



STATE OF ARKANSAS
**Department of Finance
and Administration**

OFFICE OF THE ARKANSAS LOTTERY

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EXHIBIT C

April 27, 2023

Brandon Smith
Legislative Analyst II
Bureau of Legislative Research
#1 Capitol Mall, Fifth Floor
Little Rock, AR 72201

Re: Proposed Fiscal Year 2024 Annual Budget.

Dear Mr. Smith:

On behalf of the Arkansas Department of Finance and Administration-Office of the Arkansas Lottery, please accept the attached Proposed FY2024 Annual Budget pursuant to A.C.A. § 23-115-206(a)(10)(A). The following information is provided:

1. Arkansas Planning Budgeting and Administrative System Form (Enclosure 1);
2. Budget Detail Schedule (Enclosure 2);
3. Compensation and Benefits (Enclosure 3);
4. Detailed Schedule of General and Administrative Expenses (Enclosure 4);

I am available to you if you have any questions or desire additional information.

Respectfully submitted,

A handwritten signature in blue ink, reading "Jerold Fetzer".

Jerold Fetzer, Chief Fiscal Officer on behalf of J. Eric Hagler, Executive Director

Enclosures

cc: Mr. Larry Walther, Secretary of the Department of Finance and Administration
Mr. Robert Brech, Director of Budget, Office of Budget

ARKANSAS PLANNING BUDGETING & ADMINISTRATIVE SYSTEM

Appropriation Summary

Appropriation: 613U - DFA Ofc of Arkansas Lottery

Funding Sources:

Appropriation		2021-2022	2022-2023	2022-2023	2023-2024		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries	5010000	\$3,942,027	\$4,174,831	\$4,174,831		\$4,249,567	
#Positions			69	69		67	
Personal Services Matching	5010003	(\$665,092)	\$1,625,169	\$1,625,169		\$1,750,433	
Operating Expenses	5020002	\$2,096,176	\$2,468,000	\$2,468,000		\$684,000	
Conference & Travel Expenses	5050009	\$211,034	\$325,000	\$325,000		\$348,000	
Professional Fees	5060010	\$1,887,845	\$1,100,000	\$1,100,000		\$1,269,000	
Data Processing	5090012	\$305,683	\$438,000	\$438,000		\$414,000	
Instant Games	5900046	\$347,682,702	\$319,363,000	\$319,363,000		\$340,280,000	
On-Line Games	5900047	\$54,723,364	\$51,699,000	\$51,699,000		\$53,504,000	
Retailer Commissions	5900048	\$32,801,115	\$30,293,000	\$30,293,000		\$32,088,000	
Gaming Contracts	5900049	\$29,745,565	\$26,798,000	\$26,798,000		\$28,396,000	
Advertising & Promotions	5900050	\$6,542,802	\$7,300,000	\$7,300,000		\$6,500,000	
Capital Outlay	5120011	\$657,311	\$420,000	\$420,000		\$700,000	
Total		\$479,930,532	\$446,004,000	\$446,004,000		\$470,183,000	
Funding Sources							
Instant Gaming		\$480,101,229	\$440,500,000			\$470,000,000	
Online Games		\$99,463,473	\$94,860,000			\$97,280,000	
Retailer Applications & Fees		\$669,288	\$600,000			\$640,000	
Non Gaming Revenue		\$1,788	\$2,000			\$2,000	
Other Income		\$0	\$0			\$0	
Interest Income		\$709,637	\$1,500,000			\$3,000,000	
Interest Expense						(\$16,000)	
Transfer to Department of Health		\$0	\$0			\$0	
Transfer to ADHE Education Trust		(\$90,598,490)	(\$84,150,000)			(\$92,300,000)	
Transfer to ADHE Workforce Challenge Trust		\$0	\$0			\$0	
Transfer to Unclaimed Prizes Reserve		(\$8,775,096)	(\$7,200,000)			(\$8,400,000)	
Bond Reserve in Excess of \$500,000		(\$13,071)	(\$100,000)			\$0	
Total Funding		\$481,558,758	\$446,012,000			\$470,206,000	
Excess Appropriation/(Funding)		(\$1,628,226)	(\$8,000)			(\$23,000)	
Grand Total		\$479,930,532	\$446,004,000			\$470,183,000	

DFA Office of the Arkansas Lottery (BA 0613)
 Budget Detail Schedule
 For the Fiscal Year Ending June 30, 2024

	<u>FY2022 Audited</u>	% of Revenue	<u>FY 2023 Budget</u>	% of Revenue	<u>FY 2024 Budget</u>	% of Revenue	Explanation for Changes
Operating Revenues:							
Instant ticket revenues	\$ 480,101,310	82.74%	\$ 440,700,000	82.23%	\$ 470,000,000	82.76%	Increase based on FY2023 actual
Online ticket revenues	99,726,311	17.19%	95,160,000	17.75%	97,930,000	17.24%	Increase based on FY2023 actual
Less: Promotions discount	(262,919)	-0.05%	(500,000)	-0.09%	(650,000)	-0.11%	Slight increase for AR Lotto promotions
Retailer application and bonding fees	669,288	0.12%	600,000	0.11%	640,000	0.11%	Increase based on FY2023 actual
Other revenue	1,788	0.00%	2,000	0.00%	2,000	0.00%	No change expected for other revenue
Total Operating Revenues	<u>580,235,778</u>	<u>100.00%</u>	<u>535,962,000</u>	<u>100.00%</u>	<u>567,922,000</u>	<u>100.00%</u>	
Operating Expenses:							
Instant games prizes	347,682,702	59.92%	319,363,000	59.59%	340,280,000	59.92%	Increase is consistent with the expected increase in instant ticket revenues
Online games prizes	54,723,364	9.43%	51,699,000	9.65%	53,504,000	9.42%	Increase is consistent with the expected increase in online ticket revenues
Retailer commissions	32,801,115	5.65%	30,293,000	5.65%	32,088,000	5.65%	Increase is consistent with the expected overall increase in ticket revenues
Gaming contract costs	29,745,565	5.13%	26,798,000	5.00%	28,396,000	5.00%	Increase is consistent with the expected overall increase in ticket revenues
Staff compensation & benefits	3,276,934	0.56%	5,800,000	1.08%	6,000,000	1.06%	Increase reflects an estimated merit increase of 3%.
Advertising and marketing	6,542,802	1.13%	7,300,000	1.36%	6,500,000	1.14%	Advertising and marketing estimated lower by Executive Director Decrease due to expiration of major consulting contract and reduction of lease costs per GASB 87
General and administrative expenses	2,612,894	0.45%	3,231,000	0.60%	1,446,000	0.25%	
Services provided by other agencies:	1,887,845	0.33%	1,100,000	0.21%	1,269,000	0.22%	Increase is due to higher system support costs for ADHE
Depreciation and amortization	657,311	0.11%	420,000	0.08%	700,000	0.12%	Increase is due to GASB 87 amortization
Total Operating Expenses	<u>479,930,532</u>	<u>82.71%</u>	<u>446,004,000</u>	<u>83.22%</u>	<u>470,183,000</u>	<u>82.79%</u>	
Operating Income	100,305,246	17.29%	89,958,000	16.78%	97,739,000	17.21%	
Non-Operating Revenue (Expense):							
Interest income	726,328	0.13%	1,500,000	0.28%	3,000,000	0.53%	Increase due to higher interest rate negotiated with Bank OZK
Interest expense	(16,691)	0.00%	-	0.00%	(16,000)	(0.00)	Imputed interest expense due to GASB 87 implementation
Income before Transfers	<u>\$ 101,014,883</u>	<u>17.41%</u>	<u>\$ 91,458,000</u>	<u>17.06%</u>	<u>\$ 100,723,000</u>	<u>0.18</u>	
Transfers To:							
Scholarship Trust Account	(90,598,490)	-15.61%	(84,150,000)	-15.70%	(92,300,000)	-16.25%	This is the amount of transfers of Net Proceeds for scholarships for FY 2024 Expected Unclaimed Prizes, which by statute, are transferred to Net Proceeds on June 30 of each fiscal year
Unclaimed Prizes (transferred at June 30)	(8,775,096)	-1.51%	(7,200,000)	-1.34%	(8,400,000)	-1.48%	Per OAL rules, on June 30 of each fiscal year, any Bond Reserve excess over \$500,000, is transferred to Net Proceeds
Bond Reserve in Excess of \$500,000	(13,071)	(0.00)	(100,000)	-0.02%	-	0.00%	Expected Total Net Proceeds for FY 2024
Total Transfers to ADHE	<u>(99,386,657)</u>	<u>-17.13%</u>	<u>(91,450,000)</u>	<u>-17.06%</u>	<u>(100,700,000)</u>	<u>-17.73%</u>	
Change in Net Assets	<u>\$ 1,628,226</u>	<u>0.28%</u>	<u>\$ 8,000</u>	<u>0.00%</u>	<u>\$ 23,000</u>	<u>0.00%</u>	

**DFA - Office of Arkansas Lottery
Compensation
Budget F2024**

Career Grades	Position Title	Race	Adj Budgeted Gross	Annual Taxes (7.65%)	Annual APERS (15.32%)	Total Compensation ¹
GS03	OAL RECEPTIONIST	BF	\$ 32,848.56	\$ 2,512.92	\$ 5,032.40	\$ 40,393.88
GS04	OAL CLAIMS ASSISTANT	BF	\$ 36,686.89	\$ 2,806.55	\$ 5,620.43	\$ 45,113.87
GS04	OAL CLAIMS ASSISTANT	CF	\$ 36,133.29	\$ 2,764.20	\$ 5,535.62	\$ 44,433.10
GS05	OAL LICENSING SPECIALIST	CF	\$ 42,146.58	\$ 3,224.21	\$ 6,456.86	\$ 51,827.65
GS05	OAL LICENSING SPECIALIST	CM	\$ 40,886.85	\$ 3,127.84	\$ 6,263.87	\$ 50,278.56
GS05	OAL LICENSING SPECIALIST	BM	\$ 41,749.80	\$ 3,193.86	\$ 6,396.07	\$ 51,339.73
GS06	OAL FISCAL SPECIALIST	BF	\$ 40,053.46	\$ 3,064.09	\$ 6,136.19	\$ 49,253.73
GS06	OAL SECURITY SPECIALIST	CM	\$ 44,248.49	\$ 3,385.01	\$ 6,778.87	\$ 54,412.37
GS06	ADMINISTRATIVE ANALYST	CF	\$ 41,080.30	\$ 3,142.64	\$ 6,293.50	\$ 50,516.45
GS07	OAL GRAPHIC SPECIALIST	CM	\$ 50,790.31	\$ 3,885.46	\$ 7,781.08	\$ 62,456.84
GS07	OAL PUBLICATION SPECIALIST	BF	\$ 53,009.62	\$ 4,055.24	\$ 8,121.07	\$ 65,185.93
GS07	OAL CLAIMS CENTER MANAGER	BF	\$ 47,735.89	\$ 3,651.80	\$ 7,313.14	\$ 58,700.82
GS07	OAL MARKETING SALES REP	BF	\$ 46,640.48	\$ 3,568.00	\$ 7,145.32	\$ 57,353.80
GS07	OAL MARKETING SALES REP	BF	\$ 51,928.78	\$ 3,972.55	\$ 7,955.49	\$ 63,856.82
GS07	OAL MARKETING SALES REP	CF	\$ 49,310.55	\$ 3,772.26	\$ 7,554.38	\$ 60,637.18
GS07	OAL MARKETING SALES REP	CF	\$ 43,228.71	\$ 3,307.00	\$ 6,622.64	\$ 53,158.34
GS07	OAL MARKETING SALES REP	CF	\$ 48,537.58	\$ 3,713.12	\$ 7,435.96	\$ 59,686.66
GS07	OAL MARKETING SALES REP	CF	\$ 49,310.55	\$ 3,772.26	\$ 7,554.38	\$ 60,637.18
GS07	OAL MARKETING SALES REP	CM	\$ 43,557.13	\$ 3,332.12	\$ 6,672.95	\$ 53,562.21
GS07	OAL MARKETING SALES REP	BM	\$ 42,381.17	\$ 3,242.16	\$ 6,492.80	\$ 52,116.13
GS07	OAL MARKETING SALES REP	CF	\$ 44,500.22	\$ 3,404.27	\$ 6,817.43	\$ 54,721.92
GS07	OAL MARKETING SALES REP	CF	\$ 51,959.84	\$ 3,974.93	\$ 7,960.25	\$ 63,895.02
GS07	OAL MARKETING SALES REP	CF	\$ 52,707.54	\$ 4,032.13	\$ 8,074.80	\$ 64,814.46
GS07	OAL MARKETING SALES REP	CF	\$ 41,550.14	\$ 3,178.59	\$ 6,365.48	\$ 51,094.20
GS07	OAL MARKETING SALES REP	CF	\$ 41,550.14	\$ 3,178.59	\$ 6,365.48	\$ 51,094.20
GS07	OAL MARKETING SALES REP	CF	\$ 47,901.71	\$ 3,664.48	\$ 7,338.54	\$ 58,904.73
GS07	OAL MARKETING SALES REP	OM	\$ 52,707.54	\$ 4,032.13	\$ 8,074.80	\$ 64,814.46
GS07	OAL MARKETING SALES REP	CF	\$ 44,500.22	\$ 3,404.27	\$ 6,817.43	\$ 54,721.92
GS07	OAL MARKETING SALES REP	BF	\$ 52,707.54	\$ 4,032.13	\$ 8,074.80	\$ 64,814.46
GS07	OAL MARKETING SALES REP	BM	\$ 51,401.96	\$ 3,932.25	\$ 7,874.78	\$ 63,209.00
GS07	OAL MARKETING SALES REP	CM	\$ 52,707.54	\$ 4,032.13	\$ 8,074.80	\$ 64,814.46
GS07	OAL MARKETING SALES REP	CF	\$ 49,310.55	\$ 3,772.26	\$ 7,554.38	\$ 60,637.18
GS07	OAL LICENSING MANAGER	CF	\$ 46,665.54	\$ 3,569.91	\$ 7,149.16	\$ 57,384.62
GS08	OAL COLLECTIONS SPECIALIST	CM	\$ 57,250.92	\$ 4,379.70	\$ 8,770.84	\$ 70,401.46
GS08	OAL ACCOUNTANT	CF	\$ 54,375.40	\$ 4,159.72	\$ 8,330.31	\$ 66,865.43
GS08	OAL OFFICE COORDINATOR	BF	\$ 53,680.61	\$ 4,106.57	\$ 8,223.87	\$ 66,011.05
GS08	PROCUREMENT COORDINATOR	BF	\$ 49,510.01	\$ 3,787.52	\$ 7,584.93	\$ 60,882.46
GS10	OAL PRODUCT MANAGER	CM	\$ 71,961.51	\$ 5,505.06	\$ 11,024.50	\$ 88,491.06
GS10	OAL FINANCIAL ANALYST	CM	\$ 61,760.47	\$ 4,724.68	\$ 9,461.70	\$ 75,946.85
GS10	OAL PRODUCT MANAGER	CF	\$ 62,995.56	\$ 4,819.16	\$ 9,650.92	\$ 77,465.64
GS10	OAL PRODUCT MANAGER	CF	\$ 67,251.65	\$ 5,144.75	\$ 10,302.95	\$ 82,699.35
GS11	OAL REGIONAL SALES MANAGER	CF	\$ 72,402.41	\$ 5,538.78	\$ 11,092.05	\$ 89,033.24
GS11	OAL REGIONAL SALES MANAGER	CM	\$ 79,457.97	\$ 6,078.53	\$ 12,172.96	\$ 97,709.47
GS11	OAL KEY CHAIN ACCOUNT MANAGER	CF	\$ 68,979.71	\$ 5,276.95	\$ 10,567.69	\$ 84,824.35
GS12	OAL CONTROLLER	CM	\$ 88,147.98	\$ 6,743.32	\$ 13,504.27	\$ 108,395.57
GS12	OAL TREASURER	CF	\$ 91,790.91	\$ 7,022.00	\$ 14,062.37	\$ 112,875.28
GS14	OAL DIR SECURITY & COMPLIANCE	CM	\$ 89,493.40	\$ 6,846.25	\$ 13,710.39	\$ 110,050.04
GS14	OAL MARKETING & ADVERTISING DIR	CF	\$ 108,926.26	\$ 8,332.86	\$ 16,687.50	\$ 133,946.62
GS15	OAL CHIEF FISCAL OFFICER	OM	\$ 136,555.29	\$ 10,446.48	\$ 20,920.27	\$ 167,922.04
GS15	OAL CHIEF LEGAL COUNSEL	CM	\$ 130,312.98	\$ 9,968.94	\$ 19,963.95	\$ 160,245.88
GS15	OAL SALES DIRECTOR	BM	\$ 103,012.80	\$ 7,880.48	\$ 15,781.56	\$ 126,674.84
IT01	OAL COMPUTER OPERATOR	CM	\$ 36,125.15	\$ 2,763.57	\$ 5,534.37	\$ 44,423.10
IT02	OAL APPLICATION SUPP SPECIALIST	CM	\$ 50,108.38	\$ 3,833.29	\$ 7,676.60	\$ 61,618.27
IT04	OAL LEAD COMPUTER OPERATOR	CM	\$ 63,566.30	\$ 4,862.82	\$ 9,738.36	\$ 78,167.47
IT06	OAL IT SECURITY ANALYST	BM	\$ 63,711.33	\$ 4,873.92	\$ 9,760.58	\$ 78,345.82
IT07	OAL QA SYSTEMS ANALYST	OM	\$ 85,808.26	\$ 6,564.33	\$ 13,145.83	\$ 105,518.42
IT07	INFORMATION SYSTEMS SECURITY SPECIALIST	CM	\$ 78,000.93	\$ 5,967.07	\$ 11,949.74	\$ 95,917.75
IT07	OAL SR. DATABASE ADMINISTRATOR	CM	\$ 87,489.41	\$ 6,692.94	\$ 13,403.38	\$ 107,585.72
IT08	OAL DEPUTY IT GAMING DIRECTOR	BF	\$ 95,714.93	\$ 7,322.19	\$ 14,663.53	\$ 117,700.65
SE01	OAL INTERNAL AUDITOR	CM	\$ 130,167.30	\$ 9,957.80	\$ 19,941.63	\$ 160,066.73
SE04	OAL GAMING DIRECTOR	CM	\$ 186,944.97	\$ 14,301.29	\$ 28,639.97	\$ 229,886.23
SE04	OAL DIRECTOR	CM	\$ 186,944.97	\$ 14,301.29	\$ 28,639.97	\$ 229,886.23
Total			\$ 4,024,883.24	\$ 307,903.57	\$ 616,612.11	\$ 4,949,398.92

Total employees = 62

Employee breakdown

BF=black female

BM=black male

CF=caucasian female

CM=caucasian male

OM=other minority

By group/gender

11

5

23

20

3

62

Employer Health Premium

Unemployment Compensation

Workers' Compensation Premium Tax

Other Post Employment Benefits

Vacant positions

Career Service bonuses

Subtotal

See assumptions

Based on FY23 + 20%

Calendar 2022 + 10%

Based on FY 2021 + 10%

See Assumptions

Career Service tab

Use for Budget \$ 6,000,000.00

¹ Based on staff positions as of 03/31/2023

Other Compensation Benefits

Unemployment Compensation (\$1,428 paid quarterly)

Worker's Comp Contribution Rate= 0.0%

WC Premium Tax Calendar Year 2022= \$4,033,312.82 x .000264= \$1,064.80 (annual fee)

Employer Health Premiums= \$550 per covered employee (referred to as State Match)

Avg monthly= 66 employees @ \$550= \$36,300 (\$36,300 x 12 months)= \$435,600

Career Service is given to employees with at least 10 years of service.

31 full time employees

0 part time employees. Part time employees are based on a % of hours worked.

Vacant Positions (Included in FY2024 Compensation)¹

Career Grade	Department	Position Titles	Base	Midpoint	Max
GS06	Security	OAL SECURITY SPECIALIST	\$ 36,155.00	\$ 44,290.00	\$ 52,425.00
GS07	Marketing	OAL OFFICE CAMPAIGN COORDINATOR	\$ 40,340.00	\$ 49,416.00	\$ 58,493.00
GS08	Internal Audit	OAL AUDITOR	\$ 45,010.00	\$ 55,137.00	\$ 65,265.00
GS12	Security	OAL SECURITY DEPUTY DIR	\$ 69,776.00	\$ 85,475.00	\$ 101,175.00
IT01	Gaming	OAL COMPUTER OPERATOR	\$ 33,403.00	\$ 40,918.00	\$ 48,434.00
			\$ 224,684.00	\$ 275,236.00	\$ 325,792.00
Employer taxes			\$ 17,188.33	\$ 21,055.55	\$ 24,923.09
APERS			\$ 34,421.59	\$ 42,166.16	\$ 49,911.33
Total budget			\$ 276,293.91	\$ 338,457.71	\$ 400,626.42
			\$ 277,000.00 Use for Budget		

¹ Based on staff positions as of 03/31/2023

23-115-306. Special Salary allowances

(a) With the approval of the Legislative Council or, if the General Assembly is in session, the Joint Budget Committee, the Governor may establish the salary of the Director of the Office of the Arkansas Lottery, the salary of the office's gaming director, and the salary of the office's internal auditor that is up to fifty percent (50%) above the maximum pay level for the grade assigned to the title.

(b) With approval of the Legislative Council or, if the General Assembly is in session, the Joint Budget Committee, the Director of the Office of the Arkansas Lottery may establish salaries that exceed the maximum pay level for the grade assigned to the title by no more than twenty-five percent (25%) for no more than ten percent (10%) of the positions authorized in 23-115-305.

(c) Salaries established under this section above the maximum pay level for the grade assigned to the title shall be approved by the Legislative Council or, if the General Assembly is in session, the Joint Budget Committee.

(d) (1) The requirement of approval by the Legislative Council or, if the General Assembly is in session, the Joint Budget Committee, before granting a special salary allowance under this section is not a severable part of this section.

(d) (2) If the requirement of approval by the Legislative Council or, if the General Assembly is in session, the Joint Budget Committee, is ruled unconstitutional by a court of competent jurisdiction, this section is void.

Career Service	Position ¹	Years of Service	Eligibility Date	Career Service Payment
03/23/96	OAL MARKETING SALES REP	28	03/23/96	1,500.00
01/21/02	OAL SR. DATABASE ADMINISTRATOR	22	01/21/02	1,200.00
12/10/03	OAL MARKETING SALES REP	20	12/10/03	1,200.00
12/05/04	OAL MARKETING SALES REP	19	12/05/04	1,000.00
04/25/05	OAL DIR SECURITY & COMPLIANCE	19	04/25/05	1,000.00
07/17/06	OAL APPLICATION SUPP SPECIALIST	17	07/17/06	1,000.00
06/29/07	OAL OFFICE COORDINATOR	17	06/29/07	1,000.00
03/24/08	OAL CONTROLLER	16	03/24/08	1,000.00
07/27/08	OAL CHIEF LEGAL COUNSEL	15	07/27/08	1,000.00
07/24/09	OAL GAMING DIRECTOR	14	07/24/09	800.00
08/07/09	OAL SALES DIRECTOR	14	08/07/09	800.00
08/19/09	OAL REGIONAL SALES MANAGER	14	08/19/09	800.00
08/24/09	OAL REGIONAL SALES MANAGER	14	08/24/09	800.00
08/26/09	OAL MARKETING SALES REP	14	08/26/09	800.00
08/26/09	OAL MARKETING SALES REP	14	08/26/09	800.00
08/26/09	OAL MARKETING SALES REP	14	08/26/09	800.00
08/31/09	OAL DEPUTY IT GAMING DIRECTOR	14	08/31/09	800.00
09/07/09	OAL QA SYSTEMS ANALYST	14	09/07/09	800.00
09/08/09	OAL LEAD COMPUTER OPERATOR	14	09/08/09	800.00
09/10/09	OAL MARKETING SALES REP	14	09/10/09	800.00
09/10/09	OAL MARKETING SALES REP	14	09/10/09	800.00
02/08/10	OAL COLLECTIONS SPECIALIST	14	02/08/10	800.00
04/19/10	OAL PRODUCT MANAGER	14	04/19/10	800.00
08/16/10	OAL MARKETING SALES REP	13	08/16/10	800.00
10/18/10	OAL MARKETING & ADVERTISING DIR	13	10/18/10	800.00
11/24/10	INFORMATION SYSTEMS SECURITY SPECIALIST	13	11/24/10	800.00
05/31/11	OAL IT SECURITY ANALYST	13	05/31/11	800.00
11/29/11	OAL CHIEF FISCAL OFFICER	12	11/29/11	800.00
01/12/13	PROCUREMENT COORDINATOR	11	01/12/13	800.00
05/26/13	OAL FISCAL SPECIALIST	11	05/26/13	800.00
03/31/14	OAL MARKETING SALES REP	10	03/31/14	800.00
FY 2024 Total:				27,500.00

31 employees eligible
31 full time
0 part time

¹ Based on staff positions as of 03/31/2023

DFA Office of the Arkansas Lottery
Detail Schedule of General & Administrative Expenses
For Budget Fiscal Year 2024

Account	Estimated FY2024 Budget	General Description
<u>Operating & Admin. Expenses</u>		
Lease expense (GASB 87)	\$ 171,000	Building lease expense
Office parking	28,000	LR building parking
Retailer background checks	5,000	Background checks for new retailers
Maintenance & repairs	50,000	Building maintenance and repair
Lottery vehicle expenses	8,000	Add 1 security and 1 pool vehicle
Postage & freight	10,000	Postage & package delivery
Office supplies & expense	25,000	Office supplies, small furn & equip, PPE
Office expense	15,000	General office expense, uniforms
Dues and memberships- lottery industry	30,000	Lottery organization memberships & fees
Dues and memberships	6,000	Professional licenses and association dues
Subscriptions and publications	3,000	Thomson-Reuters, Demozette, etc.
Insurance	13,000	Includes property, vehicle, crime
Problem gambling expense	22,000	Problem gambling hotline costs
Legal and professional services	3,000	Legal fees
Other operating expenses	3,000	Other administrative expenses
Est. DFA expense charge back	42,000	DFA allocation for support services
Sub-total for Oper. & Admin. Exp.	\$ 434,000	
<u>Data Processing Expenses</u>		
Equipment-Low Value (Data Proc.)	60,000	Primarily PCs, laptops, Ipad replacements
Equipment Lease	24,000	Copiers
Data processing supplies	10,000	Data supplies - toner
Data Processing support other	100,000	DIS and other data processing support
Software licenses and fees	110,000	Data processing licenses & software
Telephone (VOIP)	45,000	Paid to DIS for phones and communications
Mobil Telephones	65,000	Cell phones & Ipads
Sub-total for Data Processing Expenses	\$ 414,000	
<u>Conferences & Travel Expenses</u>		
Travel and mileage expense	80,000	Airfare, lodging, meals, etc.
MSR mileage expense	250,000	MSR mileage reimbursements
Education and training	18,000	Conferences and training costs
Sub-total for Oper. & Admin. Exp.	\$ 348,000	
<u>Retailer Support/Events</u>		
Retailer communications	10,000	Retailer newsletter
Retailer support	120,000	Other retailer point of sale/other
Signage	80,000	Signage
Sub-total for Retailer Support/Events	\$ 210,000	
<u>Consulting Costs</u>		
Consulting services	40,000	Consulting services
Sub-total for Consulting Costs	\$ 40,000	
Total General & Administrative Expenses	\$ 1,446,000	

ARKANSAS PLANNING BUDGETING & ADMINISTRATIVE SYSTEM

Appropriation Summary

Appropriation: 613U - DFA Ofc of Arkansas Lottery

Funding Sources:

Appropriation		2021-2022	2022-2023	2022-2023	2023-2024		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries	5010000	\$3,942,027	\$4,174,831	\$4,174,831		\$4,249,567	
#Positions			69	69		67	
Personal Services Matching	5010003	(\$665,092)	\$1,625,169	\$1,625,169		\$1,750,433	
Operating Expenses	5020002	\$2,096,176	\$2,468,000	\$2,468,000		\$684,000	
Conference & Travel Expenses	5050009	\$211,034	\$325,000	\$325,000		\$348,000	
Professional Fees	5060010	\$1,887,845	\$1,100,000	\$1,100,000		\$1,269,000	
Data Processing	5090012	\$305,683	\$438,000	\$438,000		\$414,000	
Instant Games	5900046	\$347,682,702	\$319,363,000	\$319,363,000		\$340,280,000	
On-Line Games	5900047	\$54,723,364	\$51,699,000	\$51,699,000		\$53,504,000	
Retailer Commissions	5900048	\$32,801,115	\$30,293,000	\$30,293,000		\$32,088,000	
Gaming Contracts	5900049	\$29,745,565	\$26,798,000	\$26,798,000		\$28,396,000	
Advertising & Promotions	5900050	\$6,542,802	\$7,300,000	\$7,300,000		\$6,500,000	
Capital Outlay	5120011	\$657,311	\$420,000	\$420,000		\$700,000	
Total		\$479,930,532	\$446,004,000	\$446,004,000		\$470,183,000	
Funding Sources							
Instant Gaming		\$480,101,229	\$440,500,000			\$470,000,000	
Online Games		\$99,463,473	\$94,860,000			\$97,280,000	
Retailer Applications & Fees		\$669,288	\$600,000			\$640,000	
Non Gaming Revenue		\$1,788	\$2,000			\$2,000	
Other Income		\$0	\$0			\$0	
Interest Income		\$709,637	\$1,500,000			\$3,000,000	
Interest Expense						(\$16,000)	
Transfer to Department of Health		\$0	\$0			\$0	
Transfer to ADHE Education Trust		(\$90,598,490)	(\$84,150,000)			(\$92,300,000)	
Transfer to ADHE Workforce Challenge Trust		\$0	\$0			\$0	
Transfer to Unclaimed Prizes Reserve		(\$8,775,096)	(\$7,200,000)			(\$8,400,000)	
Bond Reserve in Excess of \$500,000		(\$13,071)	(\$100,000)			\$0	
Total Funding		\$481,558,758	\$446,012,000			\$470,206,000	
Excess Appropriation/(Funding)		(\$1,628,226)	(\$8,000)			(\$23,000)	
Grand Total		\$479,930,532	\$446,004,000			\$470,183,000	