.0	1,000	0.0	4,000
<b>Gaming Costs:</b>									
Gaming Contract (IGT)	31,143	1.4	31,440	1.4	29,930	1.4	30,449	1.4	122,961
Retailer Administrative and Gaming Fees	(5,664)	(0.3)	(5,664)	(0.3)	(5,664)	(0.3)	(5,664)	(0.3)	(22,655)
Scratchers Ticket, Delivery, and Support Costs	12,548	0.6	12,548	0.6	12,548	0.6	12,548	0.6	50,190
<b>TOTAL, RETAILER &amp; GAMING COSTS</b>	<b>\$184,196</b>	<b>8.5</b>	<b>\$186,339</b>	<b>8.6</b>	<b>\$194,190</b>	<b>8.9</b>	<b>\$197,946</b>	<b>9.1</b>	<b>\$762,672</b>
<b>Operating Costs:</b>									
Personal Services	\$33,883	1.6	\$34,287	1.6	\$34,324	1.6	\$42,419	2.0	\$144,913
Marketing Budget Plan	24,695	1.1	27,213	1.3	23,366	1.1	35,119	1.6	110,392
Contractual Services	7,139	0.3	9,816	0.5	9,848	0.5	9,978	0.5	36,782
Depreciation	3,306	0.2	3,314	0.2	3,304	0.2	2,979	0.1	12,902
Operating Expense	9,770	0.4	6,425	0.3	6,550	0.3	3,347	0.2	26,093
Reserve for Insurable Risk	1,250	0.1	1,250	0.1	1,250	0.1	1,250	0.1	5,000
Administrative Spending Reserve	18,138	0.8	17,327	0.8	31,346	1.4	17,435	0.8	84,246
<b>Subtotal, Operating Costs</b>	<b>\$98,182</b>	<b>4.5</b>	<b>\$99,631</b>	<b>4.6</b>	<b>\$109,988</b>	<b>5.1</b>	<b>\$112,527</b>	<b>5.2</b>	<b>\$420,328</b>
<b>TOTAL, ADMINISTRATIVE EXPENSES</b>	<b>\$282,378</b>	<b>13.0</b>	<b>\$285,970</b>	<b>13.2</b>	<b>\$304,178</b>	<b>14.0</b>	<b>\$310,473</b>	<b>14.3</b>	<b>\$1,183,000</b>
<b>CONTRIBUTION TO EDUCATION</b>									
Unclaimed Prizes	8,750		8,750		8,750		8,750		35,000
Interest Income	15,000		15,000		15,000		15,000		60,000
<b>TOTAL AVAILABLE FOR EDUCATION</b>	<b>\$481,623</b>		<b>\$486,163</b>		<b>\$507,419</b>		<b>\$516,785</b>		<b>\$1,991,990</b>
<b>TOTAL CONTRIBUTION TO EDUCATION WITH RESERVES</b>	<b>\$501,012</b>		<b>\$504,739</b>		<b>\$540,015</b>		<b>\$535,470</b>		<b>\$2,081,236</b>

SUMMARY BY DIVISION

ACCURAL BUDGET

	PUBLIC											TOTAL	APPROVED	
	COMM.	EXECUTIVE	FINANCE	HR	OPERATIONS	AFFAIRS	SLED	ITSD	SALES/ MARKETING	GAME ACTIVITY	BUDGET		CHANGE	
	1000	01	02	03	04	05	06	07	08	0000	FY 2024-25	FY 2023-24	CHANGE	
<b>PERMANENT POSITIONS</b>	0.00	60.00	141.00	53.00	77.00	7.00	87.00	140.00	559.00	0.00	1124.00	1116.00	8.00	
<b>PERSONAL SERVICES</b>														
50100 Civil Service Permanent	\$0	\$6,771,282	\$9,972,499	\$4,465,923	\$6,005,024	\$635,776	\$8,893,092	\$16,322,170	\$36,685,112	\$9,700,000	\$99,450,878	\$93,785,690	\$5,665,189	
50500 Civil Service Temporary	\$0	\$209,792	\$207,732	\$93,024	\$45,628	\$105,396	\$101,724	\$772,995	\$565,370	\$0	\$2,101,662	\$1,828,495	\$273,167	
51000 Overtime Pay	\$0	\$0	\$119,093	\$0	\$43,800	\$500	\$348,735	\$10,000	\$176,000	\$0	\$698,128	\$740,203	(\$42,075)	
53000 Merit Compensation	\$30,000	\$93,120	\$118,200	\$141,920	\$65,100	\$2,400	\$90,060	\$327,600	\$3,394,104	\$0	\$4,262,504	\$3,405,068	\$857,436	
<b>Total Salaries and Wages</b>	\$30,000	\$7,074,194	\$10,417,524	\$4,700,867	\$6,159,552	\$744,072	\$9,433,611	\$17,432,766	\$40,820,586	\$9,700,000	\$106,513,172	\$99,759,456	\$6,753,716	
56001 Salary Savings	\$0	(\$947,979)	(\$1,396,150)	(\$625,229)	(\$840,703)	(\$89,009)	(\$1,245,033)	(\$2,285,104)	(\$5,135,915)	\$0	(\$12,565,122)	(\$12,009,996)	(\$555,126)	
<b>Net Salaries and Wages</b>	\$30,000	\$6,126,215	\$9,021,374	\$4,075,637	\$5,318,849	\$655,064	\$8,188,578	\$15,147,662	\$35,684,671	\$9,700,000	\$93,948,050	\$87,749,459	\$6,198,591	
55XXX Staff Benefits	\$0	\$3,559,528	\$5,182,608	\$4,520,893	\$3,073,868	\$384,777	\$4,572,370	\$8,737,936	\$18,947,594	\$1,985,000	\$50,964,574	\$49,359,469	\$1,605,105	
<b>TOTAL PERSONAL SERVICES</b>	\$30,000	\$9,685,743	\$14,203,982	\$8,596,531	\$8,392,716	\$1,039,840	\$12,760,948	\$23,885,598	\$54,632,265	\$11,685,000	\$144,912,624	\$137,108,928	\$7,803,696	
<b>OPERATING EXPENSES</b>														
67000 General Expense	\$1,000	\$127,351	\$36,664	\$1,000	\$131,624	\$1,200	\$71,002	\$5,000	\$136,700	(\$2,000,000)	(\$1,488,459)	(\$1,555,487)	\$67,028	
67100 Printing	\$0	\$0	\$18,000	\$0	\$11,716	\$0	\$0	\$330,000	\$0	\$0	\$359,716	\$329,745	\$29,971	
67500 Telephone	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,808,300	\$0	\$0	\$2,808,300	\$2,553,000	\$255,300	
67700 Postage	\$0	\$0	\$0	\$50	\$84,612	\$0	\$0	\$0	\$0	\$0	\$84,662	\$80,462	\$4,200	
67800 Internal Freight	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$375,000	\$0	\$375,000	\$405,900	(\$30,900)	
67900 Insurance	\$0	\$0	\$0	\$0	\$400,638	\$0	\$0	\$0	\$0	\$0	\$400,638	\$329,911	\$70,727	
68100 In-State Travel	\$15,000	\$23,857	\$15,218	\$3,000	\$60,084	\$3,000	\$309,455	\$86,600	\$250,000	\$0	\$766,214	\$622,684	\$143,530	
68300 Out-of-State Travel	\$0	\$0	\$35,400	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$35,400	\$29,400	\$6,000	
68500 Training	\$0	\$102,039	\$25,639	\$26,500	\$67,242	\$1,800	\$148,695	\$90,000	\$225,000	(\$200,000)	\$486,915	\$741,055	(\$254,140)	
68750 Asset Rental Expense	\$0	\$0	\$0	\$0	\$10,560	\$0	\$0	\$0	\$0	\$0	\$10,560	\$9,650	\$910	
68775 Lease Asset Amortization of Expense	\$0	\$0	\$0	\$0	\$665,364	\$0	\$0	\$0	\$0	\$0	\$665,364	\$378,000	\$287,364	
68875 SBITA Amortization Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$381,203	\$0	\$0	\$381,203	\$0	\$381,203	
68900 Facility Maintenance & Operations	\$0	\$0	\$0	\$0	\$1,254,571	\$0	\$0	\$0	\$0	\$0	\$1,254,571	\$1,554,871	(\$300,300)	
69300 Utilities	\$0	\$0	\$0	\$0	\$780,996	\$0	\$0	\$0	\$0	\$0	\$780,996	\$849,792	(\$68,796)	
69500 Pro Rata Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$11,779,099	\$11,779,099	\$9,074,573	\$2,704,526	
69700 Expendable Equipment	\$0	\$0	\$0	\$4,000	\$170,004	\$0	\$489,670	\$2,978,256	\$7,000	\$0	\$3,648,930	\$4,368,150	(\$719,220)	
69900 Vehicle Maintenance & Operations	\$0	\$0	\$0	\$0	\$2,227,030	\$0	\$0	\$0	\$0	\$0	\$2,227,030	\$2,297,226	(\$70,196)	
70500 Interest Penalties	\$0	\$0	\$5,004	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,004	\$0	\$5,004	
70600 Interest Expense	\$0	\$0	\$0	\$0	\$175,990	\$0	\$0	\$4,640	\$0	\$0	\$180,630	\$99,133	\$81,497	
70700 Taxes & Assessments	\$0	\$0	\$0	\$0	\$115,932	\$0	\$0	\$0	\$0	\$5,000	\$120,932	\$120,932	\$0	
70800 Bad Debt Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,000,000	\$1,000,000	\$1,000,000	\$0	
70900 Special Items of Expense	\$0	\$0	\$0	\$0	\$3,204	\$0	\$0	\$0	\$218,000	\$30,000	\$251,204	\$339,300	(\$88,096)	
71200 Event Sponsorship	\$0	\$512,590	\$0	\$0	\$0	\$0	\$0	\$0	\$385,000	\$0	\$897,590	\$507,025	\$390,565	
71400 Reimbursements - Online NSF	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$60,000)	(\$60,000)	(\$60,000)	\$0	
71400 Reimbursements - Prize Assignment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$18,000)	(\$18,000)	(\$18,000)	\$0	
71400 Reimbursements - External Rent	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$128,422)	(\$128,422)	(\$128,422)	\$0	
71400 Reimbursements - Charging Stations	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$13,000)	(\$13,000)	(\$13,000)	\$0	
60400 Promotions - Consumer	\$0	\$0	\$1,000	\$0	\$0	\$0	\$0	\$0	\$0	(\$720,000)	(\$719,000)	(\$720,000)	\$1,000	
63200 Prof. Service - External	\$0	\$2,345,388	\$459,084	\$74,590	\$233,548	\$9,015,000	\$2,969,917	\$18,366,920	\$0	(\$2,100,000)	\$31,364,447	\$19,458,108	\$11,906,340	
63300 Prof. Service - Interdept.	\$0	\$3,323,698	\$55,900	\$504,500	\$619,100	\$0	\$178,420	\$805,600	\$0	\$0	\$5,487,218	\$5,090,882	\$396,336	
63400 Attorney Fees - Contracted	\$0	\$20	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$20	\$20	\$0	
71400 Reimbursements - Fingerprint	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$70,000)	(\$70,000)	(\$70,000)	\$0	
64200/1 Retailer Commission	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$524,041,763	\$524,041,763	\$501,006,961	\$23,034,803	
64202/3 Retailer Special Handling	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$33,109,531	\$33,109,531	\$35,766,000	(\$2,656,469)	
64204/5 Retailer Incentive Bonus	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,000,000	\$4,000,000	\$3,500,000	\$500,000	
64206/7/8 Retailer Cashing Bonus	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$51,024,245	\$51,024,245	\$49,470,000	\$1,554,245	
64300 Gaming System Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$122,961,500	\$0	\$0	\$122,961,500	\$123,444,000	(\$483,500)	
64301 Scratchers Ticket Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$35,600,000	\$35,600,000	\$42,639,219	(\$7,039,219)	
64302 Scratchers Licensing Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,250,000	\$6,250,000	\$7,250,000	(\$1,000,000)	
64303 Scratchers Delivery Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$7,840,000	\$0	\$7,840,000	\$9,057,973	(\$1,217,973)	
64304 Scratchers Destruction Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$500,000	\$500,000	\$200,000	\$300,000	
71400 Reimbursements - Online Monitors	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$517,296)	(\$517,296)	(\$515,502)	(\$1,794)	
71400 Reimbursements - Online Install	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$590,250)	(\$590,250)	(\$799,125)	\$208,875	
71400 Reimbursements - Online Charges	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$21,547,656)	(\$21,547,656)	(\$20,572,344)	(\$975,312)	
60000 Media	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$66,867,500	\$0	\$66,867,500	\$68,590,000	(\$1,722,500)	
60100 Production	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$23,150,000	\$0	\$23,150,000	\$22,710,000	\$440,000	
60200 Digital	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,707,500	\$0	\$6,707,500	\$6,737,000	(\$29,500)	
60400 Promotions - Consumer	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,497,000	\$0	\$5,497,000	\$5,574,200	(\$77,200)	
60410 Promotions - Retailer	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$760,420	\$0	\$760,420	\$1,010,420	(\$250,000)	
60475 Point of Sale - Collateral	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,300,000	\$0	\$2,300,000	\$2,500,000	(\$200,000)	
60500 Point of Sale - Permanent	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,110,000	\$0	\$5,110,000	\$4,860,000	\$250,000	
<b>CAPITALIZED EXPENSES</b>														
2XXXX Equipment & Capitalized Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
65110 Dep Exp - Gaming Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,724,972	\$1,724,972	\$1,765,258	(\$40,286)	
65120 Dep Exp - Software	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,637,103	\$1,637,103	\$1,590,569	\$46,533	
65130 Dep Exp - Audio/Video Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$51,673	\$51,673	\$37,129	\$14,544	
65140 Dep Exp - Vending Machines	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,604,028	\$3,604,028	\$5,363,001	(\$1,758,974)	
65160 Dep Exp - Buildings	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,287,086	\$4,287,086	\$4,179,543	\$107,543	
65170 Dep Exp - Non Building Improvements	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$53,491	\$53,491	\$53,491	\$0	
65180 Dep Exp - Data Processing Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$470,531	\$470,531	\$158,460	\$312,071	
65190 Dep Exp - Office Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$66,241	\$66,241	\$14,379	\$51,862	
65200 Dep Exp - Vehicles	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$802,494	\$802,494	\$1,114,529	(\$312,034)	
65210 Dep Exp - Other Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$158,918	\$158,918	\$20,354	\$138,564	
65220 Dep Exp - Warehouse Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$45,961	\$45,961	\$9,004	\$36,956	
65230 Dep Exp - Mobile Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
<b>TOT. OPER. EXP. AND EQUIP.</b>	\$16,000	\$6,434,943	\$651,909	\$613,640	\$7,012,215	\$9,021,000	\$4,167,159	\$148,818,019	\$119,829,120	\$652,277,512	\$948,841,517	\$925,881,429	\$22,960,088	
<b>TOTAL BUDGET</b>	\$46,000	\$16,120,686	\$14,855,891	\$9,210,171	\$15,404,931	\$10,060,840	\$16,928,107	\$172,703,617	\$174,461,385	\$663,962,512	\$1,093,754,14			

# Administrative Budget

CALIFORNIA LOTTERY  
SUMMARY BY DIVISION  
ADMINISTRATIVE SUPPORT BUDGET

FY 2024-25 ANNUAL PLAN

DATE: Jul 1, 2024

	PUBLIC										TOTAL	APPROVED		
	COMM.	EXECUTIVE	FINANCE	HR	OPERATIONS	AFFAIRS	SLED	ITSD	SALES/ MARKETING	GAME ACTIVITY		FY 2024-25	FY 2023-24	CHANGE
	1000	01	02	03	04	05	06	07	08	0000				
<b>PERMANENT POSITIONS</b>	0.00	60.00	141.00	53.00	77.00	7.00	87.00	140.00	559.00	0.00	1,124.00	1,116.00	8.00	
<b>PERSONAL SERVICES</b>														
50100 Civil Service Permanent	\$0	\$6,771,282	\$9,972,499	\$4,465,923	\$6,005,024	\$635,776	\$8,893,092	\$16,322,170	\$36,685,112	\$9,700,000	\$99,450,878	\$93,785,690	\$5,665,189	
50500 Civil Service Temporary	\$0	\$209,792	\$207,732	\$93,024	\$45,628	\$105,396	\$101,724	\$772,995	\$565,370	\$0	\$2,101,662	\$1,828,495	\$273,167	
51000 Overtime Pay	\$0	\$0	\$119,093	\$0	\$43,800	\$500	\$348,735	\$10,000	\$176,000	\$0	\$698,128	\$740,203	(\$42,075)	
53000 Merit Compensation	\$30,000	\$93,120	\$118,200	\$141,920	\$65,100	\$2,400	\$90,060	\$327,600	\$3,394,104	\$0	\$4,262,504	\$3,405,068	\$857,436	
Total Salaries and Wages	\$30,000	\$7,074,194	\$10,417,524	\$4,700,867	\$6,159,552	\$744,072	\$9,433,611	\$17,432,766	\$40,820,586	\$9,700,000	\$106,513,172	\$99,759,456	\$6,753,716	
56001 Salary Savings	\$0	(\$947,979)	(\$1,396,150)	(\$625,229)	(\$840,703)	(\$89,009)	(\$1,245,033)	(\$2,285,104)	(\$5,135,915)	\$0	(\$12,565,122)	(\$12,009,996)	(\$555,126)	
Net Salaries and Wages	\$30,000	\$6,126,215	\$9,021,374	\$4,075,637	\$5,318,849	\$655,064	\$8,188,578	\$15,147,662	\$35,684,671	\$9,700,000	\$93,948,050	\$87,749,459	\$6,198,591	
55XXX Staff Benefits	\$0	\$3,559,528	\$5,182,608	\$4,520,893	\$3,073,868	\$384,777	\$4,572,370	\$8,737,936	\$18,947,594	\$1,985,000	\$50,964,574	\$49,359,469	\$1,605,105	
<b>TOTAL PERSONAL SERVICES</b>	\$30,000	\$9,685,743	\$14,203,982	\$8,596,531	\$8,392,716	\$1,039,840	\$12,760,948	\$23,885,598	\$54,632,265	\$11,685,000	\$144,912,624	\$137,108,928	\$7,803,696	
<b>OPERATING EXPENSES</b>														
67000 General Expense	\$1,000	\$127,351	\$36,664	\$1,000	\$131,624	\$1,200	\$71,002	\$5,000	\$136,700	(\$2,000,000)	(\$1,488,459)	(\$1,555,487)	\$67,028	
67100 Printing	\$0	\$0	\$18,000	\$0	\$11,716	\$0	\$0	\$330,000	\$0	\$0	\$359,716	\$329,745	\$29,971	
67500 Telephone	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,808,300	\$0	\$0	\$2,808,300	\$2,553,000	\$255,300	
67700 Postage	\$0	\$0	\$0	\$0	\$84,612	\$0	\$0	\$0	\$0	\$0	\$84,662	\$80,462	\$4,200	
67800 Internal Freight	\$0	\$0	\$0	\$50	\$0	\$0	\$0	\$0	\$375,000	\$0	\$375,000	\$405,900	(\$30,900)	
67900 Insurance	\$0	\$0	\$0	\$0	\$400,638	\$0	\$0	\$0	\$0	\$0	\$400,638	\$329,911	\$70,727	
68100 In-State Travel	\$15,000	\$23,857	\$15,218	\$3,000	\$60,084	\$3,000	\$309,455	\$86,600	\$250,000	\$0	\$766,214	\$622,684	\$143,530	
68300 Out-of-State Travel	\$0	\$0	\$35,400	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$35,400	\$29,400	\$6,000	
68400 Sales & Retailer Conferences	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
68450 Meetings & Seminars	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
68500 Training	\$0	\$102,039	\$25,639	\$26,500	\$67,242	\$1,800	\$148,695	\$90,000	\$225,000	(\$200,000)	\$486,915	\$741,055	(\$254,140)	
68700 Rent/Lease - Building & Grounds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
68750 Asset Rental Expense	\$0	\$0	\$0	\$0	\$10,560	\$0	\$0	\$0	\$0	\$0	\$10,560	\$9,650	\$910	
68775 Lease Asset Amortization of Expense	\$0	\$0	\$0	\$0	\$665,364	\$0	\$0	\$0	\$0	\$0	\$665,364	\$378,000	\$287,364	
68875 SBITA Amortization Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$381,203	\$0	\$0	\$381,203	\$0	\$381,203	
68900 Facility Maintenance & Operations	\$0	\$0	\$0	\$0	\$1,254,571	\$0	\$0	\$0	\$0	\$0	\$1,254,571	\$1,554,871	(\$300,300)	
68910 Alterations & Remodeling	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,471,000	(\$1,471,000)	
69300 Utilities	\$0	\$0	\$0	\$0	\$780,996	\$0	\$0	\$0	\$0	\$0	\$780,996	\$849,792	(\$68,796)	
69500 Pro Rata Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$11,779,099	\$11,779,099	\$9,074,573	\$2,704,526	
69700 Expendable Equipment	\$0	\$0	\$0	\$4,000	\$170,004	\$0	\$489,670	\$2,978,256	\$7,000	\$0	\$3,648,930	\$4,368,150	(\$719,220)	
69900 Vehicle Maintenance & Operations	\$0	\$0	\$0	\$0	\$2,227,030	\$0	\$0	\$0	\$0	\$0	\$2,227,030	\$2,297,226	(\$70,196)	
70500 Interest Penalties	\$0	\$0	\$5,004	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,004	\$0	\$5,004	
70600 Interest Expense	\$0	\$0	\$0	\$0	\$175,990	\$0	\$0	\$4,640	\$0	\$0	\$180,630	\$99,133	\$81,497	
70700 Taxes & Assessments	\$0	\$0	\$0	\$0	\$115,932	\$0	\$0	\$0	\$0	\$5,000	\$120,932	\$120,932	\$0	
70800 Bad Debt Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,000,000	\$1,000,000	\$1,000,000	\$0	
70900 Special Items of Expense	\$0	\$0	\$0	\$0	\$3,204	\$0	\$0	\$0	\$218,000	\$30,000	\$251,204	\$339,300	(\$88,096)	
71100 Damaged Scratchers Tickets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
71200 Event Sponsorship	\$0	\$512,590	\$0	\$0	\$0	\$0	\$0	\$0	\$385,000	\$0	\$897,590	\$507,025	\$390,565	
71400 Reimbursements - Online NSF	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$60,000)	(\$60,000)	(\$60,000)	\$0	
71400 Reimbursements - Prize Assignment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$18,000)	(\$18,000)	(\$18,000)	\$0	
71400 Reimbursements - External Rent	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$128,422)	(\$128,422)	(\$128,422)	\$0	
71400 Reimbursements - Charging Stations	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$13,000)	(\$13,000)	(\$13,000)	\$0	
60400 Promotions - Consumer	\$0	\$0	\$1,000	\$0	\$0	\$0	\$0	\$0	\$0	(\$720,000)	(\$719,000)	(\$720,000)	\$1,000	
63200 Prof. Service - External	\$0	\$2,345,388	\$459,084	\$74,590	\$233,548	\$9,015,000	\$2,969,917	\$18,366,920	\$0	(\$2,100,000)	\$31,364,447	\$19,458,108	\$11,906,340	
63300 Prof. Service - Interdept.	\$0	\$3,323,698	\$55,900	\$504,500	\$619,100	\$0	\$178,420	\$805,600	\$0	\$0	\$5,487,218	\$5,090,882	\$396,336	
63400 Attorney Fees - Contracted	\$0	\$20	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$20	\$20	\$0	
71400 Reimbursements - Fingerprint	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$70,000)	(\$70,000)	(\$70,000)	\$0	
<b>TOT. OPER. EXP. AND EQUIP.</b>	\$16,000	\$6,434,943	\$651,909	\$613,640	\$7,012,215	\$9,021,000	\$4,167,159	\$25,856,519	\$1,596,700	\$7,504,677	\$62,874,761	\$49,145,910	\$13,728,852	
<b>TOTAL BUDGET</b>	\$46,000	\$16,120,686	\$14,855,891	\$9,210,171	\$15,404,931	\$10,060,840	\$16,928,107	\$49,742,117	\$56,228,965	\$19,189,677	\$207,787,386	\$186,254,838	\$21,532,548	
<b>RECAP</b>														
<b>PERSONAL SERVICES</b>	\$30,000	\$9,685,743	\$14,203,982	\$8,596,531	\$8,392,716	\$1,039,840	\$12,760,948	\$23,885,598	\$54,632,265	\$11,685,000	\$144,912,624	\$137,108,928	\$7,803,696	
<b>CONTRACTUAL SERVICES</b>	\$0	\$5,669,106	\$514,984	\$579,090	\$852,648	\$9,015,000	\$3,148,337	\$19,172,520	\$0	(\$2,170,000)	\$36,781,685	\$24,479,009	\$12,302,676	
<b>OPERATING EXPENSES</b>	\$16,000	\$765,837	\$136,925	\$34,550	\$6,159,567	\$6,000	\$1,018,822	\$6,683,999	\$1,596,700	\$9,674,677	\$26,093,076	\$24,666,900	\$1,426,176	
<b>TOTAL ADMINISTRATIVE SUPPORT</b>	\$46,000	\$16,120,686	\$14,855,891	\$9,210,171	\$15,404,931	\$10,060,840	\$16,928,107	\$49,742,117	\$56,228,965	\$19,189,677	\$207,787,386	\$186,254,838	\$21,532,548	

SUMMARY BY DIVISION

CASH BUDGET

	PUBLIC										SALES/	GAME	APPROVED	
	COMM.	EXECUTIVE	FINANCE	HR	OPERATIONS	AFFAIRS	SLED	ITSD	MARKETING	ACTIVITY	TOTAL	BUDGET	CHANGE	
	1000	01	02	03	04	05	06	07	08	0000	FY 2024-25	FY 2023-24		
<b>PERMANENT POSITIONS</b>	0.00	60.00	141.00	53.00	77.00	7.00	87.00	140.00	559.00	0.00	1,124.00	1,116.00	8.00	
<b>PERSONAL SERVICES</b>														
Civil Service Permanent	\$0	\$6,771,282	\$9,972,499	\$4,465,923	\$6,005,024	\$635,776	\$8,893,092	\$16,322,170	\$36,685,112	\$9,700,000	\$99,450,878	\$93,785,690	\$5,665,189	
50100 Civil Service Temporary	\$0	\$209,792	\$207,732	\$93,024	\$45,628	\$105,396	\$101,724	\$772,995	\$565,370	\$0	\$2,101,662	\$1,828,495	\$273,167	
50500 Overtime Pay	\$0	\$0	\$119,093	\$0	\$43,800	\$500	\$348,735	\$10,000	\$176,000	\$0	\$698,128	\$740,203	(\$42,075)	
51000 Merit Compensation	\$30,000	\$93,120	\$118,200	\$141,920	\$65,100	\$2,400	\$90,060	\$327,600	\$3,394,104	\$0	\$4,262,504	\$3,405,068	\$857,436	
53000 Total Salaries and Wages	\$30,000	\$7,074,194	\$10,417,524	\$4,700,867	\$6,159,552	\$744,072	\$9,433,611	\$17,432,766	\$40,820,586	\$9,700,000	\$106,513,172	\$99,759,456	\$6,753,716	
Salary Savings	\$0	(\$947,979)	(\$1,396,150)	(\$625,229)	(\$840,703)	(\$89,009)	(\$1,245,033)	(\$2,285,104)	(\$5,135,915)	\$0	(\$12,565,122)	(\$12,009,996)	(\$555,126)	
56001 Net Salaries and Wages	\$30,000	\$6,126,215	\$9,021,374	\$4,075,637	\$5,318,849	\$655,064	\$8,188,578	\$15,147,662	\$35,684,671	\$9,700,000	\$93,948,050	\$87,749,459	\$6,198,591	
Staff Benefits	\$0	\$3,559,528	\$5,182,608	\$4,520,893	\$3,073,868	\$384,777	\$4,572,370	\$8,737,936	\$18,947,594	\$1,985,000	\$50,964,574	\$49,359,469	\$1,605,105	
55XXX <b>TOTAL PERSONAL SERVICES</b>	\$30,000	\$9,685,743	\$14,203,982	\$8,596,531	\$8,392,716	\$1,039,840	\$12,760,948	\$23,885,598	\$54,632,265	\$11,685,000	\$144,912,624	\$137,108,928	\$7,803,696	
<b>OPERATING EXPENSES</b>														
General Expense	\$1,000	\$127,351	\$36,664	\$1,000	\$131,624	\$1,200	\$71,002	\$5,000	\$136,700	(\$2,000,000)	(\$1,488,459)	(\$1,555,487)	\$67,028	
67000 Printing	\$0	\$0	\$18,000	\$0	\$11,716	\$0	\$0	\$330,000	\$0	\$0	\$359,716	\$329,745	\$29,971	
67100 Telephone	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,808,300	\$0	\$0	\$2,808,300	\$2,553,000	\$255,300	
67500 Postage	\$0	\$0	\$0	\$50	\$84,612	\$0	\$0	\$0	\$0	\$0	\$84,662	\$80,462	\$4,200	
67700 Internal Freight	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$375,000	\$0	\$375,000	\$405,900	(\$30,900)	
67800 Insurance	\$0	\$0	\$0	\$0	\$400,638	\$0	\$0	\$0	\$0	\$0	\$400,638	\$329,911	\$70,727	
67900 In-State Travel	\$15,000	\$23,857	\$15,218	\$3,000	\$60,084	\$3,000	\$309,455	\$86,600	\$250,000	\$0	\$766,214	\$622,684	\$143,530	
68100 Out-of-State Travel	\$0	\$0	\$35,400	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$35,400	\$29,400	\$6,000	
68450 Training	\$0	\$102,039	\$25,639	\$26,500	\$67,242	\$1,800	\$148,695	\$90,000	\$225,000	(\$200,000)	\$486,915	\$741,055	(\$254,140)	
68500 Rent/Lease - Building & Grounds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
68700 Asset Rental Expense	\$0	\$0	\$0	\$0	\$10,560	\$0	\$0	\$0	\$0	\$0	\$10,560	\$9,650	\$910	
68750 Lease Asset Amortization of Expense	\$0	\$0	\$0	\$0	\$665,364	\$0	\$0	\$0	\$0	\$0	\$665,364	\$378,000	\$287,364	
68775 SBITA Amortization Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$381,203	\$0	\$0	\$381,203	\$0	\$381,203	
68875 Facility Maintenance & Operations	\$0	\$0	\$0	\$0	\$1,254,571	\$0	\$0	\$0	\$0	\$0	\$1,254,571	\$1,554,871	(\$300,300)	
68900 Alterations & Remodeling	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,471,000	(\$1,471,000)	
68910 Utilities	\$0	\$0	\$0	\$0	\$780,996	\$0	\$0	\$0	\$0	\$0	\$780,996	\$849,792	(\$68,796)	
69300 Pro Rata Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$11,779,099	\$11,779,099	\$9,074,573	\$2,704,526	
69500 Expendable Equipment	\$0	\$0	\$0	\$4,000	\$170,004	\$0	\$489,670	\$2,978,256	\$7,000	\$0	\$3,648,930	\$4,368,150	(\$719,220)	
69700 Vehicle Maintenance & Operations	\$0	\$0	\$0	\$0	\$2,227,030	\$0	\$0	\$0	\$0	\$0	\$2,227,030	\$2,297,226	(\$70,196)	
69900 Interest Penalties	\$0	\$0	\$5,004	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,004	\$0	\$5,004	
70500 Interest Expense	\$0	\$0	\$0	\$0	\$175,990	\$0	\$0	\$4,640	\$0	\$0	\$180,630	\$99,133	\$81,497	
70600 Taxes & Assessments	\$0	\$0	\$0	\$0	\$115,932	\$0	\$0	\$0	\$0	\$5,000	\$120,932	\$120,932	\$0	
70700 Bad Debt Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,000,000	\$1,000,000	\$1,000,000	\$0	
70800 Special Items of Expense	\$0	\$0	\$0	\$0	\$3,204	\$0	\$0	\$0	\$218,000	\$30,000	\$251,204	\$339,300	(\$88,096)	
70900 Damaged Scratchers Tickets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
71100 Event Sponsorship	\$0	\$512,590	\$0	\$0	\$0	\$0	\$0	\$0	\$385,000	\$0	\$897,590	\$507,025	\$390,565	
71200 Reimbursements - Online NSF	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$60,000)	(\$60,000)	(\$60,000)	\$0	
71400 Reimbursements - Prize Assignment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$18,000)	(\$18,000)	(\$18,000)	\$0	
71400 Reimbursements - External Rent	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$128,422)	(\$128,422)	(\$128,422)	\$0	
71400 Reimbursements - Charging Stations	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$13,000)	(\$13,000)	(\$13,000)	\$0	
71400 Promotions - Consumer	\$0	\$0	\$1,000	\$0	\$0	\$0	\$0	\$0	\$0	(\$720,000)	(\$719,000)	(\$720,000)	\$1,000	
60400 Prof. Service - External	\$0	\$2,345,388	\$459,084	\$74,590	\$233,548	\$9,015,000	\$2,969,917	\$18,366,920	\$0	(\$2,100,000)	\$31,364,447	\$19,458,108	\$11,906,340	
63200 Prof. Service - Interdept.	\$0	\$3,323,698	\$55,900	\$504,500	\$619,100	\$0	\$178,420	\$805,600	\$0	\$0	\$5,487,218	\$5,090,882	\$396,336	
63300 Attorney Fees - Contracted	\$0	\$20	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$20	\$20	\$0	
63400 Reimbursements - Fingerprint	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$70,000)	(\$70,000)	(\$70,000)	\$0	
71400 Retailer Commission	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$524,041,763	\$524,041,763	\$501,006,961	\$23,034,803	
64200/1 Retailer Special Handling	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$33,109,531	\$33,109,531	\$35,766,000	(\$2,656,469)	
64202/3 Retailer Incentive Bonus	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,000,000	\$4,000,000	\$3,500,000	\$500,000	
64204/5 Retailer Cashing Bonus	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$51,024,245	\$51,024,245	\$49,470,000	\$1,554,245	
64206/7/8 Gaming System Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$122,961,500	\$0	\$0	\$122,961,500	\$123,445,000	(\$483,500)	
64300 Scratchers Ticket Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$35,600,000	\$35,600,000	\$42,639,219	(\$7,039,219)	
64301 Scratchers Licensing Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,250,000	\$6,250,000	\$7,250,000	(\$1,000,000)	
64302 Scratchers Delivery Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$7,840,000	\$0	\$7,840,000	\$9,057,973	(\$1,217,973)	
64303 Scratchers Destruction Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$500,000	\$500,000	\$200,000	\$300,000	
64304 Reimbursements - Online Monitors	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$517,296)	(\$517,296)	(\$515,502)	(\$1,794)	
71400 Reimbursements - Online Install	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$590,250)	(\$590,250)	(\$799,125)	\$208,875	
71400 Reimbursements - Online Charges	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$21,547,656)	(\$21,547,656)	(\$20,572,344)	(\$975,312)	
71400 Media	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$66,867,500	\$0	\$66,867,500	\$68,590,000	(\$1,722,500)	
60000 Production	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$23,150,000	\$0	\$23,150,000	\$22,710,000	\$440,000	
60100 Digital	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,707,500	\$0	\$6,707,500	\$6,737,000	(\$29,500)	
60200 Promotions - Consumer	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,497,000	\$0	\$5,497,000	\$5,574,200	(\$77,200)	
60400 Promotions - Retailer	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$760,420	\$0	\$760,420	\$1,010,420	(\$250,000)	
60410 Point of Sale - Collateral	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,300,000	\$0	\$2,300,000	\$2,500,000	(\$200,000)	
60475 Point of Sale - Permanent	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,110,000	\$0	\$5,110,000	\$4,860,000	\$250,000	
60500 <b>CAPITALIZED EXPENSES</b>														
Equipment & Capitalized Expenses	\$0	\$0	\$0	\$0	\$450,000	\$0	\$230,000	\$725,988	\$260,000	\$0	\$1,665,988	\$5,925,555	(\$4,259,567)	
<b>TOTAL BUDGET</b>	\$46,000	\$16,120,686	\$14,855,891	\$9,210,171	\$15,854,931	\$10,060,840	\$17,158,107	\$173,429,605	\$174,721,385	\$651,060,015	\$1,082,517,631	\$1,054,610,195	\$27,907,437	

# Divisional Budgets

## Commission

Ensuring integrity, security, fairness and transparency in the operation and administration of the Lottery.

The Commission consists of five members appointed by the Governor with the advice and consent of the Senate. These appointments meet the requirements of the Lottery Act, which specifies that:

- No more than three members can be from the same political party.
- One member must be a certified public accountant.
- One member must have at least five years of experience as a law enforcement officer.

The Commission approves the Lottery's budget and business plans to make sure we achieve our mission—providing supplemental funding for California's public schools and colleges.

LOTTERY COMMISSION 1000		FY 2024 25 ANNUAL PLAN					DATE: Jul 1, 2024			
		TOTAL					APPROVED	ANNUAL		
							BUDGET	PLAN		
		Quarter 1	Quarter 2	Quarter 3	Quarter 4	FY 2024 25	COMMENTS	FY 2023 24	FY 2024 25	CHANGE
<b>PERMANENT POSITIONS</b>						<b>0.00</b>		0.00	0.00	0.00
<b>PERSONAL SERVICES</b>										
50100	Civil Service Permanent	\$0	\$0	\$0	\$0	\$0		\$0	\$0	\$0
50500	Civil Service Temporary	\$0	\$0	\$0	\$0	\$0		\$0	\$0	\$0
51000	Overtime Pay	\$0	\$0	\$0	\$0	\$0		\$0	\$0	\$0
53000	Merit Compensation	\$7,500	\$7,500	\$7,500	\$7,500	\$30,000		\$30,000	\$30,000	\$0
	Total Salaries and Wages	\$7,500	\$7,500	\$7,500	\$7,500	\$30,000		\$30,000	\$30,000	\$0
56001	Salary Savings	\$0	\$0	\$0	\$0	\$0		\$0	\$0	\$0
	Net Salaries and Wages	\$7,500	\$7,500	\$7,500	\$7,500	\$30,000		\$30,000	\$30,000	\$0
55XXX	Staff Benefits	\$0	\$0	\$0	\$0	\$0		\$0	\$0	\$0
	<b>TOTAL PERSONAL SERVICES</b>	\$7,500	\$7,500	\$7,500	\$7,500	\$30,000		\$30,000	\$30,000	\$0
<b>OPERATING EXPENSES</b>										
67000	General Expense	\$250	\$250	\$250	\$250	\$1,000		\$1,000	\$1,000	\$0
68100	In-State Travel	\$3,750	\$3,750	\$3,750	\$3,750	\$15,000		\$15,000	\$15,000	\$0
	<b>TOT. OPER. EXP. AND EQUIP.</b>	\$4,000	\$4,000	\$4,000	\$4,000	\$16,000		\$16,000	\$16,000	\$0
	<b>TOTAL BUDGET</b>	\$11,500	\$11,500	\$11,500	\$11,500	\$46,000		\$46,000	\$46,000	\$0

# Executive Division Roll-Up

EXECUTIVE DIVISION 01		FY 2024 25 ANNUAL PLAN						DATE: Jul 1, 2024		
		Legal	Internal	External	Business Planning	TOTAL	APPROVED	ANNUAL		
Directorate		Services	Audits	Affairs	& Research	EXECUTIVE	BUDGET	PLAN		
1110		1120	1130	1140	1150	FY 2024 25	COMMENTS	FY 2023 24	FY 2024 25	CHANGE
<b>PERMANENT POSITIONS</b>		24.00	9.00	11.00	2.00	14.00	<b>60.00</b>	60.00	60.00	0.00
					0	0				
<b>PERSONAL SERVICES</b>					0	0				
50100	Civil Service Permanent	\$2,969,094	\$1,226,572	\$1,038,957	\$224,076	\$1,312,582	<b>\$6,771,282</b>	\$6,535,625	\$6,771,282	\$235,657
50500	Civil Service Temporary	\$209,792	\$0	\$0	\$0	\$0	<b>\$209,792</b>	\$196,842	\$209,792	\$12,950
51000	Overtime Pay	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>	\$0	\$0	\$0
53000	Merit Compensation	\$49,560	\$6,720	\$18,480	\$3,720	\$14,640	<b>\$93,120</b>	\$25,200	\$93,120	\$67,920
Total Salaries and Wages		\$3,228,446	\$1,233,292	\$1,057,437	\$227,796	\$1,327,222	<b>\$7,074,194</b>	\$6,757,667	\$7,074,194	\$316,527
56001	Salary Savings	(\$415,673)	(\$171,720)	(\$145,454)	(\$31,371)	(\$183,761)	<b>(\$947,979)</b>	(\$914,988)	(\$947,979)	(\$32,992)
Net Salaries and Wages		\$2,812,773	\$1,061,572	\$911,983	\$196,425	\$1,143,461	<b>\$6,126,215</b>	\$5,842,680	\$6,126,215	\$283,535
55XXX	Staff Benefits	\$1,630,298	\$622,363	\$527,166	\$113,697	\$666,004	<b>\$3,559,528</b>	\$3,432,311	\$3,559,528	\$127,217
<b>TOTAL PERSONAL SERVICES</b>		<b>\$4,443,071</b>	<b>\$1,683,935</b>	<b>\$1,439,149</b>	<b>\$310,123</b>	<b>\$1,809,465</b>	<b>\$9,685,743</b>	<b>\$9,274,991</b>	<b>\$9,685,743</b>	<b>\$410,753</b>
					0	0				
<b>OPERATING EXPENSES</b>					0	0				
67000	General Expense	\$56,538	\$55,500	\$7,390	\$3,923	\$4,000	<b>\$127,351</b>	\$108,052	\$127,351	\$19,299
68100	In-State Travel	\$18,757	\$1,200	\$0	\$2,400	\$1,500	<b>\$23,857</b>	\$16,534	\$23,857	\$7,323
68500	Training	\$59,307	\$4,500	\$32,232	\$0	\$6,000	<b>\$102,039</b>	\$93,856	\$102,039	\$8,183
71200	Event Sponsorship	\$0	\$0	\$0	\$512,590	\$0	<b>\$512,590</b>	\$507,025	\$512,590	\$5,565
63200	Prof. Service - External	\$164,340	\$127,476	\$108,952	\$32,300	\$1,912,320	<b>\$2,345,388</b>	See Contract Listing \$2,223,654	\$2,345,388	\$121,734
63300	Prof. Service - Interdept.	\$10	\$350,004	\$2,765,040	\$208,644	\$0	<b>\$3,323,698</b>	See Contract Listing \$3,657,770	\$3,323,698	(\$334,072)
63400	Attorney Fees - Contracted	\$0	\$20	\$0	\$0	\$0	<b>\$20</b>	See Contract Listing \$20	\$20	\$0
<b>TOT. OPER. EXP. AND EQUIP.</b>		<b>\$298,952</b>	<b>\$538,700</b>	<b>\$2,913,614</b>	<b>\$759,857</b>	<b>\$1,923,820</b>	<b>\$6,434,943</b>	<b>\$6,606,911</b>	<b>\$6,434,943</b>	<b>(\$171,968)</b>
<b>TOTAL BUDGET</b>		<b>\$4,742,023</b>	<b>\$2,222,635</b>	<b>\$4,352,763</b>	<b>\$1,069,980</b>	<b>\$3,733,285</b>	<b>\$16,120,686</b>	<b>\$15,881,901</b>	<b>\$16,120,686</b>	<b>\$238,785</b>

\*The Executive Division roll-up represents separate budget allocations for each office.

# Executive Division

## Directorate

In addition to the Director’s budget, the Directorate office includes program areas impacting the organization. The Lottery is committed to support equity, inclusion, and fair hiring practices as well as prioritizing security, project management, and successful business practices. The different offices leading these efforts include:

- Enterprise Risk Management (ERM) is led by the Lottery’s Chief Enterprise Risk Officer and consists of 3 functional areas:
  - Enterprise Risk & Optimization Section (EROS) maximizes Enterprise efficiencies through collaboration, standardization and strengthened controls including addressing and reducing audit findings, supporting organizational compliance of mandates and (best) business practices, and nurturing the culture of collaboration.
  - Enterprise Project Management Office (EPMO) ensures ongoing Lottery Project Portfolio governance including Project Management Institute’s best practices from pre-Project review to successful implementation.
  - Information Security & Privacy Office (ISO) safeguards Lottery information assets from various threats, by ensuring its compliance to laws, regulations and industry best practices that pertains to information security and privacy, and through all of which, promote a positive public image.
- The mission of the Disability Advisory Committee (DAC) is to ensure all Lottery employees with disabilities are informed and empowered. Each state agency is required to establish a committee of employees that includes those with a disability to advise the head of the agency on plans to overcome and correct any underrepresentation determined pursuant to Section 19234.
- The Lottery is committed to a work environment where all persons are treated with professionalism, courtesy and respect. The EEO program ensures Lottery worksites, work settings and Lottery policy, processes, procedures, and practices are free from discrimination, harassment, sexual harassment, retaliation, bullying and abusive conduct as prohibited by Lottery policy.

EXECUTIVE DIVISION		FY 2024 25 ANNUAL PLAN					DATE:	Jul 1, 2024		
DIRECTORATE 1110								APPROVED	ANNUAL	
		TOTAL						BUDGET	PLAN	
		Quarter 1	Quarter 2	Quarter 3	Quarter 4	FY 2024 25	COMMENTS	FY 2023 24	FY 2024 25	CHANGE
<b>PERMANENT POSITIONS</b>							<b>24.00</b>	<b>24.00</b>	<b>24.00</b>	<b>0.00</b>
<b>PERSONAL SERVICES</b>										
50100	Civil Service Permanent	\$738,046	\$740,623	\$744,471	\$745,954	<b>\$2,969,094</b>		\$2,882,399	\$2,969,094	\$86,695
50500	Civil Service Temporary	\$52,448	\$52,448	\$52,448	\$52,448	<b>\$209,792</b>		\$155,400	\$209,792	\$54,392
51000	Overtime Pay	\$0	\$0	\$0	\$0	<b>\$0</b>		\$0	\$0	\$0
53000	Merit Compensation	\$12,390	\$12,390	\$12,390	\$12,390	<b>\$49,560</b>		\$10,800	\$49,560	\$38,760
Total Salaries and Wages		\$802,885	\$805,461	\$809,309	\$810,792	<b>\$3,228,446</b>		\$3,048,599	\$3,228,446	\$179,847
56001	Salary Savings	(\$103,326)	(\$103,687)	(\$104,226)	(\$104,433)	<b>(\$415,673)</b>		(\$403,536)	(\$415,673)	(\$12,137)
Net Salaries and Wages		\$699,558	\$701,774	\$705,083	\$706,359	<b>\$2,812,773</b>		\$2,645,063	\$2,812,773	\$167,710
55XXX	Staff Benefits	\$405,429	\$406,737	\$408,689	\$409,442	<b>\$1,630,298</b>		\$1,554,215	\$1,630,298	\$76,083
<b>TOTAL PERSONAL SERVICES</b>		<b>\$1,104,987</b>	<b>\$1,108,511</b>	<b>\$1,113,773</b>	<b>\$1,115,800</b>	<b>\$4,443,071</b>		<b>\$4,199,278</b>	<b>\$4,443,071</b>	<b>\$243,793</b>
<b>OPERATING EXPENSES</b>										
67000	General Expense	\$15,604	\$13,443	\$14,126	\$13,365	<b>\$56,538</b>		\$48,229	\$56,538	\$8,309
68100	In-State Travel	\$9,748	\$1,626	\$5,331	\$2,052	<b>\$18,757</b>		\$13,774	\$18,757	\$4,983
68500	Training	\$32,694	\$12,024	\$10,594	\$3,995	<b>\$59,307</b>		\$51,356	\$59,307	\$7,951
63200	Prof. Service - External	\$34,645	\$34,645	\$34,795	\$60,255	<b>\$164,340</b>	See Contract Listing	\$325,990	\$164,340	(\$161,650)
63300	Prof. Service - Interdept.	\$10	\$0	\$0	\$0	<b>\$10</b>	See Contract Listing	\$10	\$10	\$0
<b>TOT. OPER. EXP. AND EQUIP.</b>		<b>\$92,701</b>	<b>\$61,738</b>	<b>\$64,846</b>	<b>\$79,667</b>	<b>\$298,952</b>		<b>\$439,359</b>	<b>\$298,952</b>	<b>(\$140,407)</b>
<b>TOTAL BUDGET</b>		<b>\$1,197,688</b>	<b>\$1,170,249</b>	<b>\$1,178,619</b>	<b>\$1,195,467</b>	<b>\$4,742,023</b>		<b>\$4,638,637</b>	<b>\$4,742,023</b>	<b>\$103,386</b>

## Legal Services

The Legal Office researches the meaning and implementation of the California State Lottery Act, and drafts regulations required by the Act to guide the Lottery Commission and the Lottery's senior staff in their roles as decision makers. The Legal Office advises the Commission and Director regarding compliance with the Political Reform Act of 1974, the Bagley-Keene Open Meeting Act, the California Public Records Act, and all other applicable law. In addition, the Legal Office provides legal advice to all divisions of the Lottery regarding a wide variety of issues.

EXECUTIVE DIVISION		FY 2024 25 ANNUAL PLAN					DATE: Jul 1, 2024			
LEGAL SERVICES 1120							APPROVED	ANNUAL		
		TOTAL					BUDGET	PLAN	CHANGE	
		Quarter 1	Quarter 2	Quarter 3	Quarter 4	FY 2024 25	FY 2023 24	FY 2024 25	CHANGE	
		COMMENTS								
<b>PERMANENT POSITIONS</b>		<b>9.00</b>					9.00	9.00	0.00	
<b>PERSONAL SERVICES</b>										
50100	Civil Service Permanent	\$306,009	\$306,009	\$307,277	\$307,277	<b>\$1,226,572</b>	\$1,169,590	\$1,226,572	\$56,983	
50500	Civil Service Temporary	\$0	\$0	\$0	\$0	<b>\$0</b>	\$0	\$0	\$0	
51000	Overtime Pay	\$0	\$0	\$0	\$0	<b>\$0</b>	\$0	\$0	\$0	
53000	Merit Compensation	\$1,680	\$1,680	\$1,680	\$1,680	<b>\$6,720</b>	\$4,200	\$6,720	\$2,520	
Total Salaries and Wages		\$307,689	\$307,689	\$308,957	\$308,957	<b>\$1,233,292</b>	\$1,173,790	\$1,233,292	\$59,503	
56001	Salary Savings	(\$42,841)	(\$42,841)	(\$43,019)	(\$43,019)	<b>(\$171,720)</b>	(\$163,743)	(\$171,720)	(\$7,978)	
Net Salaries and Wages		\$264,848	\$264,848	\$265,938	\$265,938	<b>\$1,061,572</b>	\$1,010,047	\$1,061,572	\$51,525	
55XXX	Staff Benefits	\$155,269	\$155,270	\$155,912	\$155,912	<b>\$622,363</b>	\$593,448	\$622,363	\$28,915	
<b>TOTAL PERSONAL SERVICES</b>		<b>\$420,117</b>	<b>\$420,117</b>	<b>\$421,850</b>	<b>\$421,850</b>	<b>\$1,683,935</b>	\$1,603,495	\$1,683,935	\$80,440	
<b>OPERATING EXPENSES</b>										
67000	General Expense	\$7,500	\$33,000	\$7,500	\$7,500	<b>\$55,500</b>	\$50,000	\$55,500	\$5,500	
68100	In-State Travel	\$300	\$300	\$300	\$300	<b>\$1,200</b>	\$1,200	\$1,200	\$0	
68500	Training	\$0	\$1,500	\$1,500	\$1,500	<b>\$4,500</b>	\$3,000	\$4,500	\$1,500	
63200	Prof. Service - External	\$30,819	\$35,019	\$30,819	\$30,819	<b>\$127,476</b>	See Contract Listing	\$120,916	\$127,476	\$6,560
63300	Prof. Service - Interdept.	\$87,501	\$87,501	\$87,501	\$87,501	<b>\$350,004</b>	See Contract Listing	\$350,000	\$350,004	\$4
63400	Attorney Fees - Contracted	\$20	\$0	\$0	\$0	<b>\$20</b>	See Contract Listing	\$20	\$20	\$0
<b>TOT. OPER. EXP. AND EQUIP.</b>		<b>\$126,140</b>	<b>\$157,320</b>	<b>\$127,620</b>	<b>\$127,620</b>	<b>\$538,700</b>	\$525,136	\$538,700	\$13,564	
<b>TOTAL BUDGET</b>		<b>\$546,257</b>	<b>\$577,437</b>	<b>\$549,470</b>	<b>\$549,470</b>	<b>\$2,222,635</b>	<b>\$2,128,631</b>	<b>\$2,222,635</b>	<b>\$94,004</b>	

## Internal Audits

Internal Audits provides independent objective assurance and consulting services to enhance and protect Lottery value by providing risk-based and objective assessments, recommendations, and insight. This office assists the Lottery in accomplishing business objectives by performing systematic and disciplined audits and evaluations, and also coordinates all external audit and related activities minimizing duplication of efforts and costs and ensures timely responses to external audit reports.

Some of Internal Audits responsibilities include maintaining Mega Millions® & Powerball Agreed-Upon-Procedures, program oversight of the Annual WLA Gaming Security Assessment, and the Retailer Access Program.

EXECUTIVE DIVISION		FY 2024 25 ANNUAL PLAN					DATE:	Jul 1, 2024		
INTERNAL AUDITS 1130							APPROVED	ANNUAL		
		TOTAL					BUDGET	PLAN		CHANGE
		Quarter 1	Quarter 2	Quarter 3	Quarter 4	FY 2024 25	COMMENTS	FY 2023 24	FY 2024 25	CHANGE
<b>PERMANENT POSITIONS</b>								11.00	11.00	0.00
<b>PERSONAL SERVICES</b>										
50100	Civil Service Permanent	\$257,577	\$258,204	\$260,841	\$262,335	\$1,038,957		\$1,017,177	\$1,038,957	\$21,780
50500	Civil Service Temporary	\$0	\$0	\$0	\$0	\$0		\$41,442	\$0	(\$41,442)
51000	Overtime Pay	\$0	\$0	\$0	\$0	\$0		\$0	\$0	\$0
53000	Merit Compensation	\$4,620	\$4,620	\$4,620	\$4,620	\$18,480		\$4,200	\$18,480	\$14,280
Total Salaries and Wages		\$262,197	\$262,824	\$265,461	\$266,955	\$1,057,437		\$1,062,819	\$1,057,437	(\$5,382)
56001	Salary Savings	(\$36,061)	(\$36,149)	(\$36,518)	(\$36,727)	(\$145,454)		(\$142,405)	(\$145,454)	(\$3,049)
Net Salaries and Wages		\$226,136	\$226,675	\$228,943	\$230,228	\$911,983		\$920,414	\$911,983	(\$8,431)
55XXX	Staff Benefits	\$130,695	\$131,012	\$132,350	\$133,109	\$527,166		\$540,566	\$527,166	(\$13,400)
<b>TOTAL PERSONAL SERVICES</b>		\$356,831	\$357,687	\$361,293	\$363,337	\$1,439,149		\$1,460,980	\$1,439,149	(\$21,831)
<b>OPERATING EXPENSES</b>										
67000	General Expense	\$525	\$5,000	\$1,620	\$245	\$7,390		\$2,000	\$7,390	\$5,390
68100	In-State Travel	\$0	\$0	\$0	\$0	\$0		\$480	\$0	(\$480)
68500	Training	\$7,485	\$9,777	\$7,485	\$7,485	\$32,232		\$33,000	\$32,232	(\$768)
63200	Prof. Service - External	\$103,150	\$2,550	\$1,626	\$1,626	\$108,952	See Contract Listing	\$12,742	\$108,952	\$96,210
63300	Prof. Service - Interdept.	\$691,260	\$691,260	\$691,260	\$691,260	\$2,765,040	See Contract Listing	\$3,137,760	\$2,765,040	(\$372,720)
<b>TOT. OPER. EXP. AND EQUIP.</b>		\$802,420	\$708,587	\$701,991	\$700,616	\$2,913,614		\$3,185,982	\$2,913,614	(\$272,368)
<b>TOTAL BUDGET</b>		\$1,159,251	\$1,066,274	\$1,063,284	\$1,063,953	\$4,352,763		\$4,646,962	\$4,352,763	(\$294,199)

## Legislative and External Affairs

The Lottery's Legislative and External Affairs Office is responsible for the Lottery's Responsible Gaming program, outreach to stakeholder groups, and monitoring legislation.

Part of the responsibility of Legislative and External Affairs is to identify and monitor any legislation that may impact the Lottery. The bills may include Lottery specific bills, human resources, information technology, operations, or the gaming industry (tribal casinos, internet gaming, horse racing).

The External Affairs team is also responsible for the Lottery's quarterly Education Reports that include summary disbursements from the Lottery's Education Fund to public education institutions by county. This report also itemizes Lottery funding based on Proposition 20, a publicly approved ballot initiative, which stipulates that 50% of funding above the FY 1997-98 benchmark be spent on instructional materials. All Lottery funding is distributed on an Average Daily Attendance (ADA) basis by the State Controller's Office.

EXECUTIVE DIVISION		FY 2024 25 ANNUAL PLAN					DATE: Jul 1, 2024		
EXTERNAL AFFAIRS 1140		TOTAL					APPROVED	ANNUAL	
		Quarter 1	Quarter 2	Quarter 3	Quarter 4	FY 2024 25	BUDGET	PLAN	CHANGE
						COMMENTS	FY 2023 24	FY 2024 25	
<b>PERMANENT POSITIONS</b>						<b>2.00</b>	2.00	2.00	0.00
<b>PERSONAL SERVICES</b>									
50100	Civil Service Permanent	\$56,019	\$56,019	\$56,019	\$56,019	<b>\$224,076</b>	\$217,548	\$224,076	\$6,528
50500	Civil Service Temporary	\$0	\$0	\$0	\$0	<b>\$0</b>	\$0	\$0	\$0
51000	Overtime Pay	\$0	\$0	\$0	\$0	<b>\$0</b>	\$0	\$0	\$0
53000	Merit Compensation	\$930	\$930	\$930	\$930	<b>\$3,720</b>	\$1,200	\$3,720	\$2,520
	Total Salaries and Wages	\$56,949	\$56,949	\$56,949	\$56,949	<b>\$227,796</b>	\$218,748	\$227,796	\$9,048
56001	Salary Savings	(\$7,843)	(\$7,843)	(\$7,843)	(\$7,843)	<b>(\$31,371)</b>	(\$30,457)	(\$31,371)	(\$914)
	Net Salaries and Wages	\$49,106	\$49,106	\$49,106	\$49,106	<b>\$196,425</b>	\$188,291	\$196,425	\$8,134
55XXX	Staff Benefits	\$28,424	\$28,424	\$28,424	\$28,424	<b>\$113,697</b>	\$110,384	\$113,697	\$3,313
	<b>TOTAL PERSONAL SERVICES</b>	<b>\$77,530</b>	<b>\$77,531</b>	<b>\$77,531</b>	<b>\$77,531</b>	<b>\$310,123</b>	\$298,675	\$310,123	\$11,447
<b>OPERATING EXPENSES</b>									
67000	General Expense	\$1,775	\$2,148	\$0	\$0	<b>\$3,923</b>	\$5,623	\$3,923	(\$1,700)
68100	In-State Travel	\$800	\$0	\$1,600	\$0	<b>\$2,400</b>	\$480	\$2,400	\$1,920
68500	Training	\$0	\$0	\$0	\$0	<b>\$0</b>	\$500	\$0	(\$500)
71200	Event Sponsorship	\$265,955	\$108,500	\$138,135	\$0	<b>\$512,590</b>	\$507,025	\$512,590	\$5,565
63200	Prof. Service - External	\$0	\$0	\$0	\$32,300	<b>\$32,300</b>	\$0	\$32,300	\$32,300
63300	Prof. Service - Interdept.	\$42,501	\$42,501	\$42,501	\$81,141	<b>\$208,644</b>	\$170,000	\$208,644	\$38,644
	<b>TOT. OPER. EXP. AND EQUIP.</b>	<b>\$311,031</b>	<b>\$153,149</b>	<b>\$182,236</b>	<b>\$113,441</b>	<b>\$759,857</b>	\$683,628	\$759,857	\$76,229
	<b>TOTAL BUDGET</b>	<b>\$388,561</b>	<b>\$230,680</b>	<b>\$259,767</b>	<b>\$190,972</b>	<b>\$1,069,980</b>	\$982,303	\$1,069,980	\$87,676

## Business Planning and Research

Business Planning & Research staff provide planning and research services which include developing the 3-Year Strategic Plan and Annual Business Plan, conducting market research studies and developing sales goals.

EXECUTIVE DIVISION		FY 2024 25 ANNUAL PLAN					DATE: Jul 1, 2024		
BUSINESS PLANNING & RESEARCH 1150							APPROVED	ANNUAL	
		TOTAL					BUDGET	PLAN	
		Quarter 1	Quarter 2	Quarter 3	Quarter 4	FY 2024 25	FY 2023 24	FY 2024 25	CHANGE
<b>PERMANENT POSITIONS</b>						<b>14.00</b>	<b>14.00</b>	<b>14.00</b>	<b>0.00</b>
<b>PERSONAL SERVICES</b>									
50100	Civil Service Permanent	\$324,657	\$327,192	\$329,109	\$331,624	\$1,312,582	\$1,248,912	\$1,312,582	\$63,670
50500	Civil Service Temporary	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
51000	Overtime Pay	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
53000	Merit Compensation	\$3,660	\$3,660	\$3,660	\$3,660	\$14,640	\$4,800	\$14,640	\$9,840
	Total Salaries and Wages	\$328,317	\$330,852	\$332,769	\$335,284	\$1,327,222	\$1,253,712	\$1,327,222	\$73,510
56001	Salary Savings	(\$45,452)	(\$45,807)	(\$46,075)	(\$46,427)	(\$183,761)	(\$174,848)	(\$183,761)	(\$8,914)
	Net Salaries and Wages	\$282,865	\$285,045	\$286,694	\$288,857	\$1,143,461	\$1,078,864	\$1,143,461	\$64,597
55XXX	Staff Benefits	\$164,731	\$166,017	\$166,990	\$168,266	\$666,004	\$633,698	\$666,004	\$32,306
	<b>TOTAL PERSONAL SERVICES</b>	<b>\$447,596</b>	<b>\$451,062</b>	<b>\$453,684</b>	<b>\$457,123</b>	<b>\$1,809,465</b>	<b>\$1,712,562</b>	<b>\$1,809,465</b>	<b>\$96,903</b>
<b>OPERATING EXPENSES</b>									
67000	General Expense	\$0	\$1,399	\$0	\$2,601	\$4,000	\$2,200	\$4,000	\$1,800
68100	In-State Travel	\$0	\$0	\$750	\$750	\$1,500	\$600	\$1,500	\$900
68500	Training	\$1,500	\$1,500	\$1,500	\$1,500	\$6,000	\$6,000	\$6,000	\$0
63200	Prof. Service - External	\$484,780	\$374,460	\$441,460	\$611,620	\$1,912,320	\$1,764,006	\$1,912,320	\$148,314
	<b>TOT. OPER. EXP. AND EQUIP.</b>	<b>\$486,280</b>	<b>\$377,359</b>	<b>\$443,710</b>	<b>\$616,471</b>	<b>\$1,923,820</b>	<b>\$1,772,806</b>	<b>\$1,923,820</b>	<b>\$151,014</b>
	<b>TOTAL BUDGET</b>	<b>\$933,876</b>	<b>\$828,421</b>	<b>\$897,394</b>	<b>\$1,073,594</b>	<b>\$3,733,285</b>	<b>\$3,485,368</b>	<b>\$3,733,285</b>	<b>\$247,917</b>

# Finance Division

The Finance Division is responsible for conducting all the Lottery's financial activities. The Division consists of the following functional areas:

- Accounting Operations and Tax Unit (Accounts Payable, Accounts Receivable, and Travel)
- Prize Payments - Statewide
- Financial Reporting (Financial Statements and Game Accounting, Investments, Financial Reports and GAAP Specialist)
- Systems Management / Financial Oversight (Fiscal Systems, Quality Review, Alternative Collections and Fiscal Report Management)
- Fiscal Management Unit (Forecasting, Financial Analysis and Risk Management, Budgets and Retailer Financial Services)

FINANCE DIVISION 02		FY 2024 25 ANNUAL PLAN					DATE:	Jul 1, 2024		
		TOTAL					APPROVED	ANNUAL		
		Quarter 1	Quarter 2	Quarter 3	Quarter 4	FY 2024 25	BUDGET	PLAN	CHANGE	
						COMMENTS	FY 2023 24	FY 2024 25	CHANGE	
<b>PERMANENT POSITIONS</b>							141.00	137.00	141.00	4.00
<b>PERSONAL SERVICES</b>										
50100	Civil Service Permanent	\$2,418,069	\$2,504,440	\$2,518,697	\$2,531,294		\$9,661,438	\$9,972,499	\$311,061	
50500	Civil Service Temporary	\$51,736	\$51,736	\$51,933	\$52,326		\$252,063	\$207,732	(\$44,331)	
51000	Overtime Pay	\$31,198	\$27,999	\$33,699	\$26,197		\$101,659	\$119,093	\$17,434	
53000	Merit Compensation	\$29,550	\$29,550	\$29,550	\$29,550		\$57,600	\$118,200	\$60,600	
	<b>Total Salaries and Wages</b>	<b>\$2,530,553</b>	<b>\$2,613,725</b>	<b>\$2,633,879</b>	<b>\$2,639,368</b>		<b>\$10,072,760</b>	<b>\$10,417,524</b>	<b>\$344,764</b>	
56001	Salary Savings	(\$338,530)	(\$350,621)	(\$352,618)	(\$354,381)		(\$1,352,601)	(\$1,396,150)	(\$43,549)	
	<b>Net Salaries and Wages</b>	<b>\$2,192,023</b>	<b>\$2,263,103</b>	<b>\$2,281,261</b>	<b>\$2,284,986</b>		<b>\$8,720,158</b>	<b>\$9,021,374</b>	<b>\$301,216</b>	
55XXX	Staff Benefits	\$1,257,452	\$1,301,277	\$1,308,627	\$1,315,251		\$5,050,931	\$5,182,608	\$131,677	
	<b>TOTAL PERSONAL SERVICES</b>	<b>\$3,449,476</b>	<b>\$3,564,381</b>	<b>\$3,589,888</b>	<b>\$3,600,238</b>		<b>\$13,771,089</b>	<b>\$14,203,982</b>	<b>\$432,893</b>	
<b>OPERATING EXPENSES</b>										
67000	General Expense	\$10,613	\$6,659	\$17,193	\$2,199		\$49,593	\$36,664	(\$12,929)	
67100	Printing	\$8,000	\$4,000	\$0	\$6,000		\$0	\$18,000	\$18,000	
68100	In-State Travel	\$2,671	\$6,507	\$2,413	\$3,627		\$9,317	\$15,218	\$5,901	
68300	Out-of-State Travel	\$35,400	\$0	\$0	\$0		\$29,400	\$35,400	\$6,000	
68500	Training	\$8,966	\$4,291	\$8,591	\$3,791		\$41,915	\$25,639	(\$16,276)	
70500	Interest Penalties	\$1,251	\$1,251	\$1,251	\$1,251		\$0	\$5,004	\$5,004	
60400	Promotions - Consumer	\$500	\$0	\$500	\$0		\$0	\$1,000	\$1,000	
63200	Prof. Service - External	\$97,271	\$247,271	\$57,271	\$57,271	See Contract Listing	\$609,352	\$459,084	(\$150,268)	
63300	Prof. Service - Interdept.	\$13,900	\$13,900	\$13,900	\$14,200	See Contract Listing	\$22,300	\$55,900	\$33,600	
	<b>TOT. OPER. EXP. AND EQUIP.</b>	<b>\$178,572</b>	<b>\$283,879</b>	<b>\$101,119</b>	<b>\$88,339</b>		<b>\$761,877</b>	<b>\$651,909</b>	<b>(\$109,968)</b>	
	<b>TOTAL BUDGET</b>	<b>\$3,628,048</b>	<b>\$3,848,260</b>	<b>\$3,691,007</b>	<b>\$3,688,577</b>		<b>\$14,532,966</b>	<b>\$14,855,891</b>	<b>\$322,924</b>	

# Human Resources Division

Human Resources provides services to all Lottery employees in the areas of hiring, examination, payroll and benefits administration, labor relations, health, performance management, and training/workforce development.

The Division consists of four (4) sections:

- Personnel Services Section
- Safety and Compliance Section
- Workforce Development Section
- Labor & Performance Management Section

Human Resources supports the mission, vision, and values of the Lottery by partnering with Lottery management and staff to meet our organization’s strategic goals and objectives. We work diligently and collaboratively to assist in the resolution of workplace issues, ensure the department’s compliance with applicable employment laws and rules, and to foster a work environment that is safe, respectful and professional.

HUMAN RESOURCES DIVISION 03		FY 2024 25 ANNUAL PLAN					DATE: Jul 1, 2024		
		TOTAL					APPROVED	ANNUAL	
		Quarter 1	Quarter 2	Quarter 3	Quarter 4	FY 2024 25	BUDGET	PLAN	CHANGE
							FY 2023 24	FY 2024 25	CHANGE
<b>PERMANENT POSITIONS</b>						<b>53.00</b>	<b>53.00</b>	<b>53.00</b>	<b>0.00</b>
<b>PERSONAL SERVICES</b>									
50100	Civil Service Permanent	\$1,107,513	\$1,112,874	\$1,120,700	\$1,124,835	<b>\$4,465,923</b>	\$4,304,796	\$4,465,923	\$161,127
50500	Civil Service Temporary	\$23,256	\$23,256	\$23,256	\$23,256	<b>\$93,024</b>	\$45,158	\$93,024	\$47,866
51000	Overtime Pay	\$0	\$0	\$0	\$0	<b>\$0</b>	\$10,000	\$0	(\$10,000)
53000	Merit Compensation	\$35,480	\$35,480	\$35,480	\$35,480	<b>\$141,920</b>	\$70,100	\$141,920	\$71,820
Total Salaries and Wages		\$1,166,249	\$1,171,610	\$1,179,436	\$1,183,571	<b>\$4,700,867</b>	\$4,430,054	\$4,700,867	\$270,812
56001	Salary Savings	(\$155,052)	(\$155,802)	(\$156,898)	(\$157,477)	<b>(\$625,229)</b>	(\$602,671)	(\$625,229)	(\$22,558)
Net Salaries and Wages		\$1,011,197	\$1,015,808	\$1,022,538	\$1,026,095	<b>\$4,075,637</b>	\$3,827,383	\$4,075,637	\$248,255
55XXX	Staff Benefits	\$1,125,673	\$1,128,393	\$1,132,364	\$1,134,463	<b>\$4,520,893</b>	\$4,410,897	\$4,520,893	\$109,996
<b>TOTAL PERSONAL SERVICES</b>		<b>\$2,136,870</b>	<b>\$2,144,201</b>	<b>\$2,154,903</b>	<b>\$2,160,557</b>	<b>\$8,596,531</b>	<b>\$8,238,280</b>	<b>\$8,596,531</b>	<b>\$358,251</b>
<b>OPERATING EXPENSES</b>									
67000	General Expense	\$250	\$250	\$250	\$250	<b>\$1,000</b>	\$1,000	\$1,000	\$0
67700	Postage	\$50	\$0	\$0	\$0	<b>\$50</b>	\$50	\$50	\$0
68100	In-State Travel	\$750	\$750	\$750	\$750	<b>\$3,000</b>	\$3,000	\$3,000	\$0
68500	Training	\$6,625	\$6,625	\$6,625	\$6,625	<b>\$26,500</b>	\$75,000	\$26,500	(\$48,500)
69700	Expendable Equipment	\$1,000	\$1,000	\$1,000	\$1,000	<b>\$4,000</b>	\$4,000	\$4,000	\$0
63200	Prof. Service - External	\$18,648	\$18,648	\$18,648	\$18,648	<b>\$74,590</b>	\$94,090	\$74,590	(\$19,500)
63300	Prof. Service - Interdept.	\$230,625	\$80,625	\$112,625	\$80,625	<b>\$504,500</b>	\$585,000	\$504,500	(\$80,500)
<b>TOT. OPER. EXP. AND EQUIP.</b>		<b>\$257,948</b>	<b>\$107,898</b>	<b>\$139,898</b>	<b>\$107,898</b>	<b>\$613,640</b>	<b>\$762,140</b>	<b>\$613,640</b>	<b>(\$148,500)</b>
<b>TOTAL BUDGET</b>		<b>\$2,394,817</b>	<b>\$2,252,098</b>	<b>\$2,294,800</b>	<b>\$2,268,455</b>	<b>\$9,210,171</b>	<b>\$9,000,419</b>	<b>\$9,210,171</b>	<b>\$209,751</b>

# Operations Division

The Operations Division (OPs) of the California State Lottery effectively manages and oversees the day-to-day operations and activities. OPs is responsible for ensuring support for various key aspects of the Lottery, including but not limited to mail room services, vehicle and driver services, records, asset management, business continuity planning, Lottery Board's governance, policy governance, forms management, ADA digital remediation, reprographics, budget analysis/support, project management, LEED/sustainability program, contracts, procurements, facilities maintenance and management, and green cleaning.

OPERATIONS DIVISION 04		FY 2024 25 ANNUAL PLAN					DATE: Jul 1, 2024				
		TOTAL					APPROVED BUDGET	ANNUAL PLAN			
		Quarter 1	Quarter 2	Quarter 3	Quarter 4	FY 2024 25	COMMENTS	FY 2023 24	FY 2024 25	CHANGE	
<b>PERMANENT POSITIONS</b>							<b>77.00</b>		78.00	77.00	(1.00)
<b>PERSONAL SERVICES</b>											
50100	Civil Service Permanent	\$1,488,307	\$1,495,252	\$1,505,927	\$1,515,538	\$6,005,024		\$5,704,960	\$6,005,024	\$300,064	
50500	Civil Service Temporary	\$11,407	\$11,407	\$11,407	\$11,407	\$45,628		\$72,334	\$45,628	(\$26,706)	
51000	Overtime Pay	\$10,950	\$10,950	\$10,950	\$10,950	\$43,800		\$125,756	\$43,800	(\$81,956)	
53000	Merit Compensation	\$16,275	\$16,275	\$16,275	\$16,275	\$65,100		\$17,400	\$65,100	\$47,700	
Total Salaries and Wages		\$1,526,939	\$1,533,884	\$1,544,559	\$1,554,170	\$6,159,552		\$5,920,450	\$6,159,552	\$239,102	
56001	Salary Savings	(\$208,363)	(\$209,335)	(\$210,830)	(\$212,175)	(\$840,703)		(\$798,694)	(\$840,703)	(\$42,009)	
Net Salaries and Wages		\$1,318,576	\$1,324,549	\$1,333,729	\$1,341,995	\$5,318,849		\$5,121,755	\$5,318,849	\$197,093	
55XXX	Staff Benefits	\$761,897	\$765,421	\$770,837	\$775,713	\$3,073,868		\$2,937,373	\$3,073,868	\$136,494	
<b>TOTAL PERSONAL SERVICES</b>		\$2,080,473	\$2,089,969	\$2,104,566	\$2,117,708	\$8,392,716		\$8,059,129	\$8,392,716	\$333,588	
<b>OPERATING EXPENSES</b>											
67000	General Expense	\$32,977	\$32,893	\$32,877	\$32,877	\$131,624		\$131,420	\$131,624	\$204	
67100	Printing	\$2,754	\$2,754	\$2,754	\$3,454	\$11,716		\$29,745	\$11,716	(\$18,029)	
67700	Postage	\$21,153	\$21,153	\$21,153	\$21,153	\$84,612		\$80,412	\$84,612	\$4,200	
67900	Insurance	\$96,810	\$100,160	\$101,835	\$101,835	\$400,638		\$329,911	\$400,638	\$70,727	
68100	In-State Travel	\$15,021	\$15,021	\$15,021	\$15,021	\$60,084		\$99,900	\$60,084	(\$39,816)	
68500	Training	\$14,061	\$15,393	\$17,145	\$20,643	\$67,242		\$70,350	\$67,242	(\$3,108)	
68750	Asset Rental Expense	\$2,640	\$2,640	\$2,640	\$2,640	\$10,560		\$9,650	\$10,560	\$910	
68775	Lease Asset Amortization of Expense	\$166,341	\$166,341	\$166,341	\$166,341	\$665,364		\$378,000	\$665,364	\$287,364	
68900	Facility Maintenance & Operations	\$310,545	\$310,545	\$310,545	\$322,936	\$1,254,571		\$1,554,871	\$1,254,571	(\$300,300)	
68910	Alterations & Remodeling	\$0	\$0	\$0	\$0	\$0		\$1,471,000	\$0	(\$1,471,000)	
69300	Utilities	\$234,297	\$156,201	\$156,201	\$234,297	\$780,996		\$849,792	\$780,996	(\$68,796)	
69700	Expendable Equipment	\$42,501	\$42,501	\$42,501	\$42,501	\$170,004		\$409,139	\$170,004	(\$239,135)	
69900	Vehicle Maintenance & Operations	\$544,599	\$597,148	\$542,250	\$543,033	\$2,227,030		\$2,297,226	\$2,227,030	(\$70,196)	
70600	Interest Expense	\$45,868	\$45,596	\$43,385	\$41,141	\$175,990		\$99,133	\$175,990	\$76,857	
70700	Taxes & Assessments	\$28,983	\$28,983	\$28,983	\$28,983	\$115,932		\$115,932	\$115,932	\$0	
70900	Special Items of Expense	\$801	\$801	\$801	\$801	\$3,204		\$2,800	\$3,204	\$404	
63200	Prof. Service - External	\$103,822	\$43,242	\$43,242	\$43,242	\$233,548	See Contract Listing	\$5,353	\$233,548	\$228,195	
63300	Prof. Service - Interdept.	\$210,600	\$129,500	\$109,500	\$169,500	\$619,100		\$0	\$619,100	\$619,100	
<b>CAPITALIZED EXPENSES</b>											
2XXXX	Equipment & Capitalized Expenses	\$300,000	\$0	\$75,000	\$75,000	\$450,000		\$4,845,555	\$450,000	(\$4,395,555)	
<b>TOT. OPER. EXP. AND EQUIP.</b>		\$2,173,772	\$1,710,871	\$1,712,173	\$1,865,397	\$7,462,215		\$12,780,190	\$7,462,215	(\$5,317,975)	
<b>TOTAL BUDGET</b>		\$4,254,246	\$3,800,841	\$3,816,739	\$3,983,105	\$15,854,931		\$20,839,318	\$15,854,931	(\$4,984,387)	

# Public Affairs and Communications Division

The Public Affairs and Communications Division acts as the overall “tone and voice” of the California Lottery by crafting messages, talking points and fact sheets on all operations. The Division also responds to media inquiries, writes press releases and creates press conferences, co-manages related corporate social responsibility functions, produces public service announcements and other Lottery business and corporate video projects, develops content for internal and external websites, and works on overall public relations image and brand.

PUBLIC AFFAIRS & COMMUNICATIONS DIVISION 05					FY 2024 25 ANNUAL PLAN		DATE: Jul 1, 2024		
					TOTAL	APPROVED BUDGET	ANNUAL PLAN	CHANGE	
					FY 2024 25	FY 2023 24	FY 2024 25		
Quarter 1	Quarter 2	Quarter 3	Quarter 4						
<b>PERMANENT POSITIONS</b>					<b>7.00</b>		<b>7.00</b>	<b>7.00</b>	<b>0.00</b>
<b>PERSONAL SERVICES</b>									
50100	Civil Service Permanent	\$ 158,679	\$ 158,679	\$ 158,679	\$ 159,739	\$ 635,776	\$ 672,084	\$ 635,776	\$ (36,308)
50500	Civil Service Temporary	\$ 26,349	\$ 26,349	\$ 26,349	\$ 26,349	\$ 105,396	\$ 0	\$ 105,396	\$ 105,396
51000	Overtime Pay	\$ 150	\$ 50	\$ 150	\$ 150	\$ 500	\$ 500	\$ 500	\$ 0
53000	Merit Compensation	\$ 600	\$ 600	\$ 600	\$ 600	\$ 2,400	\$ 3,000	\$ 2,400	\$ (600)
	Total Salaries and Wages	\$ 185,778	\$ 185,678	\$ 185,778	\$ 186,838	\$ 744,072	\$ 675,584	\$ 744,072	\$ 68,488
56001	Salary Savings	\$ (22,215)	\$ (22,215)	\$ (22,215)	\$ (22,363)	\$ (89,009)	\$ (94,092)	\$ (89,009)	\$ 5,083
	Net Salaries and Wages	\$ 163,563	\$ 163,463	\$ 163,563	\$ 164,475	\$ 655,064	\$ 581,492	\$ 655,064	\$ 73,571
55XXX	Staff Benefits	\$ 96,060	\$ 96,060	\$ 96,060	\$ 96,598	\$ 384,777	\$ 341,015	\$ 384,777	\$ 43,761
	<b>TOTAL PERSONAL SERVICES</b>	\$ 259,623	\$ 259,523	\$ 259,623	\$ 261,072	\$ 1,039,840	\$ 922,508	\$ 1,039,840	\$ 117,333
<b>OPERATING EXPENSES</b>									
67000	General Expense	\$ 285	\$ 290	\$ 315	\$ 310	\$ 1,200	\$ 2,708	\$ 1,200	\$ (1,508)
68100	In-State Travel	\$ 750	\$ 750	\$ 750	\$ 750	\$ 3,000	\$ 5,000	\$ 3,000	\$ (2,000)
68500	Training	\$ 450	\$ 450	\$ 450	\$ 450	\$ 1,800	\$ 1,800	\$ 1,800	\$ 0
63200	Prof. Service - External	\$ 3,750	\$ 3,003,750	\$ 3,003,750	\$ 3,003,750	\$ 9,015,000	See Contract Listing \$ 4,015,000	\$ 9,015,000	\$ 5,000,000
	<b>TOT. OPER. EXP. AND EQUIP.</b>	\$ 5,235	\$ 3,005,240	\$ 3,005,265	\$ 3,005,260	\$ 9,021,000	\$ 4,024,508	\$ 9,021,000	\$ 4,996,492
	<b>TOTAL BUDGET</b>	\$ 264,858	\$ 3,264,763	\$ 3,264,888	\$ 3,266,332	\$ 10,060,840	\$ 4,947,016	\$ 10,060,840	\$ 5,113,824

## Security and Law Enforcement Division

The mission of the Security and Law Enforcement Division (SLED) is to protect the assets of the Lottery, both human and fiscal, while ensuring the highest level of operational integrity, security, honesty and fairness. The operational units within SLED include: Field Investigations, Theft, Claims, Emergency Management & Physical Security, Special Investigations & Gaming Security, Draw Management, Retailer Services, and Training, Recruitment & Fleet Services. Each providing the essential needs in supporting the investigative and law enforcement activities by collecting and analyzing information, providing preliminary investigations, determining ownership of questionable tickets, providing retailer compliance functions, maintaining a secure physical work environment and providing draw management.

SECURITY/LAW ENFORCEMENT DIVISION 06		FY 2024 25 ANNUAL PLAN					DATE: Jul 1, 2024			
		TOTAL					APPROVED BUDGET	ANNUAL PLAN	CHANGE	
		Quarter 1	Quarter 2	Quarter 3	Quarter 4	FY 2024 25	COMMENTS	FY 2023 24	FY 2024 25	CHANGE
<b>PERMANENT POSITIONS</b>						<b>87.00</b>		85.00	87.00	2.00
<b>PERSONAL SERVICES</b>										
50100	Civil Service Permanent	\$2,201,055	\$2,221,834	\$2,231,699	\$2,238,505	<b>\$8,893,092</b>		\$8,126,301	\$8,893,092	\$766,791
50500	Civil Service Temporary	\$25,431	\$25,431	\$25,431	\$25,431	<b>\$101,724</b>		\$303,063	\$101,724	(\$201,339)
51000	Overtime Pay	\$87,184	\$87,184	\$87,184	\$87,184	<b>\$348,735</b>		\$216,288	\$348,735	\$132,447
53000	Merit Compensation	\$22,515	\$22,515	\$22,515	\$22,515	<b>\$90,060</b>		\$72,000	\$90,060	\$18,060
	Total Salaries and Wages	\$2,336,184	\$2,356,964	\$2,366,829	\$2,373,634	<b>\$9,433,611</b>		\$8,717,652	\$9,433,611	\$715,959
56001	Salary Savings	(\$308,148)	(\$311,057)	(\$312,438)	(\$313,391)	<b>(\$1,245,033)</b>		(\$1,137,682)	(\$1,245,033)	(\$107,351)
	Net Salaries and Wages	\$2,028,037	\$2,045,907	\$2,054,391	\$2,060,244	<b>\$8,188,578</b>		\$7,579,970	\$8,188,578	\$608,608
55XXX	Staff Benefits	\$1,131,819	\$1,142,362	\$1,147,369	\$1,150,820	<b>\$4,572,370</b>		\$4,302,092	\$4,572,370	\$270,279
	<b>TOTAL PERSONAL SERVICES</b>	<b>\$3,159,856</b>	<b>\$3,188,268</b>	<b>\$3,201,760</b>	<b>\$3,211,064</b>	<b>\$12,760,948</b>		<b>\$11,882,062</b>	<b>\$12,760,948</b>	<b>\$878,887</b>
<b>OPERATING EXPENSES</b>										
67000	General Expense	\$17,750	\$17,750	\$17,750	\$17,750	<b>\$71,002</b>		\$42,239	\$71,002	\$28,763
68100	In-State Travel	\$77,364	\$77,364	\$77,364	\$77,364	<b>\$309,455</b>		\$173,933	\$309,455	\$135,522
68500	Training	\$37,378	\$37,378	\$37,378	\$36,561	<b>\$148,695</b>		\$133,634	\$148,695	\$15,061
69700	Expendable Equipment	\$53,857	\$49,357	\$289,999	\$96,457	<b>\$489,670</b>		\$614,501	\$489,670	(\$124,831)
63200	Prof. Service - External	\$742,428	\$742,622	\$742,427	\$742,439	<b>\$2,969,917</b>	See Contract Listing	\$1,873,932	\$2,969,917	\$1,095,985
63300	Prof. Service - Interdept.	\$44,605	\$44,605	\$44,605	\$44,605	<b>\$178,420</b>	See Contract Listing	\$187,120	\$178,420	(\$8,700)
<b>CAPITALIZED EXPENSES</b>										
2XXXX	Equipment & Capitalized Expenses	\$57,500	\$57,500	\$57,500	\$57,500	<b>\$230,000</b>		\$230,000	\$230,000	\$0
	<b>TOT. OPER. EXP. AND EQUIP.</b>	<b>\$1,030,882</b>	<b>\$1,026,576</b>	<b>\$1,267,023</b>	<b>\$1,072,676</b>	<b>\$4,397,159</b>		<b>\$3,255,359</b>	<b>\$4,397,159</b>	<b>\$1,141,800</b>
	<b>TOTAL BUDGET</b>	<b>\$4,190,738</b>	<b>\$4,214,845</b>	<b>\$4,468,783</b>	<b>\$4,283,740</b>	<b>\$17,158,107</b>		<b>\$15,137,421</b>	<b>\$17,158,107</b>	<b>\$2,020,686</b>

## Information Technology Services Division

As a critical stakeholder and partner to our business customers, the Information Technology Services Division (ITSD) is uniquely positioned to support the Lottery in achieving its business goals. With a team of dedicated and talented IT professionals, ITSD is responsible for the maintenance and operations of the Lottery's mission critical systems and functions. ITSD works collaboratively with our business partners to drive innovation, increase efficiencies, and to find the best technology solutions to meet business needs whether it's engaging players through the release of new features on the mobile app and public website, or working with back-office staff to refine business processes through new functions. ITSD plays a vital role in providing the services and technology that enables the Lottery to achieve its mission and goals.

INFORMATION TECHNOLOGY SERVICES DIVISION 07					FY 2024 25 ANNUAL PLAN		DATE: Jul 1, 2024			
					TOTAL		APPROVED	ANNUAL		
					FY 2024 25	COMMENTS	BUDGET	PLAN	CHANGE	
		Quarter 1	Quarter 2	Quarter 3	Quarter 4		FY 2023 24	FY 2024 25		
<b>PERMANENT POSITIONS</b>					<b>140.00</b>		<b>137.00</b>	<b>140.00</b>	<b>3.00</b>	
<b>PERSONAL SERVICES</b>										
50100	Civil Service Permanent	\$3,995,248	\$4,091,799	\$4,109,344	\$4,125,780	<b>\$16,322,170</b>	\$15,700,485	\$16,322,170	\$621,686	
50500	Civil Service Temporary	\$224,489	\$206,550	\$170,979	\$170,979	<b>\$772,995</b>	\$238,004	\$772,995	\$534,991	
51000	Overtime Pay	\$5,000	\$5,000	\$0	\$0	<b>\$10,000</b>	\$10,000	\$10,000	\$0	
53000	Merit Compensation	\$81,900	\$81,900	\$81,900	\$81,900	<b>\$327,600</b>	\$67,200	\$327,600	\$260,400	
	Total Salaries and Wages	\$4,306,636	\$4,385,248	\$4,362,223	\$4,378,658	<b>\$17,432,766</b>	\$16,015,689	\$17,432,766	\$1,417,077	
56001	Salary Savings	(\$559,335)	(\$572,852)	(\$575,308)	(\$577,609)	<b>(\$2,285,104)</b>	(\$2,198,068)	(\$2,285,104)	(\$87,036)	
	Net Salaries and Wages	\$3,747,302	\$3,812,396	\$3,786,915	\$3,801,049	<b>\$15,147,662</b>	\$13,817,621	\$15,147,662	\$1,330,041	
55XXX	Staff Benefits	\$2,159,637	\$2,198,043	\$2,185,959	\$2,194,298	<b>\$8,737,936</b>	\$8,106,852	\$8,737,936	\$631,085	
	<b>TOTAL PERSONAL SERVICES</b>	<b>\$5,906,939</b>	<b>\$6,010,439</b>	<b>\$5,972,873</b>	<b>\$5,995,347</b>	<b>\$23,885,598</b>	<b>\$21,924,473</b>	<b>\$23,885,598</b>	<b>\$1,961,126</b>	
<b>OPERATING EXPENSES</b>										
67000	General Expense	\$1,250	\$1,250	\$1,250	\$1,250	<b>\$5,000</b>	\$5,000	\$5,000	\$0	
67100	Printing	\$82,500	\$82,500	\$82,500	\$82,500	<b>\$330,000</b>	\$300,000	\$330,000	\$30,000	
67500	Telephone	\$702,075	\$702,075	\$702,075	\$702,075	<b>\$2,808,300</b>	\$2,553,000	\$2,808,300	\$255,300	
68100	In-State Travel	\$21,650	\$21,650	\$21,650	\$21,650	<b>\$86,600</b>	\$120,000	\$86,600	(\$33,400)	
68500	Training	\$22,500	\$22,500	\$22,500	\$22,500	<b>\$90,000</b>	\$299,500	\$90,000	(\$209,500)	
68875	SBITA Amortization Expense	\$139,916	\$114,422	\$63,433	\$63,433	<b>\$381,203</b>	\$0	\$381,203	\$381,203	
69700	Expendable Equipment	\$744,564	\$744,564	\$744,564	\$744,564	<b>\$2,978,256</b>	\$3,340,510	\$2,978,256	(\$362,254)	
70600	Interest Expense	\$1,537	\$1,547	\$1,556	\$0	<b>\$4,640</b>	\$0	\$4,640	\$4,640	
63200	Prof. Service - External	\$4,540,213	\$4,564,602	\$4,713,423	\$4,548,682	<b>\$18,366,920</b>	See Contract Listing	\$12,616,727	\$18,366,920	\$5,750,193
63300	Prof. Service - Interdept.	\$201,400	\$201,400	\$201,400	\$201,400	<b>\$805,600</b>	See Contract Listing	\$638,692	\$805,600	\$166,908
64300	Gaming System Expenses	\$31,142,929	\$31,439,543	\$29,929,589	\$30,449,438	<b>\$122,961,500</b>		\$123,445,000	\$122,961,500	(\$483,500)
<b>CAPITALIZED EXPENSES</b>										
2XXXX	Equipment & Capitalized Expenses	\$181,497	\$181,497	\$181,497	\$181,497	<b>\$725,988</b>		\$650,000	\$725,988	\$75,988
	<b>TOT. OPER. EXP. AND EQUIP.</b>	<b>\$37,782,032</b>	<b>\$38,077,549</b>	<b>\$36,665,437</b>	<b>\$37,018,989</b>	<b>\$149,544,007</b>		<b>\$143,968,429</b>	<b>\$149,544,007</b>	<b>\$5,575,578</b>
	<b>TOTAL BUDGET</b>	<b>\$43,688,970</b>	<b>\$44,087,989</b>	<b>\$42,638,310</b>	<b>\$43,014,336</b>	<b>\$173,429,605</b>		<b>\$165,892,901</b>	<b>\$173,429,605</b>	<b>\$7,536,704</b>

# Sales and Marketing Division Roll-Up

SALES & MARKETING DIVISION 08					DATE: Jul 1, 2024			
Sales/Mktng					APPROVED BUDGET	ANNUAL PLAN	CHANGE	
Dep Dir s	Marketing	Sales	TOTAL	FY 2023 24				FY 2024 25
Office	Dept	Dept	FY 2024 25					
1800	1805	1900 1925						
<b>PERMANENT POSITIONS</b>	8.00	54.00	497.00	<b>559.00</b>	559.00	559.00	0.00	
<b>PERSONAL SERVICES</b>								
50100	Civil Service Permanent	\$750,672	\$4,842,641	\$31,091,799	<b>\$36,685,112</b>	\$35,080,001	\$36,685,112	\$1,605,111
50500	Civil Service Temporary	\$0	\$75,563	\$489,808	<b>\$565,370</b>	\$721,030	\$565,370	(\$155,659)
51000	Overtime Pay	\$1,000	\$15,000	\$160,000	<b>\$176,000</b>	\$276,000	\$176,000	(\$100,000)
53000	Merit Compensation	\$8,040	\$40,440	\$3,345,624	<b>\$3,394,104</b>	\$3,062,568	\$3,394,104	\$331,536
	Total Salaries and Wages	\$759,712	\$4,973,644	\$35,087,230	<b>\$40,820,586</b>	\$39,139,599	\$40,820,586	\$1,680,987
56001	Salary Savings	(\$105,094)	(\$677,969)	(\$4,352,852)	<b>(\$5,135,915)</b>	(\$4,911,200)	(\$5,135,915)	(\$224,716)
	Net Salaries and Wages	\$654,618	\$4,295,675	\$30,734,379	<b>\$35,684,671</b>	\$34,228,400	\$35,684,671	\$1,456,272
55XXX	Staff Benefits	\$380,890	\$2,501,738	\$16,064,965	<b>\$18,947,594</b>	\$18,224,999	\$18,947,594	\$722,595
	<b>TOTAL PERSONAL SERVICES</b>	<b>\$1,035,509</b>	<b>\$6,797,413</b>	<b>\$46,799,344</b>	<b>\$54,632,265</b>	\$52,453,398	\$54,632,265	\$2,178,867
<b>OPERATING EXPENSES</b>								
67000	General Expense	\$22,000	\$33,500	\$81,200	<b>\$136,700</b>	\$103,500	\$136,700	\$33,200
67800	Internal Freight	\$0	\$0	\$375,000	<b>\$375,000</b>	\$405,900	\$375,000	(\$30,900)
68100	In-State Travel	\$5,000	\$40,000	\$205,000	<b>\$250,000</b>	\$180,000	\$250,000	\$70,000
68500	Training	\$225,000	\$0	\$0	<b>\$225,000</b>	\$225,000	\$225,000	\$0
69700	Expendable Equipment	\$0	\$5,000	\$2,000	<b>\$7,000</b>	\$0	\$7,000	\$7,000
70900	Special Items of Expense	\$0	\$0	\$218,000	<b>\$218,000</b>	\$290,500	\$218,000	(\$72,500)
71200	Event Sponsorship	\$0	\$385,000	\$0	<b>\$385,000</b>	\$0	\$385,000	\$385,000
64303	Scratchers Delivery Fees	\$0	\$0	\$7,840,000	<b>\$7,840,000</b>	\$9,057,973	\$7,840,000	(\$1,217,973)
60000	Media	\$0	\$66,867,500	\$0	<b>\$66,867,500</b>	\$68,590,000	\$66,867,500	(\$1,722,500)
60100	Production	\$0	\$23,150,000	\$0	<b>\$23,150,000</b>	\$22,710,000	\$23,150,000	\$440,000
60200	Digital	\$0	\$6,707,500	\$0	<b>\$6,707,500</b>	\$6,737,000	\$6,707,500	(\$29,500)
60400	Promotions - Consumer	\$0	\$5,497,000	\$0	<b>\$5,497,000</b>	\$5,574,200	\$5,497,000	(\$77,200)
60410	Promotions - Retailer	\$0	\$480,000	\$280,420	<b>\$760,420</b>	\$1,010,420	\$760,420	(\$250,000)
60475	Point of Sale - Collateral	\$0	\$2,300,000	\$0	<b>\$2,300,000</b>	\$2,500,000	\$2,300,000	(\$200,000)
60500	Point of Sale - Permanent	\$0	\$5,110,000	\$0	<b>\$5,110,000</b>	\$4,860,000	\$5,110,000	\$250,000
<b>CAPITALIZED EXPENSES</b>								
2XXXX	Equipment & Capitalized Expenses	\$0	\$0	\$260,000	<b>\$260,000</b>	\$200,000	\$260,000	\$60,000
	<b>TOT. OPER. EXP. AND EQUIP.</b>	<b>\$252,000</b>	<b>\$110,575,500</b>	<b>\$9,261,620</b>	<b>\$120,089,120</b>	\$122,564,493	\$120,089,120	(\$2,475,373)
	<b>TOTAL BUDGET</b>	<b>\$1,287,509</b>	<b>\$117,372,913</b>	<b>\$56,060,964</b>	<b>\$174,721,385</b>	\$175,017,891	\$174,721,385	(\$296,506)

\*The Sales and Marketing Division roll-up represents separate budget allocations for each office.

# Sales and Marketing Division

## Deputy Director's Office - 1800

The Sales and Marketing Division (SMD) makes up over half the staff of the California Lottery and consists of three departments managed by the SMD Deputy Director. The office of the SMD Deputy Director oversees operations of the Sales and Marketing Division and is responsible for the development and management of key marketing and sales strategies used to increase sales to generate incremental profits for public education. The department is staffed by the SMD Deputy Director and seven supporting positions.

SALES AND MARKETING DIVISION		FY 2024 25 ANNUAL PLAN					DATE:	Jul 1, 2024			
DEPUTY DIRECTOR'S OFFICE 1800							APPROVED	ANNUAL			
		TOTAL					BUDGET	PLAN	CHANGE		
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	FY 2024 25	COMMENTS	FY 2023 24	FY 2024 25	CHANGE		
<b>PERMANENT POSITIONS</b>					<b>8.00</b>		8.00	8.00	0.00		
<b>PERSONAL SERVICES</b>											
50100	Civil Service Permanent	\$186,831	\$186,831	\$188,170	\$188,840		\$731,200	\$750,672	\$19,472		
50500	Civil Service Temporary	\$0	\$0	\$0	\$0		\$0	\$0	\$0		
51000	Overtime Pay	\$250	\$250	\$250	\$250		\$1,000	\$1,000	\$0		
53000	Merit Compensation	\$2,010	\$2,010	\$2,010	\$2,010		\$1,800	\$8,040	\$6,240		
Total Salaries and Wages		\$189,091	\$189,091	\$190,430	\$191,100		\$734,000	\$759,712	\$25,712		
56001	Salary Savings	(\$26,156)	(\$26,156)	(\$26,344)	(\$26,438)		(\$102,368)	(\$105,094)	(\$2,727)		
Net Salaries and Wages		\$162,935	\$162,935	\$164,086	\$164,662		\$631,633	\$654,618	\$22,986		
55XXX	Staff Benefits	\$94,798	\$94,798	\$95,477	\$95,817		\$371,009	\$380,890	\$9,881		
<b>TOTAL PERSONAL SERVICES</b>		<b>\$257,733</b>	<b>\$257,732</b>	<b>\$259,564</b>	<b>\$260,479</b>		<b>\$1,002,642</b>	<b>\$1,035,509</b>	<b>\$32,867</b>		
<b>OPERATING EXPENSES</b>											
67000	General Expense	\$2,300	\$18,800	\$450	\$450		\$20,800	\$22,000	\$1,200		
68100	In-State Travel	\$1,250	\$1,250	\$1,250	\$1,250		\$5,000	\$5,000	\$0		
68500	Training	\$56,250	\$56,250	\$56,250	\$56,250		\$225,000	\$225,000	\$0		
<b>TOT. OPER. EXP. AND EQUIP.</b>		<b>\$59,800</b>	<b>\$76,300</b>	<b>\$57,950</b>	<b>\$57,950</b>		<b>\$250,800</b>	<b>\$252,000</b>	<b>\$1,200</b>		
<b>TOTAL BUDGET</b>		<b>\$317,533</b>	<b>\$334,032</b>	<b>\$317,514</b>	<b>\$318,429</b>		<b>\$1,253,442</b>	<b>\$1,287,509</b>	<b>\$34,067</b>		

# Sales and Marketing Division

## Marketing Department - 1805

The Marketing department is a branch of the Sales and Marketing Division and is under the management of the Assistant Deputy Director of Marketing. The Lottery's marketing team and its programs are vital to the success of the Lottery's efforts to fulfill its mission. The Lottery's marketing programs drive product awareness, create brand preference and, ultimately, drive Lottery sales. To work toward the goals identified in the current year's Business Plan as well as the Lottery's long term Strategic Plan, Marketing will play a key role in executing strategies and campaigns that help raise jackpot game purchase motivation, shift consumer purchase behavior, inject more fun and entertainment into the brand, and continue to grow purchase frequency and new playership.

MARKETING DEPARTMENT 1805		FY 2024 25 ANNUAL PLAN					DATE: Jul 1, 2024		
		Quarter 1	Quarter 2	Quarter 3	Quarter 4	TOTAL	APPROVED BUDGET	ANNUAL PLAN	CHANGE
						FY 2024 25	FY 2023 24	FY 2024 25	
<b>PERMANENT POSITIONS</b>						<b>54.00</b>	<b>54.00</b>	<b>54.00</b>	<b>0.00</b>
<b>PERSONAL SERVICES</b>									
50100	Civil Service Permanent	\$1,202,341	\$1,209,256	\$1,212,409	\$1,218,634	<b>\$4,842,641</b>	\$4,745,071	\$4,842,641	\$97,570
50500	Civil Service Temporary	\$37,781	\$37,781	\$0	\$0	<b>\$75,563</b>	\$51,002	\$75,563	\$24,560
51000	Overtime Pay	\$3,750	\$3,750	\$3,750	\$3,750	<b>\$15,000</b>	\$15,000	\$15,000	\$0
53000	Merit Compensation	\$10,110	\$10,110	\$10,110	\$10,110	<b>\$40,440</b>	\$21,000	\$40,440	\$19,440
	Total Salaries and Wages	\$1,253,983	\$1,260,898	\$1,226,269	\$1,232,494	<b>\$4,973,644</b>	\$4,832,073	\$4,973,644	\$141,570
56001	Salary Savings	(\$168,328)	(\$169,296)	(\$169,737)	(\$170,609)	<b>(\$677,969)</b>	(\$664,310)	(\$677,969)	(\$13,659)
	Net Salaries and Wages	\$1,085,655	\$1,091,602	\$1,056,532	\$1,061,886	<b>\$4,295,675</b>	\$4,167,764	\$4,295,675	\$127,911
55XXX	Staff Benefits	\$632,359	\$635,868	\$615,177	\$618,335	<b>\$2,501,738</b>	\$2,437,741	\$2,501,738	\$63,998
	<b>TOTAL PERSONAL SERVICES</b>	<b>\$1,718,014</b>	<b>\$1,727,470</b>	<b>\$1,671,709</b>	<b>\$1,680,221</b>	<b>\$6,797,413</b>	<b>\$6,605,504</b>	<b>\$6,797,413</b>	<b>\$191,909</b>
<b>OPERATING EXPENSES</b>									
67000	General Expense	\$30,875	\$875	\$875	\$875	<b>\$33,500</b>	\$3,500	\$33,500	\$30,000
68100	In-State Travel	\$10,000	\$10,000	\$10,000	\$10,000	<b>\$40,000</b>	\$25,000	\$40,000	\$15,000
69700	Expendable Equipment	\$1,250	\$1,250	\$1,250	\$1,250	<b>\$5,000</b>	\$0	\$5,000	\$5,000
71200	Event Sponsorship	\$146,000	\$44,000	\$44,000	\$151,000	<b>\$385,000</b>	\$0	\$385,000	\$385,000
60000	Media	\$15,545,000	\$14,220,000	\$12,120,000	\$24,982,500	<b>\$66,867,500</b>	\$68,590,000	\$66,867,500	(\$1,722,500)
60100	Production	\$4,005,000	\$8,005,000	\$6,855,000	\$4,285,000	<b>\$23,150,000</b>	\$22,710,000	\$23,150,000	\$440,000
60200	Digital	\$1,465,000	\$1,787,500	\$1,727,500	\$1,727,500	<b>\$6,707,500</b>	\$6,737,000	\$6,707,500	(\$29,500)
60400	Promotions - Consumer	\$1,145,000	\$1,815,000	\$1,163,500	\$1,373,500	<b>\$5,497,000</b>	\$5,574,200	\$5,497,000	(\$77,200)
60410	Promotions - Retailer	\$112,500	\$112,500	\$127,500	\$127,500	<b>\$480,000</b>	\$730,000	\$480,000	(\$250,000)
60475	Point of Sale - Collateral	\$325,000	\$825,000	\$825,000	\$325,000	<b>\$2,300,000</b>	\$2,500,000	\$2,300,000	(\$200,000)
60500	Point of Sale - Permanent	\$2,027,500	\$377,500	\$477,500	\$2,227,500	<b>\$5,110,000</b>	\$4,860,000	\$5,110,000	\$250,000
	<b>TOT. OPER. EXP. AND EQUIP.</b>	<b>\$24,813,125</b>	<b>\$27,198,625</b>	<b>\$23,352,125</b>	<b>\$35,211,625</b>	<b>\$110,575,500</b>	<b>\$111,849,700</b>	<b>\$110,575,500</b>	<b>(\$1,274,200)</b>
	<b>TOTAL BUDGET</b>	<b>\$26,531,139</b>	<b>\$28,926,095</b>	<b>\$25,023,834</b>	<b>\$36,891,846</b>	<b>\$117,372,913</b>	<b>\$118,455,204</b>	<b>\$117,372,913</b>	<b>(\$1,082,291)</b>

# Sales and Marketing Division

SALES DEPARTMENT 1900 1925		FY 2024 25 ANNUAL PLAN					DATE: Jul 1, 2024		
	Sales	Sales Support	Business	District		APPROVED	ANNUAL		
	Dept	& Distribution	Development	Sales	TOTAL	BUDGET	PLAN		
	1900	1905	1911	1925	FY 2024 25	FY 2023 24	FY 2024 25	CHANGE	
<b>PERMANENT POSITIONS</b>		3.00	143.00	23.00	328.00	497.00	497.00	0.00	
<b>PERSONAL SERVICES</b>									
50100	Civil Service Permanent	\$308,040	\$7,951,620	\$1,938,402	\$20,893,737	\$31,091,799	\$29,603,730	\$1,488,069	
50500	Civil Service Temporary	\$0	\$151,025	\$50,400	\$288,383	\$489,808	\$670,027	(\$180,219)	
51000	Overtime Pay	\$0	\$150,000	\$0	\$10,000	\$160,000	\$260,000	(\$100,000)	
53000	Merit Compensation	\$3,015,144	\$57,000	\$23,160	\$250,320	\$3,345,624	\$3,039,768	\$305,856	
	Total Salaries and Wages	\$3,323,184	\$8,309,645	\$2,011,962	\$21,442,440	\$35,087,230	\$33,573,526	\$1,513,704	
56001	Salary Savings	(\$43,126)	(\$1,113,227)	(\$271,376)	(\$2,925,123)	(\$4,352,852)	(\$4,144,522)	(\$208,330)	
	Net Salaries and Wages	\$3,280,058	\$7,196,418	\$1,740,585	\$18,517,316	\$30,734,379	\$29,429,003	\$1,305,376	
55XXX	Staff Benefits	\$156,299	\$4,123,757	\$1,013,281	\$10,771,628	\$16,064,965	\$15,416,249	\$648,716	
	<b>TOTAL PERSONAL SERVICES</b>	\$3,436,358	\$11,320,175	\$2,753,866	\$29,288,944	\$46,799,344	\$44,845,252	\$1,954,092	
<b>OPERATING EXPENSES</b>									
67000	General Expense	\$1,000	\$54,500	\$500	\$25,200	\$81,200	\$79,200	\$2,000	
67800	Internal Freight	\$0	\$375,000	\$0	\$0	\$375,000	\$405,900	(\$30,900)	
68100	In-State Travel	\$10,000	\$30,000	\$15,000	\$150,000	\$205,000	\$150,000	\$55,000	
69700	Expendable Equipment	\$0	\$2,000	\$0	\$0	\$2,000	\$0	\$2,000	
70900	Special Items of Expense	\$0	\$218,000	\$0	\$0	\$218,000	\$290,500	(\$72,500)	
64303	Scratchers Delivery Fees	\$0	\$7,840,000	\$0	\$0	\$7,840,000	\$9,057,973	(\$1,217,973)	
60410	Promotions - Retailer	\$280,420	\$0	\$0	\$0	\$280,420	\$280,420	\$0	
<b>CAPITALIZED EXPENSES</b>									
2XXXX	Equipment & Capitalized Expenses	\$0	\$60,000	\$0	\$200,000	\$260,000	\$200,000	\$60,000	
	<b>TOT. OPER. EXP. AND EQUIP.</b>	\$291,420	\$8,579,500	\$15,500	\$375,200	\$9,261,620	\$10,463,993	(\$1,202,373)	
	<b>TOTAL BUDGET</b>	\$3,727,778	\$19,899,675	\$2,769,366	\$29,664,144	\$56,060,964	\$55,309,245	\$751,719	

\*The Sales Department roll-up represents separate budget allocations for each program area.

# Sales and Marketing Division

## Sales Assistant Deputy Director

The Sales department is under the Sales and Marketing Division and is the largest department within the Lottery, housed at 9 district offices, 2 distribution centers and the Lottery's headquarter building. The Sales department is further divided into four sections that operate under the management of the Assistant Deputy Director of Sales. These four sections include the Sales Department, Sales Support and Distribution, Business Development, and District Sales. This department is the frontline to our retailer network and is responsible for retailer recruitment, retailer applications, Scratchers orders, Scratchers distribution and returns as well as areas providing field support with data collection and management.

SALES DEPARTMENT 1900		FY 2024 25 ANNUAL PLAN					DATE: Jul 1, 2024		
		TOTAL					APPROVED BUDGET	ANNUAL PLAN	
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	FY 2024 25	COMMENTS	FY 2023 24	FY 2024 25	CHANGE
<b>PERMANENT POSITIONS</b>					<b>3.00</b>		3.00	3.00	0.00
<b>PERSONAL SERVICES</b>									
50100	Civil Service Permanent	\$77,010	\$77,010	\$77,010	\$77,010		\$287,308	\$308,040	\$20,732
50500	Civil Service Temporary	\$0	\$0	\$0	\$0		\$0	\$0	\$0
51000	Overtime Pay	\$0	\$0	\$0	\$0		\$0	\$0	\$0
53000	Merit Compensation	\$753,786	\$753,786	\$753,786	\$753,786		\$2,814,768	\$3,015,144	\$200,376
	Total Salaries and Wages	\$830,796	\$830,796	\$830,796	\$830,796		\$3,102,076	\$3,323,184	\$221,108
56001	Salary Savings	(\$10,781)	(\$10,781)	(\$10,781)	(\$10,781)		(\$40,223)	(\$43,126)	(\$2,902)
	Net Salaries and Wages	\$820,015	\$820,015	\$820,015	\$820,015		\$3,061,853	\$3,280,058	\$218,205
55XXX	Staff Benefits	\$39,075	\$39,075	\$39,075	\$39,075		\$145,780	\$156,299	\$10,519
	<b>TOTAL PERSONAL SERVICES</b>	<b>\$859,089</b>	<b>\$859,089</b>	<b>\$859,089</b>	<b>\$859,089</b>		<b>\$3,207,633</b>	<b>\$3,436,358</b>	<b>\$228,725</b>
<b>OPERATING EXPENSES</b>									
67000	General Expense	\$250	\$250	\$250	\$250		\$1,000	\$1,000	\$0
68100	In-State Travel	\$2,500	\$2,500	\$2,500	\$2,500		\$5,000	\$10,000	\$5,000
60410	Promotions - Retailer	\$70,105	\$70,105	\$70,105	\$70,105		\$280,420	\$280,420	\$0
	<b>TOT. OPER. EXP. AND EQUIP.</b>	<b>\$72,855</b>	<b>\$72,855</b>	<b>\$72,855</b>	<b>\$72,855</b>		<b>\$286,420</b>	<b>\$291,420</b>	<b>\$5,000</b>
	<b>TOTAL BUDGET</b>	<b>\$931,944</b>	<b>\$931,944</b>	<b>\$931,944</b>	<b>\$931,944</b>		<b>\$3,494,053</b>	<b>\$3,727,778</b>	<b>\$233,725</b>

## Sales Support and Distribution

The Sales Support and Distribution program area oversees a variety of crucial functions for the Lottery including Scratchers inventory and distribution, retailer application processing, and the Lottery's Customer Call Center.

The Scratchers Inventory Management Center primarily determines the appropriate amount of Scratchers tickets and mix of games to order for an assigned group of retail locations by evaluating a variety of information such as sales data, trends, and retailer demographics to produce auto-ship orders.

The primary function of the two distribution centers is to receive Scratchers® game tickets from ticket manufacturers and then process the ticket orders for shipment to the Lottery's retail partners. A secondary function is receiving and holding shipments of point-of-sale materials, office supplies and equipment until they are shipped to the Lottery's District Sales Offices, retailers, or to the Lottery's headquarters.

The Retailer Network Management unit processes new retailer and change of ownership applications to ensure complete packages are entered into the system for evaluation. Additionally, the program area coordinates retailer terminal /equipment installations and terminations.

The Customer Service Unit is tasked with taking thousands of player calls per week, dealing with a variety of topics – some of sensitive nature that require well thought out and researched responses to try and make sure each caller is dealt with in a thorough, professional manner.

SALES DEPARTMENT		FY 2024 25 ANNUAL PLAN					DATE:		Jul 1, 2024		
SALES SUPPORT & DISTRIBUTION 1905							APPROVED		ANNUAL		
		TOTAL					BUDGET		PLAN		
		Quarter 1	Quarter 2	Quarter 3	Quarter 4	FY 2024 25	COMMENTS	FY 2023 24	FY 2024 25	CHANGE	
<b>PERMANENT POSITIONS</b>							<b>143.00</b>		144.00	143.00	(1.00)
<b>PERSONAL SERVICES</b>											
50100	Civil Service Permanent	\$1,975,714	\$1,984,335	\$1,992,686	\$1,998,886	\$7,951,620		\$7,801,030	\$7,951,620	\$150,590	
50500	Civil Service Temporary	\$37,756	\$37,756	\$37,756	\$37,756	\$151,025		\$151,163	\$151,025	(\$139)	
51000	Overtime Pay	\$37,500	\$37,500	\$37,500	\$37,500	\$150,000		\$250,000	\$150,000	(\$100,000)	
53000	Merit Compensation	\$14,250	\$14,250	\$14,250	\$14,250	\$57,000		\$43,200	\$57,000	\$13,800	
Total Salaries and Wages		\$2,065,220	\$2,073,841	\$2,082,192	\$2,088,392	\$8,309,645		\$8,245,394	\$8,309,645	\$64,251	
56001	Salary Savings	(\$276,600)	(\$277,807)	(\$278,976)	(\$279,844)	(\$1,113,227)		(\$1,092,144)	(\$1,113,227)	(\$21,083)	
Net Salaries and Wages		\$1,788,620	\$1,796,034	\$1,803,216	\$1,808,548	\$7,196,418		\$7,153,249	\$7,196,418	\$43,169	
55XXX	Staff Benefits	\$1,024,753	\$1,029,128	\$1,033,365	\$1,036,511	\$4,123,757		\$4,047,429	\$4,123,757	\$76,328	
<b>TOTAL PERSONAL SERVICES</b>		\$2,813,373	\$2,825,162	\$2,836,581	\$2,845,059	\$11,320,175		\$11,200,679	\$11,320,175	\$119,496	
<b>OPERATING EXPENSES</b>											
67000	General Expense	\$13,625	\$13,625	\$13,625	\$13,625	\$54,500		\$52,500	\$54,500	\$2,000	
67800	Internal Freight	\$93,750	\$93,750	\$93,750	\$93,750	\$375,000		\$405,900	\$375,000	(\$30,900)	
68100	In-State Travel	\$7,500	\$7,500	\$7,500	\$7,500	\$30,000		\$30,000	\$30,000	\$0	
69700	Expendable Equipment	\$2,000	\$0	\$0	\$0	\$2,000		\$0	\$2,000	\$2,000	
70900	Special Items of Expense	\$31,750	\$28,750	\$128,750	\$28,750	\$218,000		\$290,500	\$218,000	(\$72,500)	
64303	Scratchers Delivery Fees	\$1,960,000	\$1,960,000	\$1,960,000	\$1,960,000	\$7,840,000		\$9,057,973	\$7,840,000	(\$1,217,973)	
<b>CAPITALIZED EXPENSES</b>											
2XXXX	Equipment & Capitalized Expenses	\$30,000	\$30,000	\$0	\$0	\$60,000		\$0	\$60,000	\$60,000	
<b>TOT. OPER. EXP. AND EQUIP.</b>		\$2,138,625	\$2,133,625	\$2,203,625	\$2,103,625	\$8,579,500		\$9,836,873	\$8,579,500	(\$1,257,373)	
<b>TOTAL BUDGET</b>		\$4,951,998	\$4,958,787	\$5,040,206	\$4,948,684	\$19,899,675		\$21,037,552	\$19,899,675	(\$1,137,877)	

## Business Development Section

The Business Development section is comprised of two areas focusing on large corporate accounts, retail recruitment and retention, and growing the Lottery's retail network.

The role of the Key Accounts Unit is to serve as liaison between Lottery Headquarters and Corporate Chain Headquarters. Approximately 30 percent of total sales are attributed to the Lottery's key account sales.

Retail Recruitment is our business development sales team. Team responsibilities include uncovering new leads, new trade styles, and selling big box retailers on the value of carrying CA Lottery products. They also manage the e-business opportunities submitted through our CA Lottery website. Daily activities are filled with initial CA Lottery sell-in, application assistance, store evaluation for retailer quality, equipment negotiation, and initial marketing material placement. The recruiters work closely with the districts and have implemented an exciting new hand-off program for a smooth transition between the time a new retailer is activated to when the District Sales Representative takes over in the field.

SALES DEPARTMENT		FY 2024 25 ANNUAL PLAN					DATE:		Jul 1, 2024	
BUSINESS DEVELOPMENT 1911							APPROVED	ANNUAL		
		TOTAL					BUDGET	PLAN		
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	FY 2024 25	COMMENTS	FY 2023 24	FY 2024 25	CHANGE	
<b>PERMANENT POSITIONS</b>					<b>23.00</b>		23.00	23.00	0.00	
<b>PERSONAL SERVICES</b>										
50100	Civil Service Permanent	\$480,591	\$483,328	\$485,516	\$488,967		\$1,898,630	\$1,938,402	\$39,772	
50500	Civil Service Temporary	\$12,600	\$12,600	\$12,600	\$12,600		\$47,040	\$50,400	\$3,360	
51000	Overtime Pay	\$0	\$0	\$0	\$0		\$0	\$0	\$0	
53000	Merit Compensation	\$5,790	\$5,790	\$5,790	\$5,790		\$12,000	\$23,160	\$11,160	
	Total Salaries and Wages	\$498,981	\$501,718	\$503,906	\$507,357		\$1,957,670	\$2,011,962	\$54,292	
56001	Salary Savings	(\$67,283)	(\$67,666)	(\$67,972)	(\$68,455)		(\$265,808)	(\$271,376)	(\$5,568)	
	Net Salaries and Wages	\$431,698	\$434,052	\$435,934	\$438,901		\$1,691,862	\$1,740,585	\$48,724	
55XXX	Staff Benefits	\$251,286	\$252,675	\$253,785	\$255,536		\$991,118	\$1,013,281	\$22,163	
	<b>TOTAL PERSONAL SERVICES</b>	<b>\$682,984</b>	<b>\$686,727</b>	<b>\$689,719</b>	<b>\$694,437</b>		<b>\$2,682,980</b>	<b>\$2,753,866</b>	<b>\$70,886</b>	
<b>OPERATING EXPENSES</b>										
67000	General Expense	\$125	\$125	\$125	\$125		\$500	\$500	\$0	
68100	In-State Travel	\$3,750	\$3,750	\$3,750	\$3,750		\$5,000	\$15,000	\$10,000	
	<b>TOT. OPER. EXP. AND EQUIP.</b>	<b>\$3,875</b>	<b>\$3,875</b>	<b>\$3,875</b>	<b>\$3,875</b>		<b>\$5,500</b>	<b>\$15,500</b>	<b>\$10,000</b>	
	<b>TOTAL BUDGET</b>	<b>\$686,859</b>	<b>\$690,602</b>	<b>\$693,594</b>	<b>\$698,312</b>		<b>\$2,688,480</b>	<b>\$2,769,366</b>	<b>\$80,886</b>	

## District Sales Section

Sales staff maintain and provide customer service to the more than 23,000 existing Lottery retailer accounts and keep retailers supplied with a full spectrum of marketing merchandise, educate retailers on new games and upcoming promotional events, and solicit new retailer accounts.

Sales field staff serve as the liaison in field contacts between the Lottery and authorized Lottery Retailer accounts within an assigned geographic area (determined by postal zip codes). The District Sales Representatives and Route Sales Representatives drive to retail locations and conducts field service visits to Lottery Retailers within their assigned territory each day to ensure direct contact is maintained with retailers and to provide assistance and guidance to maximize sales/marketing of Lottery products.

SALES DEPARTMENT DISTRICT SALES 1925		FY 2024 25 ANNUAL PLAN					DATE: Jul 1, 2024			
		Quarter 1	Quarter 2	Quarter 3	Quarter 4	TOTAL FY 2024 25	APPROVED BUDGET FY 2023 24	ANNUAL PLAN FY 2024 25	CHANGE	
<b>PERMANENT POSITIONS</b>						<b>328.00</b>	327.00	328.00	1.00	
<b>PERSONAL SERVICES</b>										
50100	Civil Service Permanent	\$5,143,009	\$5,226,641	\$5,253,111	\$5,270,975	\$20,893,737	\$19,616,762	\$20,893,737	\$1,276,975	
50500	Civil Service Temporary	\$78,974	\$74,367	\$74,367	\$60,675	\$288,383	\$471,824	\$288,383	(\$183,441)	
51000	Overtime Pay	\$2,500	\$2,500	\$2,500	\$2,500	\$10,000	\$10,000	\$10,000	\$0	
53000	Merit Compensation	\$62,580	\$62,580	\$62,580	\$62,580	\$250,320	\$169,800	\$250,320	\$80,520	
	Total Salaries and Wages	\$5,287,063	\$5,366,088	\$5,392,558	\$5,396,730	\$21,442,440	\$20,268,386	\$21,442,440	\$1,174,054	
56001	Salary Savings	(\$720,021)	(\$731,730)	(\$735,436)	(\$737,937)	(\$2,925,123)	(\$2,746,347)	(\$2,925,123)	(\$178,776)	
	Net Salaries and Wages	\$4,567,042	\$4,634,358	\$4,657,123	\$4,658,794	\$18,517,316	\$17,522,039	\$18,517,316	\$995,277	
55XXX	Staff Benefits	\$2,656,157	\$2,695,874	\$2,709,305	\$2,710,291	\$10,771,628	\$10,231,921	\$10,771,628	\$539,707	
	<b>TOTAL PERSONAL SERVICES</b>	\$7,223,199	\$7,330,233	\$7,366,428	\$7,369,085	\$29,288,944	\$27,753,960	\$29,288,944	\$1,534,984	
<b>OPERATING EXPENSES</b>										
67000	General Expense	\$6,300	\$6,300	\$6,300	\$6,300	\$25,200	\$25,200	\$25,200	\$0	
68100	In-State Travel	\$37,500	\$37,500	\$37,500	\$37,500	\$150,000	\$110,000	\$150,000	\$40,000	
<b>CAPITALIZED EXPENSES</b>										
2XXXX	Equipment & Capitalized Expenses	\$0	\$100,000	\$100,000	\$0	\$200,000	\$200,000	\$200,000	\$0	
	<b>TOT. OPER. EXP. AND EQUIP.</b>	\$43,800	\$143,800	\$143,800	\$43,800	\$375,200	\$335,200	\$375,200	\$40,000	
	<b>TOTAL BUDGET</b>	<u>\$7,266,999</u>	<u>\$7,474,033</u>	<u>\$7,510,228</u>	<u>\$7,412,885</u>	<u>\$29,664,144</u>	<u>\$28,089,160</u>	<u>\$29,664,144</u>	<u>\$1,574,984</u>	

**CALIFORNIA STATE LOTTERY  
FISCAL YEAR 2024 25 ANNUAL BUDGET  
CAPITALIZED ITEMS LISTING**

Reference		Description	Equip		FY 2024 25			
Div	Unit Code		Type	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
<b>04 OPERATIONS DIVISION</b>								
1400		TBD - NDC Remodel Carry-over	BLDG	\$ 300,000	\$ 0	\$ 0	\$ 0	\$ 300,000
1400		HQ Pavilion A/V Project	BLDG	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
1400		TBD - Fresno DO Roof Replacement	BLDG	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
1400		Electric Vehicle Charging Station Replacement	EQUIP	\$ 0	\$ 0	\$ 75,000	\$ 75,000	\$ 150,000
<b>Total, Operations Division</b>				<b>\$ 300,000</b>	<b>\$ 0</b>	<b>\$ 75,000</b>	<b>\$ 75,000</b>	<b>\$ 450,000</b>
<b>06 SECURITY/LAW ENFORCEMENT DIVISION</b>								
1600		Cameras	AUDVID	\$ 57,500	\$ 57,500	\$ 57,500	\$ 57,500	\$ 230,000
<b>Total, Security/Law Enforcement Division</b>				<b>\$ 57,500</b>	<b>\$ 57,500</b>	<b>\$ 57,500</b>	<b>\$ 57,500</b>	<b>\$ 230,000</b>
<b>07 INFORMATION TECHNOLOGY SERVICES DIVISION</b>								
1700		ESXI Hosts	DP	\$ 62,499	\$ 62,499	\$ 62,499	\$ 62,499	\$ 249,996
1700		Email Security Subscription	DP	\$ 50,001	\$ 50,001	\$ 50,001	\$ 50,001	\$ 200,004
1700		Software Defined Network Routing and Security	DP	\$ 33,999	\$ 33,999	\$ 33,999	\$ 33,999	\$ 135,996
1700		Network Resiliency (Switches)	DP	\$ 9,999	\$ 9,999	\$ 9,999	\$ 9,999	\$ 39,996
1700		Network Resiliency (Firewalls)	DP	\$ 24,999	\$ 24,999	\$ 24,999	\$ 24,999	\$ 99,996
<b>Total, Information Technology Services Division</b>				<b>\$ 181,497</b>	<b>\$ 181,497</b>	<b>\$ 181,497</b>	<b>\$ 181,497</b>	<b>\$ 725,988</b>
<b>08 SALES &amp; MARKETING DIVISION</b>								
1905		Pallet Wrapper Purchase (Replacement at NDC, New at SDC)	WHSE	\$ 30,000	\$ 30,000	\$ 0	\$ 0	\$ 60,000
1925		Forklifts for District Offices	WHSE	\$ 0	\$ 100,000	\$ 100,000	\$ 0	\$ 200,000
<b>Total, Sales and Marketing Division</b>				<b>\$ 30,000</b>	<b>\$ 130,000</b>	<b>\$ 100,000</b>	<b>\$ 0</b>	<b>\$ 260,000</b>
<b>TOTAL CAPITALIZED ITEMS EXPENSES</b>				<b>\$ 568,997</b>	<b>\$ 368,997</b>	<b>\$ 413,997</b>	<b>\$ 313,997</b>	<b>\$ 1,665,988</b>

NDC Remodel Carry-over BPP is a nonrecurring capital expense for the Northern Distribution Center building alteration that will enable the Lottery to install additional pick and pack stations used to package Scratchers tickets for shipment to retailer locations in the northern portion of the state, including Sacramento, Richmond, Fresno, and Milpitas districts. With these additional stations, it will no longer be necessary to shut down the lines when shifting between auto-ship (shipping the new games for the month to most locations) and fulfillment for daily orders and is expected to reduce the time needed overall by increasing operational efficiency.

**CALIFORNIA LOTTERY**  
**FISCAL YEAR 2024 25 ANNUAL BUDGET**  
**CONSULTING & PROFESSIONAL SERVICES LISTING**

		Contract Reference					Total	
Div	Unit	Number Code	Description	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Fiscal Year 2024 25
<b>01 EXECUTIVE DIVISION</b>								
<b>1110 Directorate</b>								
<u>External Contracts:</u>								
		50235	Foothill Transcription Company - Directorate	\$ 150	\$ 150	\$ 300	\$ 300	\$ 900
		50174	Shaw Law Group, LC: Expert Witness/Investigative Services - EEO	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 100,000
			Language Link - Translation Services - EEO	\$ 1,260	\$ 1,260	\$ 1,260	\$ 1,220	\$ 5,000
			EverFi EEO Mandated Training - EEO	\$ 3,750	\$ 3,750	\$ 3,750	\$ 3,750	\$ 15,000
			KnowBe4 Security Awareness Training - Enterprise Cloud Platform (3-Year Renewal Term) - ISO	\$ 4,485	\$ 4,485	\$ 4,485	\$ 4,485	\$ 17,940
			ISO 27001 Audit - Bulletproof - ISO	\$ 0	\$ 0	\$ 0	\$ 25,500	\$ 25,500
<b>Subtotal, External Contracts, Directorate</b>				<b>\$ 34,645</b>	<b>\$ 34,645</b>	<b>\$ 34,795</b>	<b>\$ 60,255</b>	<b>\$ 164,340</b>
<u>Interagency Contracts:</u>								
	CALHR		CalHR DCTS System - EEO - *Funded from Admin Reserve account	\$ 10	\$ 0	\$ 0	\$ 0	\$ 10
<b>Subtotal, Interagency Contracts, Directorate</b>				<b>\$ 10</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 10</b>
<b>1120 Legal Services</b>								
<u>External Contracts:</u>								
		100526	Westlaw - online legal library service	\$ 5,820	\$ 5,820	\$ 5,820	\$ 5,820	\$ 23,280
		100640	Netfile - Touchless filing system	\$ 0	\$ 4,200	\$ 0	\$ 0	\$ 4,200
			Shaw Law Group - Investigative service	\$ 24,999	\$ 24,999	\$ 24,999	\$ 24,999	\$ 99,996
<b>Subtotal, External Contracts, Legal Services</b>				<b>\$ 30,819</b>	<b>\$ 35,019</b>	<b>\$ 30,819</b>	<b>\$ 30,819</b>	<b>\$ 127,476</b>
<u>Interagency Agreements:</u>								
	DOJ		Department of Justice invoicing	\$ 87,501	\$ 87,501	\$ 87,501	\$ 87,501	\$ 350,004
<b>Subtotal, Interagency Agreements, Legal Services</b>				<b>\$ 87,501</b>	<b>\$ 87,501</b>	<b>\$ 87,501</b>	<b>\$ 87,501</b>	<b>\$ 350,004</b>
<u>Contracted Attorney Fees:</u>								
			New contract/vendor for legal representation in process (\$20 placeholder, funding in Admin. Reserve)	\$ 20	\$ 0	\$ 0	\$ 0	\$ 20
<b>Subtotal, Contracted Attorney Fees, Legal Services</b>				<b>\$ 20</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 20</b>
<b>1130 Internal Audits</b>								
<u>External Contracts:</u>								
			#100393 Bulletproof Solutions Inc - WLA-SCS 2020 Certification + travel expense for onsite audit	\$ 10,600	\$ 0	\$ 0	\$ 0	\$ 10,600
			P.O. 101275 Empowered Systems - Auto Audit 8 licenses + 1 new license with annual maintenance and fees (CY-24)	\$ 2,550	\$ 2,550	\$ 0	\$ 0	\$ 5,100
			P.O. NEW Empowered Systems - Auto Audit 9 licenses annual maintenance and fees (CY-25)	\$ 0	\$ 0	\$ 1,626	\$ 1,626	\$ 3,252
			RAP CASP Solicitation	\$ 90,000	\$ 0	\$ 0	\$ 0	\$ 90,000
<b>Subtotal, External Contracts, Internal Audits</b>				<b>\$ 103,150</b>	<b>\$ 2,550</b>	<b>\$ 1,626</b>	<b>\$ 1,626</b>	<b>\$ 108,952</b>
<u>Interagency Agreements:</u>								
	50122	DOR	#50122 Department of Rehabilitation - Retailer Access Program Inspection Services	\$ 91,260	\$ 91,260	\$ 91,260	\$ 91,260	\$ 365,040
		SCO	State Controller's Office - Auditing	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000	\$ 2,400,000
<b>Subtotal, Interagency Agreement, Internal Audits</b>				<b>\$ 691,260</b>	<b>\$ 691,260</b>	<b>\$ 691,260</b>	<b>\$ 691,260</b>	<b>\$ 2,765,040</b>

1140

**External Affairs**

External Contracts:

Gaming Laboratories International for WLA - RG Framework Level 4 Recertification	\$	0	\$	0	\$	0	\$	32,300	\$	32,300
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<b>Subtotal, External Contracts, External Affairs</b>	<b>\$</b>	<b>0</b>	<b>\$</b>	<b>0</b>	<b>\$</b>	<b>0</b>	<b>\$</b>	<b>32,300</b>	<b>\$</b>	<b>32,300</b>
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Interagency Agreements:

50037	CDPH	CDPH Office of Problem Gambling	\$	42,501	\$	42,501	\$	42,501	\$	42,501	\$	170,004
		DGS/Office of State Publishing for graphic design work for WLA - RG Framework Level 4 Recertification	\$	0	\$	0	\$	0	\$	38,640	\$	38,640

<b>Subtotal, Interagency Contracts, External Affairs</b>	<b>\$</b>	<b>42,501</b>	<b>\$</b>	<b>42,501</b>	<b>\$</b>	<b>42,501</b>	<b>\$</b>	<b>81,141</b>	<b>\$</b>	<b>208,644</b>
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**Business Planning & Research**

External Contracts:

50046		Advertising Pre-Testing Research	\$	60,000	\$	120,000	\$	0	\$	100,000	\$	280,000
		Advertising Tracking Services	\$	102,480	\$	34,160	\$	34,160	\$	68,320	\$	239,120
		Consumer Insights	\$	0	\$	60,000	\$	120,000	\$	0	\$	180,000
		Draw Game Research	\$	50,000	\$	0	\$	0	\$	60,000	\$	110,000
50031		Omnibus Studies	\$	5,000	\$	0	\$	5,000	\$	5,000	\$	15,000
		Panel Sample	\$	14,500	\$	12,500	\$	19,500	\$	10,500	\$	57,000
		Retailer Satisfaction Survey	\$	0	\$	0	\$	0	\$	60,000	\$	60,000
		Scratchers Concept Research	\$	0	\$	50,000	\$	115,000	\$	50,000	\$	215,000
		Scratchers Insights Research	\$	50,000	\$	0	\$	0	\$	0	\$	50,000
		Shopper/Retail Studies	\$	50,000	\$	0	\$	50,000	\$	60,000	\$	160,000
		Tracking Study	\$	152,800	\$	97,800	\$	97,800	\$	97,800	\$	446,200
		Multicultural Research	\$	0	\$	0	\$	0	\$	100,000	\$	100,000

<b>Subtotal, External Contracts, Business Planning &amp; Research</b>	<b>\$</b>	<b>484,780</b>	<b>\$</b>	<b>374,460</b>	<b>\$</b>	<b>441,460</b>	<b>\$</b>	<b>611,620</b>	<b>\$</b>	<b>1,912,320</b>
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<b>Total, External Contracts, Executive Division</b>	<b>\$</b>	<b>653,394</b>	<b>\$</b>	<b>446,674</b>	<b>\$</b>	<b>508,700</b>	<b>\$</b>	<b>736,620</b>	<b>\$</b>	<b>2,345,388</b>
<b>Total, Interagency Agreements, Executive Division</b>	<b>\$</b>	<b>821,272</b>	<b>\$</b>	<b>821,262</b>	<b>\$</b>	<b>821,262</b>	<b>\$</b>	<b>859,902</b>	<b>\$</b>	<b>3,323,698</b>
<b>Total, Attorney Fees, Executive Division</b>	<b>\$</b>	<b>20</b>	<b>\$</b>	<b>0</b>	<b>\$</b>	<b>0</b>	<b>\$</b>	<b>0</b>	<b>\$</b>	<b>20</b>

**02 FINANCE DIVISION**

External Contracts:

Bank of America (contract # 50181) - banking services	\$	1,266	\$	1,266	\$	1,266	\$	1,266	\$	5,064
Bloomberg Financial	\$	7,605	\$	7,605	\$	7,605	\$	7,605	\$	30,420
New Contract for Collections Agency	\$	3,000	\$	3,000	\$	3,000	\$	3,000	\$	12,000
Macias Gini & O'Connell	\$	10,000	\$	10,000	\$	10,000	\$	10,000	\$	40,000
Weaver Financial Audit	\$	70,000	\$	50,000	\$	30,000	\$	30,000	\$	180,000
Workiva	\$	0	\$	170,000	\$	0	\$	0	\$	170,000
Retailer Financial Services: Credit Reporting Services, Based on calendar year 2022 = 423 credit reports @ \$6/ea. (funded in ITSD)	\$	0	\$	0	\$	0	\$	0	\$	0
Retailer Financial Services: US Bank - FY 22/23 (7 months actual and 5 months projected for the remaining of FY 22/23) used as a bases for FY23/24	\$	5,400	\$	5,400	\$	5,400	\$	5,400	\$	21,600

<b>Subtotal, External Contracts, Finance Division</b>	<b>\$</b>	<b>97,271</b>	<b>\$</b>	<b>247,271</b>	<b>\$</b>	<b>57,271</b>	<b>\$</b>	<b>57,271</b>	<b>\$</b>	<b>459,084</b>
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Interagency Agreements:

50123	State Controller's Office (contract #50123) - expedited claim schedule services	\$	8,400	\$	8,400	\$	8,400	\$	8,400	\$	33,600
SCO	State Controller's Office (FTB Offset Program)	\$	0	\$	0	\$	0	\$	300	\$	300
	State Treasurer's Office: Investment transaction and custody services	\$	5,500	\$	5,500	\$	5,500	\$	5,500	\$	22,000
<b>Subtotal, Interagency Agreements, Finance Division</b>		<b>\$</b>	<b>13,900</b>	<b>\$</b>	<b>13,900</b>	<b>\$</b>	<b>13,900</b>	<b>\$</b>	<b>14,200</b>	<b>\$</b>	<b>55,900</b>

**03 HUMAN RESOURCES DIVISION**

External Contracts:

	CPS HR Consulting	\$	500	\$	500	\$	500	\$	500	\$	2,000
	Recruitment/Social Media Advertising (LinkedIn subscription via Carahsoft Technology Corp.)	\$	9,138	\$	9,138	\$	9,138	\$	9,138	\$	36,550
100064	Prosci, Inc. - Change Management Training Program	\$	5,260	\$	5,260	\$	5,260	\$	5,260	\$	21,040
101176	Magellan Health (for Employee Assistance Program)	\$	3,750	\$	3,750	\$	3,750	\$	3,750	\$	15,000
<b>Subtotal, External Contracts, Human Resources Division</b>		<b>\$</b>	<b>18,648</b>	<b>\$</b>	<b>18,648</b>	<b>\$</b>	<b>18,648</b>	<b>\$</b>	<b>18,648</b>	<b>\$</b>	<b>74,590</b>

Interagency Agreements:

CALHR	CalHR Selection Services (Exam Services)	\$	2,000	\$	2,000	\$	34,000	\$	2,000	\$	40,000
CALHR	CalHR Statewide Training Services (CalHR courses for all divisions)	\$	23,750	\$	23,750	\$	23,750	\$	23,750	\$	95,000
CALHR	CalHR Labor Relations	\$	3,000	\$	3,000	\$	3,000	\$	3,000	\$	12,000
CALHR	CalHR Legal Services	\$	1,750	\$	1,750	\$	1,750	\$	1,750	\$	7,000
CALHR	CalHR HR Net Subscription	\$	500	\$	500	\$	500	\$	500	\$	2,000
CALHR	CalHR Pre-Employment (Physical Exams)	\$	5,000	\$	5,000	\$	5,000	\$	5,000	\$	20,000
CALHR	CalHR Pre-Employment (Psychological Screening)	\$	1,500	\$	1,500	\$	1,500	\$	1,500	\$	6,000
CALHR	CalHR Pre-Employment (Controlled Substance Abuse Testing - CSAT)	\$	375	\$	375	\$	375	\$	375	\$	1,500
DIR	Department of Industrial Relations (Assessment for Self-Insurance Plans)	\$	150,000	\$	0	\$	0	\$	0	\$	150,000
EDD	Employment Development Department (Unemployment Insurance)	\$	6,250	\$	6,250	\$	6,250	\$	6,250	\$	25,000
SCO	SCO Annual Reports and Leave Balance (MIRS and CLAS) Access	\$	875	\$	875	\$	875	\$	875	\$	3,500
SCO	SCO Quarterly Data Requests	\$	375	\$	375	\$	375	\$	375	\$	1,500
SCO	SCO Retroactive Services	\$	4,500	\$	4,500	\$	4,500	\$	4,500	\$	18,000
SCO	SCO W2 Direct Mailing	\$	375	\$	375	\$	375	\$	375	\$	1,500
SPB	SPB Merit Appeals	\$	2,500	\$	2,500	\$	2,500	\$	2,500	\$	10,000
SPB	SPB Evidentiary Appeals	\$	2,500	\$	2,500	\$	2,500	\$	2,500	\$	10,000
	Los Angeles Unified School District (LAUSD) Bilingual Testing	\$	375	\$	375	\$	375	\$	375	\$	1,500
UNIENT	University Enterprises, Incorporated	\$	25,000	\$	25,000	\$	25,000	\$	25,000	\$	100,000
<b>Subtotal, Interagency Agreements, Human Resources Division</b>		<b>\$</b>	<b>230,625</b>	<b>\$</b>	<b>80,625</b>	<b>\$</b>	<b>112,625</b>	<b>\$</b>	<b>80,625</b>	<b>\$</b>	<b>504,500</b>

**04 OPERATIONS DIVISION**

External Contracts:

	Web Simple Records Manager Annual Support	\$	580	\$	0	\$	0	\$	0	\$	580
	Pitney Bowes Mailing Tracking System Software	\$	1,194	\$	1,194	\$	1,194	\$	1,194	\$	4,776
	LEED Recertification - SDC	\$	6,249	\$	6,249	\$	6,249	\$	6,249	\$	24,996
	LEED Recertification - HQ	\$	15,444	\$	15,444	\$	15,444	\$	15,444	\$	61,776
	Lutron Quantum Vue Software - HQ	\$	5,355	\$	5,355	\$	5,355	\$	5,355	\$	21,420
	Richmond DO Relocation Project	\$	60,000	\$	0	\$	0	\$	0	\$	60,000
	Fleet Management Software	\$	15,000	\$	15,000	\$	15,000	\$	15,000	\$	60,000
<b>Subtotal, External Contracts, Operations Division</b>		<b>\$</b>	<b>103,822</b>	<b>\$</b>	<b>43,242</b>	<b>\$</b>	<b>43,242</b>	<b>\$</b>	<b>43,242</b>	<b>\$</b>	<b>233,548</b>

Interagency Agreements:

Construction and Architectural Services - DGS for HQ Fire/Life Safety System Replacement (design fees)	\$	0	\$	35,000	\$	0	\$	0	\$	35,000
Construction and Architectural Services - DGS for HQ Parking Lot Repaving Project (design fees)	\$	0	\$	0	\$	0	\$	75,000	\$	75,000
Construction and Architectural Services - DGS for SFS DO Parking Lot Repaving Project (design fees)	\$	0	\$	0	\$	15,000	\$	0	\$	15,000
Construction and Architectural Services - DGS for Fresno Roof Project (design fees)	\$	94,500	\$	94,500	\$	94,500	\$	94,500	\$	378,000
Construction and Architectural Services - DGS for HQ Pavilion A/V Project (design fees)	\$	116,100	\$	0	\$	0	\$	0	\$	116,100

<b>Subtotal, Interagency Agreements, Operations Division</b>	<b>\$</b>	<b>210,600</b>	<b>\$</b>	<b>129,500</b>	<b>\$</b>	<b>109,500</b>	<b>\$</b>	<b>169,500</b>	<b>\$</b>	<b>619,100</b>
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**05 PUBLIC AFFAIRS & COMMUNICATIONS**

External Contracts:

Electronic news media monitoring service / TBD via Procurement	\$	3,750	\$	3,750	\$	3,750	\$	3,750	\$	15,000
Consensus, Inc - subcontractor to David & Goliath	\$	0	\$	3,000,000	\$	3,000,000	\$	3,000,000	\$	9,000,000

<b>Subtotal, External Contracts, Public Affairs &amp; Communications</b>	<b>\$</b>	<b>3,750</b>	<b>\$</b>	<b>3,003,750</b>	<b>\$</b>	<b>3,003,750</b>	<b>\$</b>	<b>3,003,750</b>	<b>\$</b>	<b>9,015,000</b>
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**06 SECURITY/LAW ENFORCEMENT DIVISION**

External Contracts:

50059	Citiguard, Inc	\$	625,000	\$	624,999	\$	624,999	\$	624,999	\$	2,499,997
20208	Relix Inc	\$	5,754	\$	5,754	\$	5,754	\$	5,754	\$	23,016
50184	SmartPlay International (Inspect and maintain 3 Origin Machines)	\$	11,540	\$	11,539	\$	11,539	\$	11,539	\$	46,157
100500	SmartPlay International (SLP Criterion Machines Maintenance)	\$	4,212	\$	4,212	\$	4,212	\$	4,217	\$	16,853
	SmartPlay International (New Criterion Machines Maintenance)	\$	2,562	\$	2,562	\$	2,562	\$	2,564	\$	10,250
	SmartPlay International (Origin Maintenance)	\$	2,562	\$	2,562	\$	2,562	\$	2,564	\$	10,250
	Lexipol Subscription	\$	3,480	\$	3,480	\$	3,480	\$	3,481	\$	13,921
	Preston CPA/Draw	\$	85,500	\$	85,500	\$	85,500	\$	85,500	\$	342,000
100210	Hot Spot Statistician	\$	249	\$	249	\$	249	\$	253	\$	1,000
	Critical Reach	\$	0	\$	200	\$	0	\$	0	\$	200
100097	Copware annual fee	\$	318	\$	318	\$	318	\$	318	\$	1,272
	Gaming Laboratory International	\$	1,251	\$	1,247	\$	1,252	\$	1,250	\$	5,000

<b>Subtotal, External Contracts, Security/Law Enforcement Division</b>	<b>\$</b>	<b>742,428</b>	<b>\$</b>	<b>742,622</b>	<b>\$</b>	<b>742,427</b>	<b>\$</b>	<b>742,439</b>	<b>\$</b>	<b>2,969,917</b>
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Interagency Agreements:

100047	DOJ	NorCal Regional Public Safety Training Center	\$	1,000	\$	1,000	\$	1,000	\$	1,000	\$	4,000
100148	DOJ	Department Of Justice	\$	41,250	\$	41,250	\$	41,250	\$	41,250	\$	165,000
100280	CHP	City of Fairfield - Fairfield Police Dep.	\$	938	\$	938	\$	938	\$	938	\$	3,752
100062	CALHR	California Highway Patrol (Vehicle Radio Dispatch Services)	\$	250	\$	250	\$	250	\$	250	\$	1,000
50230	FFCITY	County of San Bernardino	\$	1,167	\$	1,167	\$	1,167	\$	1,167	\$	4,668

<b>Subtotal, Interagency Agreements, Security/Law Enforcement Division</b>	<b>\$</b>	<b>44,605</b>	<b>\$</b>	<b>44,605</b>	<b>\$</b>	<b>44,605</b>	<b>\$</b>	<b>44,605</b>	<b>\$</b>	<b>178,420</b>
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**07 INFORMATION TECHNOLOGY SERVICES DIVISION**

External Contracts:

Adobe Software Products Maintenance (Adobe includes Frame IO) (Term: 4/9/24-4/8/25) PO101386	\$	61,299	\$	61,299	\$	61,299	\$	67,429	\$	251,328
Juniper Refresh Support (Term: 2/01/23-01/31/26) PO100554	\$	57,030	\$	57,030	\$	57,030	\$	57,030	\$	228,120
Juniper Switches (Term: 5/12/24-5/10/26) PO101388	\$	7,938	\$	7,938	\$	7,938	\$	7,938	\$	31,752

Juniper Maintenance (Term: 04/01/22-03/31/25) PO20656	\$	43,605	\$	43,605	\$	43,605	\$	47,966	\$	178,781
Dell PowerEdge Server Maintenance (Term: 07/18/22-07/17/27) PO100205	\$	12,277	\$	12,277	\$	12,277	\$	12,277	\$	49,106
Dell EMC Data Protection (Term: 10/19/23-10/20/24) PO100439	\$	5,990	\$	1,997	\$	0	\$	0	\$	7,986
Dell (Power Protect Data Domain Virtual Addition)(02/18/22-2/18/25) PO20658	\$	2,946	\$	2,946	\$	3,338	\$	3,535	\$	12,765
Dell Server Maintenance R440 to R450 (Term:12/09/22-12/08/27) PO100476	\$	555	\$	555	\$	555	\$	555	\$	2,220
Dell PowerEdge R440 (Term: 2/28/20-2/27/25) PO20056	\$	1,092	\$	1,092	\$	728	\$	0	\$	2,912
Dell PowerEdge R330 (Term: 03/23/22-03/22/25) PO20619	\$	117	\$	117	\$	117	\$	0	\$	351
Palo Alto Maintenance Renewal (05/21/23- 05/20/26) PO100787	\$	103,304	\$	103,304	\$	103,304	\$	103,304	\$	413,218
Palo Alto Bundle Premium Support (Term: 9/3/23-9/2/26) PO100873	\$	6,268	\$	6,268	\$	6,268	\$	6,268	\$	25,073
Avamar Server Maintenance (Term:2/06/23-2/05/25) PO100595	\$	6,393	\$	6,393	\$	2,131	\$	0	\$	14,918
VxRail Server Maintenance (Term: 3/31/24-3/30/25) PO101328	\$	13,056	\$	13,056	\$	13,056	\$	13,056	\$	52,225
Unified Support Performance Level (Microsoft Premier) (Term: 7/15/23-7/14/24) PO100849	\$	202,935	\$	202,935	\$	202,935	\$	202,935	\$	811,738
DNS Annual Renewal (Neustar) (Term: 9/1/23-8/31/24) PO100872	\$	14,090	\$	14,999	\$	14,999	\$	14,999	\$	59,085
Epicor User Group (Term: 1/1/24-1/1/25)	\$	90	\$	90	\$	90	\$	90	\$	360
DOMAIN: (californiastatelottery.info) (Term: 8/22-8/27)	\$	17	\$	17	\$	17	\$	17	\$	66
DOMAIN: (calottery.info, californialottery.info) (9/22-9/27)	\$	20	\$	20	\$	20	\$	20	\$	80
DOMAIN: (calottery.com) (Term: 2/23-2/26)	\$	11	\$	11	\$	11	\$	11	\$	43
DOMAIN: (californialottery.com) (Term: 9/29/21-9/28/30)	\$	13	\$	13	\$	13	\$	13	\$	53
DOMAIN: (calottery.org) (Term: 4/23-4/26)	\$	11	\$	11	\$	11	\$	11	\$	43
CERT: Jabber (Term: 12/21-12/26)	\$	164	\$	164	\$	164	\$	164	\$	655
CERT: Wildcard (Term: 3/9/22-3/8/27)	\$	181	\$	181	\$	181	\$	181	\$	725
IT Research Advise (InfoTech) (Term: 8/19/23-8/18/24) PO100867	\$	26,131	\$	26,131	\$	26,131	\$	26,131	\$	104,524
Aruba Controller Maintenance/ Lic./ Virtual Appliance (Aruba) (Term: 2/5/24-2/4/25) PO101277	\$	4,500	\$	4,500	\$	4,800	\$	4,950	\$	18,750
Attachmate Software Maintenance (Attachmate aka Micro Focus Reflection Desktop) (Term:3/1/24-2/29/25) PO101257	\$	1,829	\$	1,829	\$	1,884	\$	1,995	\$	7,537
Mobile Development Subscription (Apple Development Maintenance) (Term: 9/28/23-9/27/24)	\$	75	\$	75	\$	75	\$	75	\$	299
Learning Management System Software Licenses (Cornerstone) (Term: 6/28/24-6/27/26) PO101496	\$	21,396	\$	21,396	\$	21,396	\$	21,396	\$	85,584
Internal Control Services and Tax System Services (Elsym) (TERM: 10/14/23-10/13/28) CN100960	\$	48,000	\$	48,000	\$	184,000	\$	48,000	\$	328,000
Google Maps (Term: 3/9/24-3/28/26) PO101361	\$	2,500	\$	2,500	\$	2,500	\$	2,500	\$	10,000
PWS CDNNetworks (CDNetwork) (Term: 10/01/23-09/30/24) PO101000	\$	25,000	\$	27,500	\$	27,500	\$	27,500	\$	107,500
PWS Email Delivery Service (Sendgrid) (Term: 08/01/23-07/31/24) PO100968	\$	448	\$	462	\$	462	\$	462	\$	1,833
ObserveIT Maintenance & Support (Term: 1/1/24-12/31/26) PO20358	\$	1,079	\$	1,079	\$	1,079	\$	1,079	\$	4,314
WAF F-5 (Term: 9/2/23-9/1/24) PO100892 (Will not renew)	\$	3,356	\$	0	\$	0	\$	0	\$	3,356
Auto Audit (Term: 1/1/24-12/30/24) PO101275	\$	0	\$	0	\$	2,783	\$	2,783	\$	5,566
Pure Storage Maintenance (Term: Pending) PO101291	\$	33,501	\$	33,501	\$	35,734	\$	36,851	\$	139,586
Universal Image Utility (Term: 4/12/24-4/11/27) PO101303	\$	1,024	\$	1,024	\$	1,024	\$	1,024	\$	4,095
Web Application Firewall (Silverline) (Term: 10/06/23-10/05/24) PO101048	\$	52,212	\$	62,655	\$	62,655	\$	62,655	\$	240,177
PMI/PMP Memberships (annual) -Various	\$	331	\$	331	\$	331	\$	331	\$	1,325
ID Verification Services (Precise ID) (Term: 10/01/23-9/30/24) PO100969	\$	41,200	\$	45,320	\$	45,320	\$	45,320	\$	177,160
Mobile Testing Tool (Perfecto) (Term: 6/1/24-5/31/25) PO101383	\$	16,610	\$	16,610	\$	16,610	\$	16,610	\$	66,440
Epicor Maintenance and Operations (Term: 6/30/25) CN 100091	\$	36,000	\$	36,000	\$	36,000	\$	36,000	\$	144,000
SIEM Subscription (Splunk) (Term: 08/01/23-07/31/24) PO100850	\$	62,495	\$	64,448	\$	64,448	\$	64,448	\$	255,840
Runscope (Term: 5/18/24-5/17/25) PO101481	\$	9,488	\$	9,488	\$	9,488	\$	5,202	\$	33,664
CISSP Certification and Renewals (annual)	\$	200	\$	200	\$	200	\$	200	\$	800
IXIA Vision Netflow License (Term: 1/25/24-1/24/25)	\$	155	\$	155	\$	182	\$	182	\$	674
Digital Communication Solution Tool (Adobe Campaign) (Term: 09/01/23-08/31/24) PO100962	\$	43,142	\$	45,925	\$	45,925	\$	45,925	\$	180,917
Centrify Security Maintenance (Term: 6/18/24-6/27/26) PO101392	\$	3,783	\$	3,783	\$	3,783	\$	3,783	\$	15,131
Data Quality (Experian (Data Quality/ Tiger Data) (Term: 10/01/23-09/30/24) PO100891	\$	11,357	\$	12,492	\$	12,492	\$	12,492	\$	48,833
Microsoft Azure (Microsoft Software Assurance/ Upgrades for Desktop/ Server/ Develop Platform) (Term: 03/01/23-02/28/26) PO100573	\$	511,557	\$	511,557	\$	511,557	\$	511,557	\$	2,046,228
Hardware Warranties (Tablets)-Various	\$	18,750	\$	18,750	\$	18,750	\$	18,750	\$	75,000
Epicor 10 (Term: 12/24/23-12/31/27) CN 101226	\$	80,171	\$	80,171	\$	80,171	\$	80,171	\$	320,685
G-Suite (Google Workspace) (Term: N/A Add \$1500 to the balance once a year)	\$	375	\$	375	\$	375	\$	375	\$	1,500
DocuSign (Term: 01/31/23-01/30/25) PO100569	\$	77,738	\$	77,738	\$	82,920	\$	85,511	\$	323,906
Zapier Software (Term: 11/01/23-10/31/24)	\$	147	\$	157	\$	162	\$	162	\$	627
Sharegate Licenses (Term: 3/26/24-3/25/26) PO101329	\$	1,511	\$	1,511	\$	1,511	\$	1,511	\$	6,043
Service Now Vendor Services (VETS) (Term: 10/03/22-10/02/24) PO100362A	\$	43,500	\$	14,500	\$	0	\$	0	\$	58,000
Varonis (Term: 3/31/24-3/30/25) PO101417	\$	62,000	\$	62,000	\$	64,067	\$	68,200	\$	256,267

Quest Active Roles Lic & Maintenance. (12/01/22 -11/30/24) PO100318	\$	2,414	\$	1,609	\$	0	\$	0	\$	4,024
SolarWinds Server Lic (Incl Network Topology/Mapper) (Term: 3/2/24-3/2/25) PO101289	\$	3,975	\$	3,975	\$	3,975	\$	3,975	\$	15,900
Razl License (Term: 5/10/24-5/9/25) PO101486	\$	54	\$	54	\$	54	\$	57	\$	219
Staff Augmentation Umbrella (iFish) (Term: 12/1/22-11/30/24) PO100465A	\$	10,000	\$	0	\$	0	\$	0	\$	10,000
Consultant Services (Multiple Separate Solicitations/POs) 1. TRP/Assessment 2. Azure VM Deployment 3. AVS 4. MS Teams Training/SharePoint 5. ServiceNow Asset Management 6. Technical Analysis/BA/PM work 7. Equipment Services	\$	0	\$	0	\$	0	\$	0	\$	0
HR (Service Now HR Module)(KPMG) (Term: 5/30/23-5/29/26) SA100685	\$	250,000	\$	250,000	\$	250,000	\$	250,000	\$	1,000,000
Digital Agency Services (ICFN) (Term: 1/1/24-12/31/29) CN101007	\$	1,402,080	\$	1,402,080	\$	1,402,080	\$	1,402,080	\$	5,608,319
Rapid7 (Term: 10/31/23-10/30/24) PO101008	\$	37,363	\$	39,853	\$	41,099	\$	41,099	\$	159,413
PDF417 annual maintenance renewal (Microblink) (Term: 4/24/24-4/23/25) PO101460	\$	32,000	\$	32,000	\$	32,000	\$	34,133	\$	130,133
Crowdstrike Falcon Endpoint Protection (Term: 2/24/24-2/23/25) PO101394	\$	41,075	\$	41,075	\$	42,444	\$	45,182	\$	169,777
Snagit 2019 (Service Desk ) (Term: 09/20/23-09/20/26) PO100893	\$	160	\$	160	\$	160	\$	160	\$	640
CUTE FTP Server (Quantity: One) renewal (GlobalSCAPE) (Term: 08/06/23-08/5/26)	\$	9	\$	9	\$	9	\$	9	\$	36
eSoph (Term: 5/29/23-5/28/24) PO100796	\$	885	\$	885	\$	885	\$	914	\$	3,569
Ivanti (Shavlik) (Term: 5/1/24-4/30/25) PO101385	\$	3,031	\$	3,031	\$	3,031	\$	3,233	\$	12,327
HR Service Now Software (Renewal) (Term: 5/30/24-5/29/26) PO101585	\$	57,407	\$	57,407	\$	57,407	\$	59,146	\$	231,366
Service Now Enterprise (ITSM) (Term: 06/15/22-12/14/24) PO 100139	\$	96,945	\$	96,945	\$	96,945	\$	96,945	\$	387,780
Zembula (Term: 2/8/24-2/7/25) PO101408	\$	27,500	\$	27,500	\$	28,527	\$	29,040	\$	112,567
InfoBlox (Term: 07/14/23-07/15/24) PO100783	\$	3,600	\$	3,600	\$	3,600	\$	3,600	\$	14,399
Honeywell Support (Term: 10/31/22-10/30/24) PO100445	\$	18,690	\$	22,272	\$	24,062	\$	24,062	\$	89,087
License Plate Reader (PO# 100797 Term: 6/1/23-5/31/26) PO100797	\$	679	\$	679	\$	679	\$	679	\$	2,717
UltraEdit Software License (Term: 08/18/23-08/17/24)	\$	267	\$	275	\$	275	\$	275	\$	1,091
Burp Suite Professional (Term: 05/26/23-05/25/25) PO100707	\$	600	\$	600	\$	600	\$	817	\$	2,617
EFT Servers & SSM Module Maintenance (Term: 09/27/22-09/26/24)	\$	186	\$	205	\$	205	\$	205	\$	801
RIMS Software (Term: 10/01/22-09/30/24) PO 100297	\$	6,594	\$	7,253	\$	7,253	\$	7,253	\$	28,354
Articulate Software/ Licenses (Term: 09/08/22-09/07/24) PO100293	\$	905	\$	963	\$	963	\$	963	\$	3,794
Maxon Cinema 4D S22 Subscription (Term: 10/22/22-10/21/25) PO100326	\$	562	\$	562	\$	562	\$	562	\$	2,247
BatchPatch Software (Term: 11/19/22 - 11/18/24) PO100317	\$	431	\$	459	\$	474	\$	474	\$	1,837
VMWare Horizon Universal License and Deployment (Term: 10/08/22-10/07/24)PO100391	\$	17,515	\$	19,267	\$	19,267	\$	19,267	\$	75,316
Alarm Center Software Maintenance & Support (Term: 06/06/23-06/5/25) PO100675	\$	536	\$	536	\$	536	\$	750	\$	2,358
LiveAction (Term: 11/09/22 - 11/08/24) PO20584	\$	16,557	\$	17,661	\$	18,212	\$	18,212	\$	70,642
SiteCore - NEW (Term: 10/13/23-12/20/24) PO101040	\$	15,627	\$	15,627	\$	20,054	\$	20,054	\$	71,362
SiteCore (Term: 12/11/22-12/10/24) PO100432	\$	65,337	\$	65,337	\$	71,870	\$	71,870	\$	274,414
Advance Maintenance Management System (AMMS) (Term: 08/01/22-07/31/24) PO100252	\$	2,237	\$	2,307	\$	2,307	\$	2,307	\$	9,156
Liquid Files (Term: 05/12/23-05/11/26)	\$	417	\$	417	\$	417	\$	417	\$	1,666
Right Click Tools (Term: 01/01/23-12/31/24) PO100438	\$	1,050	\$	1,050	\$	1,155	\$	1,155	\$	4,410
SPSS IBM Statistics (Term: 07/01/23-06/30/25) PO100820	\$	1,159	\$	1,159	\$	1,159	\$	1,159	\$	4,635
Secure CRT (Term: 02/03/22-02/02/25)	\$	62	\$	62	\$	66	\$	68	\$	257
Experian NameSearch Upgrade (Term: 9/1/23-8/31/24) PO100970	\$	19,388	\$	20,638	\$	20,638	\$	20,638	\$	81,303
Remote Desktop (Go to Rescue) (Term: 5/23/23-5/22/25 ) PO100819	\$	3,263	\$	3,263	\$	3,263	\$	3,371	\$	13,159
IXIA Maintenance Network Packet Broker (Term: 6/1/24-5/31/26) PO101390	\$	6,462	\$	6,462	\$	6,462	\$	6,462	\$	25,847
Comcast TV (Term: 36 months from activation) PO101047	\$	1,976	\$	1,976	\$	1,976	\$	1,976	\$	7,905
APBnet (Term: 1/1/24-1/1/25)	\$	8	\$	8	\$	8	\$	8	\$	32
iMazing (Term: 5/3/24-5/2/25) PO101505	\$	110	\$	110	\$	110	\$	117	\$	447
Question Pro (Term: 5/12/24-5/11/27) PO101596	\$	24,199	\$	24,199	\$	24,199	\$	25,666	\$	98,263
Digital Fax Solution (Term: 6/2/24-6/1/25) PO101522	\$	182	\$	182	\$	182	\$	182	\$	726
DIAS IT Consulting (Astute Solutions) (Term: 2/15/24-2/14/26) SA101227	\$	175,000	\$	175,000	\$	175,000	\$	175,000	\$	700,000
LionBridge (Term: 4/12/24-4/11/24) SA101407	\$	53,750	\$	53,750	\$	57,333	\$	59,125	\$	223,958
Service Now Health & Safety (Term: 9/1/23-8/31/24) PO101033	\$	8,082	\$	8,603	\$	8,603	\$	8,603	\$	33,891
Independent Security Assessment (Term: 4/8/24-10/7/24) SA101397	\$	57,500	\$	57,500	\$	57,500	\$	0	\$	172,500
Veeam Backup/Recovery (Term: 3/8/24-3/27/28) SA101421	\$	16,238	\$	16,238	\$	16,238	\$	16,238	\$	64,951
Infoblox BloxOne Threat Defense (Term: 12/20/23-12/19/24 ) PO 101236	\$	5,644	\$	5,644	\$	6,020	\$	6,208	\$	23,516
HP Proactive Insights (Term: 12/18/23-12/17/24) PO101222	\$	9,750	\$	9,750	\$	10,725	\$	10,725	\$	40,950
BioMetrics4All (Term: 12/1/23-11/30/24) PO101221	\$	136	\$	146	\$	165	\$	165	\$	612
Unicom (SPSS) (Term: 4/15/24-4/15/25 ) PO101428	\$	10,000	\$	10,000	\$	10,667	\$	11,000	\$	41,667
Experian Risk Analytics (Term: 2/29/24-2/28/25 ) PO101398	\$	44,506	\$	44,506	\$	47,473	\$	48,956	\$	185,441

Dell Servers Maintenance R660 and R450 (Term: 12/20/23-12/19/24 ) PO101236	\$	2,628	\$	2,628	\$	2,628	\$	2,628	\$	10,512
DOMAIN: (californialottery.biz, calottery.biz) (Term: 11/6/26)	\$	25	\$	25	\$	25	\$	25	\$	100
DOMAIN: (calottery.website) (Term: 12/14/26)	\$	6	\$	6	\$	6	\$	6	\$	25
ISO (ANSI) (Term: 9/1/22-8/31/24) PO100258	\$	1,891	\$	2,013	\$	2,013	\$	2,013	\$	7,930
CompTIA Security Cert for Lucky (Term: 9/17/23-9/17/24)	\$	13	\$	14	\$	14	\$	14	\$	54
YouTube (Term: 2/23/24-2/23/25) PO101399	\$	219	\$	219	\$	226	\$	241	\$	905
Epicor (Consultant Services) (Term: Pending) CN Pending	\$	0	\$	36,000	\$	36,000	\$	36,000	\$	108,000
Canva Software (Term: 2/1/24-1/31/25)	\$	75	\$	75	\$	80	\$	83	\$	313
Juniper EX4400 Switches (Term: 3/4/24-3/3/27 & 3/12/24-4/11/27) PO101427	\$	1,331	\$	1,331	\$	1,331	\$	1,331	\$	5,324
Recast Software (Term: 3/12/24-3/11/25) PO101467	\$	2,075	\$	2,075	\$	2,075	\$	2,213	\$	8,438
Vigilant License Plate Reader Software (Term: 3/8/24-3/7/25) PO101449	\$	766	\$	766	\$	766	\$	766	\$	3,065
Bosch Alarm Software/ Maintenance (Term: )	\$	4,726	\$	4,726	\$	4,726	\$	5,042	\$	19,221
Credit Reporting Services (SA50163A01 Term: 3/8/21-1/31/26)	\$	3,750	\$	3,750	\$	3,750	\$	3,750	\$	15,000
Canva (NEW) (PO101373 Term: 2/2/24-2/1/25)	\$	263	\$	263	\$	271	\$	289	\$	1,085
Adobe Campaign Storage (PO101422 Term: 3/1/24-2/28/25)	\$	21,645	\$	21,645	\$	21,645	\$	23,810	\$	88,745
Adobe Campaign Services (Term: 5/1/24-4/30/25) SA101538	\$	25,000	\$	25,000	\$	25,000	\$	26,667	\$	101,667
GeoTabs (Term: 6/1/24-5/31/26) PO101582	\$	30,503	\$	30,503	\$	30,503	\$	30,503	\$	122,010
Juniper Mist Wireless (PO TBD Term: )	\$	20,446	\$	20,446	\$	20,446	\$	21,809	\$	83,145
Rapid 7 (Additional Remediations) (Term: Pending) PO101371	\$	5,050	\$	5,050	\$	5,050	\$	5,387	\$	20,537
Alarm Center Software (NEW) (PO TBD Term: )	\$	2,510	\$	2,510	\$	2,510	\$	2,677	\$	10,207
TransUnion Risk and Alternative Data Solutions (Term: 5/1/24-4/30/27 ) PO101592	\$	5,211	\$	5,211	\$	5,211	\$	5,558	\$	21,191
Network Resiliency BPP 102407	\$	60,000	\$	60,000	\$	60,000	\$	60,000	\$	240,000
SANS Vouchers (Term: 6/1/24-5/31/25) PO101562	\$	7,419	\$	7,419	\$	7,419	\$	4,946	\$	27,204
Server Warranty HPE ProLiant DL380 (Term: 2/2/24-2/1/29) PO101196	\$	6,331	\$	6,331	\$	6,331	\$	6,331	\$	25,324
Bloomberg DR (Term: 5/1/24-4/30/26)	\$	105	\$	105	\$	105	\$	105	\$	420
Posit (Term: Pending) PO101617	\$	3,170	\$	3,170	\$	0	\$	0	\$	6,340
<b>Subtotal, External Contracts, Information Technology Services Division</b>	<b>\$</b>	<b>4,540,213</b>	<b>\$</b>	<b>4,564,602</b>	<b>\$</b>	<b>4,713,423</b>	<b>\$</b>	<b>4,548,682</b>	<b>\$</b>	<b>18,366,920</b>
CDT - O365	\$	175,000	\$	175,000	\$	175,000	\$	175,000	\$	700,000
OCIO (Ongoing- No Term date)	\$	26,400	\$	26,400	\$	26,400	\$	26,400	\$	105,600
<b>Subtotal, Interagency Agreement, Information Technology Services Division</b>	<b>\$</b>	<b>201,400</b>	<b>\$</b>	<b>201,400</b>	<b>\$</b>	<b>201,400</b>	<b>\$</b>	<b>201,400</b>	<b>\$</b>	<b>805,600</b>
<b>08 SALES AND MARKETING DIVISION</b>										
1805	<b>Marketing Department</b>									
	<u>External Contracts:</u>									
Marketing Consulting Services	\$	0	\$	0	\$	0	\$	0	\$	0
	\$	0	\$	0	\$	0	\$	0	\$	0
<b>Subtotal, External Contracts, Sales &amp; Marketing Division</b>	<b>\$</b>	<b>0</b>	<b>\$</b>	<b>0</b>	<b>\$</b>	<b>0</b>	<b>\$</b>	<b>0</b>	<b>\$</b>	<b>0</b>
Reimbursable Fingerprint Costs	\$	(17,500)	\$	(17,500)	\$	(17,500)	\$	(17,500)	\$	(70,000)
Reimbursable Scratchers Research - Sci Games	\$	(25,000)	\$	(25,000)	\$	(25,000)	\$	(25,000)	\$	(100,000)
Historical Spending Reduction - Contractual Services	\$	(500,000)	\$	(500,000)	\$	(500,000)	\$	(500,000)	\$	(2,000,000)
<b>Total, External Contracts</b>	<b>\$</b>	<b>6,159,526</b>	<b>\$</b>	<b>9,066,809</b>	<b>\$</b>	<b>9,087,461</b>	<b>\$</b>	<b>9,150,652</b>	<b>\$</b>	<b>33,464,447</b>
<b>Total, Interagency Agreements</b>	<b>\$</b>	<b>1,522,402</b>	<b>\$</b>	<b>1,291,292</b>	<b>\$</b>	<b>1,303,292</b>	<b>\$</b>	<b>1,370,232</b>	<b>\$</b>	<b>5,487,218</b>
<b>Total, Contracted Legal Fees</b>	<b>\$</b>	<b>20</b>	<b>\$</b>	<b>0</b>	<b>\$</b>	<b>0</b>	<b>\$</b>	<b>0</b>	<b>\$</b>	<b>20</b>
<b>Total, Reimbursable Costs</b>	<b>\$</b>	<b>(542,500)</b>	<b>\$</b>	<b>(542,500)</b>	<b>\$</b>	<b>(542,500)</b>	<b>\$</b>	<b>(542,500)</b>	<b>\$</b>	<b>(2,170,000)</b>
<b>TOTAL, FY2024-25 CONTRACTUAL SERVICES</b>	<b>\$</b>	<b>7,139,448</b>	<b>\$</b>	<b>9,815,601</b>	<b>\$</b>	<b>9,848,253</b>	<b>\$</b>	<b>9,978,384</b>	<b>\$</b>	<b>36,781,685</b>

**FY 2024-25 ANNUAL DEPRECIATION COSTS**

ACTUAL DEPRECIATION BY ACCOUNT CODE:		ASSET COSTS	2023-2024 DEPRECIATION					ASSET COSTS	2024-2025 DEPRECIATION				
			QTR 1	QTR 2	QTR 3	QTR 4	TOTAL		QTR 1	QTR 2	QTR 3	QTR 4	TOTAL
65110	GAMING EQUIPMENT	\$ 17,633,896	\$ 441,315	\$ 441,315	\$ 441,315	\$ 441,315	\$ 1,765,258	\$ 60,066,644	\$ 441,286	\$ 441,299	\$ 441,286	\$ 401,100	\$ 1,724,972
65140	VENDING MACHINES	\$ 56,138,989	\$ 1,340,750	\$ 1,340,750	\$ 1,340,750	\$ 1,340,750	\$ 5,363,001	\$ 58,187,956	\$ 965,550	\$ 939,332	\$ 939,319	\$ 759,826	\$ 3,604,028
	<b>Subtotal - Gaming</b>	\$ 73,772,885	\$ 1,782,065	\$ 1,782,065	\$ 1,782,065	\$ 1,782,065	\$ 7,128,259	\$ 118,254,600	\$ 1,406,837	\$ 1,380,632	\$ 1,380,605	\$ 1,160,927	\$ 5,329,000
65120	SOFTWARE	\$ 13,219,679	\$ 397,642	\$ 397,642	\$ 397,642	\$ 397,642	\$ 1,590,569	\$ 19,818,599	\$ 409,276	\$ 409,276	\$ 409,276	\$ 409,276	\$ 1,637,103
65130	AUDIO/VIDEO EQUIPMENT	\$ 254,733	\$ 7,826	\$ 7,826	\$ 7,826	\$ 7,826	\$ 31,306	\$ 511,402	\$ 2,824	\$ 2,227	\$ 2,227	\$ 2,227	\$ 9,506
65150	LEASEHOLD IMPROVEMENTS	\$	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
	LAND	\$ 18,798,281	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 18,798,281	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
65160	BUILDINGS	\$ 160,376,723	\$ 1,021,437	\$ 1,021,437	\$ 1,021,437	\$ 1,021,437	\$ 4,085,747	\$ 163,661,426	\$ 1,044,883	\$ 1,055,962	\$ 1,078,121	\$ 1,078,121	\$ 4,257,086
65170	NON BUILDING IMPROVEMENTS	\$ 1,594,964	\$ 13,373	\$ 13,373	\$ 13,373	\$ 13,373	\$ 53,491	\$ 2,217,523	\$ 13,373	\$ 13,373	\$ 13,373	\$ 13,373	\$ 53,491
65180	DATA PROCESSING EQUIPMENT	\$ 557,827	\$ 36,530	\$ 36,530	\$ 36,530	\$ 36,530	\$ 146,119	\$ 6,880,496	\$ 71,160	\$ 63,810	\$ 56,864	\$ 56,864	\$ 248,698
65190	OFFICE EQUIPMENT	\$ 290,766	\$ 3,595	\$ 3,595	\$ 3,595	\$ 3,595	\$ 14,379	\$ 5,639,038	\$ 16,560	\$ 16,560	\$ 16,560	\$ 16,561	\$ 66,241
65200	VEHICLES	\$ 6,392,391	\$ 278,067	\$ 278,067	\$ 278,067	\$ 278,067	\$ 1,112,270	\$ 11,646,064	\$ 252,146	\$ 246,255	\$ 204,609	\$ 99,485	\$ 802,494
65210	OTHER EQUIPMENT	\$ 101,821	\$ 5,089	\$ 5,089	\$ 5,089	\$ 5,089	\$ 20,354	\$ 2,079,563	\$ 27,741	\$ 32,449	\$ 41,865	\$ 41,863	\$ 143,918
65220	WAREHOUSE EQUIPMENT	\$ 19,705	\$ 985	\$ 985	\$ 985	\$ 985	\$ 3,941	\$ 1,353,256	\$ 985	\$ 985	\$ 657	\$ 0	\$ 2,627
65230	MOBILE EQUIPMENT	\$	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 783,996	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
	CAPITALIZED LABOR COSTS	\$	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
	<b>TOTAL ACTUAL CHARGES</b>	\$ 275,379,775	\$ 3,546,609	\$ 3,546,609	\$ 3,546,609	\$ 3,546,609	\$ 14,186,436	\$ 351,644,245	\$ 3,245,783	\$ 3,221,529	\$ 3,204,156	\$ 2,878,696	\$ 12,550,164

**APPROVED FUNDS FOR FY 2024-25:**

65110	GAMING EQUIPMENT	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
65140	VENDING MACHINES	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
	<b>Subtotal - Gaming</b>	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
65120	SOFTWARE	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
65130	AUDIO/VIDEO EQUIPMENT	\$ 230,000	\$ 1,456	\$ 1,456	\$ 1,456	\$ 1,456	\$ 5,823	\$ 230,000	\$ 7,667	\$ 11,500	\$ 11,500	\$ 11,500	\$ 42,167
65150	LEASEHOLD IMPROVEMENTS	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
	LAND	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
65160	BUILDINGS	\$ 3,443,666	\$ 21,795	\$ 21,795	\$ 21,795	\$ 28,409	\$ 93,795	\$ 300,000	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500	\$ 30,000
65170	NON BUILDING IMPROVEMENTS	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
65180	DATA PROCESSING EQUIPMENT	\$ 650,000	\$ 0	\$ 4,114	\$ 4,114	\$ 4,114	\$ 12,342	\$ 725,988	\$ 40,333	\$ 60,500	\$ 60,500	\$ 60,500	\$ 221,833
65190	OFFICE EQUIPMENT	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
65200	VEHICLES	\$ 356,889	\$ 0	\$ 0	\$ 0	\$ 2,259	\$ 2,259	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
65210	OTHER EQUIPMENT	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 150,000	\$ 0	\$ 0	\$ 7,500	\$ 7,500	\$ 15,000
65220	WAREHOUSE EQUIPMENT	\$ 200,000	\$ 1,266	\$ 1,266	\$ 1,266	\$ 1,266	\$ 5,063	\$ 260,000	\$ 4,333	\$ 13,000	\$ 13,000	\$ 13,000	\$ 43,333
65230	MOBILE EQUIPMENT	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
	<b>TOTAL BUDGETED AMOUNTS</b>	\$ 4,880,555	\$ 24,517	\$ 28,631	\$ 28,631	\$ 37,503	\$ 119,282	\$ 1,665,988	\$ 59,833	\$ 92,500	\$ 100,000	\$ 100,000	\$ 352,333

**GRAND TOTAL:**

65110	GAMING EQUIPMENT	\$ 17,633,896	\$ 441,315	\$ 441,315	\$ 441,315	\$ 441,315	\$ 1,765,258	\$ 60,066,644	\$ 441,286	\$ 441,299	\$ 441,286	\$ 401,100	\$ 1,724,972
65140	VENDING MACHINES	\$ 56,138,989	\$ 1,340,750	\$ 1,340,750	\$ 1,340,750	\$ 1,340,750	\$ 5,363,001	\$ 58,187,956	\$ 965,550	\$ 939,332	\$ 939,319	\$ 759,826	\$ 3,604,028
	<b>Subtotal - Gaming</b>	\$ 73,772,885	\$ 1,782,065	\$ 1,782,065	\$ 1,782,065	\$ 1,782,065	\$ 7,128,259	\$ 118,254,600	\$ 1,406,837	\$ 1,380,632	\$ 1,380,605	\$ 1,160,927	\$ 5,329,000
65120	SOFTWARE	\$ 13,219,679	\$ 397,642	\$ 397,642	\$ 397,642	\$ 397,642	\$ 1,590,569	\$ 19,818,599	\$ 409,276	\$ 409,276	\$ 409,276	\$ 409,276	\$ 1,637,103
65130	AUDIO/VIDEO EQUIPMENT	\$ 484,733	\$ 9,282	\$ 9,282	\$ 9,282	\$ 9,282	\$ 37,129	\$ 511,402	\$ 10,491	\$ 13,727	\$ 13,727	\$ 13,727	\$ 51,673
65150	LEASEHOLD IMPROVEMENTS	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
	LAND	\$ 18,798,281	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 18,798,281	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
65160	BUILDINGS	\$ 163,820,389	\$ 1,043,232	\$ 1,043,232	\$ 1,043,232	\$ 1,049,846	\$ 4,179,543	\$ 163,661,426	\$ 1,052,383	\$ 1,063,462	\$ 1,085,621	\$ 1,085,621	\$ 4,287,086
65170	NON BUILDING IMPROVEMENTS	\$ 1,594,964	\$ 13,373	\$ 13,373	\$ 13,373	\$ 13,373	\$ 53,491	\$ 2,217,523	\$ 13,373	\$ 13,373	\$ 13,373	\$ 13,373	\$ 53,491
65180	DATA PROCESSING EQUIPMENT	\$ 1,207,827	\$ 36,530	\$ 40,644	\$ 40,644	\$ 40,644	\$ 158,460	\$ 6,880,496	\$ 111,493	\$ 124,310	\$ 117,364	\$ 117,364	\$ 470,531
65190	OFFICE EQUIPMENT	\$ 290,766	\$ 3,595	\$ 3,595	\$ 3,595	\$ 3,595	\$ 14,379	\$ 5,639,038	\$ 16,560	\$ 16,560	\$ 16,560	\$ 16,561	\$ 66,241
65200	VEHICLES	\$ 6,749,280	\$ 278,067	\$ 278,067	\$ 278,067	\$ 280,326	\$ 1,114,529	\$ 11,646,064	\$ 252,146	\$ 246,255	\$ 204,609	\$ 99,485	\$ 802,494
65210	OTHER EQUIPMENT	\$ 101,821	\$ 5,089	\$ 5,089	\$ 5,089	\$ 5,089	\$ 20,354	\$ 2,079,563	\$ 27,741	\$ 32,449	\$ 49,365	\$ 49,363	\$ 158,918
65220	WAREHOUSE EQUIPMENT	\$ 219,705	\$ 2,251	\$ 2,251	\$ 2,251	\$ 2,251	\$ 9,004	\$ 1,353,256	\$ 5,319	\$ 13,985	\$ 13,657	\$ 13,000	\$ 45,961
65230	MOBILE EQUIPMENT	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 783,996	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
	CAPITALIZED LABOR COSTS	\$ 4,880,555	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
	<b>TOTAL</b>	\$ 280,260,330	\$ 3,571,126	\$ 3,575,240	\$ 3,575,240	\$ 3,584,112	\$ 14,305,717	\$ 353,310,233	\$ 3,305,617	\$ 3,314,029	\$ 3,304,156	\$ 2,978,696	\$ 12,902,497

## Performance Measures

Ad Tracker surveys are conducted in the designated marketing viewing areas immediately following the campaigns. The Ad Tracker is a separate study conducted after select TV ad campaigns to compare the effectiveness of different spots. It provides insights into the effectiveness, recall and recognition of our television advertising spots. Outside research vendor, Ipsos, currently conducts these studies with direction from our Business Planning and Research office. Interviews occur usually over a two-week period immediately following the campaign in the designated marketing viewing areas, in English and Spanish. Sample sizes range from 500-900 CA adults. Reports are presented to Marketing typically six weeks after the campaign for:

- Awareness (recall) of specific elements of the ad campaign (TV, Out-of-Home, radio, digital, social)
- Brand link (remember the ad and remember that it was for Scratchers/ Lottery)
- Main message clarity and perceptions of the advertising
- Impact of the advertising on Lottery perceptions and behaviors

Additionally, the Lottery's "Tracking Study" includes continuous surveys conducted 365 days a year from over 300 CA adults per month. It is used for looking at the longer-term impact of advertising. Since the Tracking Study data is collected before, during and after the advertising, we can measure any changes in awareness, playership or attitudes due to marketing efforts including:

- Awareness of games and advertising
- Playership of games
- Perceptions of the Lottery and our games
- Among the CA adult population and our players

Furthermore, the Lottery utilizes Econometrics Modelling as an Advanced analytic modelling to estimate sales ROIs of advertising over a full year and leverages its 2nd Chance player database to conduct surveys amongst players.

The impact of budgeting to control costs and manage reserve funds is witnessed by the Lottery business resulting in 95 cents for every dollar in sales being returned to the community in the form of contributions to education, prizes, and payments to California businesses that act as retail outlets for Lottery products.

## CALIFORNIA PUBLIC SCHOOLS BENEFIT

The mission of the California Lottery is to raise supplemental funding for public education.

The Lottery has generated more than \$46 billion for California's public schools since we began in 1985. For the first time in California Lottery history, we raised a record of more than \$2 billion for education in the 2023-2024 Fiscal Year. While that's an unprecedented figure, it's a modest number for the state's annual budget for public schools. Remember, Lottery funds are meant to supplement public education, not replace state and local funding.

Since Lottery funds are largely discretionary, they help schools do things they otherwise couldn't, such as attracting and retaining more quality teachers, buying state-of-the-art equipment, enhancing learning environments, and keeping critical programs running.

Schools are not our only beneficiary! Did you know 95 cents of every dollar spent on Lottery games goes back to the community through contributions to public schools and colleges, prizes, and retail compensation? Thank you to our players and our retail partners for making it all possible!

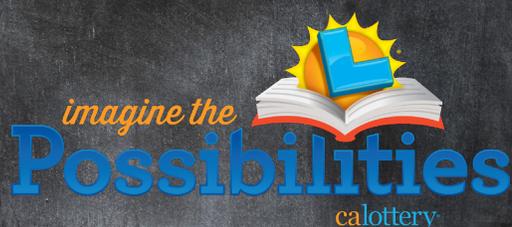
Positively impacting communities across California is just part of our commitment to corporate social responsibility, and every member of the Lottery team shares this dedication.

### Funding Is Based on Sales

The State Controller's Office determines how much Lottery funds are dispersed to public education institutions. Lottery funding is based on the Average Daily Attendance (ADA) for K-12 and community college school districts and by full-time enrollment for higher education and other specialized institutions.

These are the schools that have received funds, along with their percentages of cumulative distributions:

GRADE LEVEL	DISTRIBUTION PERCENTAGE
K-12th Grade	79.9%
Community Colleges	14.0%
California State University System	3.7%
University of California	2.3%
Other Educational Entities	0.1%



## Economic Outlook\*

The first months of 2024 have continued the trend of steady but slowing economic growth, notwithstanding stubborn inflation and elevated interest rates. U.S. real gross domestic product (GDP) grew at an annualized rate of 1.6 percent in the first quarter of 2024 following six consecutive quarters of higher than 2 percent growth, buoyed by strong personal consumption. With a relatively strong and stable economy, the U.S. GDP is projected to grow at a steady but slowing rate from mid 2024 into early 2025 amid still tight financial conditions driving lower levels of consumption. Credit conditions are projected to ease starting in mid 2024 with loosening monetary policy as the Federal Reserve cuts target interest rates. U.S. GDP is then projected to grow at steady state rates between 1.5 and 1.9 percent starting in mid 2025 through the end of the forecast window in 2027.

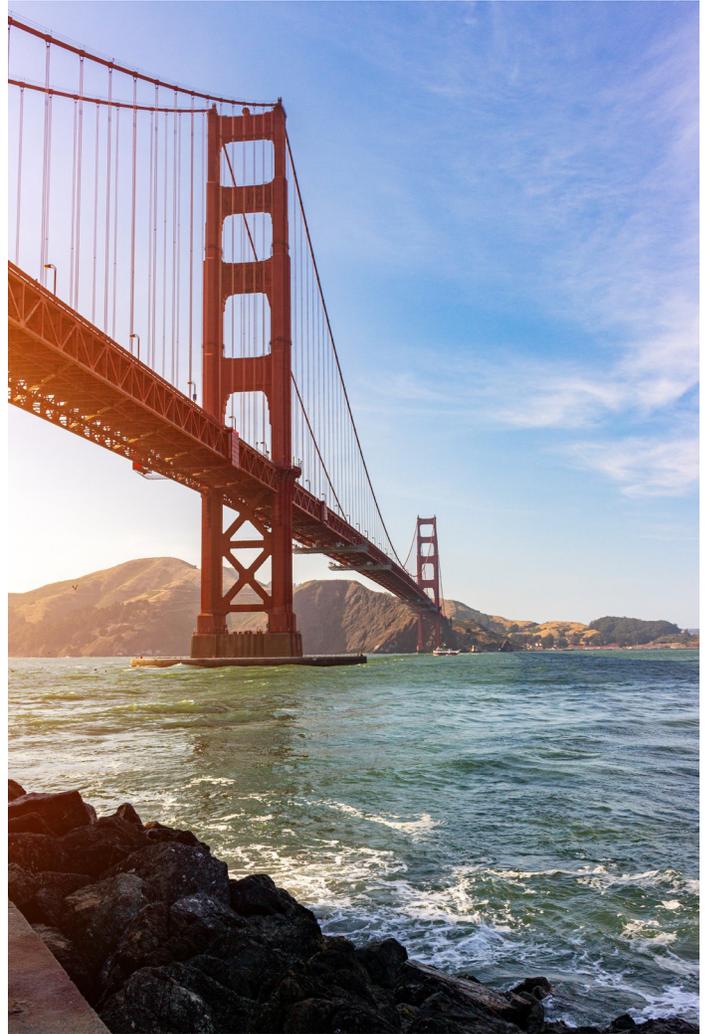
While both U.S. and California inflation have slowed from their respective June 2022 peaks, U.S. inflation experienced a recent uptick to 3.5 percent year over year growth in March 2024 while California inflation stood at 3.3 percent in February 2024, driven mainly by lagged shelter inflation. The Federal Reserve was widely expected to start cutting rates by June 2024. However, expectations have since shifted, and the Federal Reserve may instead hold rates steady until later in 2024 or even raise rates if inflation remains persistently elevated above the target 2 percent rate.

*\*Department of Finance, excerpted from the 2024 2025 May Revision to the Governor's Budget Summary, Economic Outlook section*

California's nonfarm payroll job growth is projected to slow from late 2024 into the second half of 2025, a one-quarter lag from the projected slowdown in U.S. real GDP growth. This is due mainly to the robust U.S. real GDP growth in 2023, and relatively healthy nonfarm employment growth in the first few months of 2024. The average wage growth in California is 0.7 percent in 2022 and then recovered to 4.3 percent in 2023, due largely to higher levels of various irregular payments such as bonuses and options as stock prices saw renewed strength in 2023.

California's labor force is projected to grow by 0.5 percent in 2024 before slowing to 0.3 percent growth by 2027, in line with the state's population projections, particularly amongst working-age individuals (those between the ages of 16 to 64) whose numbers are projected to decline through the forecast window. California's unemployment rate is projected to remain at 5.3 percent through the first half of 2025 as tight financial conditions continue to soften the labor market before moderating as credit conditions ease.

While the May Revision to the Governor's Budget does not project a recession in the forecast window, the risk of a mild or moderate recession exists. The two biggest near-term threats to economic growth are a possible resurgence of higher inflation and sustained high interest rates. Escalating geopolitical conflicts would also likely increase economic uncertainties for the U.S. and California, even with a potential boost from increased defense spending. Long-term structural downside risks to the state economy and budget also remain, including climate change and more frequent extreme weather events such as



wildfires, drought, and floods, the challenges of an aging cohort that is becoming an increasingly larger share of the total population, declining migration inflows, lower fertility rates, ongoing stock market volatility, high housing and living costs, and potentially worsening income inequality.



# Budget Tools

## Out-of-State Travel Plan

GREEN SHADED TRIPS ARE GOVERNOR'S OFFICE APPROVED

YELLOW SHADED TRIPS REQUIRE RESUBMISSION VIA INDIVIDUAL TRIP REQUEST

### PROPOSED FY 2024-25 OUT-OF-STATE TRAVEL REQUESTS – CALIFORNIA STATE LOTTERY

CATEGORY AND MONTH	DESTINATION	CLASS TITLE	NO. OF DAYS	TOTAL ATTENDING	FUNDING	COST
<b>PART 1: MISSION CRITICAL - APPROVED BY LOTTERY DIRECTOR</b>						
Mission Critical TBD	Austin, Texas	Security and Law Enforcement Division (SLED), Chief, Gaming Services and Investigator, Information Technology Services Division (ITSD), IT Manager and IT Specialist  The purpose of this trip is to conduct site visits at the <b>International Gaming Technologies (IGT) Primary Data Center</b> to add/review physical and logical security policies, procedures, and protections in place for the primary data center. IGT, the Lottery's gaming system vendor, is contractually obligated to maintain a certain level of security to conduct business with the Lottery. Additionally, Lottery representative's inspections of gaming system facilities are required to satisfy Multistate Lottery Association membership requirements for the sale of Powerball products in California.	2	4	Lottery Fund	\$4,800
Mission Critical TBD	West Greenwich, Rhode Island	ITSD, Information Technology Manager and Specialist  The Multistate Lottery Association (MUSL) requires annual inspections of gaming system facilities for the sale of Powerball products to continue in California. Representatives from ITSD will conduct the site inspection at the <b>IGT Backup Data Center</b> , to review physical and logical security procedures and policies, and protections in place.	3	2	Lottery Fund	\$3,000
<b>PART 2: DISCRETIONARY</b>						
Discretionary TBD	Montreal, Quebec, Canada or Alpharetta, Georgia	SLED: Chief, Gaming Services and Manager, Draw Management  Contingent upon the task necessary, appropriate Lottery staff will travel throughout the fiscal year to conduct "press checks" and approve Scratchers ticket quality and audit the physical and logical security controls at <b>Scientific Games International</b> plant, Lottery's primary Scratchers ticket vendor. The request is for state time only; the cost of the trips is fully reimbursed by the vendor.  <u>Impact if trip is denied:</u> Travel costs associated with press checks are reimbursed by each instant ticket vendor. If these trips are denied, the Lottery is unable to represent that it is engaging in customary industry efforts to promote and ensure integrity, security, honesty, and fairness in the operation and administration of the Lottery through the evaluation of quality and security of product at press by subject matter experts.  <u>Impact of travelers' absence on regularly assigned duties:</u> Division designee will be named to handle routine matters. Technology will enable travelers to participate in the ordinary course through use of issued mobile devices.	3	2	Reimbursed by Vendor	\$0

CATEGORY AND MONTH	DESTINATION	CLASS TITLE	NO. OF DAYS	TOTAL ATTENDING	FUNDING	COST
Discretionary TBD	Winnipeg, Montreal Canada or Ypsilanti, Michigan	SLED: Chief, Gaming Services and Manager, Draw Management	3	2	Reimbursed by Vendor	\$0
		<p>Contingent upon the task necessary, appropriate Lottery staff will travel throughout the fiscal year to conduct "press checks" and approve Scratchers ticket quality and audit the physical and logical security controls at <b>Pollard Banknote</b> instant ticket printing facilities, the Lottery's secondary Scratchers ticket printing vendor. The request is for state time only; the cost of the trips is fully reimbursed by the vendor.</p> <p><u>Impact if trip is denied:</u> Travel costs associated with press checks are reimbursed by each instant ticket vendor. If these trips are denied, the Lottery is unable to represent that it is engaging in customary industry efforts to promote and ensure integrity, security, honesty, and fairness in the operation and administration of the Lottery through the evaluation of quality and security of product at press by subject matter experts.</p> <p><u>Impact of travelers' absence on regularly assigned duties:</u> Division designee will be named to handle routine matters. Technology will enable travelers to participate in the ordinary course through use of issued mobile devices.</p>				
Discretionary Sept 9-12	Kansas City, Missouri	<p>Sales and Marketing Division (SMD), Deputy Director and Assistant Deputy Directors, Marketing and Sales Departments</p> <p>North American Association of State and Provincial Lottery's (NASPL) <b>NASPL '24 Annual Conference</b> is the pre-eminent annual NASPL event that brings together lottery professionals and suppliers from across North America. Sessions will be hosted by industry leaders and experts and will focus on best practices, advertising and marketing achievements and the latest advancements in lottery. Overall, it provides invaluable opportunity for divisional leadership to gain insights, knowledge and find collaborative partners for future projects.</p> <p><u>Impact if trip is denied:</u> The Lottery will miss the opportunity to participate in the small group, hands-on format that allows for candid discussions and information sharing among participating staff from other US lotteries and provides attendees with tangible information about how to take advantage of the industry's biggest opportunities, research and find solutions to its biggest challenges via problem solving, case study research presentations and sharing best practices among peers.</p> <p><u>Impact of travelers' absence on regularly assigned duties:</u> Division designee will be named to handle routine matters. Technology will enable travelers to participate in the ordinary course of business through use of issued mobile devices.</p>	4	3	Lottery Fund	\$6,000

CATEGORY AND MONTH	DESTINATION	CLASS TITLE	NO. OF DAYS	TOTAL ATTENDING	FUNDING	COST
Discretionary Fall & Spring	Austin, Texas & TBD	Sales and Marketing Division (SMD) Chief, Product Development, Chief, Key Accounts, Chief, Sales Support & Distribution, Chief, Business Development and Chief, Engagement & Retention Marketing	4 4	4 4	Lottery Fund	\$ 6,80 \$ 6,80 \$13,600
		<p>LaFleur’s Fall and Spring Conferences are for the leading lottery industry trade publication that programs two conferences per year that are focused primarily on topics related to marketing and sales, including product development, advertising, digital marketing, social media, retail signage, equipment placement and optimization, and second chance/loyalty programs among other topics. This conference provides two full days of educational programming focused on the lottery industry and will provide attendees with invaluable opportunities to learn best practices, industry developments, innovations and establish connections and partners for future initiatives.</p> <p><u>Impact if trip is denied:</u> If the Lottery’s leadership cannot participate, Lottery leadership would be less equipped to address industry issues and challenges and administer and operate the Lottery with the latest product and strategic information.</p> <p><u>Impact of travelers’ absence on regularly assigned duties:</u> Division designee will be named to handle routine matters. Technology will enable travelers to participate in the ordinary course of business through use of issued mobile devices.</p>				
Discretionary April 9-10	Bentonville, Arkansas	<p>Sales and Marketing Division (SMD), Chief, Business Development and Manager, Key Accounts</p> <p>Walmart has invited two people from every state carrying lottery products to participate in the <b>2025 Walmart Lottery Summit</b>. This is a two-day event to bring together over 35 states to present each state’s best practices, meet with Walmart executives, and discuss the challenges facing retail as it relates to our products. This unique opportunity gives the California Lottery an inside look at the culture of Walmart and the internal training being implemented across all Walmart stores. Walmart is also giving in-store tours at their Bentonville location where lotteries will get a sense of lottery equipment placement expectations, inventory best practices, store personnel challenges, and training schedules for each store segment. This gives an insight to the clutter we’re trying to cut through in a big box retail environment from both the stores employee perspective and player perspective. Attending this summit is key to building a greater business relationship with Walmart and greater sales in one of the most important retail outlets in the world.</p> <p><u>Impact if trip is denied:</u> The Lottery will miss the opportunity learn about Walmart strategies for placement of Lottery vending machines and point-of-sale materials as well as product sales plans for Lottery products across California stores for this major chain.</p> <p><u>Impact of travelers’ absence on regularly assigned duties:</u> Division designee will be named to handle routine matters. Technology will enable travelers to participate in the ordinary course of business through use of issued mobile devices.</p>	3	2	Lottery Fund	\$4,000

CATEGORY AND MONTH	DESTINATION	CLASS TITLE	NO. OF DAYS	TOTAL ATTENDING	FUNDING	COST
Discretionary TBD	Cleveland, Ohio	Sales and Marketing Division (SMD), Manager, Marketing Department and Manager, Sales Department	3	2	Lottery Fund	\$4,000
		<p>North American Association of State and Provincial Lottery's (NASPL) <b>Lottery Leadership Institute</b> is a three-day training event that is lottery industry specific, with a leadership focus. Instructor-led training will provide attendees with approachable methods and actionable tools that can be applied immediately to ensure personal and professional growth, focusing on the foundation for effective leadership, and diversity and inclusion to create greater team effectiveness. Previous CSL attendees have said it was one of the best trainings they have ever attended.</p> <p><u>Impact if trip is denied:</u> The Lottery will miss the opportunity to participate in the small group, hands-on format that allows for candid discussions and information sharing among participating staff from other US lotteries and provides attendees with tangible information about how to take advantage of the industry's biggest opportunities, research and find solutions to its biggest challenges via problem solving, case study research presentations and sharing best practices among peers.</p> <p><u>Impact of travelers' absence on regularly assigned duties:</u> Division designee will be named to handle routine matters. Technology will enable travelers to participate in the ordinary course of business through use of issued mobile devices.</p>				
		Total				\$35,400



## UNDERSTANDING ACCOUNT CODES

### **How to choose the correct accounting code when creating a procurement, paying a vendor invoice, or submitting a CalCard statement for payment.**

The key to providing an accounting coding for procurement processing or expenditure payment is understanding its components. The first part of the code is a five (5) digit number that defines what type of expense it is:

A chart of accounts (COA) is a financial organizational tool that provides a complete listing of every account in an accounting system. An account is a unique record for each type of asset, liability, equity, revenue and expense. The e-procurement system requires the use of an account code for this purpose. Furthermore, each Lottery program area is allotted funds each fiscal year to use for procuring goods and services. Choosing the correct code is important for the following reasons:

1. It is understood by all related departments (program, accounting, budgets, audits, etc.), what type of product or services is being procured;
2. The purchase is being identified so that the correct budget allocation or line-item is used to draw funds from for accounting purposes and;
3. An accurate history of expenditures exists to guide the monitoring of the current budget and the building of future departmental budgets.

It is the responsibility of all Lottery program areas to identify and use the correct account code for goods and services procured.

<b>Code</b>	<b>Account Title</b>	<b>Description</b>
67000	General Expense	Office supplies, janitorial supplies, and other administrative expenses which would include dues and membership fees as well as professional periodical subscriptions fees provided by organizations that support work-related efforts and provide useful information.
67100	Printing	Expenses such as copier supplies, copier maintenance, stationery, and pre-printed forms. Examples: Reams of copier paper, toner, letterhead and envelopes, copier repair.
67700	Postage	Mailing expense such as stamps, postage meter refills, and meter maintenance. Other postage related expenses are parcel delivery via United Parcel Service or other such vendors.
67900	Insurance	Building, vehicle, technological, and liability insurance.
68100	In-State Travel	Expenses for travel In-State which would include car rental, vehicle expense reimbursement (mileage), air fare, and lodging.
68500	Training	Cost of training classes and professional education for Lottery employees.
68900	Facility Maintenance & Operations	Maintenance activities include keeping spaces, structures and infrastructure in proper operating condition in a routine, scheduled, or anticipated fashion to prevent failure and/or degradation. This includes one-to-one replacement of components and systems not requiring professional engineering or permitting.
68910	Alterations & Remodeling	Repair and maintenance activities include keeping spaces, structures and infrastructure in proper operating condition in a routine, scheduled, or anticipated fashion to prevent failure and/or degradation. This includes one-to-one replacement of components and systems not requiring professional engineering or permitting.
69300	Utilities	Electric, gas, water, etc.
69700	Expendable Equipment	Unit cost under \$5,000 and/or sensitive equipment*. Examples: Janitorial or maintenance equipment (i.e. vacuums); cubicle parts, tables, and chairs (office furniture). These are items that do not meet the \$5,000 threshold for depreciable items.
69900	Vehicle Operations	Vehicle Fuel, maintenance, repairs, parts and other types of vehicle operation expenses. Example: Just about any expense that has to do with the operation and maintenance of the Lottery's fleet. Brakes, batteries, wiper blades, tires, fuel, parts, repair and labor.
70900	Special Items of Expense	Scratchers packaging materials, funding for Custodial Staff Footwear per Bargaining Unit, and Lottery logo clothing.
63200	Professional Services External	External contractual services such as facility security professional services. Other Examples include consulting services for LEED certification, IT maintenance & support, legal services, accounting/auditing services.
63300	Professional Services Intergovernmental	Services provided by other state agencies including training provided by CalHR or other agencies.
63400	Legal Services Contracted	Legal services contracted as needed for representation by outside legal professionals who provide a service that the Lottery requires. Used only by Legal Services.
64300	Gaming System Contract	Contracted costs for the Lottery's gaming system (ITSD only)
64303	Scratchers Delivery Fees	Delivery services to distribute Lottery products to participating retailers (Sales Department only)
63404	Scratchers Destruction Fees	This is a non-divisional (0000) gaming cost for the shredding and recycling of discontinued or damaged Lottery Scratchers tickets (non-divisional only).
99997	Lease Asset Clearing	This code is used when procuring for leased vehicle assets, primarily for Enterprise Fleet Management vehicles. Financial Accounting and Reporting staff uses this account to reclass costs into various accounts.
99998	Fixed Asset Clearing	Capitalized equipment - individual or group asset which cost over \$5,000. Examples are Lottery owned vehicles, technical equipment (computers), audio/visual equipment, gaming equipment.

**FY 2024-25**

LOTTERY DIVISIONS		Directorate	Legal Services	Internal Audits	External Affairs	Business Planning & Research	Finance	Human Resources	Operations	Public Affairs & Comm.	Security & Law Enforcement	Information Technology Serv.	Sales & Marketing Dept. Dir.	Marketing Dept. Dir.	Sales Department	Non-Divisional
DIVISION CODE		01	01	01	01	01	01	02	03	04	05	06	07	08	08	00
DIVISION UNIT CODE		1110	1120	1130	1140	1150	1200	1300	1400	1500	1600	1700	1800	1805	1000	0000
COA	OPERATING EXPENSES															
67000	General Expense	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
67100	Printing						X		X				X			
67500	Telephone												X			
67700	Postage							X	X							
67800	Internal Freight - Shipping															X
67900	Insurance								X							
68100	In-State Travel	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
68300	Out-of-State Travel						X									
68500	Training	X	X	X	X	X	X	X	X	X	X	X	X	X		
68750	Asset Rental Expense								X							
68775	Lease Asset Amortization of Exp.								X							
68875	SBITA Amortization Expense												X			
68900	Facility Maintenance & Operations								X							
69100	Utilities								X							
69700	Expendable Equipment							X	X		X	X		X	X	
69900	Vehicle Maintenance & Operations								X							
70600	Interest Expense								X			X				
70700	Taxes and Assessments								X							
70900	Special Items of Expense								X							X
71200	Event Sponsorship				X									X		
63200	Professional Service - External	X	X	X	X	X	X	X	X	X	X	X	X			
63100	Professional Service - Interdepart.	X	X	X	X	X	X	X	X		X	X				
63400	Attorney Fees - Contracted		X													
64300	Gaming System Expenses											X				
64303	Scratchers Delivery Fees														X	
64304	Scratchers Destruction Fees															X
99997	Lease Asset Clearing															X
99998	Fixed Asset Clearing															X

**Segment Coding**

Division Codes / Division Unit Codes			Division Codes (Continued)			Location Codes	
Division	Div. Code	Unit Code	Division	Div. Code	Unit Code	Location	Code
Executive - Directorate	01	1110	Sales Dept. Asst. Dpty-Director	06	1900	General location	00
Executive - Legal Services	01	1120	Sales Support & Distribution	08	1905	Headquarters	10
Executive - Internal Audits	01	1130	Sales Operations	08	1911	Milpitas District Office	20
Executive - External Affairs	01	1140	District Sales	08	1925	Sacramento District Office	21
Executive - Business Planning & Res.	01	1150	Non-Divisional	00	0000	Richmond District Office	22
Finance	02	1200				Fresno District Office	23
Human Resources	03	1300				Chasworth District Office	30
Operations	04	1400				Rancho Cucamonga District Office	31
Public Affairs & Communications	05	1500				Santa Fe Springs District Office	32
Security & Law Enforcement	06	1600				Costa Mesa District Office	33
Information Technology Services	07	1700				San Diego District Office	34
Sales & Marketing Dpty-Director's Off	08	1800				Northern Distribution Center	50
Marketing Dept. Asst. Dpty-Director	08	1805				Southern Distribution Center	51

**Coding Structure**

A complete code has four segments: Natural Account - Division - Location - Unit

Amount (5 digit number)	--	Division (2 digit number)	--	Location (2 digit number)	--	Unit (4 digit number)
<b>example</b> General Expense 67000	--	Operations Division 04	--	Headquarters 10	--	Operations Deputy-Director 1400
<b>complete code</b> 67000.04.10.1400						

# Statistical Section



DATE	SALES	EXPENSE	PROFIT
01/01	\$10,000	\$2,000	\$8,000
01/02	\$12,000	\$2,500	\$9,500
01/03	\$15,000	\$3,000	\$12,000
01/04	\$18,000	\$3,500	\$14,500
01/05	\$20,000	\$4,000	\$16,000
01/06	\$22,000	\$4,500	\$17,500
01/07	\$25,000	\$5,000	\$20,000
01/08	\$28,000	\$5,500	\$22,500
01/09	\$30,000	\$6,000	\$24,000
01/10	\$32,000	\$6,500	\$25,500
01/11	\$35,000	\$7,000	\$28,000
01/12	\$38,000	\$7,500	\$30,500
01/13	\$40,000	\$8,000	\$32,000
01/14	\$42,000	\$8,500	\$33,500
01/15	\$45,000	\$9,000	\$36,000
01/16	\$48,000	\$9,500	\$38,500
01/17	\$50,000	\$10,000	\$40,000
01/18	\$52,000	\$10,500	\$41,500
01/19	\$55,000	\$11,000	\$44,000
01/20	\$58,000	\$11,500	\$46,500
01/21	\$60,000	\$12,000	\$48,000
01/22	\$62,000	\$12,500	\$49,500
01/23	\$65,000	\$13,000	\$52,000
01/24	\$68,000	\$13,500	\$54,500
01/25	\$70,000	\$14,000	\$56,000
01/26	\$72,000	\$14,500	\$57,500
01/27	\$75,000	\$15,000	\$60,000
01/28	\$78,000	\$15,500	\$62,500
01/29	\$80,000	\$16,000	\$64,000
01/30	\$82,000	\$16,500	\$65,500
01/31	\$85,000	\$17,000	\$68,000
TOTAL	\$1,500,000	\$300,000	\$1,200,000



# CALIFORNIA STATE LOTTERY

## Change in Net Position Last Ten Fiscal years

Revenues, Costs, Expenses	2014	2015	2016	2017
Operating revenues:				
Lotto games	1,230,661,985	1,064,489,378	1,337,129,994	1,041,071,687
Scratchers <sup>®</sup> games	3,288,922,307	3,915,381,412	4,351,826,436	4,576,028,713
Hot Spot <sup>®</sup>	188,390,807	206,439,141	232,286,264	255,808,131
Daily games	326,686,325	338,540,662	354,354,594	360,559,892
<b>Total operating revenues</b>	<b>5,034,661,424</b>	<b>5,524,850,593</b>	<b>6,275,597,288</b>	<b>6,233,468,423</b>
Prizes	3,082,376,405	3,501,745,873	3,955,791,373	3,963,453,360
Game costs:				
Retailer costs	345,513,054	380,344,945	432,985,606	433,656,258
Gaming system costs	70,486,877	68,881,598	78,276,791	81,566,527
Scratchers game costs	29,540,698	29,990,183	36,485,518	34,819,169
<b>Total game costs</b>	<b>445,540,629</b>	<b>479,216,726</b>	<b>547,747,915</b>	<b>550,041,954</b>
Operating expenses:				
Salaries, wages and benefits	66,108,672	70,480,064	79,415,769	91,254,303
Advertising	63,699,190	62,273,530	74,280,130	76,690,663
Promotion, public relations and point of sale	14,507,326	10,664,151	10,990,631	8,657,038
Other professional services	13,331,461	11,843,044	14,367,836	14,266,695
Depreciation and amortization	6,075,176	8,950,492	13,528,573	16,889,648
Other general and administrative expenses	16,370,667	16,435,133	19,806,524	18,036,889
<b>Total operating expenses</b>	<b>180,092,492</b>	<b>180,646,414</b>	<b>212,389,463</b>	<b>225,795,236</b>
Operating income	1,326,651,898	1,363,241,580	1,559,668,537	1,494,177,874
Non-operating (expenses) revenues:				
Investment earnings <sup>2</sup>	290,350	(5,633,320)	55,232,507	(54,067,894)
Other income	27,400	53,155	193,432	93,932
Allocation to Education Fund <sup>3</sup>	(1,327,928,392)	(1,364,542,013)	(1,563,149,876)	(1,499,004,485)
<b>Total non-operating (expenses) revenues</b>	<b>(1,327,610,642)</b>	<b>(1,370,122,178)</b>	<b>(1,507,723,937)</b>	<b>(1,552,978,447)</b>
<b>Total change in net position</b>	<b>(958,744)</b>	<b>(6,880,598)</b>	<b>51,944,600</b>	<b>(58,800,573)</b>

(1) Beginning net position was reduced \$90,210,412 in fiscal year 2014-15 due to changes in net pension liability reporting requirements. Beginning net position was reduced \$155,152,000 in fiscal year 2017-18 due to changes in net OPEB liability reporting requirements. Please refer to Note 10 of the financial statements.

(2) Investment earnings include interest expense imputed on annuitized prize liability.

(3) For more information on the total allocation to Education Fund, please refer to Note 7 of the financial statements.

# CALIFORNIA STATE LOTTERY

## Change in Net Position Last Ten Fiscal years

Revenues, Costs, Expenses	2018	2019	2020	2021	2022	2023
Operating revenues:						
Lotto games	1,234,092,64	1,526,370,54	888,372,887	1,198,771,15	1,185,499,00	1,819,304,48
Scratchers <sup>®</sup> games	5,077,397,17	5,170,791,53	5,029,765,50	6,409,463,02	6,830,109,18	6,574,494,63
Hot Spot <sup>®</sup>	288,701,169	313,779,077	311,848,814	373,301,793	401,837,336	410,942,023
Daily games	365,601,121	377,109,164	392,016,195	436,407,842	435,804,636	434,612,165
<b>Total operating revenues</b>	<b>6,965,792,11</b>	<b>7,388,050,31</b>	<b>6,622,003,40</b>	<b>8,417,943,81</b>	<b>8,853,250,16</b>	<b>9,239,353,31</b>
Prizes	4,476,580,35	4,715,592,67	4,403,715,15	5,610,605,54	5,825,673,01	5,960,301,72
Game costs:						
Retailer costs	480,545,143	505,903,081	460,706,639	585,861,906	614,710,750	633,200,226
Gaming system costs	90,998,838	92,088,597	82,692,866	97,963,148	102,320,421	109,720,587
Scratchers game costs	36,600,840	39,207,904	36,567,321	44,601,524	41,836,793	50,428,558
<b>Total game costs</b>	<b>608,144,821</b>	<b>637,199,582</b>	<b>579,966,826</b>	<b>728,426,578</b>	<b>758,867,964</b>	<b>793,349,371</b>
Operating expenses:						
Salaries, wages and benefits	101,054,859	99,664,223	111,146,383	104,757,919	101,243,980	100,871,997
Advertising	68,113,747	66,773,171	40,856,926	59,135,920	92,849,859	89,181,811
Promotion, public relations and point of sale	9,552,414	9,305,841	9,385,619	7,490,496	8,529,662	11,095,793
Other professional services	15,321,484	16,898,286	16,225,755	17,728,391	18,129,419	18,072,617
Depreciation and amortization	18,310,965	18,814,684	18,428,535	16,765,127	15,982,732	14,961,644
Other general and administrative expenses	12,658,281	14,080,465	17,123,347	15,302,967	16,924,217	20,464,419
<b>Total operating expenses</b>	<b>225,011,750</b>	<b>225,536,670</b>	<b>213,166,565</b>	<b>221,180,820</b>	<b>253,659,869</b>	<b>254,648,281</b>
Operating income	1,656,055,18	1,809,721,39	1,425,154,85	1,857,730,87	2,015,049,31	2,231,053,93
Non-operating (expenses) revenues:						
Investment earnings <sup>2</sup>	(22,715,200)	53,177,645	82,091,722	(53,382,892)	(95,791,722)	(15,049,106)
Other income	124,554	22,036	195,722	1,823,112	611,692	6,897
Allocation to Education Fund <sup>3</sup>	(1,664,887,29)	(1,825,224,11)	(1,437,183,84)	(1,863,146,51)	(2,019,682,41)	(2,256,837,54)
<b>Total non-operating (expenses) revenues</b>	<b>(1,687,477,94)</b>	<b>(1,772,024,47)</b>	<b>(1,354,896,41)</b>	<b>(1,914,706,31)</b>	<b>(2,114,862,41)</b>	<b>(2,271,879,75)</b>
<b>Total change in net position</b>	<b>(31,422,752)</b>	<b>37,696,972</b>	<b>70,258,453</b>	<b>(56,975,491)</b>	<b>(99,813,121)</b>	<b>(40,825,815)</b>

Note: Individual wagers for all SuperLotto Plus<sup>®</sup>, Hot Spot, and all daily games, with the exception of Daily Derby<sup>®</sup>, are \$1 each. Daily Derby, Mega Millions<sup>®</sup>, and Powerball<sup>®</sup> wagers are \$2 each. Scratchers games have price points of \$1, \$2, \$3, \$5, \$10, \$20, and \$30.

## CALIFORNIA STATE LOTTERY

### Net Position by Component

Last Ten Fiscal years

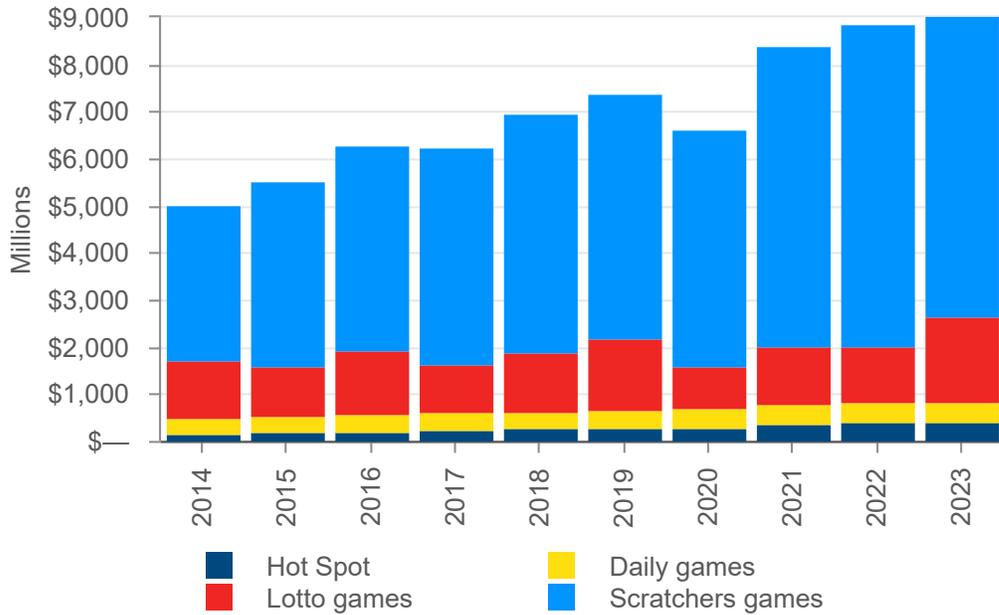
Component	2014	2015	2016	2017
Invested in capital assets	95,330,193	129,585,496	163,916,171	185,709,466
Restricted by legislation	101,108,957	94,228,359	146,172,959	87,372,386
Unrestricted deficit	(95,330,193)	(219,795,908)	(254,126,583)	(275,919,878)
<b>Total net position<sup>1</sup></b>	<b>101,108,957</b>	<b>4,017,947</b>	<b>55,962,547</b>	<b>(2,838,026)</b>

Component	2018	2019	2020	2021	2022	2023
Invested in capital assets	197,306,299	208,971,820	214,519,651	204,847,726	191,966,405	179,671,839
Restricted by legislation	55,949,634	93,646,606	163,905,059	106,929,568	7,116,447	(33,709,368)
Unrestricted deficit	(442,668,711)	(454,334,232)	(459,882,063)	(450,210,138)	(437,328,817)	(425,034,251)
<b>Total net position<sup>1</sup></b>	<b>(189,412,778)</b>	<b>(151,715,806)</b>	<b>(81,457,353)</b>	<b>(138,432,844)</b>	<b>(238,245,965)</b>	<b>(279,071,780)</b>

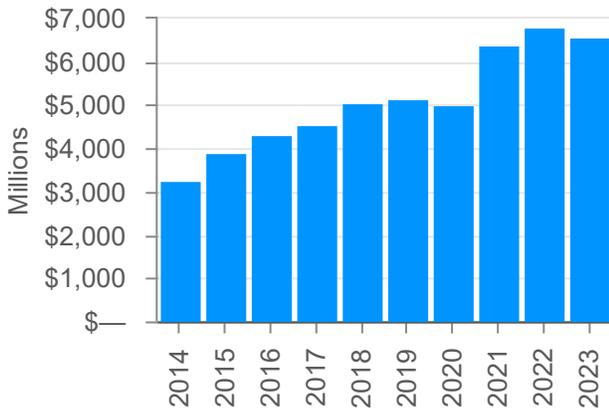


# CALIFORNIA STATE LOTTERY

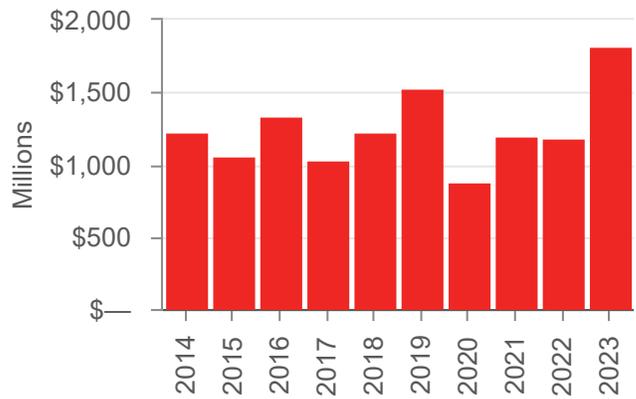
## Sales by Product Last Ten Fiscal Years



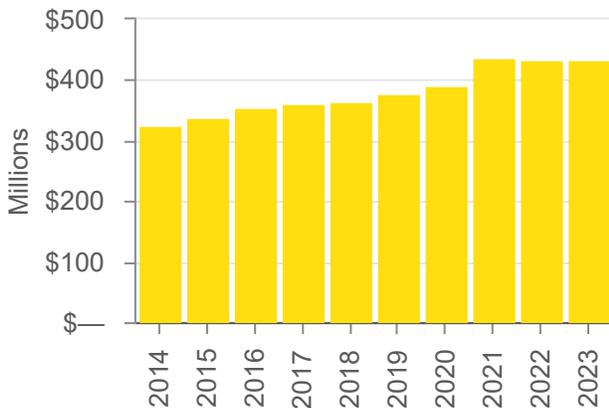
### Scratchers Games



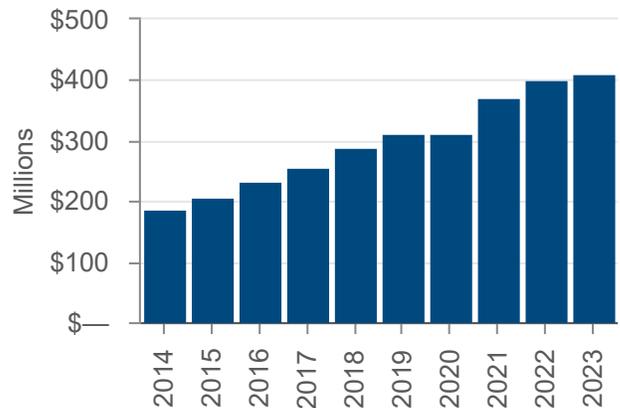
### Lotto Games



### Daily Games

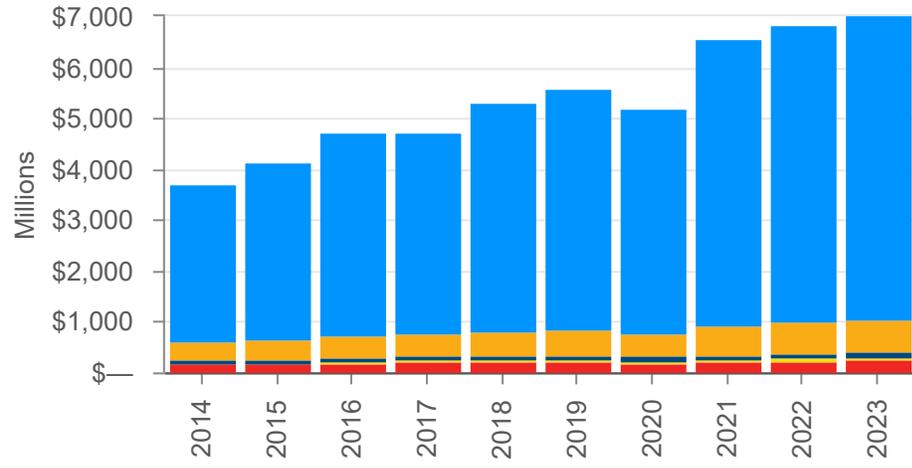


### Hot Spot

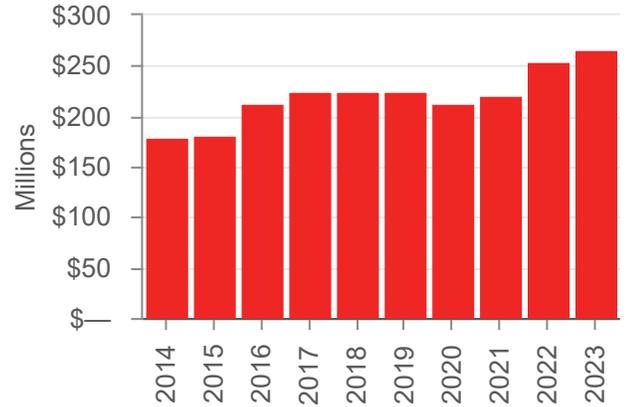


# CALIFORNIA STATE LOTTERY

## Sales by Product Last Ten Fiscal Years

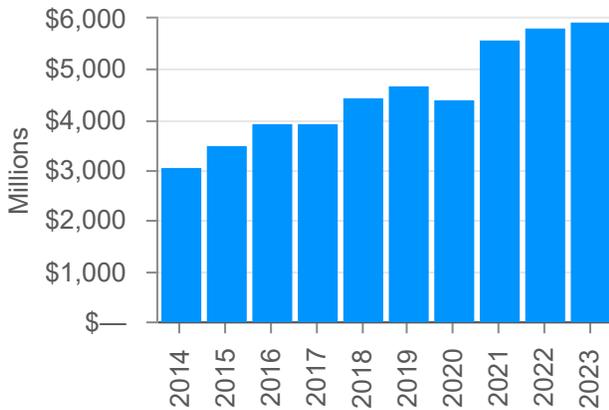


## Operating Expenses

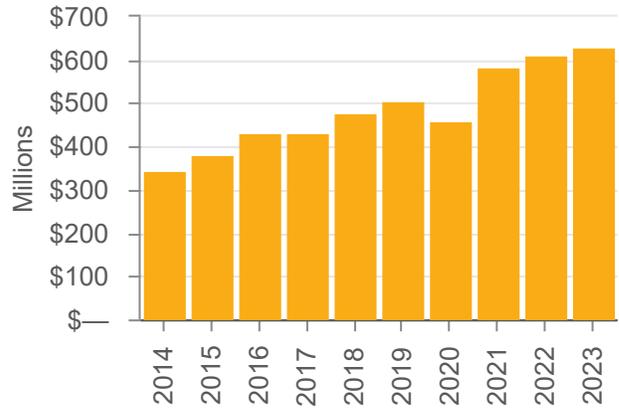


- Operating expenses
- Gaming system costs
- Prizes
- Scratchers game costs
- Retailer costs

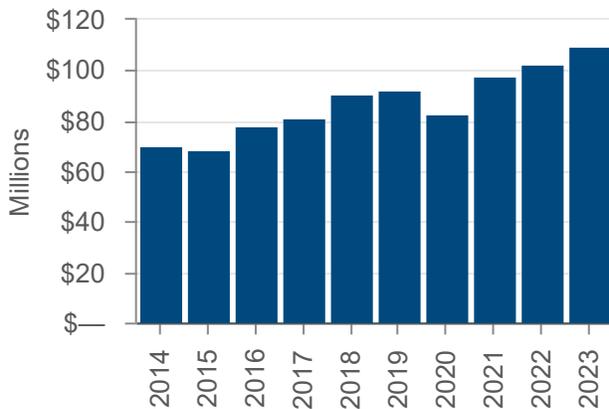
## Prizes



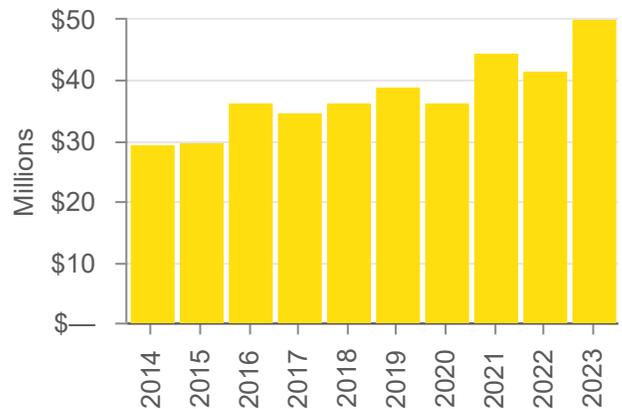
## Retailer Costs



## Gaming System Costs



## Scratchers Game Costs



CALIFORNIA STATE LOTTERY  
California Demographics and Economic  
Information  
2013 - 2022

Year	Population (in thousands)	Personal Income (in thousands)	Per Capita Personal Income	Unemployment Rate
2013	38,333	\$1,817,010	\$47,401	7.9%
2014	38,803	\$1,944,369	\$50,109	6.8%
2015	39,145	\$2,103,669	\$53,741	5.7%
2016	39,250	\$2,212,691	\$56,374	5.0%
2017	39,636	\$2,409,537	\$60,792	4.2%
2018	39,625	\$2,558,708	\$64,574	4.1%
2019	39,545	\$2,673,410	\$67,603	3.7%
2020	39,349	\$2,769,079	\$70,372	9.1%
2021	39,171	\$2,983,478	\$76,166	5.0%
2022	38,988	\$3,058,731	\$78,454	4.8%

Source: All data except unemployment rate is from the Bureau of Economic Analysis, United States Department of Commerce; unemployment rates from Labor Market Information Division, California Employment Development Department. Note: 2023 information is not available and therefore not presented.



CALIFORNIA STATE LOTTERY

California Industry Number of Employees by Size Category  
2013 - 2022

Industry	2013	2014	2015	2016	2017
Agriculture, Forestry, Fishing, Hunting	463,169	467,923	471,566	474,766	473,554
Mining	27,986	29,142	25,668	21,218	20,130
Utilities	58,240	57,829	57,577	58,008	57,766
Construction	656,000	691,811	748,872	789,841	830,446
Manufacturing	1,265,860	1,283,779	1,303,651	1,304,915	1,318,709
Wholesale Trade	702,319	713,642	719,576	718,853	723,984
Retail Trade	1,587,467	1,615,557	1,645,332	1,654,247	1,670,450
Transportation and Warehousing	433,112	455,070	488,428	517,790	553,571
Information	445,121	459,781	486,838	517,275	526,390
Finance and Insurance	520,579	514,826	523,933	540,844	544,423
Real Estate and Rental and Leasing	260,584	265,335	271,617	278,001	285,957
Services	6,809,757	7,056,066	7,247,138	7,442,898	7,630,490
Nonclassifiable Establishment	36,808	63,478	102,851	119,680	82,201
Federal, State and Local Government	2,276,164	2,317,813	2,388,336	2,434,565	2,346,343
<b>Total for All Industries</b>	<b>15,543,166</b>	<b>15,992,052</b>	<b>16,481,383</b>	<b>16,872,901</b>	<b>17,064,414</b>

Industry	2018	2019	2020	2021	2022
Agriculture, Forestry, Fishing, Hunting	410,315	408,703	397,377	404,736	396,541
Mining	20,614	19,920	16,797	16,980	17,402
Utilities	56,068	56,963	59,571	60,113	62,469
Construction	877,644	901,215	872,915	896,376	912,111
Manufacturing	1,324,696	1,319,877	1,255,814	1,299,211	1,341,547
Wholesale Trade	705,541	693,780	644,899	660,675	673,841
Retail Trade	1,728,821	1,706,454	1,608,512	1,659,808	1,650,348
Transportation and Warehousing	619,572	670,993	714,235	773,084	794,536
Information	550,261	573,610	539,790	587,668	605,429
Finance and Insurance	540,296	543,498	538,676	544,205	528,784
Real Estate and Rental and Leasing	299,221	309,413	281,141	302,754	310,240
Services	7,969,114	8,154,351	7,179,567	7,968,242	8,310,307
Nonclassifiable Establishment	1,807	985	661	3,878	1,760
Federal, State and Local Government	2,520,424	2,548,014	2,389,784	2,454,756	2,518,775
<b>Total for All Industries</b>	<b>17,624,394</b>	<b>17,907,776</b>	<b>16,499,739</b>	<b>17,632,486</b>	<b>18,124,090</b>

Source: California Employment Development Department.

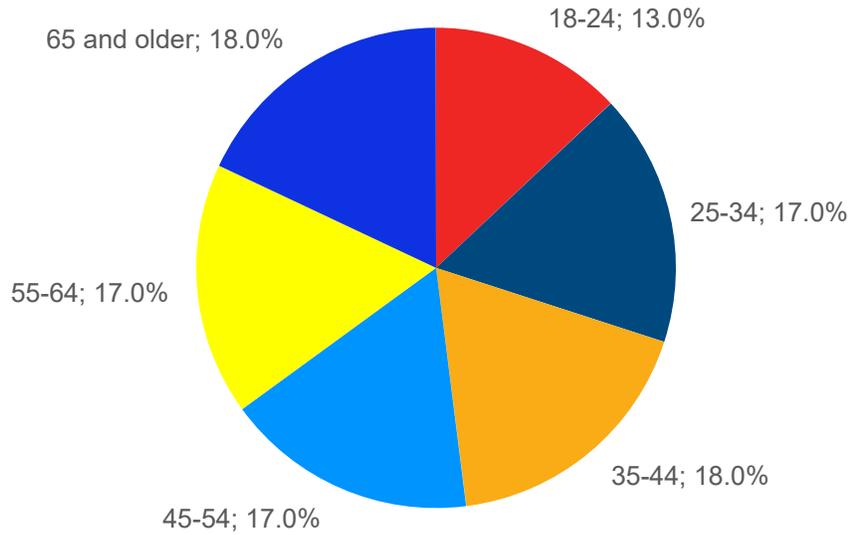
Definitions of Terms and Source Notes at [www.labormarketinfo.edd.ca.gov](http://www.labormarketinfo.edd.ca.gov). The industry data provided are intend-ed to provide similar alternative information regarding the concentration of employment in various sectors of the California economy. Due to confidentiality issues, the names of the top individual employers are not available.

Note: Businesses are designated as “Non classifiable Establishments” when there is insufficient information to determine the appropriate industry classification.

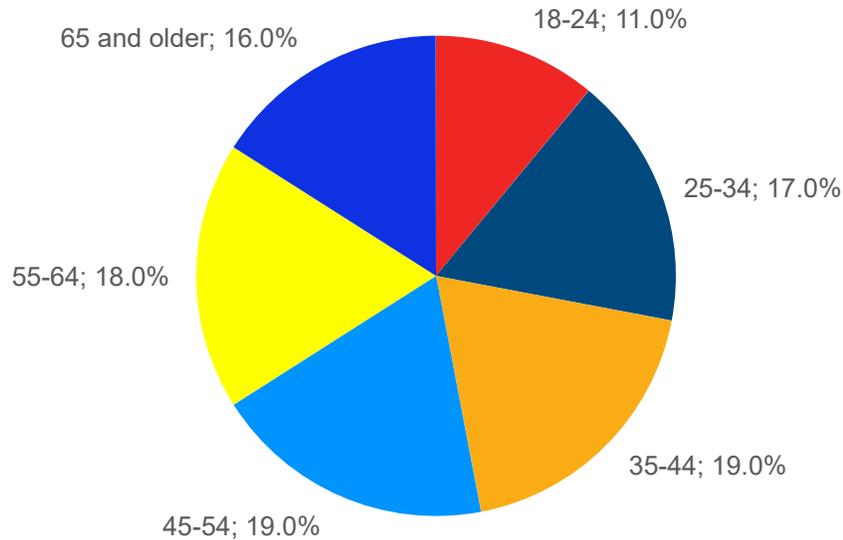
# CALIFORNIA STATE LOTTERY

## California Demographics for Population and Players

### Age of Adult Population



### Age of Lottery Players

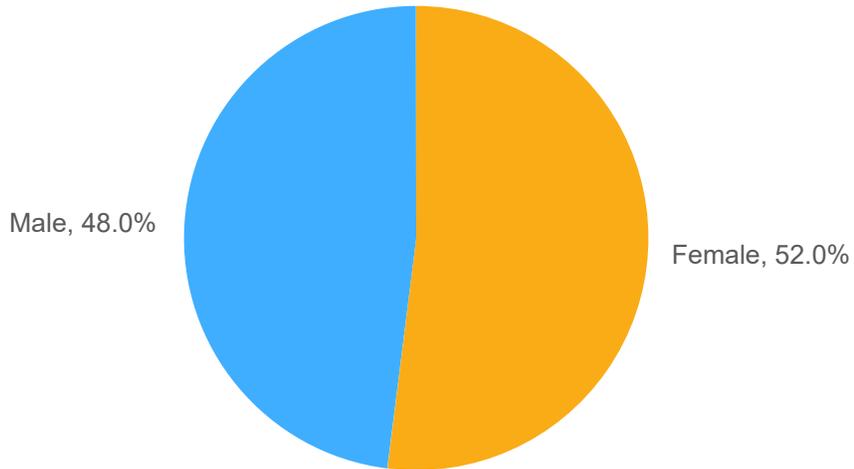


Note: All data are from the Continuous Tracking Study commissioned by the Lottery and provided by an external vendor for fiscal year 2022-23. Percentages are based on self-reported information from the respondents and may not equal to 100% of the total.

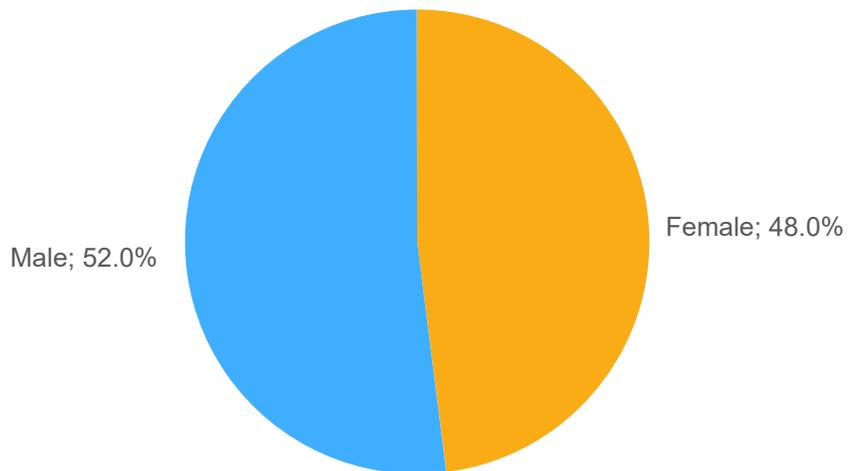
# CALIFORNIA STATE LOTTERY

## California Demographics for Population and Players

### Gender of Adult Population



### Gender of Lottery Players

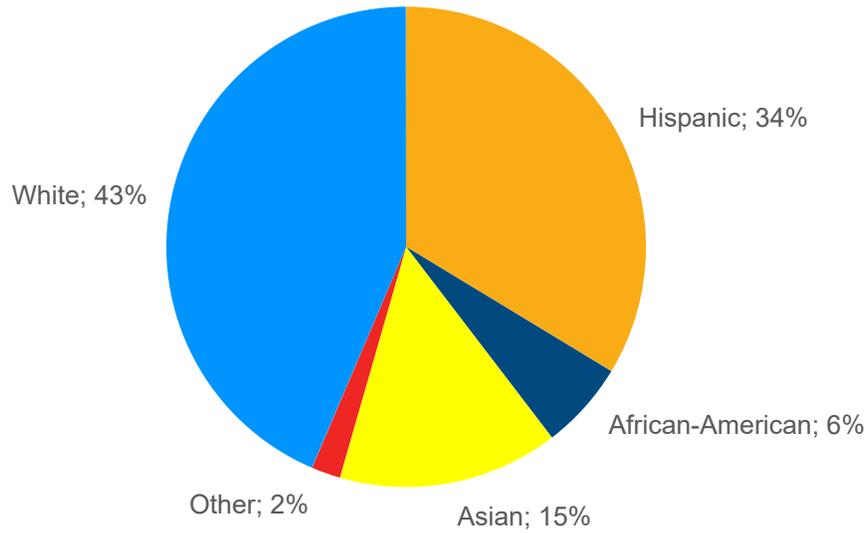


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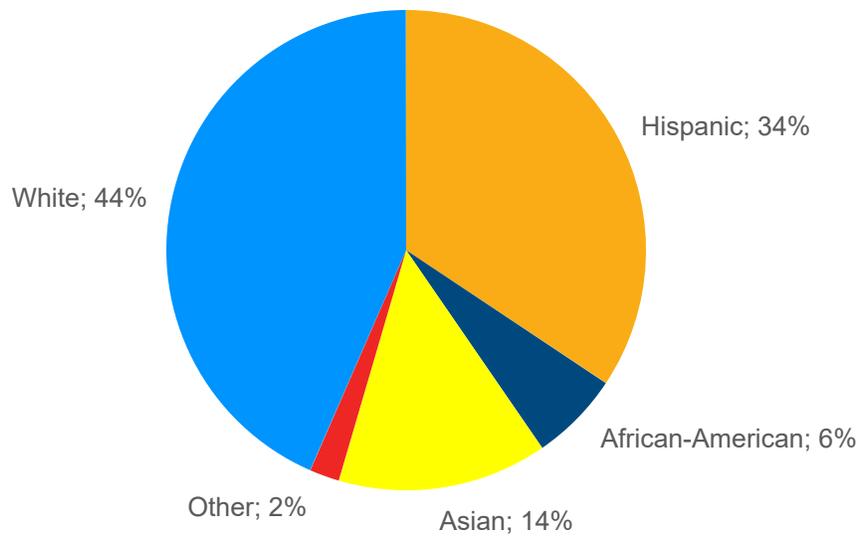
# CALIFORNIA STATE LOTTERY

## California Demographics for Population and Players

### Ethnicity of Adult Population



### Ethnicity of Lottery Players

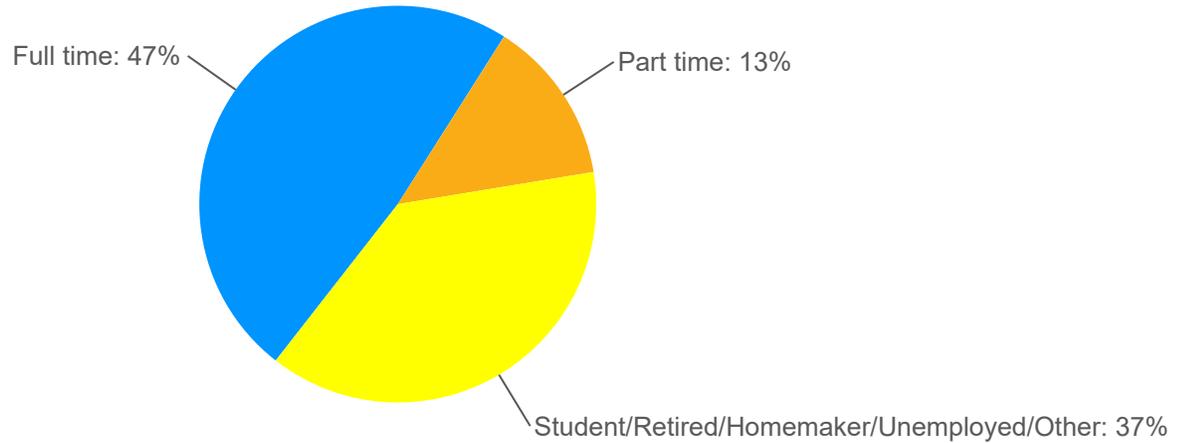


Note: All data are from the Continuous Tracking Study commissioned by the Lottery and provided by an external vendor for fiscal year 2022-23. Percentages are based on self-reported information from the respondents and may not equal to 100% of the total.

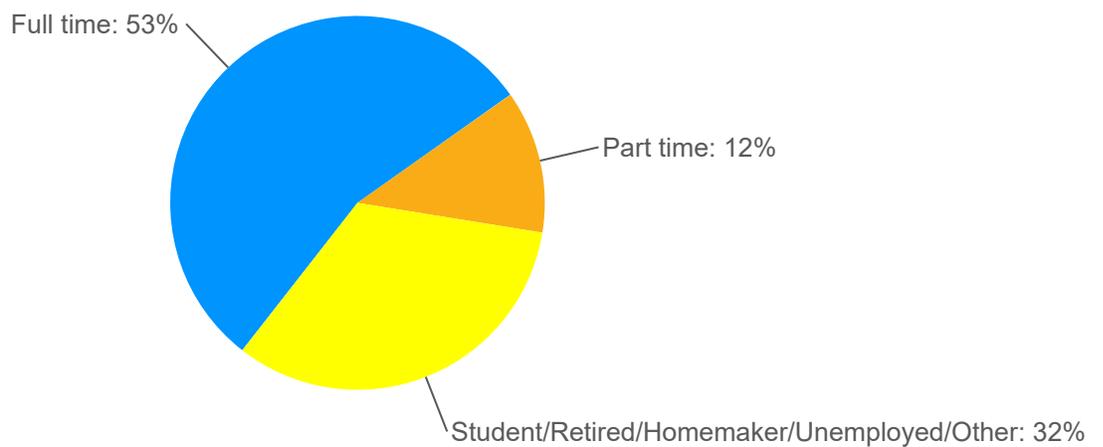
# CALIFORNIA STATE LOTTERY

## California Demographics for Population and Players

### Employment Status of Adult Population



### Employment Status of Lottery Players

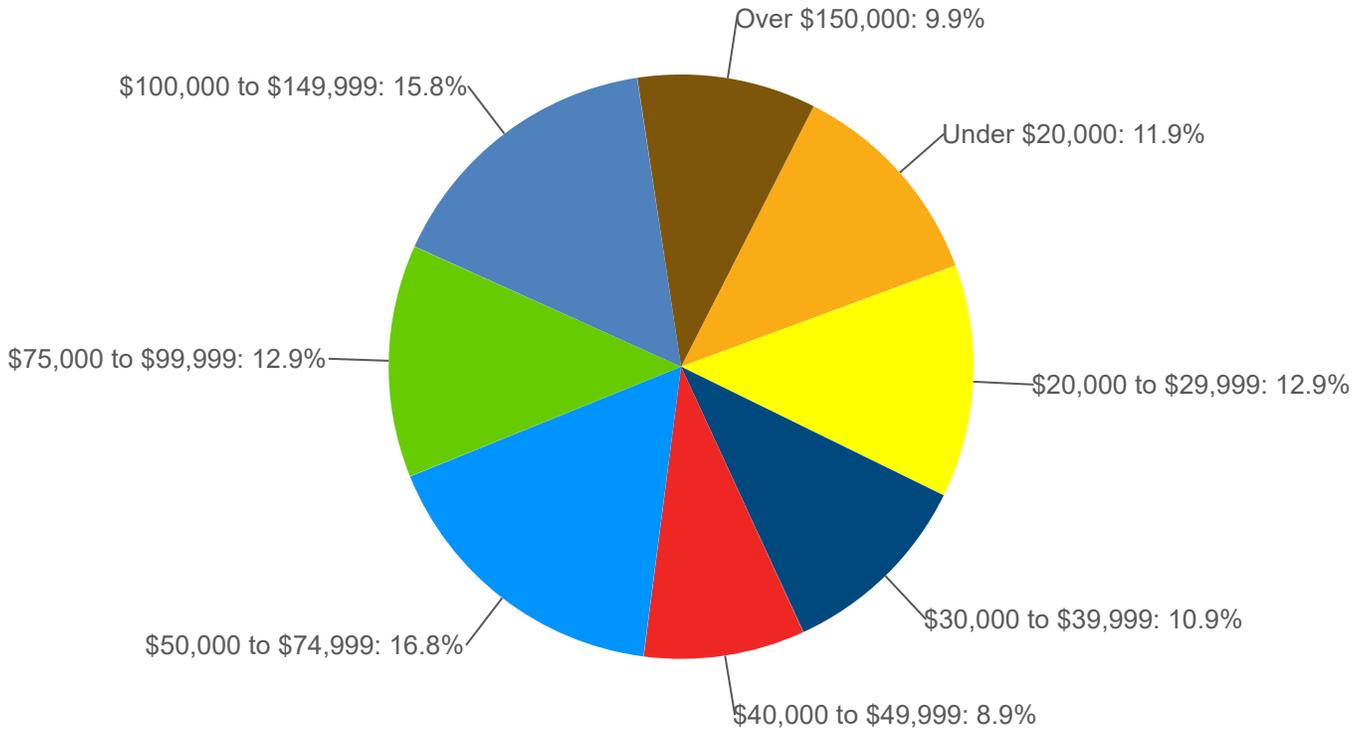


Note: All data are from the Continuous Tracking Study commissioned by the Lottery and provided by an external vendor for fiscal year 2022-23. Percentages are based on self-reported information from the respondents and may not equal to 100% of the total.

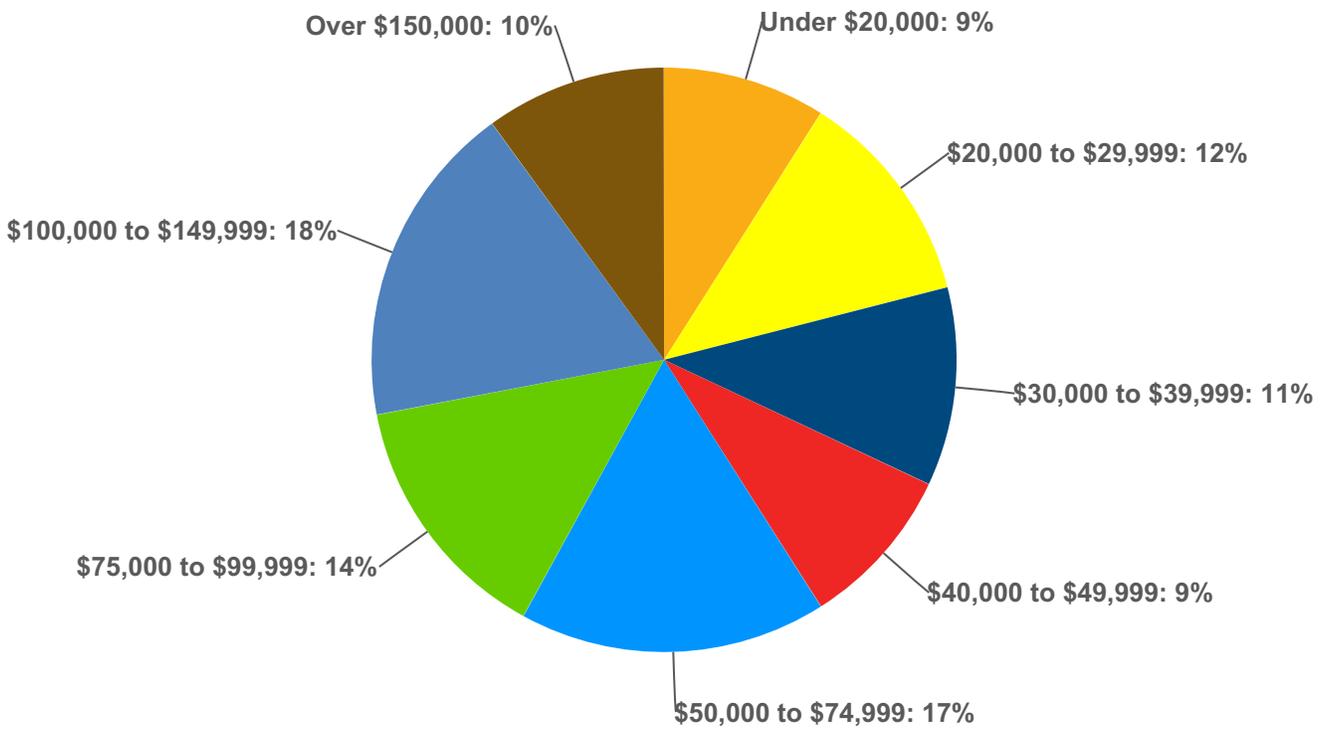
# CALIFORNIA STATE LOTTERY

## California Demographics for Population and Players

### Household Income of Adult Population



### Household Income of Lottery Players



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U.S. Lottery Data For Fiscal Year 2022  
Excludes Video Lottery Terminal (VLT) sales  
(in millions)

States	Population	Sales	Prizes	Profit	Sales/Capita
Arizona	7.3	\$1,368.4	\$934.4	\$269.5	\$188
Arkansas	3.0	579.6	402.4	99.8	192
California <sup>++</sup>	39.2	8,853.3	5,825.7	2,077.4	226
Colorado	5.8	826.9	538.9	180.3	142
Connecticut	3.6	1,452.1	914.6	402.2	403
Delaware 2, 3	1.0	230.7	138.3	236.0	230
District of Columbia 4	0.7	205.5	126.6	94.0	307
Florida	21.8	9,324.6	6,408.3	2,328.9	428
Georgia	10.8	5,793.9	3,585.3	1,474.0	536
Idaho	1.9	378.8	257.1	73.0	199
Illinois	12.7	3,396.3	2,211.4	833.8	268
Indiana	6.8	1,703.1	1,138.5	344.4	250
Iowa	3.2	432.7	274.2	97.9	136
Kansas	2.9	326.1	191.5	76.5	111
Kentucky	4.5	1,480.4	955.9	359.3	328
Louisiana	4.6	582.9	328.4	191.2	126
Maine	1.4	385.8	262.4	71.4	281
Maryland 2, 3	6.2	2,649.6	1,695.0	1,511.0	430
Massachusetts	7.0	5,834.9	4,309.0	1,102.0	835
Michigan 1, 4	10.1	4,882.4	2,993.4	1,302.0	486
Minnesota	5.7	740.2	469.8	172.6	130
Mississippi	3.0	436.4	247.2	121.6	148
Missouri	6.2	1,623.3	1,091.5	400.3	263
Montana	1.1	71.9	41.2	16.8	65
Nebraska	2.0	202.5	119.6	49.4	103
New Hampshire	1.4	504.4	320.9	116.4	363
New Jersey	9.3	3,778.3	2,215.9	1,074.0	408
New Mexico	2.1	136.9	74.1	41.1	65
New York 2, 3, 4	19.8	8,178.1	4,901.6	3,608.1	412
North Carolina	10.6	3,887.1	2,543.9	925.9	368
North Dakota	0.8	29.2	15.9	6.7	38
Ohio 2, 3	11.8	4,291.2	2,785.8	1,405.4	364
Oklahoma	4.0	350.3	226.7	—	88
Oregon 2, 3	4.2	397.1	253.7	910.5	94
Pennsylvania	13.0	5,131.2	3,370.0	1,195.2	396
Rhode Island 2, 3	1.1	295.6	196.2	388.6	270
South Carolina	5.2	2,253.6	1,486.9	559.7	434
South Dakota 2, 3	0.9	75.3	46.0	178.3	84
Tennessee	—	—	—	—	—
Texas 1, 4	29.5	8,296.9	5,599.7	1,998.4	281
Vermont	0.6	151.5	100.7	30.7	234
Virginia	8.6	2,618.1	1,543.0	779.6	303
Washington	7.7	907.7	574.0	333.7	117
West Virginia 2, 3	1.8	242.8	151.0	471.8	136
Wisconsin	5.9	887.8	—	—	151
Wyoming	0.6	25.6	13.0	3.2	44

2022 data source: La Fleur's Magazine September/October 2022

**Footnotes:**

<sup>1</sup> Estimated Sales

<sup>2</sup> Doesn't include VLT prizes

<sup>3</sup> Includes Lottery and VLT profit

<sup>4</sup> Fiscal year ends June 30 except New York (March 31), Texas (August 31), District of Columbia and Michigan (September 30)

<sup>++</sup> Audited figures with the exception of population/sales per capita

**U.S. Lottery Data For Fiscal Year 2023**  
**Excludes Video Lottery Terminal (VLT) sales**  
**(in millions)**

States	Population	Sales	Prizes	Profit	Sales/Capita
Arizona	7.4	\$1,516.7	\$1,020.7	\$318.4	\$206
Arkansas	3.0	607.6	416.8	114.8	200
California <sup>++</sup>	39.0	9,239.4	5,960.3	2,308.7	237
Colorado	5.8	889.8	575.5	195.3	152
Connecticut	3.6	1,451.2	902.5	401.3	400
Delaware <sup>2,3</sup>	1.0	254.7	144.4	239.6	250
District of Columbia <sup>4</sup>	0.7	197.3	—	—	294
Florida	22.2	9,801.8	6,698.1	2,454.1	441
Georgia	10.9	6,136.9	3,852.9	1,516.4	562
Idaho	1.9	422.6	285.9	82.0	218
Illinois	12.6	3,609.6	2,364.9	881.6	287
Indiana	6.8	1,746.3	1,146.1	370.2	256
Iowa	3.2	481.5	305.3	108.2	150
Kansas	2.9	351.3	205.0	85.1	120
Kentucky	4.5	1,499.8	950.9	384.3	332
Louisiana	4.6	652.4	373.1	212.1	142
Maine	1.4	410.3	284.0	73.2	296
Maryland <sup>2,3</sup>	6.2	2,764.4	1,732.9	714.3	448
Massachusetts	7.0	6,111.5	4,483.7	1,175.8	875
Michigan <sup>1,4</sup>	10.0	4,864.0	3,041.8	1,273.0	485
Minnesota	5.7	787.2	488.0	196.1	138
Mississippi	2.9	467.7	256.9	122.4	159
Missouri	6.2	1,644.5	1,089.6	425.0	266
Montana	1.1	87.6	49.4	24.6	78
Nebraska	2.0	220.2	129.0	55.8	112
New Hampshire	1.4	548.0	340.3	186.9	393
New Jersey	9.3	3,899.0	2,230.5	1,300.0	421
New Mexico	2.1	168.5	91.9	50.6	80
New York <sup>2,3,4</sup>	19.7	8,292.3	4,924.1	3,685.3	421
North Carolina	10.7	4,342.7	2,863.7	1,015.3	406
North Dakota	0.8	39.3	20.2	—	50
Ohio <sup>2,3</sup>	11.8	4,463.7	2,800.3	1,464.2	380
Oklahoma	4.0	379.8	234.2	—	95
Oregon <sup>2</sup>	4.2	440.6	270.8	99.3	104
Pennsylvania	13.0	5,136.0	3,317.5	1,102.5	396
Rhode Island <sup>2,3</sup>	1.1	316.3	—	434.7	289
South Carolina	5.3	2,402.7	1,582.6	599.7	455
South Dakota <sup>2,3</sup>	0.9	85.2	50.4	17.1	94
Tennessee	—	—	—	—	—
Texas <sup>4</sup>	30.0	8,725.7	5,818.1	2,161.5	291
Vermont	0.6	161.5	—	—	250
Virginia	8.7	2,774.0	1,582.1	867.4	319
Washington	7.8	1,003.5	618.8	384.6	129
West Virginia <sup>2</sup>	1.8	265.2	164.7	53.5	149
Wisconsin	5.9	981.7	—	—	167
Wyoming	0.6	44.3	12.3	6.5	76

2023 data source: La Fleur's Magazine September/October 2023

**Footnotes:**

<sup>1</sup> Estimated Sales

<sup>2</sup> Doesn't include VLT prizes

<sup>3</sup> Includes Lottery and VLT profit

<sup>4</sup> Fiscal year ends June 30 except New York (March 31), Texas (August 31), District of Columbia and Michigan (September 30)

<sup>++</sup> Audited figures with the exception of population/sales per capita

CALIFORNIA STATE LOTTERY  
Number of Employees  
Last Ten Fiscal Years

Divisions	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Executive <sup>2</sup>	44	43	44	40	41	49	48	58	60	60
Finance	77	78	80	82	83	88	91	118	126	137
Human Resources	27	28	27	29	29	31	37	50	50	53
Operations <sup>1</sup>	77	77	88	42	43	43	59	59	71	78
Public Affairs & Communications <sup>2,3</sup>	23	24	24	25	24	—	7	7	7	7
Security & Law Enforcement	59	59	58	65	64	66	68	74	80	85
Information Technology Services	87	95	101	110	112	112	114	115	121	137
Sales & Marketing <sup>1,2</sup>	397	399	399	448	448	470	485	489	550	559
<b>Total</b>	<b>791</b>	<b>803</b>	<b>821</b>	<b>841</b>	<b>844</b>	<b>859</b>	<b>909</b>	<b>970</b>	<b>1,065</b>	<b>1,116</b>

Source: California State Lottery, Annual Administrative Support Budget for each relevant year.

Note: Staffing levels are based on Lottery Commission approval as of that year.

Footnotes:

<sup>1</sup> In fiscal year 2016-17, the Lottery underwent a reorganization. The warehouse staff were redirected from the Operations Division to the Sales & Marketing Division.

<sup>2</sup> In fiscal year 2018-19, the Lottery underwent a reorganization. The Corporate Communications Division staff were redirected to the Executive Division and the Sales & Marketing Division.

<sup>3</sup> In fiscal year 2019-20, the Lottery underwent a reorganization. The Public Affairs & Communications Division was established, formerly known as Corporate Communications Division.

## CALIFORNIA STATE LOTTERY

### Information About Operating Indicators

In fiscal year 2022-23, the Lottery continued to improve productivity, engagement, and safety to grow sales and maximize the supplemental funding we provide to our beneficiary. For the second year in a row, the Lottery surpassed the records it set in the prior year for both sales and contribution to its beneficiary. The new record-breaking sales were more than \$9.23 billion and a transfer of more than \$2.3 billion to California's K-12 schools, community colleges, California State University and University of California campuses, and several specialized schools. The Lottery is proud to note that fiscal year 2022-23 was the 23rd consecutive year that it provided more than \$1 billion to its beneficiary.

Going forward, the Lottery's fiscal year 2023-24 business plan balances long-term projects that will continue enabling future sales growth with initiatives that address more immediate needs. The four objectives developed in support of the business plan are:

- Expand Scratchers sales by removing barriers to play among infrequent players
- Grow draw game sales particularly in jackpot games and Hot Spot
- Explore new ways to expand and utilize the Lottery's strong retail network
- Continue to improve knowledge and perceptions about the Lottery

Although the economy has mostly recovered from the pandemic, there are inherent uncertainties when planning for the future such as high interest rates and inflation. The Lottery's solid business plan, which focuses on players, retailers, product, and initiatives within the Lottery organization itself, creates the balanced approach needed to continue to reach record sales levels. The result will be increased contributions to California public education.

CALIFORNIA STATE LOTTERY

Capital Assets, Net  
Last Ten Fiscal Years

Assets	2014	2015	2016	2017
Land	6,469,219	9,743,325	11,577,348	15,893,968
Gaming Equipment	193,002	14,504,545	29,726,121	32,743,102
Software <sup>2</sup>	—	—	—	—
Vending Machines	15,286,994	25,905,293	36,245,295	41,240,019
Buildings	64,235,581	70,189,200	78,818,382	90,566,226
Data Processing Equipment	4,260,428	4,125,357	2,850,624	1,046,034
Office Furniture and Equipment	2,256,668	1,482,826	606,197	610,104
Leasehold Improvements	29,378	5,318	2,939	1,299
Vehicles <sup>1</sup>	—	—	—	—
Audio/Video Equipment <sup>2</sup>	—	—	—	—
Warehouse Equipment <sup>2</sup>	—	—	—	—
Mobile Equipment <sup>2</sup>	—	—	—	—
Other	2,598,923	3,629,632	4,089,265	3,608,714
<b>Total Capital Assets</b>	<b>95,330,193</b>	<b>129,585,496</b>	<b>163,916,171</b>	<b>185,709,466</b>

CALIFORNIA STATE LOTTERY  
Contributions to Education  
Last Ten Fiscal Years

Contributions	2014	2015	2016	2017
Allocations to Education Fund	1,327,928,392	1,364,542,013	1,563,149,876	1,499,004,485
Unclaimed Prizes	21,672,671	27,177,013	24,266,723	46,520,996
<b>Total Contributions to Education</b>	<b>1,349,601,063</b>	<b>1,391,719,026</b>	<b>1,587,416,599</b>	<b>1,545,525,481</b>

Footnotes:

<sup>1</sup> Prior to fiscal year 2018-19, "Other" capital assets included vehicles.

<sup>2</sup> Beginning in fiscal year 2021-22, the Lottery adopted new asset types. This included recategorizing the prior year's asset cost and accumulated depreciation. For more information See Note 5.

CALIFORNIA STATE LOTTERY

Capital Assets, Net  
Last Ten Fiscal Years

Assets	2018	2019	2020	2021	2022	2023
Land	18,798,281	18,798,281	18,798,281	18,798,281	18,798,281	18,798,281
Gaming Equipment	28,709,712	21,347,423	14,820,418	10,017,625	6,689,136	4,742,641
Software <sup>2</sup>	—	—	—	—	10,952,992	10,263,513
Vending Machines	42,691,156	36,443,593	30,327,101	24,584,159	18,928,541	13,211,169
Buildings	100,553,839	124,353,366	138,719,630	136,374,440	132,014,719	128,236,374
Data Processing Equipment	1,683,868	3,647,573	6,426,088	9,725,778	239,374	677,002
Office Furniture and Equipment	666,223	725,378	535,718	375,018	49,259	68,801
Leasehold Improvements	186	—	—	—	—	—
Vehicles <sup>1</sup>	—	3,372,987	4,666,505	4,747,361	3,569,426	2,687,916
Audio/Video Equipment <sup>2</sup>	—	—	—	—	94,390	50,746
Warehouse Equipment <sup>2</sup>	—	—	—	—	10,508	6,567
Mobile Equipment <sup>2</sup>	—	—	—	—	—	—
Other	4,203,034	283,219	225,910	225,064	619,779	928,829
<b>Total Capital Assets</b>	<b>197,306,299</b>	<b>208,971,820</b>	<b>214,519,651</b>	<b>204,847,726</b>	<b>191,966,405</b>	<b>179,671,839</b>

CALIFORNIA STATE LOTTERY  
Contributions to Education  
Last Ten Fiscal Years

Contributions	2018	2019	2020	2021	2022	2023
Allocations to Education Fund	1,664,887,295	1,825,224,100	1,437,183,846	1,863,146,589	2,019,682,408	2,256,837,541
Unclaimed Prizes	36,049,311	45,523,184	75,396,516	19,407,816	57,691,492	51,827,506
<b>Total Contributions to Education</b>	<b>1,700,936,606</b>	<b>1,870,747,284</b>	<b>1,512,580,362</b>	<b>1,882,554,405</b>	<b>2,077,373,900</b>	<b>2,308,665,047</b>



# CALIFORNIA STATE LOTTERY

## Lottery District Offices

Office	Address	Phone
1 Milpitas	<a href="#">900 Hanson Court</a> <a href="#">Milpitas, CA 95035</a>	(408) 214-4204
2 Sacramento	<a href="#">4106 East Commerce Way</a> <a href="#">Sacramento, CA 95834</a>	(916) 830-0292
3 Richmond	<a href="#">618 South 8th Street, Suite 300A</a> <a href="#">Richmond, CA 94804</a>	(510) 806-8960
4 Fresno	<a href="#">7620 North Del Mar Avenue</a> <a href="#">Fresno, CA 93711</a>	(559) 449-2430
5 Chatsworth	<a href="#">9710 Topanga Canyon Blvd.</a> <a href="#">Chatsworth, CA 91311</a>	(818) 722-1602
6 Rancho Cucamonga	<a href="#">11138 Elm Avenue</a> <a href="#">Rancho Cucamonga, CA 91730</a>	(909) 803-6232
7 Santa Fe Springs	<a href="#">9807 Bell Ranch Drive</a> <a href="#">Santa Fe Springs, CA 90670</a>	(562) 777-3434
8 Costa Mesa	<a href="#">235 Baker Street East</a> <a href="#">Costa Mesa, CA 92626</a>	(714) 716-4076
9 San Diego	<a href="#">5656 Ruffin Road</a> <a href="#">San Diego, CA 92123</a>	(858) 492-1700





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