

GOVERNMENTAL OPERATIONS

Agency 116

State Lottery

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2013-15 Expenditure Authority	142.9		810,427	810,427
Total Maintenance Level	142.9		954,911	954,911
Difference			144,484	144,484
Percent Change from Current Biennium	0.0%		17.8%	17.8%
Performance Changes				
Advertising Reduction			(1,000)	(1,000)
District Sales Representative Funding				
Gaming Vendor Contract			690	690
CTS Rate Adjustment			(80)	(80)
Legal Services			1	1
Office of Chief Information Officer			4	4
CTS Central Services			84	84
DES Central Services			10	10
Core Financial Systems Replacement			7	7
Fleet Program Rate Reduction			(20)	(20)
Time, Leave and Attendance System			10	10
Self-Insurance Liability Premium			(7)	(7)
State Public Employee Benefits Rate			125	125
WFSE General Government Master Agreement			335	335
Nonrepresented Job Class Specific Increases			26	26
General Wage Increase for State Employees			567	567
Subtotal			752	752
Total Proposed Budget	142.9		955,663	955,663
Difference			145,236	145,236
Percent Change from Current Biennium	0.0%		17.9%	17.9%
Total Proposed Budget by Activity				
Washington's Lottery	142.9		956,663	956,663
Marketing, Research, and Communications			(1,000)	(1,000)
Total Proposed Budget	142.9		955,663	955,663

PERFORMANCE LEVEL CHANGE DESCRIPTIONS

Advertising Reduction

The Lottery will reduce advertising expenses which will increase distributions to the Washington Opportunity Pathways Account. (State Lottery Account-Nonappropriated, Shared Game Lottery Account-Nonappropriated)

GOVERNMENTAL OPERATIONS

District Sales Representative Funding

Funding for district sales representatives is shifted from the administrative account to the game accounts. (State Lottery Account-Nonappropriated, Lottery Administrative Account-State, Shared Game Lottery Account-Nonappropriated)

Gaming Vendor Contract

Funding is provided to continue temporary project staff and other resources to facilitate the replacement of the Lottery's gaming systems vendor contract. The current contract will expire June 30, 2016. (Lottery Administrative Account-State)

CTS Rate Adjustment

Agency budgets are adjusted to reflect changes in Consolidated Technology Services (CTS) rates. Specific changes include a reduction in metered storage rates and elimination of tailored storage rates, elimination of redundant firewalls, reduction in long distance telephone rates, a general rate reduction to reflect administrative efficiencies within CTS, and enhancements to the identity management service.

Legal Services

Agency budgets are adjusted to update each agency's allocated share of charges and to reflect a reduction in legal service charges. The Attorney General's Office (AGO) will work with client agencies to implement stricter policies and best practices regarding utilization of its services to achieve lower legal bills.

Office of Chief Information Officer

Agency budgets are adjusted to update each agency's allocated share of charges and to reflect increased billing levels for software subscriptions and office relocation.

CTS Central Services

Agency budgets are adjusted to update each agency's allocated share of charges from Consolidated Technology Services (CTS) to reflect an increase in business continuity/disaster recovery costs and a new allocated charge for state data network costs.

DES Central Services

Agency budgets are adjusted to update each agency's allocated share of charges and to align with anticipated billing levels from the Department of Enterprise Services (DES) in the 2015-17 biennium, including changes to the enterprise systems fee, personnel services, and small agency financial services.

Core Financial Systems Replacement

Agency budgets are adjusted to align with anticipated billings from the Office of Financial Management in the 2015-17 biennium for core financial systems replacement planning through the One Washington project.

Fleet Program Rate Reduction

Agency budgets are adjusted to reflect efficiencies and reduced costs for the Department of Enterprise Services' fleet program.

Time, Leave and Attendance System

Agency budgets are adjusted to align with anticipated billings for the Time, Leave and Attendance system, including debt service and project completion costs.

Self-Insurance Liability Premium

Agency budgets are adjusted to reflect updated premium rates and a reduction in billings for the 2015-17 biennium.

State Public Employee Benefits Rate

Health insurance funding is provided for state employees who are not represented by a union or who are covered by a bargaining agreement that is not subject to financial feasibility determination. Insurance for employees covered by the health insurance coalition is included in funding for their respective collective bargaining agreements. The insurance funding rate is \$913 per employee per month for Fiscal Year 2016 and \$947 per employee per month for Fiscal Year 2017. (General Fund-State, various other accounts)

WFSE General Government Master Agreement

Funding is provided for a collective bargaining agreement with Washington Federation of State Employees (WFSE), which includes a general wage increase of 3 percent, effective July 1, 2015; a general wage increase of 1.8 percent for all employees who earn \$2,500 a month or more, effective July 1, 2016; a general wage increase of 1 percent plus a \$20 per month increase for all employees who earn less than \$2,500 per month, effective July 1, 2016; salary adjustments for targeted classifications; hazard pay for designated night crews; assignment pay in designated areas; and employee insurance. (General Fund-State, various other accounts)

Nonrepresented Job Class Specific Increases

Funding is provided for classified state employees who are not represented by a union for pay increases in specific job classes in alignment with other employees. (General Fund-State, various other accounts)

General Wage Increase for State Employees

Funding is provided for wage increases for state employees who are not represented by a union or who are covered by a bargaining agreement that is not subject to financial feasibility determination. It is sufficient for a general wage increase of 3 percent, effective July 1, 2015; a general wage increase of 1.8 percent for employees who earn \$2,500 a month or more, effective July 1, 2016; and a general wage increase of 1 percent plus a \$20 per month increase for employees who earn less than \$2,500 per month, effective July 1, 2016. This item includes both higher education and general government workers. (General Fund-State, various other accounts)

ACTIVITY DESCRIPTIONS

Washington's Lottery

Washington's Lottery generates revenue for various education, cultural, and community beneficiaries by earning profits from the sale of creative and entertaining Lottery products. Beneficiaries of Lottery profits include; the Washington Opportunity Pathways Account, the General Fund Account, the Stadium and Exhibition Center Account (Qwest Field), the Baseball Stadium Account - King County (Safeco Field), the Economic Development Reserve Account, and the Problem Gambling Account.

Marketing, Research, and Communications

The Marketing activity, through analysis, innovation, and design, captures the attention of new customers and maintains the involvement of our core customer base. The activity includes research, advertising, public relations, community events, sports sponsorship, promotions, winning numbers hotline, and the Lottery website.