



**Budget Request
FY 2026**



Katie Hobbs
Governor

Alec Esteban Thomson
CEO & EDD

August 30, 2024

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

Governor Hobbs:

I am pleased to deliver the FY 2026 budget request for the Arizona Lottery. This request will aid the Lottery in the pursuit of our mission to support Arizona programs for the public benefit by maximizing net revenue in a responsible manner, offering a reasoned approach for remaining the state's second largest source of revenue.

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

Advertising Funding Adjustment - \$4,000,000. The Lottery's advertising budget has remained stagnant for the last 15 years. The Lottery requests a \$4 million increase over the current appropriation to keep pace with media and monetary inflation costs, sustain and expand new product launches, and remain competitive with the gaming industry. The requested marketing funds are projected to generate up to an additional \$21.2 million in transfers and will further the Lottery's mission of maximizing funding for state programs.

On-Line Vendor Fees Adjustment – (\$2,766,300). The Lottery's On-Line Vendor Fees line item is currently appropriated at 4.256% of on-line (draw game) sales as specified in the Lottery's central gaming system contract with Scientific Games, LLC. Following discussions with Scientific Games, LLC the Lottery negotiated a revised rate of 1.079% of total games sales, replacing the current 4.256% of on-line sales. This change will align the FY26 budget with the negotiated rate, which is expected to result in approximately \$2.8 million in savings for FY26 and approximately \$3.6M - \$3.8M in annual savings until the end of the contract term, which would occur in FY30-FY32.

We look forward to working with your staff, the Governor's Office of Strategic Planning & Budgeting, and the Joint Legislative Budget Committee to address the Lottery's needs throughout the FY 2026 budget process. Thank you for your support of the Arizona Lottery and our efforts to maximize revenues for the State of Arizona.

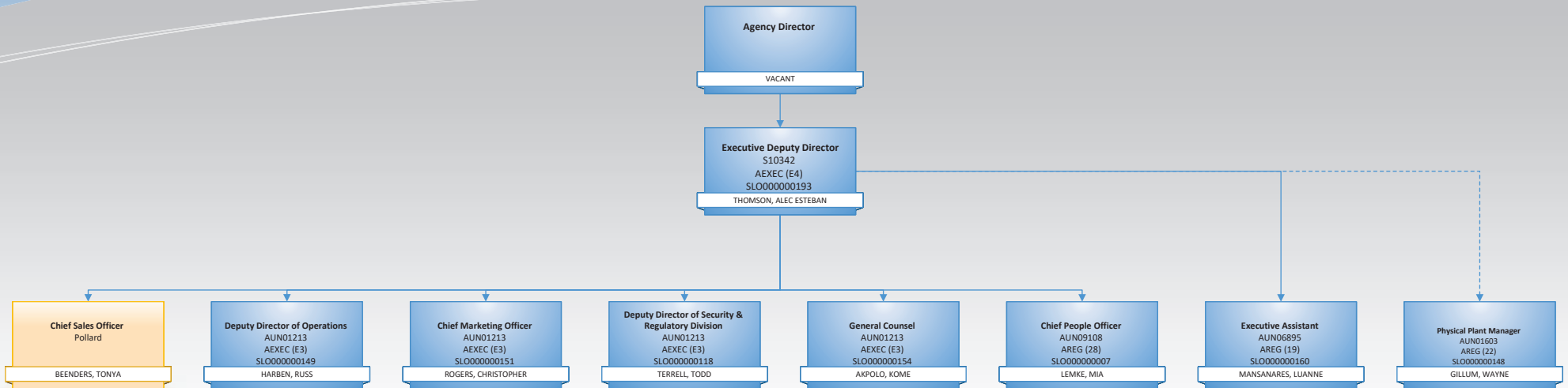
Sincerely,

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

Alec E. Thomson
Cabinet Executive Officer & Executive Deputy Director

Enclosure

Arizona Lottery – Executive Team Organizational Chart



Effective: July 1, 2024



State of Arizona Budget Request

State Agency

Lottery

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

Governor Hobbs:

This and the accompanying budget schedules, statements and explanatory information constitute the operating budget request for this agency for Fiscal Year 2026.

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

Appropriated Funds

	FY 2025 Expenditure Plan	FY 2026 Funding Issue	FY 2026 Total Request
Total Amount Requested:	201,696.5	1,233.7	202,930.2
Lottery Fund	201,696.5	1,233.7	202,930.2

Non-Appropriated Funds

	FY 2025 Expenditure Plan	FY 2026 Funding Issue	FY 2026 Total Request
Total Amount Planned:	2,418,526.7	-	2,418,526.7
Lottery Fund	1,190,176.4	-	1,190,176.4
Lottery - Prize Fund	1,228,350.3	-	1,228,350.3
Lottery Total:	2,620,223.2	1,233.7	2,621,456.9

Agency Head: **Alec E. Thomson**

Title: **Cabinet Executive Officer**

Alec E. Thomson 8/27/2024
(signature)

Phone: 480-921-4505

Prepared by: Russ Harben

Email Address: rharben@azlottery.gov

Date Prepared: August 27, 2024

Revenue Schedule

Agency: Lottery

Fund: LO2122 Lottery Fund

AFIS Code	Category of Receipt and Description	FY 2024 Actuals	FY 2025 Estimate	FY 2026 Request
4335	Lottery Revenue	1,528,241.0	1,664,800.0	1,664,800.0
4699	Miscellaneous Receipts	33.9	35.0	35.0
Lottery Fund Total:		1,528,274.9	1,664,835.0	1,664,835.0

Forecast Methodology

See attachment

Fund: LO3179 Lottery - Prize Fund

AFIS Code	Category of Receipt and Description	FY 2024 Actuals	FY 2025 Estimate	FY 2026 Request
4335	Lottery Revenue	1,036,239.0	1,190,176.4	1,190,176.4
4631	Treasurer's Interest Income	1,259.3	1,275.0	1,275.0
Lottery - Prize Fund Total:		1,037,498.3	1,191,451.4	1,191,451.4

Forecast Methodology

See attachment

Lottery Fund Revenue – Justification

- Statutory reference: A.R.S. §5-571.
- Lottery revenue for FY25-26 reflects sales estimates as outlined in the JLBC Appropriations Report so that corresponding expenses for sales-driven line items (Instant Tickets, On-Line Vendor Fees, Retailer/Charitable Commissions) will align with revenues. Because the expenditure plan must tie to the appropriation, JLBC estimates are used for consistency in reporting.
- For informational purposes, the following page provides FY25 Lottery sales estimates and assumptions by game type.

Arizona Lottery
FY 2025 Sales & Transfer Estimates

Product Line	Total	
	Fiscal Year	Mkt Share
Instant Sales	\$1,067,133,400	68.8%
Draw Sales	\$484,030,900	31.2%
Total	\$1,551,164,300	
Beneficiary Transfer	\$319,000,000	

Assumptions:

General Assumptions - slight overall sales increase of 1.4% over previous year. Reflects \$18M sales growth for the instant game product line and an increase of approximately \$5M for draw game products.

Instant - FY24 sales of \$1.049B for this product line represented a year-over-year decline of 2.7%; general inflation and impact on discretionary entertainment dollars may have been contributing factors. Planned continuation of existing price points (ranging from \$1 to \$50) plus possible game restructure of lower price points to attract new players. Projected FY25 instant games sales estimate represents an increase of about 1.7% over prior year.

Draw Games - FY24 sales of \$479.2M for this product line represented a year-over-year increase of 9.3% largely due to strong jackpot-related sales. For multi-state games, assume historical average draw sales, factoring 2 or 3 moderate to large jackpots during the course of the fiscal year for Powerball and Mega Millions. Assume in-state draw game sales will be in line with historical annual sales activity. Projected FY25 draw game sales estimate represents a slight increase of about 1% over prior year.

Projected transfers are estimated at approximately 20.5% of total sales.

Prize Fund Revenue – Justification

- Statutory reference: A.R.S. §5-573.
- By statute, at least 50% of Lottery revenues must be deposited to the Prize Fund. Percentages vary by game; combined revenues to the Prize Fund average approximately 68% of Lottery revenues.

Sources and Uses

Agency: Lottery

Fund: LO2122 Lottery Fund

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

Cash Flow Summary	FY 2024 Actuals	FY 2025 Estimate	FY 2026 Request
Beginning Balance	150,697.1	150,960.2	73,389.9
Revenue (from Revenue Schedule)	1,528,274.9	1,664,835.0	1,664,835.0
Total Available	1,678,972.0	1,815,795.2	1,738,224.9
Total Appropriated Disbursements	179,228.9	207,328.9	203,148.4
Total Non-Appropriated Disbursements	1,348,783.0	1,535,076.4	1,535,076.4
Balance Forward to Next Year	150,960.2	73,389.9	0.1

Explanation for Negative Ending Balance(s): Lottery

Appropriated Expenditure	FY 2024 Actuals	FY 2025 Estimate	FY 2026 Request
Expenditure Categories			
Personal Services	4,708.6	5,218.3	5,218.3
Employee Related Expenditures	1,743.8	2,368.7	2,368.7
Professional & Outside Services	20,644.2	21,116.7	18,350.4
Travel In-State	(91.2)	271.6	271.6
Travel Out-Of-State	45.9	16.8	16.8
Food	-	-	-
Aid To Organizations & Individuals	-	-	-
Other Operating Expenditures	145,581.9	172,704.4	176,704.4
Equipment	-	-	-
Capital Outlay	-	-	-
Capital Equipment	68.3	-	-
Non-Capital Equipment	57.3	-	-
Debt Service	-	-	-
Cost Allocation & Indirect Costs	-	-	-
Transfers-Out	84.8	-	-
Appropriated Expenditure Sub-Total:	172,843.4	201,696.5	202,930.2
Non-Lapsing Authority from Prior Years	130.7	214.2	-
Administrative Adjustments	6,254.7	5,200.0	-
Capital Projects (Land, Bldgs, Improv)	-	218.2	218.2
Appropriated 27th Pay Roll	-	-	-
Legislative Fund Transfers	-	-	-
IT Project Transfers	-	-	-

Sources and Uses

Agency:	Lottery
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Fund:	LO2122 Lottery Fund
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Proposed Fund Transfer	-	-	-
Residual Equity Transfer	-	-	-
Transfer Due to Fund Balance Cap	-	-	-
Prior Committed or Obligated Expenditures (no entry for AY)	-	-	-
Non-Appropriated 27th Pay Roll	-	-	-
Appropriated Expenditure Total:	179,228.9	207,328.9	203,148.4
Appropriated FTE	49.0	98.8	98.8

Non-Appropriated Expenditure

	FY 2024 Actuals	FY 2025 Estimate	FY 2026 Request
Expenditure Categories			
Personal Services	-	-	-
Employee Related Expenditures	-	-	-
Professional & Outside Services	-	-	-
Travel In-State	-	-	-
Travel Out-Of-State	-	-	-
Food	-	-	-
Aid To Organizations & Individuals	-	-	-
Other Operating Expenditures	-	-	-
Equipment	-	-	-
Capital Outlay	-	-	-
Capital Equipment	-	-	-
Non-Capital Equipment	-	-	-
Debt Service	-	-	-
Cost Allocation & Indirect Costs	-	-	-
Transfers-Out	1,036,239.0	1,190,176.4	1,190,176.4
Non-Appropriated Expenditure Sub-Total:	1,036,239.0	1,190,176.4	1,190,176.4
Non-Lapsing Authority from Prior Years	-	-	-
Administrative Adjustments	-	-	-
Capital Projects (Land, Bldgs, Improv)	-	-	-
Appropriated 27th Pay Roll	-	-	-
Legislative Fund Transfers	-	-	-
IT Project Transfers	-	-	-
Proposed Fund Transfer	-	-	-
Residual Equity Transfer	312,543.9	344,900.0	344,900.0
Transfer Due to Fund Balance Cap	-	-	-
Prior Committed or Obligated Expenditures (no entry for AY)	-	-	-

Sources and Uses

Agency:	Lottery
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Fund:	LO2122	Lottery Fund
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Non-Appropriated 27th Pay Roll	-	-	-
Non-Appropriated Expenditure Total:	1,348,783.0	1,535,076.4	1,535,076.4
Non-Appropriated FTE	-	-	-

Source and Use - Justification Lottery Fund (2122)

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

Residual Equity Transfers	FY24 Actual	FY25-26 Est.
State Distributions 1/	311,643.9	344,000.0
ICACF/VREF 2/	900.0	900.0
TOTAL:	312,543.9	344,900.0

Non-Appropriated Transfers	FY24 Actual	FY25-26 Est.
To Prize Fund	1,036,239.0	1,190,176.4

- 1/ State distributions for FY25-26 reflect estimated distribution figures from the JLBC Appropriations Report. Transfers to the Court Appointed Special Advocate (CASA) Fund and Tribal College Dual Enrollment Program Fund are outlined on the Prize Fund source and disposition schedule.

State distributions for FY24 reflect Lottery Fund residual equity transfers as reported in AZ360. Please note that this figure has a timing factor; it includes preliminary and final profit distributions processed in FY24, but associated with FY23 sales revenues. FY24 profit distributions will be processed upon completion of the annual financial audit (anticipated October 2024).

- 2/ A total of \$1 million are transferred to the Internet Crimes Against Children Enforcement (ICACF) Fund and Victims' Rights Enforcement (VREF) Fund, with proceeds coming from vending machine sales in age-restricted locations. If necessary, unclaimed prizes are to be used to fund any shortfall. ICACF/VREF transfers for FY24 were partially paid from designated game proceeds in the amount of \$900.0 with the difference of \$100.0 paid from the Prize Fund (unclaimed prizes). Transfers from designated game proceeds for FY25-26 are reflected at \$900.0 as estimated in the JLBC Appropriations Report.

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

Sources and Uses

Agency: Lottery

Fund: LO3179 Lottery - Prize Fund

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

Cash Flow Summary

	FY 2024 Actuals	FY 2025 Estimate	FY 2026 Request
Beginning Balance	49,361.3	73,797.8	36,898.9
Revenue (from Revenue Schedule)	1,037,498.3	1,191,451.4	1,191,451.4
Total Available	1,086,859.6	1,265,249.2	1,228,350.3
Total Appropriated Disbursements	-	-	-
Total Non-Appropriated Disbursements	1,013,061.8	1,228,350.3	1,228,350.3
Balance Forward to Next Year	73,797.8	36,898.9	0.0

Explanation for Negative Ending Balance(s): Lottery

Appropriated Expenditure

Expenditure Categories	FY 2024 Actuals	FY 2025 Estimate	FY 2026 Request
Personal Services	-	-	-
Employee Related Expenditures	-	-	-
Professional & Outside Services	-	-	-
Travel In-State	-	-	-
Travel Out-Of-State	-	-	-
Food	-	-	-
Aid To Organizations & Individuals	-	-	-
Other Operating Expenditures	-	-	-
Equipment	-	-	-
Capital Outlay	-	-	-
Capital Equipment	-	-	-
Non-Capital Equipment	-	-	-
Debt Service	-	-	-
Cost Allocation & Indirect Costs	-	-	-
Transfers-Out	-	-	-
Appropriated Expenditure Sub-Total:	-	-	-
Non-Lapsing Authority from Prior Years	-	-	-
Administrative Adjustments	-	-	-
Capital Projects (Land, Bldgs, Improv)	-	-	-
Appropriated 27th Pay Roll	-	-	-
Legislative Fund Transfers	-	-	-

Sources and Uses

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

Non-Appropriated Expenditure

Expenditure Categories	FY 2024 Actuals	FY 2025 Estimate	FY 2026 Request
Personal Services	-	-	-
Employee Related Expenditures	-	-	-
Professional & Outside Services	-	-	-
Travel In-State	-	-	-
Travel Out-Of-State	-	-	-
Food	-	-	-
Aid To Organizations & Individuals	-	-	-
Other Operating Expenditures	1,004,680.7	1,221,025.3	1,221,025.3
Equipment	-	-	-
Capital Outlay	-	-	-
Capital Equipment	-	-	-
Non-Capital Equipment	-	-	-
Debt Service	-	-	-
Cost Allocation & Indirect Costs	-	-	-
Transfers-Out	8,381.1	7,325.0	7,325.0
Non-Appropriated Expenditure Sub-Total:	1,013,061.8	1,228,350.3	1,228,350.3
Non-Lapsing Authority from Prior Years	-	-	-
Administrative Adjustments	-	-	-
Capital Projects (Land, Bldgs, Improv)	-	-	-
Appropriated 27th Pay Roll	-	-	-
Legislative Fund Transfers	-	-	-
IT Project Transfers	-	-	-
Proposed Fund Transfer	-	-	-
Residual Equity Transfer	-	-	-
Transfer Due to Fund Balance Cap	-	-	-

Sources and Uses

Agency:	Lottery
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Fund:	LO3179	Lottery - Prize Fund
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Prior Committed or Obligated Expenditures (no entry for AY)	-	-	-
Non-Appropriated 27th Pay Roll	-	-	-
Non-Appropriated Expenditure Total:	1,013,061.8	1,228,350.3	1,228,350.3
Non-Appropriated FTE	-	-	-

Source and Use - Justification Prize Fund (3179)

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

Program	FY24 Actual	FY25-26 Est.
CASA ^{1/}	7,956.1	6,900.0
Tribal College Fund ^{2/}	325.0	325.0
ICACF/VREF ^{3/}	100.0	100.0
TOTAL:	8,381.1	7,325.0

- 1/ Thirty percent of unclaimed prize monies are transferred to the CASA (Court Appointed Special Advocate) Fund. Transfers to CASA vary annually as a function of unclaimed prizes.
- 2/ Fifteen percent of unclaimed prizes, not to exceed \$325,000 are transferred to the Tribal College Dual Enrollment Program Fund. Laws 2021, Chapter 404 increased the maximum allocation from \$250,000 to \$325,000
- 3/ A total of \$1 million are transferred to the Internet Crimes Against Children Enforcement (ICACF) Fund and Victims' Rights Enforcement (VREF) Fund, with proceeds coming from vending machine sales in age-restricted locations. If necessary, unclaimed prizes are to be used to fund any shortfall. For FY24, transfers were comprised of both funding sources - \$900.0 from game proceeds and \$100.0 from unclaimed prizes. It is estimated that \$100.0 in transfers for FY25-26 will come from unclaimed prizes.

Funding Issue List

Agency: Lottery

FY 2020

Priority	Funding Issue Title	Total FTE	Total Amount	General Fund	Other Appropriated Funds	Non- Appropriated Funds
1	Advertising Funding Adjustment	-	4,000.0	-	4,000.0	-
2	Adjustment: On-Line Vendor Fees	-	(2,766.3)	-	(2,766.3)	-
Total:		-	1,233.7	-	1,233.7	-

Funding Issue Detail

Agency: Lottery

Issue: 1 Advertising Funding Adjustment

Calculated ERE:
Uniform Allowance:

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

	Expenditure Categories	FY 2026
7000	Other Operating Expenditures	4,000.0
Program/Fund Total:		4,000.0

Issue: 2 Adjustment: On-Line Vendor Fees

Calculated ERE:
Uniform Allowance:

Program: SLI On-Line Vendor Fees
Fund: LO2122 Lottery Fund (Appropriated)

	Expenditure Categories	FY 2026
6200	Professional & Outside Services	(2,766.3)
Program/Fund Total:		(2,766.3)

Funding Issue Narrative

Agency: Lottery

Issue: 1 Advertising Funding Adjustment

Description of Issue: See attachment

Proposal: See attachment

Alternatives Considered: See attachment

Impact of Not Funding This Year: See attachment

Statutory Reference: See attachment

Equipment to be Purchased (if applicable): See attachment

Classification of New Positions: See attachment

Annualization(s): See attachment

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

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

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

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

Issue: 2 Adjustment: On-Line Vendor Fees

Description of Issue: See attachment

Proposal: See attachment

Alternatives Considered: See attachment

Impact of Not Funding This Year: See attachment

Statutory Reference: See attachment

Equipment to be Purchased (if applicable): See attachment

Classification of New Positions: See attachment

Annualization(s): See attachment

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

Funding Issue Narrative

Agency: Lottery

Issue: 2 **Adjustment: On-Line Vendor Fees**

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

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

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

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

SUMMARY:

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

The Lottery is requesting an ongoing \$4 million increase over the current appropriation to keep pace with media and monetary inflationary costs, sustain and expand new product launches, and compete with legalized sports betting/casino gaming. Projected annual net revenues based on the increased marketing investment are \$21.2 million higher than baseline projections using the current advertising budget. This investment will further the Lottery's mission of maximizing funding for state programs.

DESCRIPTION:

The Lottery's advertising budget, currently set at \$15.5M per year, has remained stagnant for the last 15 fiscal years. Historically, the Lottery's advertising budget has been capped at various levels, in accordance with provisions in the Lottery's establishing statute, annual appropriation, or both. In FY09, the advertising budget reached its maximum of \$20.2M after the Legislature removed the statutory cap on advertising expenditures. The budget was reduced to \$16.0M in FY10 and \$15.5M in FY11, remaining at that amount ever since.

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

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

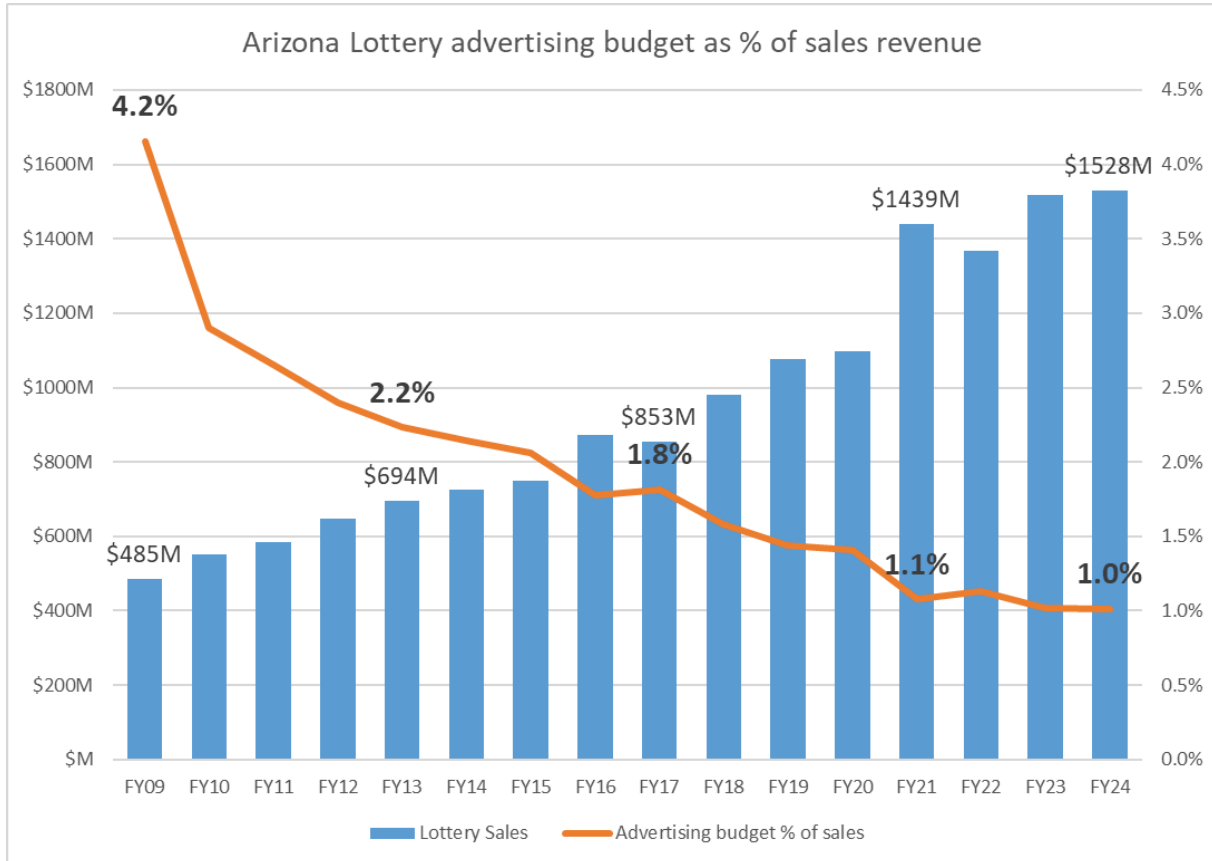
Research, data tracking, and experience indicate that marketing efforts directly influence product sales, and the lottery industry is no exception. There are various ways advertising funds are used to drive game sales, of which a few examples include: 1) Lottery games, especially new games or redesigned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

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

Funding Issue - Advertising

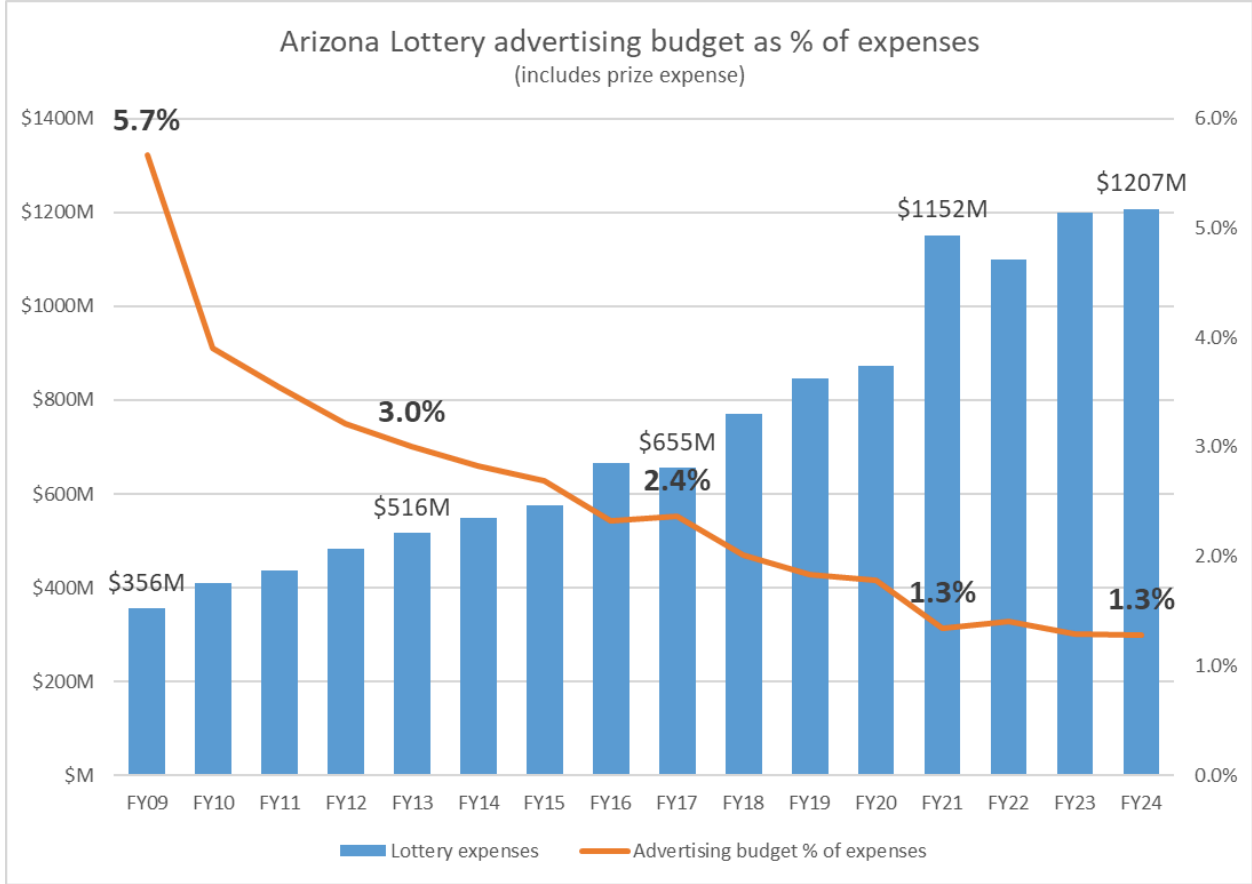
Advertising Allocation

As a percentage of total lottery ticket sales revenue, the advertising budget has declined from **4.2%** of sales revenue in FY09 to **1.0%** of sales revenue in FY24.



As a percentage of total expenses (including prize and other appropriated expenditures), the advertising budget has declined from **5.7%** in FY09 to **1.3%** in FY24.

Funding Issue - Advertising



Industry comparisons

For comparison, data collected by the CMO Survey from nearly 300 business enterprises in March 2024 shows that marketing budgets, on average, account for 10.2% of budgeted expenses and 10.1% of total revenues. These percentages are even higher in the highly competitive B2C Product sector where the Lottery operates, averaging 14.3% of budget and 14.1% of revenues.

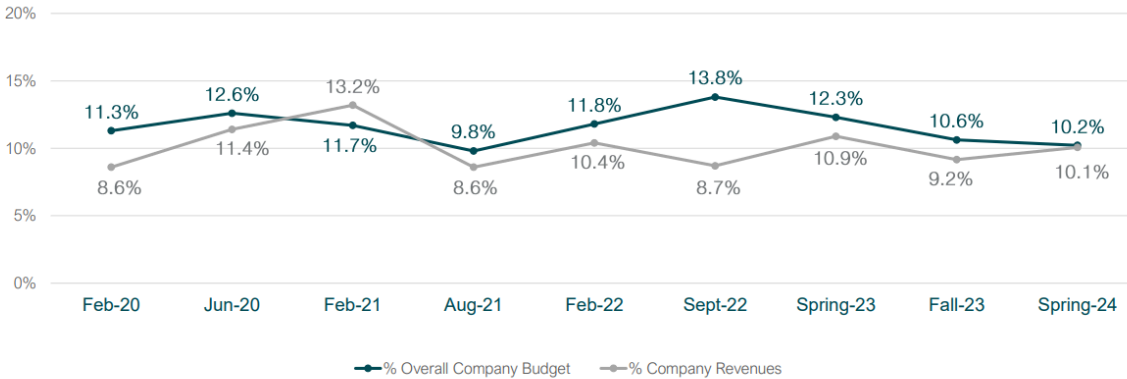
The proposed \$4M adjustment amount would increase the Lottery's advertising allocation to 1.6% of budgeted expenses and 1.3% of total ticket sales revenues based on current FY25 projections.

Funding Issue - Advertising

Marketing budgets over time

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

Firm and industry
breakouts on next slide



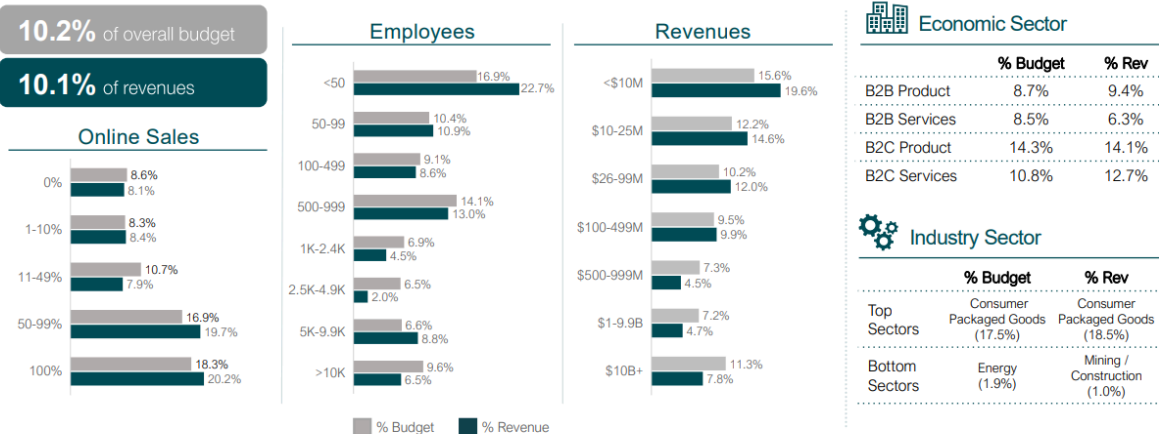
Spring 2024

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https://cmosurvey.org/wp-content/uploads/2024/04/The_CMO_Survey-Highlights-and-Insights-Report-Spring_2024.pdf

How marketing budgets vary by firm and industry

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



Spring 2024

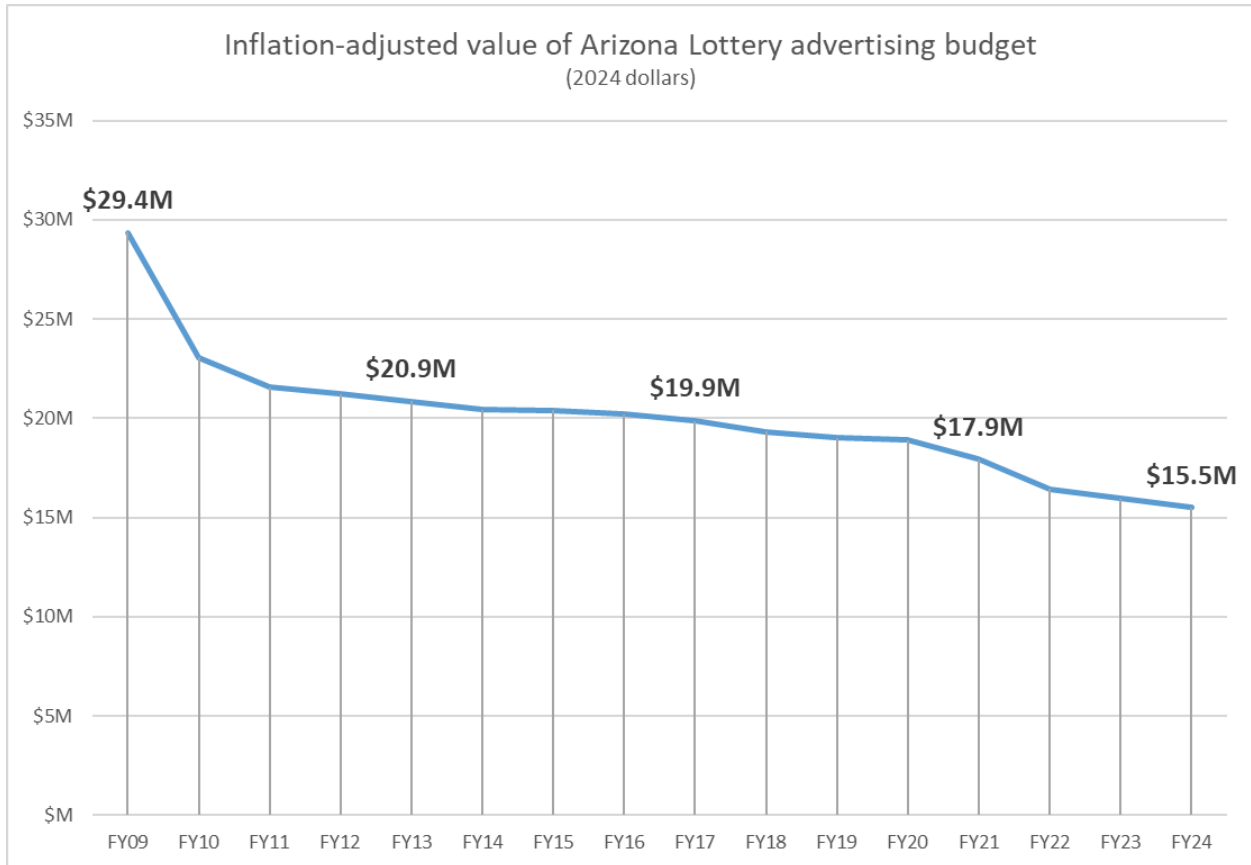
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https://cmosurvey.org/wp-content/uploads/2024/04/The_CMO_Survey-Highlights-and-Insights-Report-Spring_2024.pdf

Funding Issue - Advertising

Inflation

Core Consumer Price Index (CPI) inflation has also reduced the purchasing power of the Lottery's advertising budget. Since 2009, inflation has caused overall prices to increase by 46%. Over this period, the inflation-adjusted value of the Lottery's advertising budget, expressed in 2024 dollars, has declined from \$29.4M to \$15.5M. The requested \$4M funding amount would restore the real value of the Lottery's advertising budget to a level equivalent to the allocation from FY18.



Jackpot Fatigue

The lottery industry continues to experience “jackpot fatigue,” meaning it takes larger jackpots before players purchase tickets. As players become accustomed to higher jackpots, regular play drops off until the jackpot reaches headline-making size. The corresponding drop-off in sales further delays jackpot growth. As a result, jackpot awareness campaigns become essential just to maintain game interest.

New Game Support

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

Funding Issue - Advertising

offerings in FY25; advertising support is critical to ensure players are aware of the new games and sustain interest into FY26 and beyond. Advertising/marketing resources are required to ensure that the investments made to bring these products to market are not wasted.

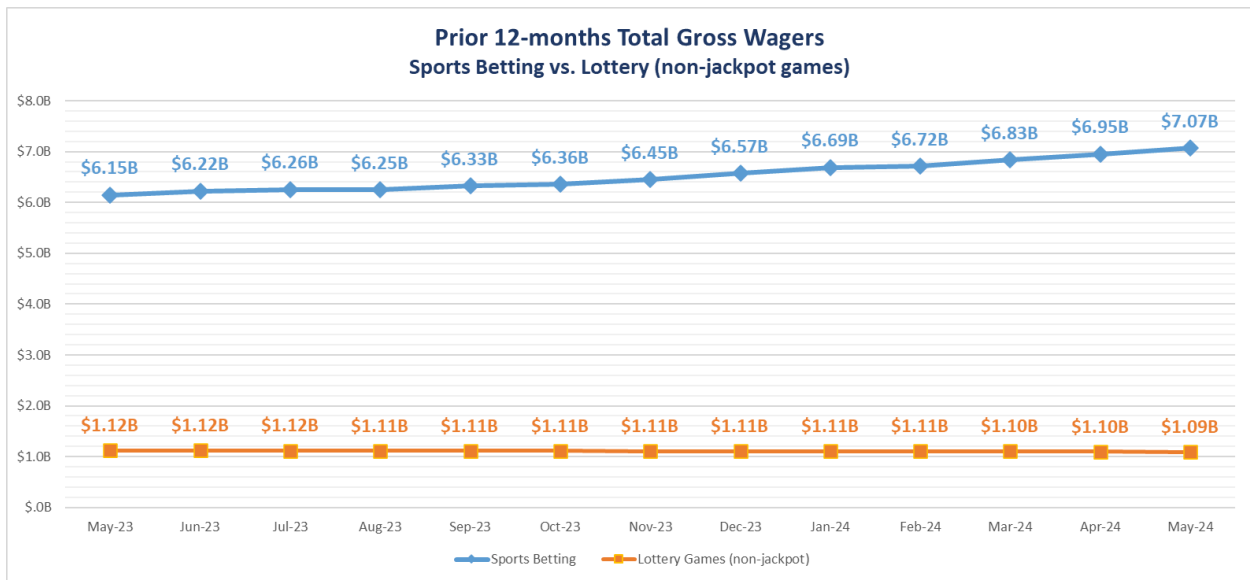
Sports Betting and Share of Voice

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

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

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

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



Funding Issue - Advertising

Between May 2023 and May 2024, the total Sports Betting gross wagers for the previous 12 months has grown 15.0%, from \$6.15 billion to \$7.07 billion. Meanwhile, Lottery gross sales for the previous 12 months over the same period have declined by 2.2%, from \$1.12 billion to \$1.09 billion. This demonstrates the impact of the increased Share of Voice for Sports Betting compared to the lower Share of Voice for Lottery games.

Increased Media Costs

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

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

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

Population Growth

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

Because Arizona is a dynamic, fast-growing state with both new residents and a significant winter visitor population, Lottery advertising must routinely educate those unfamiliar with Lottery games.

Mitigating Future Revenue Loss

Over the last five years, Arizona Lottery has averaged a 7.3% annual growth rate for total ticket sales revenue. Given that the advertising budget remained static during this period, it might be reasonable to expect that future additional revenue growth can continue without making additional investments in marketing expenses. However, due to the previously mentioned market trends, Arizona Lottery is already beginning to experience revenue growth challenges.

The Lottery's current FY25 sales target calls for a 1.5% increase in total sales revenue compared to FY24. However, sales recorded so far in July show that some product categories already fall short of last year. In particular, Scratchers sales, which typically comprise 70%-80% of total ticket sales revenue, and do not benefit from occasional large jackpots, are already 5.2% below FY24 on a year-to-date basis.

Notably, the JLBC forecast for FY25 anticipates total Lottery sales of \$1.665 billion, which would represent an 8.9% sales increase compared to FY24. The Lottery's internal FY25 projections

Funding Issue - Advertising

are currently 6.3% lower than JLBC's forecast, and FY25-FY26 revenues are likely to fall further if the current decline in Scratchers sales continues.

Given the previously mentioned trends, the projected decline in sales will likely accelerate in FY26 without additional marketing investment. The requested \$4M in additional advertising funds will help preserve existing Lottery revenues, prevent a more significant decline in the next few years, and create new opportunities to promote sales growth.

Marketing funds are an integral resource for supporting the agency's business, educating the public about Lottery products, and influencing product sales. The requested increase is critical to remaining competitive and maximizing product sales and beneficiary transfers.

The proposed \$4M adjustment amount would increase the Lottery's advertising budget to \$19.5 million, representing just 1.6% of budgeted expenses and 1.3% of total ticket sales revenues based on current FY25 sales targets. This is well short of industry averages for advertising spending: 10.2% of budgeted expenses and 10.1% of total revenues.

From an inflation perspective, the requested amount restores the real value of the Lottery's advertising dollar to the approximate purchasing level of FY18.

Return On Investment

The Lottery estimates that the requested incremental marketing investment will return \$21.2 million more in transfers compared to projections based on the Lottery's current advertising spend. This estimate is based on the marketing ROI calculated from the sales generated by the Lottery's top-tier advertising campaigns in FY24. An investment of approximately \$4.2 million in advertising resulted in \$146 million in ticket sales attributable to marketing spend and produced \$22.5 million in net transfers, for an overall ROI of approximately 5:1.

Using this ROI, the additional \$4 million investment would produce \$138 million in ticket sales and an incremental net transfer of \$21.2 million. Due to the previously identified declining sales trend observed in FY24 and into FY25, this incremental impact may not necessarily produce nominal year-over-year growth in sales and net transfers in FY26 and beyond. However, the additional marketing investment will help offset declining sales, producing a higher overall impact than the results that the Lottery would have achieved with the current advertising spend.

PROPOSAL:

The proposed FY26 advertising budget increase represents the best option because it allows the Lottery to accomplish its mission of maximizing net revenue in a responsible manner. Continuing to fund the Lottery's advertising budget at the existing level of \$15.5M will result in a continued decline in overall marketing share-of-voice, reduced ticket sales, and, ultimately, less revenue contributed to beneficiary programs and the General Fund.

Operationally, the Lottery will incorporate the additional funding into the FY26 Marketing Plan, which will be adjusted accordingly to maximize the impact of the additional advertising funds.

Funding Issue - Advertising

ALTERNATIVES CONSIDERED:

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

IMPACT OF NOT FUNDING THIS YEAR:

As outlined earlier, the Lottery's advertising appropriation has been impacted by factors such as inflation and competition from other gaming/entertainment venues. The direct impact of not funding the requested increase in the advertising budget is a decline in ticket sales and a corresponding decline in transfers to Lottery beneficiaries in the coming years.

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

STATUTORY REFERENCE:

ARS §5-551 et. seq.

EQUIPMENT TO BE PURCHASED (IF APPLICABLE):

Not applicable to this issue

CLASSIFICATION OF NEW POSITIONS:

Not applicable to this issue

ANNUALIZATION:

Not applicable to this issue

ALIGNMENT WITH AGENCY'S STRATEGIC PLAN OR STATUTORY RESPONSIBILITIES:

The following performance measures will be used to evaluate the outcome of the advertising budget increase:

- Total Lottery beneficiary transfers
- Total Lottery ticket sales
- Marketing Return on Investment (ROI)

The increase in advertising funds is expected to positively impact these metrics. **This incremental impact may not necessarily produce nominal year-over-year growth in sales and net transfers in FY26 and beyond.** However, the additional marketing investment will help offset declining sales, producing a higher overall impact than the results that the Lottery would have achieved with the current advertising spend.

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

Since this funding request is expected to generate incremental revenue for Lottery beneficiaries, including the General Fund, the Lottery believes that it can positively impact underserved,

Funding Issue - Advertising

marginalized, and adversely affected groups. Lottery revenues are directed to various state programs, some of which benefit groups in this category.

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

Improving Education

- Tribal College Dual Enrollment program

Housing and Human Services

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

Health and Reproductive Freedom

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

Public Safety, Border Security and Corrections Reform

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

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

FEEDBACK INCORPORATED FROM GROUPS DIRECTLY IMPACTED BY PROPOSAL:

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

FURTHERANCE OF GOVERNOR'S PRIORITIES:

Arizona Lottery funding represents the State's largest source of non-tax revenue, and is projected to provide more than \$200M to the General Fund for FY25, in addition to nearly \$100 million in funds to Lottery beneficiary programs.

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

Improving Education:

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

Housing and Human Services

Funding Issue - Advertising

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

Health and Reproductive Freedom

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

Resilience, Water and the Environment

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

Public Safety, Border Security and Corrections Reform

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

Affordable and Thriving Economy

- Local Transportation Assistance Fund - \$11 million
- Arizona Commerce Authority Arizona Competes Fund - \$1.55 million

Infrastructure

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

TITLE: ADJUSTMENT: ON-LINE VENDOR FEES
AMOUNT: (\$2,766,261) LOTTERY FUND
PRIORITY: 2

SUMMARY:

The Lottery is requesting to adjust the percentage allocated for the On-Line Vendor Fees line item from 4.256% of on-line ticket (i.e., Lottery draw game) sales to 1.079% of total ticket sales. Based on the FY25 JLBC sales forecast, the net effect is a budget savings of approximately \$2.8 million.

DESCRIPTION:

The On-Line Vendor Fees line item is currently appropriated as a percentage of on-line (draw game) ticket sales as determined by contract to operate the Lottery's gaming system network.

The following reflects current statutory language for the Lottery's "On-Line Vendor Fees" line item appropriation:

An amount equal to a percentage of actual online game sales as determined by contract is appropriated to pay online vendor fees. This amount is currently estimated to be \$20,729,900, or 4.256 percent of actual online ticket sales, in fiscal year 2024-2025.

The 4.256 percent referenced in the appropriation language is based on the compensation rate found in the Lottery's contract with Scientific Games, LLC for draw games services, which pertains to the central gaming system that issues, tracks, and redeems all Lottery tickets sold in Arizona.

Recently, Scientific Games and the Lottery entered into discussions regarding the possibility of extending the current contract for three additional years, with an additional two optional years available that could extend the end of the contract to 2031. As part of those discussions, the Lottery negotiated an offer that would modify the contract rate from the current 4.256% of draw game sales to 1.079% of total lottery ticket sales.

The Lottery has analyzed the impact of this proposal based on recent sales trends and projections for ticket sales in FY25 and beyond. Using a conservative formula for future growth, this change is projected to provide approximately \$3.6M - \$3.8M in annual savings until the end of the contract term, which would occur in FY30-FY32.

Funding Issue - On Line Vendor Fees

Fiscal Year	Draw Games Projected Growth (Lottery)	Projected Draw Sales (Lottery)	Instant Games Projected Growth (Lottery)	Projected Instant Sales (Lottery)	Projected Total Sales (Lottery)
FY24	9.35%	\$479,241,811	-2.81%	\$1,049,002,435	\$1,528,244,246
FY25	1.00%	\$484,034,229	1.73%	\$1,067,133,393	\$1,551,167,622
FY26	1.25%	\$490,084,657	1.75%	\$1,085,808,227	\$1,575,892,884
FY27	1.50%	\$497,435,927	2.00%	\$1,107,524,392	\$1,604,960,319
FY28	1.50%	\$504,897,466	2.00%	\$1,129,674,880	\$1,634,572,345
FY29	1.50%	\$512,470,928	2.50%	\$1,157,916,752	\$1,670,387,679
FY30	1.50%	\$520,157,991	2.50%	\$1,186,864,671	\$1,707,022,662
FY31	1.50%	\$527,960,361	2.50%	\$1,216,536,287	\$1,744,496,649
Fiscal Year	Base Contract - % of draw sales	Projected Vendor Fee	New Contract - % of total sales	Projected Vendor Fee	Projected Savings
FY24	4.256%	\$20,396,531			
FY25	4.256%	\$20,600,497	1.079%	\$16,737,099	\$3,863,398
FY26	4.256%	\$20,858,003	1.079%	\$17,003,884	\$3,854,119
FY27	4.256%	\$21,170,873	1.079%	\$17,317,522	\$3,853,351
FY28	4.256%	\$21,488,436	1.079%	\$17,637,036	\$3,851,401
FY29	4.256%	\$21,810,763	1.079%	\$18,023,483	\$3,787,280
FY30	4.256%	\$22,137,924	1.079%	\$18,418,775	\$3,719,150
FY31	4.256%	\$22,469,993	1.079%	\$18,823,119	\$3,646,874

The Lottery's projected savings are higher than what would be achieved using the FY25 JLBC sales forecast due to JLBC projecting significantly higher Instant Ticket sales in FY25.

Fiscal Year	Draw Games Projected Growth (JLBC)	Projected Draw Sales (JLBC)	Instant Games Projected Growth (JLBC)	Projected Instant Sales (JLBC)	Projected Total Sales (JLBC)
FY24	9.35%	\$479,241,811	-2.81%	\$1,049,002,435	\$1,528,244,246
FY25	1.63%	\$487,074,718	12.27%	\$1,177,766,667	\$1,664,841,385
Fiscal Year	Base Contract - % of draw sales	Projected Vendor Fee	New Contract - % of total sales	Projected Vendor Fee	Projected Savings
FY24	4.256%	\$20,396,531			
FY25	4.256%	\$20,729,900	1.079%	\$17,963,639	\$2,766,261

In addition to extending the term of the contract, the new contract would also provide the Lottery with an upgraded central gaming system in 2026, additional vending machines, and other forms

Funding Issue - On Line Vendor Fees

of added value. The Lottery does not anticipate issues with agency workload or management of inputs and outputs as a result of this proposed change.

PROPOSAL:

Adjust the appropriated percentage for the On-Line Vendor Fees line item to 1.079% of total lottery ticket sales. Based on the current appropriation for FY25, this would result in a projected net savings of approximately \$2.8 million.

The corresponding appropriation footnote would also need to be revised:

An amount equal to a percentage of actual ~~online~~ total game sales as determined by contract is appropriated to pay ~~online~~ gaming system vendor fees. This amount is currently estimated to be \$20,729,900, ~~or 4.256~~ \$17,963,639, or 1.079 percent of actual ~~online~~ total ticket sales, in fiscal year 2024-2025.

ALTERNATIVES CONSIDERED:

Make no changes to the current appropriation language. Because the projected costs under the new contract rate of 1.079% of total sales are lower than the costs under the current rate of 4.256% of draw game sales, the existing appropriation language would provide sufficient funding to continue paying the Lottery's vendor fees. However, the percentage in the appropriation (4.256% of draw game sales) would no longer match the rate "as determined by contract" (1.079% of total sales), and would thus create a contradiction in the statute.

IMPACT OF NOT FUNDING THIS YEAR:

The Lottery could continue to pay On-Line Vendor Fees expenses, but actual contract terms would be inconsistent with existing statutory/footnote language. Also, although not anticipated in Lottery trend projections, the potential for a funding shortfall could exist depending on the relative contributions of instant sales versus draw game sales.

STATUTORY REFERENCE:

ARS §5-551 et. seq.

EQUIPMENT TO BE PURCHASED (IF APPLICABLE):

Not applicable to this issue

CLASSIFICATION OF NEW POSITIONS:

Not applicable to this issue

ANNUALIZATION:

Not applicable to this issue

ALIGNMENT WITH AGENCY'S STRATEGIC PLAN OR STATUTORY RESPONSIBILITIES:

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

The success of this proposal will be evaluated using the Lottery's Strategic Plan performance metrics for product sales and beneficiary transfers. As explained above, we project annual budget savings from this proposal to be in the range of \$2.8M - \$3.8M; ultimately, these savings will flow to beneficiary transfers in support of the Lottery's Strategic Plan five-year outcomes.

Funding Issue - On Line Vendor Fees

In addition, transitioning to a rate based on total sales rather than only draw game sales provides an incentive for the vendor to assist the Lottery in increasing all game sales. Any resulting sales growth will also help to generate incremental revenues to Lottery beneficiaries, including the General Fund.

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

The annual savings from this funding revision is likely to generate incremental revenue for Lottery beneficiaries, including the General Fund. This additional revenue can have a positive impact on underserved, marginalized and adversely affected groups. Lottery revenues are directed to various state programs, some of which benefit groups in this category.

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

Improving Education

- Tribal College Dual Enrollment program

Housing and Human Services

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

Health and Reproductive Freedom

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

Public Safety, Border Security and Corrections Reform

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

FEEDBACK INCORPORATED FROM GROUPS DIRECTLY IMPACTED BY PROPOSAL:

The Lottery has not identified any specific groups or constituencies that this proposal would directly impact.

FURTHERANCE OF GOVERNOR'S PRIORITIES:

Arizona Lottery funding represents the State's largest source of non-tax revenue, and is projected to provide more than \$200M to the General Fund for FY25, in addition to nearly \$100 million in funds to Lottery beneficiary programs.

Many of the Lottery's statutorily-designated revenue beneficiaries support the Governor's Blueprints and priorities. Restructuring the existing contract for gaming services will help ensure that these beneficiaries continue to receive sustainable funding for the foreseeable future.

Improving Education:

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

Funding Issue - On Line Vendor Fees

Housing and Human Services

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

Health and Reproductive Freedom

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

Resilience, Water and the Environment

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

Public Safety, Border Security and Corrections Reform

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

Affordable and Thriving Economy

- Local Transportation Assistance Fund - \$11 million
- Arizona Commerce Authority Arizona Competes Fund - \$1.55 million

Infrastructure

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

Summary of Expenditure and Budget Request for All Funds

Agency: **Lottery**

Appropriated Funds	FY 2024 Actuals	FY 2025 Expenditure Plan	FY 2026 Funding Issue	FY 2026 Total Request
Program:				
LOA-1-0 Lottery	172,843.4	201,696.5	1,233.7	202,930.2
Appropriated Funds Total:	172,843.4	201,696.5	1,233.7	202,930.2
Expenditure Categories				
FTE	49.0	98.8	-	98.8
Personal Services	4,708.6	5,218.3	-	5,218.3
Employee Related Expenditures	1,743.8	2,368.7	-	2,368.7
Subtotal Personal Services and ERE	6,452.3	7,587.0	-	7,587.0
Professional & Outside Services	20,644.2	21,116.7	(2,766.3)	18,350.4
Travel In-State	(91.2)	271.6	-	271.6
Travel Out-Of-State	45.9	16.8	-	16.8
Other Operating Expenditures	145,581.9	172,704.4	4,000.0	176,704.4
Capital Equipment	68.3	-	-	-
Non-Capital Equipment	57.3	-	-	-
Transfers-Out	84.8	-	-	-
Expenditure Categories Total:	172,843.4	201,696.5	1,233.7	202,930.2

Summary of Expenditure and Budget Request for All Funds

Agency: **Lottery**

Non-Appropriated	FY 2024 Actuals	FY 2025 Expenditure Plan	FY 2026 Funding Issue	FY 2026 Total Request
Program:				
LOA-1-0 Lottery	2,049,300.8	2,418,526.7	-	2,418,526.7
Non-Appropriated Total:	2,049,300.8	2,418,526.7	-	2,418,526.7
Expenditure Categories				
FTE	-	-	-	-
Personal Services	-	-	-	-
Employee Related Expenditures	-	-	-	-
Subtotal Personal Services and ERE	-	-	-	-
Professional & Outside Services	-	-	-	-
Travel In-State	-	-	-	-
Travel Out-Of-State	-	-	-	-
Other Operating Expenditures	1,004,680.7	1,221,025.3	-	1,221,025.3
Capital Equipment	-	-	-	-
Non-Capital Equipment	-	-	-	-
Transfers-Out	1,044,620.1	1,197,501.4	-	1,197,501.4
Expenditure Categories Total:	2,049,300.8	2,418,526.7	-	2,418,526.7
Lottery Total for All Funds:	2,222,144.3	2,620,223.2	1,233.7	2,621,456.9

Appropriated and Non-Appropriated	FY 2024 Actuals	FY 2025 Expenditure Plan	FY 2025 Funding Issue	FY 2026 Total Request
LOA-1-0 Lottery	2,222,144.3	2,620,223.2	1,233.7	2,621,456.9
Lottery Total for All Funds:	2,222,144.3	2,620,223.2	1,233.7	2,621,456.9

Summary of Expenditure and Budget Request for Selected Funds

Agency: Lottery

Fund: LO2122 Lottery Fund (Appropriated)

Program:	FY 2024 Actuals	FY 2025 Expenditure Plan	FY 2026 Funding Issue	FY 2026 Total Request
LOA-1-0 Lottery	172,843.4	201,696.5	1,233.7	202,930.2
Lottery Fund (Appropriated) Summary Total:	172,843.4	201,696.5	1,233.7	202,930.2
Expenditure Categories				
FTE	49.0	98.8	-	98.8
Personal Services	4,708.6	5,218.3	-	5,218.3
Employee Related Expenditures	1,743.8	2,368.7	-	2,368.7
Subtotal Personal Services and ERE	6,452.3	7,587.0	-	7,587.0
Professional & Outside Services	20,644.2	21,116.7	(2,766.3)	18,350.4
Travel In-State	(91.2)	271.6	-	271.6
Travel Out-Of-State	45.9	16.8	-	16.8
Other Operating Expenditures	145,581.9	172,704.4	4,000.0	176,704.4
Capital Equipment	68.3	-	-	-
Non-Capital Equipment	57.3	-	-	-
Transfers-Out	84.8	-	-	-
Expenditure Categories Total:	172,843.4	201,696.5	1,233.7	202,930.2

Summary of Expenditure and Budget Request for Selected Funds

Agency:	Lottery
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Fund:	LO2122 Lottery Fund (Non-Appropriated)
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	FY 2024 Actuals	FY 2025 Expenditure Plan	FY 2026 Funding Issue	FY 2026 Total Request
Program:				
LOA-1-0 Lottery	1,036,239.0	1,190,176.4	-	1,190,176.4
Lottery Fund (Non-Appropriated) Summary Total:	1,036,239.0	1,190,176.4	-	1,190,176.4
Expenditure Categories				
FTE	-	-	-	-
Personal Services	-	-	-	-
Employee Related Expenditures	-	-	-	-
Subtotal Personal Services and ERE	-	-	-	-
Professional & Outside Services	-	-	-	-
Travel In-State	-	-	-	-
Travel Out-Of-State	-	-	-	-
Other Operating Expenditures	-	-	-	-
Capital Equipment	-	-	-	-
Non-Capital Equipment	-	-	-	-
Transfers-Out	1,036,239.0	1,190,176.4	-	1,190,176.4
Expenditure Categories Total:	1,036,239.0	1,190,176.4	-	1,190,176.4

Summary of Expenditure and Budget Request for Selected Funds

Agency:	Lottery
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Fund:	LO3179 Lottery - Prize Fund (Non-Appropriated)
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	FY 2024 Actuals	FY 2025 Expenditure Plan	FY 2026 Funding Issue	FY 2026 Total Request
Program:				
LOA-1-0 Lottery	1,013,061.8	1,228,350.3	-	1,228,350.3
Lottery - Prize Fund (Non-Appropriated)	1,013,061.8	1,228,350.3	-	1,228,350.3
Summary Total:	1,013,061.8	1,228,350.3	-	1,228,350.3
Expenditure Categories				
FTE	-	-	-	-
Personal Services	-	-	-	-
Employee Related Expenditures	-	-	-	-
Subtotal Personal Services and ERE	-	-	-	-
Professional & Outside Services	-	-	-	-
Travel In-State	-	-	-	-
Travel Out-Of-State	-	-	-	-
Other Operating Expenditures	1,004,680.7	1,221,025.3	-	1,221,025.3
Capital Equipment	-	-	-	-
Non-Capital Equipment	-	-	-	-
Transfers-Out	8,381.1	7,325.0	-	7,325.0
Expenditure Categories Total:	1,013,061.8	1,228,350.3	-	1,228,350.3

Program Summary of Expenditure and Budget Request

Agency: Lottery

Program: Lottery

Program Summary		FY 2024 Actuals	FY 2025 Expenditure Plan	FY 2026 Funding Issue	FY 2026 Total Request
LOA-1-1	Lottery	2,058,480.4	2,428,722.6	-	2,428,722.6
LOA-1-2	SLI Instant Tickets	27,345.6	42,399.6	-	42,399.6
LOA-1-3	SLI Advertising	13,841.1	15,500.0	4,000.0	19,500.0
LOA-1-4	SLI On-Line Vendor Fees	20,105.9	20,729.9	(2,766.3)	17,963.6
LOA-1-5	SLI Retailer Commissions	100,684.2	110,876.2	-	110,876.2
LOA-1-7	SLI Charitable Commissions	1,687.1	1,994.9	-	1,994.9
Lottery Summary Total:		2,222,144.3	2,620,223.2	1,233.7	2,621,456.9

Expenditure Categories		FY 2024 Actuals	FY 2025 Expenditure Plan	FY 2026 Funding Issue	FY 2026 Total Request
FTE	FTE	49.0	98.8	-	98.8
6000	Personal Services	4,708.6	5,218.3	-	5,218.3
6100	Employee Related Expenditures	1,743.8	2,368.7	-	2,368.7
Subtotal Personal Services and ERE		6,452.3	7,587.0	-	7,587.0
6200	Professional & Outside Services	20,644.2	21,116.7	(2,766.3)	18,350.4
6500	Travel In-State	(91.2)	271.6	-	271.6
6600	Travel Out-Of-State	45.9	16.8	-	16.8
7000	Other Operating Expenditures	1,150,262.6	1,393,729.7	4,000.0	1,397,729.7
8400	Capital Equipment	68.3	-	-	-
8500	Non-Capital Equipment	57.3	-	-	-
9100	Transfers-Out	1,044,704.9	1,197,501.4	-	1,197,501.4
Expenditure Categories Total:		2,222,144.3	2,620,223.2	1,233.7	2,621,456.9

Fund Source		FY 2024 Actuals	FY 2025 Expenditure Plan	FY 2026 Funding Issue	FY 2026 Total Request
Appropriated Funds					
LO2122	Lottery Fund (Appropriated)	172,843.4	201,696.5	1,233.7	202,930.2
Appropriated Funds Total:		172,843.4	201,696.5	1,233.7	202,930.2
Non-Appropriated Funds					
LO2122	Lottery Fund (Non-Appropriated)	1,036,239.0	1,190,176.4	-	1,190,176.4
LO3179	Lottery - Prize Fund (Non-Appropriated)	1,013,061.8	1,228,350.3	-	1,228,350.3
Non-Appropriated Funds Total:		2,049,300.8	2,418,526.7	-	2,418,526.7
Lottery Summary Total:		2,222,144.3	2,620,223.2	1,233.7	2,621,456.9

Program Summary of Expenditure and Budget Request for Selected Funds

Agency: Lottery

Program: Lottery

Fund: LO2122 Lottery Fund (Appropriated)

Program Expenditures		FY 2024 Actuals	FY 2025 Expenditure Plan	FY 2026 Funding Issue	FY 2026 Total Request
LOA-1-1	Lottery	9,179.6	10,195.9	-	10,195.9
LOA-1-2	SLI Instant Tickets	27,345.6	42,399.6	-	42,399.6
LOA-1-3	SLI Advertising	13,841.1	15,500.0	4,000.0	19,500.0
LOA-1-4	SLI On-Line Vendor Fees	20,105.9	20,729.9	(2,766.3)	17,963.6
LOA-1-5	SLI Retailer Commissions	100,684.2	110,876.2	-	110,876.2
LOA-1-7	SLI Charitable Commissions	1,687.1	1,994.9	-	1,994.9
Lottery Fund (Appropriated) Summary Total:		172,843.4	201,696.5	1,233.7	202,930.2
Appropriated Funding					
6000	Personal Services	4,708.6	5,218.3	-	5,218.3
6100	Employee Related Expenditures	1,743.8	2,368.7	-	2,368.7
Subtotal Personal Services and ERE		6,452.3	7,587.0	-	7,587.0
6200	Professional & Outside Services	20,644.2	21,116.7	(2,766.3)	18,350.4
6500	Travel In-State	(91.2)	271.6	-	271.6
6600	Travel Out-Of-State	45.9	16.8	-	16.8
7000	Other Operating Expenditures	145,581.9	172,704.4	4,000.0	176,704.4
8400	Capital Equipment	68.3	-	-	-
8500	Non-Capital Equipment	57.3	-	-	-
9100	Transfers-Out	84.8	-	-	-
Expenditure Categories Total:		172,843.4	201,696.5	1,233.7	202,930.2
Fund LO2122 - A Total:		172,843.4	201,696.5	1,233.7	202,930.2

Program Summary of Expenditure and Budget Request for Selected Funds

Agency:	Lottery
Program:	Lottery
Fund:	LO2122 Lottery Fund (Non-Appropriated)

Program Expenditures	FY 2024 Actuals	FY 2025 Expenditure Plan	FY 2026 Funding Issue	FY 2026 Total Request
LOA-1-1 Lottery	1,036,239.0	1,190,176.4	-	1,190,176.4
Lottery Fund (Non-Appropriated) Summary Total:	1,036,239.0	1,190,176.4	-	1,190,176.4
Non-Appropriated Funding				
6000 Personal Services	-	-	-	-
6100 Employee Related Expenditures	-	-	-	-
Subtotal Personal Services and ERE	-	-	-	-
6200 Professional & Outside Services	-	-	-	-
6500 Travel In-State	-	-	-	-
6600 Travel Out-Of-State	-	-	-	-
7000 Other Operating Expenditures	-	-	-	-
8400 Capital Equipment	-	-	-	-
8500 Non-Capital Equipment	-	-	-	-
9100 Transfers-Out	1,036,239.0	1,190,176.4	-	1,190,176.4
Expenditure Categories Total:	1,036,239.0	1,190,176.4	-	1,190,176.4
Fund LO2122 - N Total:	1,036,239.0	1,190,176.4	-	1,190,176.4

Program Summary of Expenditure and Budget Request for Selected Funds

Agency:	Lottery
Program:	Lottery
Fund:	LO3179 Lottery - Prize Fund (Non-Appropriated)

Program Expenditures	FY 2024 Actuals	FY 2025 Expenditure Plan	FY 2026 Funding Issue	FY 2026 Total Request
LOA-1-1 Lottery	1,013,061.8	1,228,350.3	-	1,228,350.3
Lottery - Prize Fund (Non-Appropriated) Summary Total:	1,013,061.8	1,228,350.3	-	1,228,350.3
Non-Appropriated Funding				
6000 Personal Services	-	-	-	-
6100 Employee Related Expenditures	-	-	-	-
Subtotal Personal Services and ERE	-	-	-	-
6200 Professional & Outside Services	-	-	-	-
6500 Travel In-State	-	-	-	-
6600 Travel Out-Of-State	-	-	-	-
7000 Other Operating Expenditures	1,004,680.7	1,221,025.3	-	1,221,025.3
8400 Capital Equipment	-	-	-	-
8500 Non-Capital Equipment	-	-	-	-
9100 Transfers-Out	8,381.1	7,325.0	-	7,325.0
Expenditure Categories Total:	1,013,061.8	1,228,350.3	-	1,228,350.3
Fund LO3179 - N Total:	1,013,061.8	1,228,350.3	-	1,228,350.3
Lottery Total:	2,222,144.3	2,620,223.2	1,233.7	2,621,456.9

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

Agency: Lottery

	FY 2024 Actuals	FY 2025 Expenditure Plan	FY 2026 Funding Issue	FY 2026 Total Request
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Program: LOA-1-0 Lottery

Expenditure Categories

FTE	49.0	98.8	-	98.8
Personal Services	4,708.6	5,218.3	-	5,218.3
Employee Related Expenditures	1,743.8	2,368.7	-	2,368.7
Subtotal Personal Services and ERE	6,452.3	7,587.0	-	7,587.0
Professional & Outside Services	20,644.2	21,116.7	(2,766.3)	18,350.4
Travel In-State	(91.2)	271.6	-	271.6
Travel Out-Of-State	45.9	16.8	-	16.8
Other Operating Expenditures	1,150,262.6	1,393,729.7	4,000.0	1,397,729.7
Capital Equipment	68.3	-	-	-
Non-Capital Equipment	57.3	-	-	-
Transfers-Out	1,044,704.9	1,197,501.4	-	1,197,501.4
Expenditure Categories Total:	2,222,144.3	2,620,223.2	1,233.7	2,621,456.9

Fund Source

Appropriated Funds				
Lottery Fund (Appropriated)	172,843.4	201,696.5	1,233.7	202,930.2
Appropriated Funds Total:	172,843.4	201,696.5	1,233.7	202,930.2
Non-Appropriated Funds				
Lottery Fund (Non-Appropriated)	1,036,239.0	1,190,176.4	-	1,190,176.4
Lottery - Prize Fund (Non-Appropriated)	1,013,061.8	1,228,350.3	-	1,228,350.3
Non-Appropriated Funds Total:	2,049,300.8	2,418,526.7	-	2,418,526.7
Lottery Total:	2,222,144.3	2,620,223.2	1,233.7	2,621,456.9

Sub Program: LOA-1-1 Lottery

Expenditure Categories

FTE	49.0	98.8	-	98.8
Personal Services	4,708.6	5,218.3	-	5,218.3
Employee Related Expenditures	1,743.8	2,368.7	-	2,368.7
Subtotal Personal Services and ERE	6,452.3	7,587.0	-	7,587.0
Professional & Outside Services	538.3	386.8	-	386.8

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

Agency: Lottery

	FY 2024 Actuals	FY 2025 Expenditure Plan	FY 2026 Funding Issue	FY 2026 Total Request
Program: LOA-1-0 Lottery				
Sub Program: LOA-1-1 Lottery				
Travel In-State	(91.2)	271.6	-	271.6
Travel Out-Of-State	45.9	16.8	-	16.8
Other Operating Expenditures	1,006,704.7	1,222,959.0	-	1,222,959.0
Capital Equipment	68.3	-	-	-
Non-Capital Equipment	57.3	-	-	-
Transfers-Out	1,044,704.9	1,197,501.4	-	1,197,501.4
Expenditure Categories Total:	2,058,480.4	2,428,722.6	-	2,428,722.6

Fund Source

Appropriated Funds

Lottery Fund (Appropriated)	9,179.6	10,195.9	-	10,195.9
Appropriated Funds Total:	9,179.6	10,195.9	-	10,195.9

Non-Appropriated Funds

Lottery Fund (Non-Appropriated)	1,036,239.0	1,190,176.4	-	1,190,176.4
Lottery - Prize Fund (Non-Appropriated)	1,013,061.8	1,228,350.3	-	1,228,350.3
Non-Appropriated Funds Total:	2,049,300.8	2,418,526.7	-	2,418,526.7
Lottery Total:	2,058,480.4	2,428,722.6	-	2,428,722.6

Sub Program: LOA-1-2 SLI Instant Tickets

Expenditure Categories

FTE	-	-	-	-
Personal Services	-	-	-	-
Employee Related Expenditures	-	-	-	-
Subtotal Personal Services and ERE	-	-	-	-
Professional & Outside Services	-	-	-	-
Travel In-State	-	-	-	-
Travel Out-Of-State	-	-	-	-
Other Operating Expenditures	27,345.6	42,399.6	-	42,399.6
Capital Equipment	-	-	-	-
Non-Capital Equipment	-	-	-	-
Transfers-Out	-	-	-	-

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

Agency: Lottery

	FY 2024 Actuals	FY 2025 Expenditure Plan	FY 2026 Funding Issue	FY 2026 Total Request
Program: LOA-1-0 Lottery				

Sub Program: LOA-1-2 SLI Instant Tickets

Expenditure Categories Total:	27,345.6	42,399.6	-	42,399.6
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Fund Source

Appropriated Funds

Lottery Fund (Appropriated)	27,345.6	42,399.6	-	42,399.6
Appropriated Funds Total:	27,345.6	42,399.6	-	42,399.6
Lottery Total:	27,345.6	42,399.6	-	42,399.6

Sub Program: LOA-1-3 SLI Advertising

Expenditure Categories

FTE	-	-	-	-
Personal Services	-	-	-	-
Employee Related Expenditures	-	-	-	-
Subtotal Personal Services and ERE	-	-	-	-
Professional & Outside Services	-	-	-	-
Travel In-State	-	-	-	-
Travel Out-Of-State	-	-	-	-
Other Operating Expenditures	13,841.1	15,500.0	4,000.0	19,500.0
Capital Equipment	-	-	-	-
Non-Capital Equipment	-	-	-	-
Transfers-Out	-	-	-	-
Expenditure Categories Total:	13,841.1	15,500.0	4,000.0	19,500.0

Fund Source

Appropriated Funds

Lottery Fund (Appropriated)	13,841.1	15,500.0	4,000.0	19,500.0
Appropriated Funds Total:	13,841.1	15,500.0	4,000.0	19,500.0
Lottery Total:	13,841.1	15,500.0	4,000.0	19,500.0

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

Expenditure Categories

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

Agency: Lottery

	FY 2024 Actuals	FY 2025 Expenditure Plan	FY 2026 Funding Issue	FY 2026 Total Request
Program: LOA-1-0 Lottery				
Sub Program: LOA-1-4 SLI On-Line Vendor Fees				
FTE	-	-	-	-
Personal Services	-	-	-	-
Employee Related Expenditures	-	-	-	-
Subtotal Personal Services and ERE	-	-	-	-
Professional & Outside Services	20,105.9	20,729.9	(2,766.3)	17,963.6
Travel In-State	-	-	-	-
Travel Out-Of-State	-	-	-	-
Other Operating Expenditures	-	-	-	-
Capital Equipment	-	-	-	-
Non-Capital Equipment	-	-	-	-
Transfers-Out	-	-	-	-
Expenditure Categories Total:	20,105.9	20,729.9	(2,766.3)	17,963.6

Fund Source

Appropriated Funds

Lottery Fund (Appropriated)	20,105.9	20,729.9	(2,766.3)	17,963.6
Appropriated Funds Total:	20,105.9	20,729.9	(2,766.3)	17,963.6
Lottery Total:	20,105.9	20,729.9	(2,766.3)	17,963.6

Sub Program: LOA-1-5 SLI Retailer Commissions

Expenditure Categories

FTE	-	-	-	-
Personal Services	-	-	-	-
Employee Related Expenditures	-	-	-	-
Subtotal Personal Services and ERE	-	-	-	-
Professional & Outside Services	-	-	-	-
Travel In-State	-	-	-	-
Travel Out-Of-State	-	-	-	-
Other Operating Expenditures	100,684.2	110,876.2	-	110,876.2
Capital Equipment	-	-	-	-
Non-Capital Equipment	-	-	-	-

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

Agency: Lottery

	FY 2024 Actuals	FY 2025 Expenditure Plan	FY 2026 Funding Issue	FY 2026 Total Request
Program: LOA-1-0 Lottery				
Sub Program: LOA-1-5 SLI Retailer Commissions				
Transfers-Out	-	-	-	-
Expenditure Categories Total:	100,684.2	110,876.2	-	110,876.2

Fund Source

Appropriated Funds

Lottery Fund (Appropriated)	100,684.2	110,876.2	-	110,876.2
Appropriated Funds Total:	100,684.2	110,876.2	-	110,876.2
Lottery Total:	100,684.2	110,876.2	-	110,876.2

Sub Program: LOA-1-7 SLI Charitable Commissions

Expenditure Categories

FTE	-	-	-	-
Personal Services	-	-	-	-
Employee Related Expenditures	-	-	-	-
Subtotal Personal Services and ERE	-	-	-	-
Professional & Outside Services	-	-	-	-
Travel In-State	-	-	-	-
Travel Out-Of-State	-	-	-	-
Other Operating Expenditures	1,687.1	1,994.9	-	1,994.9
Capital Equipment	-	-	-	-
Non-Capital Equipment	-	-	-	-
Transfers-Out	-	-	-	-
Expenditure Categories Total:	1,687.1	1,994.9	-	1,994.9

Fund Source

Appropriated Funds

Lottery Fund (Appropriated)	1,687.1	1,994.9	-	1,994.9
Appropriated Funds Total:	1,687.1	1,994.9	-	1,994.9
Lottery Total:	1,687.1	1,994.9	-	1,994.9

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

Agency: Lottery

FY 2024 Actuals	FY 2025 Expenditure Plan	FY 2026 Funding Issue	FY 2026 Total Request
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Program Budget Unit Summary of Expenditure and Budget Request for Selected Funds

Agency: Lottery

	FY 2024 Actuals	FY 2025 Expenditure Plan	FY 2026 Funding Issue	FY 2026 Total Request
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Program: LOA-1-0 Lottery

Fund: LO2122 Lottery Fund

Appropriated

Personal Services	4,708.6	5,218.3	-	5,218.3
Employee Related Expenditures	1,743.8	2,368.7	-	2,368.7
Subtotal Personal Services and ERE	6,452.3	7,587.0	-	7,587.0
Professional & Outside Services	20,644.2	21,116.7	(2,766.3)	18,350.4
Travel In-State	(91.2)	271.6	-	271.6
Travel Out-Of-State	45.9	16.8	-	16.8
Other Operating Expenditures	145,581.9	172,704.4	4,000.0	176,704.4
Capital Equipment	68.3	-	-	-
Non-Capital Equipment	57.3	-	-	-
Transfers-Out	84.8	-	-	-
Expenditure Categories Total:	172,843.4	201,696.5	1,233.7	202,930.2

Non-Appropriated

Personal Services	-	-	-	-
Employee Related Expenditures	-	-	-	-
Subtotal Personal Services and ERE	-	-	-	-
Professional & Outside Services	-	-	-	-
Travel In-State	-	-	-	-
Travel Out-Of-State	-	-	-	-
Other Operating Expenditures	-	-	-	-
Capital Equipment	-	-	-	-
Non-Capital Equipment	-	-	-	-
Transfers-Out	1,036,239.0	1,190,176.4	-	1,190,176.4
Expenditure Categories Total:	1,036,239.0	1,190,176.4	-	1,190,176.4
Lottery Fund Total:	1,209,082.5	1,391,872.9	1,233.7	1,393,106.6

Fund: LO3179 Lottery - Prize Fund

Non-Appropriated

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

Agency: Lottery

	FY 2024 Actuals	FY 2025 Expenditure Plan	FY 2026 Funding Issue	FY 2026 Total Request
Program: LOA-1-0 Lottery				
Fund: LO3179 Lottery - Prize Fund				
Employee Related Expenditures	-	-	-	-
Subtotal Personal Services and ERE	-	-	-	-
Professional & Outside Services	-	-	-	-
Travel In-State	-	-	-	-
Travel Out-Of-State	-	-	-	-
Other Operating Expenditures	1,004,680.7	1,221,025.3	-	1,221,025.3
Capital Equipment	-	-	-	-
Non-Capital Equipment	-	-	-	-
Transfers-Out	8,381.1	7,325.0	-	7,325.0
Expenditure Categories Total:	1,013,061.8	1,228,350.3	-	1,228,350.3
Lottery - Prize Fund Total:	1,013,061.8	1,228,350.3	-	1,228,350.3
Program Total for Select Funds:	2,222,144.3	2,620,223.2	1,233.7	2,621,456.9

Sub Program: LOA-1-1 Lottery

Fund: LO2122 Lottery Fund

Appropriated

Personal Services	4,708.6	5,218.3	-	5,218.3
Employee Related Expenditures	1,743.8	2,368.7	-	2,368.7
Subtotal Personal Services and ERE	6,452.3	7,587.0	-	7,587.0
Professional & Outside Services	538.3	386.8	-	386.8
Travel In-State	(91.2)	271.6	-	271.6
Travel Out-Of-State	45.9	16.8	-	16.8
Other Operating Expenditures	2,024.0	1,933.7	-	1,933.7
Capital Equipment	68.3	-	-	-
Non-Capital Equipment	57.3	-	-	-
Transfers-Out	84.8	-	-	-
Expenditure Categories Total:	9,179.6	10,195.9	-	10,195.9

Non-Appropriated

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

Agency: Lottery

	FY 2024 Actuals	FY 2025 Expenditure Plan	FY 2026 Funding Issue	FY 2026 Total Request
Program: LOA-1-0 Lottery				
Sub Program: LOA-1-1 Lottery				
Fund: LO2122 Lottery Fund				
Personal Services	-	-	-	-
Employee Related Expenditures	-	-	-	-
Subtotal Personal Services and ERE	-	-	-	-
Professional & Outside Services	-	-	-	-
Travel In-State	-	-	-	-
Travel Out-Of-State	-	-	-	-
Other Operating Expenditures	-	-	-	-
Capital Equipment	-	-	-	-
Non-Capital Equipment	-	-	-	-
Transfers-Out	1,036,239.0	1,190,176.4	-	1,190,176.4
Expenditure Categories Total:	1,036,239.0	1,190,176.4	-	1,190,176.4
Lottery Fund Total:	1,045,418.7	1,200,372.3	-	1,200,372.3

Fund: LO3179 Lottery - Prize Fund

Non-Appropriated

Personal Services	-	-	-	-
Employee Related Expenditures	-	-	-	-
Subtotal Personal Services and ERE	-	-	-	-
Professional & Outside Services	-	-	-	-
Travel In-State	-	-	-	-
Travel Out-Of-State	-	-	-	-
Other Operating Expenditures	1,004,680.7	1,221,025.3	-	1,221,025.3
Capital Equipment	-	-	-	-
Non-Capital Equipment	-	-	-	-
Transfers-Out	8,381.1	7,325.0	-	7,325.0
Expenditure Categories Total:	1,013,061.8	1,228,350.3	-	1,228,350.3
Lottery - Prize Fund Total:	1,013,061.8	1,228,350.3	-	1,228,350.3

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

Agency: Lottery

	FY 2024 Actuals	FY 2025 Expenditure Plan	FY 2026 Funding Issue	FY 2026 Total Request
Program: LOA-1-0 Lottery				
Sub Program: LOA-1-1 Lottery				
Sub Program Total for Select Funds:	2,058,480.4	2,428,722.6	-	2,428,722.6

Sub Program: LOA-1-2 SLI Instant Tickets

Fund: LO2122 Lottery Fund

Appropriated

Personal Services	-	-	-	-
Employee Related Expenditures	-	-	-	-
Subtotal Personal Services and ERE	-	-	-	-
Professional & Outside Services	-	-	-	-
Travel In-State	-	-	-	-
Travel Out-Of-State	-	-	-	-
Other Operating Expenditures	27,345.6	42,399.6	-	42,399.6
Capital Equipment	-	-	-	-
Non-Capital Equipment	-	-	-	-
Transfers-Out	-	-	-	-
Expenditure Categories Total:	27,345.6	42,399.6	-	42,399.6
Lottery Fund Total:	27,345.6	42,399.6	-	42,399.6
Sub Program Total for Select Funds:	27,345.6	42,399.6	-	42,399.6

Sub Program: LOA-1-3 SLI Advertising

Fund: LO2122 Lottery Fund

Appropriated

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

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

Agency: Lottery

	FY 2024 Actuals	FY 2025 Expenditure Plan	FY 2026 Funding Issue	FY 2026 Total Request
Program: LOA-1-0 Lottery				
Sub Program: LOA-1-3 SLI Advertising				
Fund: LO2122 Lottery Fund				
Other Operating Expenditures	13,841.1	15,500.0	4,000.0	19,500.0
Capital Equipment	-	-	-	-
Non-Capital Equipment	-	-	-	-
Transfers-Out	-	-	-	-
Expenditure Categories Total:	13,841.1	15,500.0	4,000.0	19,500.0
Lottery Fund Total:	13,841.1	15,500.0	4,000.0	19,500.0
Sub Program Total for Select Funds:	13,841.1	15,500.0	4,000.0	19,500.0

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

Fund: LO2122 Lottery Fund

Appropriated

Personal Services	-	-	-	-
Employee Related Expenditures	-	-	-	-
Subtotal Personal Services and ERE	-	-	-	-
Professional & Outside Services	20,105.9	20,729.9	(2,766.3)	17,963.6
Travel In-State	-	-	-	-
Travel Out-Of-State	-	-	-	-
Other Operating Expenditures	-	-	-	-
Capital Equipment	-	-	-	-
Non-Capital Equipment	-	-	-	-
Transfers-Out	-	-	-	-
Expenditure Categories Total:	20,105.9	20,729.9	(2,766.3)	17,963.6
Lottery Fund Total:	20,105.9	20,729.9	(2,766.3)	17,963.6
Sub Program Total for Select Funds:	20,105.9	20,729.9	(2,766.3)	17,963.6

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

Agency: Lottery

	FY 2024 Actuals	FY 2025 Expenditure Plan	FY 2026 Funding Issue	FY 2026 Total Request
Program: LOA-1-0 Lottery				
Sub Program: LOA-1-5 SLI Retailer Commissions				
Fund: LO2122 Lottery Fund				

Appropriated

Personal Services	-	-	-	-
Employee Related Expenditures	-	-	-	-
Subtotal Personal Services and ERE	-	-	-	-
Professional & Outside Services	-	-	-	-
Travel In-State	-	-	-	-
Travel Out-Of-State	-	-	-	-
Other Operating Expenditures	100,684.2	110,876.2	-	110,876.2
Capital Equipment	-	-	-	-
Non-Capital Equipment	-	-	-	-
Transfers-Out	-	-	-	-
Expenditure Categories Total:	100,684.2	110,876.2	-	110,876.2
Lottery Fund Total:	100,684.2	110,876.2	-	110,876.2
Sub Program Total for Select Funds:	100,684.2	110,876.2	-	110,876.2

Sub Program: LOA-1-7 SLI Charitable Commissions

Fund: LO2122 Lottery Fund

Appropriated

Personal Services	-	-	-	-
Employee Related Expenditures	-	-	-	-
Subtotal Personal Services and ERE	-	-	-	-
Professional & Outside Services	-	-	-	-
Travel In-State	-	-	-	-
Travel Out-Of-State	-	-	-	-
Other Operating Expenditures	1,687.1	1,994.9	-	1,994.9
Capital Equipment	-	-	-	-
Non-Capital Equipment	-	-	-	-

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

Agency:	Lottery
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	FY 2024 Actuals	FY 2025 Expenditure Plan	FY 2026 Funding Issue	FY 2026 Total Request
Program: LOA-1-0 Lottery				
Sub Program: LOA-1-7 SLI Charitable Commissions				
Fund: LO2122 Lottery Fund				

Transfers-Out	-	-	-	-
Expenditure Categories Total:	1,687.1	1,994.9	-	1,994.9
Lottery Fund Total:	1,687.1	1,994.9	-	1,994.9
Sub Program Total for Select Funds:	1,687.1	1,994.9	-	1,994.9

Program Expenditure Schedule

Agency: Lottery

	FY 2024 Actuals	FY 2025 Expenditure Plan	FY 2026 Funding Issue	FY 2026 Total Request
Program: LOA-1-0 Lottery				
FTE				
FTE	49.0	98.8	-	98.8
Expenditure Category Total:	-	-	-	-
Fund Source				
Appropriated Funds				
LO2122 Lottery Fund (Appropriated)	49.0	98.8	-	98.8
Appropriated Funds Total:	49.0	98.8	-	98.8
Fund Source Total:	49.0	98.8	-	98.8
Personal Services				
Personal Services	4,707.4	5,216.7	-	5,216.7
Board & Commission Members Compensation	1.2	1.6	-	1.6
Expenditure Category Total:	4,708.6	5,218.3	-	5,218.3
Fund Source				
Appropriated Funds				
LO2122 Lottery Fund (Appropriated)	4,708.6	5,218.3	-	5,218.3
Appropriated Funds Total:	4,708.6	5,218.3	-	5,218.3
Fund Source Total:	4,708.6	5,218.3	-	5,218.3
Employee Related Expenditures				
Employee Related Expenses	-	2,368.7	-	2,368.7
FICA Taxes	347.1	-	-	-
Medical Insurance	716.2	-	-	-
Basic Life	0.4	-	-	-
Long-Term Disability (ASRS)	6.6	-	-	-
Dental Insurance	5.5	-	-	-
Workers' Compensation	34.8	-	-	-
Arizona State Retirement System	536.0	-	-	-
Alternate Retirement Contributions – Reemployed Retirees	9.0	-	-	-
Personnel Board Pro-Rata Charges	40.5	-	-	-
Information Technology Pro Rata Charge	28.7	-	-	-
Accumulated Sick Leave Fund Charge	18.8	-	-	-

Program Expenditure Schedule

Agency: Lottery

	FY 2024 Actuals	FY 2025 Expenditure Plan	FY 2026 Funding Issue	FY 2026 Total Request
Program: LOA-1-0 Lottery				
Expenditure Category Total:	1,743.8	2,368.7	-	2,368.7

Fund Source

Appropriated Funds

LO2122	Lottery Fund (Appropriated)	1,743.8	2,368.7	-	2,368.7
	Appropriated Funds Total:	1,743.8	2,368.7	-	2,368.7
	Fund Source Total:	1,743.8	2,368.7	-	2,368.7

Professional & Outside Services

Professional and Outside Services	-	21,116.7	(2,766.3)	18,350.4
Other External Financial Services	60.4	-	-	-
Attorney General Legal Services	119.9	-	-	-
Other Professional & Outside Services	20,463.9	-	-	-
Expenditure Category Total:	20,644.2	21,116.7	(2,766.3)	18,350.4

Fund Source

Appropriated Funds

LO2122	Lottery Fund (Appropriated)	20,644.2	21,116.7	(2,766.3)	18,350.4
	Appropriated Funds Total:	20,644.2	21,116.7	(2,766.3)	18,350.4
	Fund Source Total:	20,644.2	21,116.7	(2,766.3)	18,350.4

Travel In-State

Travel In-State	-	271.6	-	271.6
Mileage - Private Vehicle	1.7	-	-	-
Motor Pool Charges	(107.2)	-	-	-
Lodging	11.2	-	-	-
Meals with Overnight Stay	2.7	-	-	-
Meals without Overnight Stay	0.0	-	-	-
Other Miscellaneous In- State Travel	0.5	-	-	-
Expenditure Category Total:	(91.2)	271.6	-	271.6

Fund Source

Appropriated Funds

LO2122	Lottery Fund (Appropriated)	(91.2)	271.6	-	271.6
	Appropriated Funds Total:	(91.2)	271.6	-	271.6
	Fund Source Total:	(91.2)	271.6	-	271.6

Program Expenditure Schedule

Agency: **Lottery**

	FY 2024 Actuals	FY 2025 Expenditure Plan	FY 2026 Funding Issue	FY 2026 Total Request
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Program: **LOA-1-0 Lottery**

Travel Out-Of-State

Travel Out of State	-	16.8	-	16.8
Airfare and Other Common Carrier Charges	15.9	-	-	-
Car Rental Out-of-State	0.5	-	-	-
Lodging Out-of-State	21.7	-	-	-
Lodging Out-of-Country	1.4	-	-	-
Meals with Overnight Stay	3.8	-	-	-
Meals with Overnight Stay Out-of-Country	0.7	-	-	-
Other Miscellaneous Out-of- State Travel	1.7	-	-	-
Expenditure Category Total:	45.9	16.8	-	16.8

Fund Source

Appropriated Funds

LO2122 Lottery Fund (Appropriated)	45.9	16.8	-	16.8
Appropriated Funds Total:	45.9	16.8	-	16.8
Fund Source Total:	45.9	16.8	-	16.8

Other Operating Expenditures

Other Operating Expenses	-	1,393,729.7	4,000.0	1,397,729.7
Risk Management Charges to State Agencies	35.9	-	-	-
External Programming and System Development Costs	52.5	-	-	-
Other External Computer Processing, Hosting, Maintenance and Support Costs	101.4	-	-	-
Charges Imposed Related to AFIS.	9.5	-	-	-
External Telecommunications Charges	446.8	-	-	-
Electricity	24.8	-	-	-
Sanitation Waste Disposal	2.5	-	-	-
Water	11.6	-	-	-
Gas & Fuel Oil for Buildings	2.2	-	-	-
Miscellaneous Rent	2.7	-	-	-
Repair & Maintenance - Buildings	390.2	-	-	-
Repair & Maintenance - Other Equipment	15.2	-	-	-
Repair & Maintenance - Other	29.2	-	-	-

Program Expenditure Schedule

Agency: **Lottery**

	FY 2024 Actuals	FY 2025 Expenditure Plan	FY 2026 Funding Issue	FY 2026 Total Request
Program: LOA-1-0 Lottery				
Software Support, Maintenance Short-term Licensing	522.9	-	-	-
Office Supplies	14.1	-	-	-
Computer Supplies	14.9	-	-	-
Housekeeping Supplies	9.7	-	-	-
Repair & Maintenance Supplies - Neither Automotive Nor Related to Buildings	0.5	-	-	-
Repair & Maintenance Supplies - Related to Buildings	3.4	-	-	-
Other Operating Supplies	21.8	-	-	-
Aggregate commissions withheld by or paid to sales agents.	102,371.2	-	-	-
Lottery Prizes	1,004,680.7	-	-	-
Lottery Distribution Costs	17,224.4	-	-	-
Other Resale Supplies	10,121.2	-	-	-
Employee Tuition Reimbursement	8.5	-	-	-
Conference Registration / Attendance Fees	23.1	-	-	-
Other Education & Training Costs	1.0	-	-	-
Advertising	13,841.1	-	-	-
Internal Printing	1.2	-	-	-
External Printing	3.8	-	-	-
Postage & Delivery	12.2	-	-	-
Document Shredding and Destruction Services	0.2	-	-	-
Awards	3.2	-	-	-
Dues	48.5	-	-	-
Books, Subscriptions & Publications	15.8	-	-	-
Security Services	139.5	-	-	-
Fingerprinting, Background Checks, Etc.	51.1	-	-	-
Other Miscellaneous Operating	4.1	-	-	-
Expenditure Category Total:	1,150,262.6	1,393,729.7	4,000.0	1,397,729.7

Fund Source

Appropriated Funds

LO2122	Lottery Fund (Appropriated)	145,581.9	172,704.4	4,000.0	176,704.4
Appropriated Funds Total:		145,581.9	172,704.4	4,000.0	176,704.4

Program Expenditure Schedule

Agency: Lottery

	FY 2024 Actuals	FY 2025 Expenditure Plan	FY 2026 Funding Issue	FY 2026 Total Request
Program: LOA-1-0 Lottery				
Non-Appropriated Funds				
LO3179 Lottery - Prize Fund (Non-Appropriated)	1,004,680.7	1,221,025.3	-	1,221,025.3
Non-Appropriated Funds Total:	1,004,680.7	1,221,025.3	-	1,221,025.3
Fund Source Total:	1,150,262.6	1,393,729.7	4,000.0	1,397,729.7

Capital Equipment

Computer Equipment - Capitalized Purchase	68.3	-	-	-
Expenditure Category Total:	68.3	-	-	-

Fund Source

Appropriated Funds

LO2122 Lottery Fund (Appropriated)	68.3	-	-	-
Appropriated Funds Total:	68.3	-	-	-
Fund Source Total:	68.3	-	-	-

Non-Capital Equipment

Furniture - Non-Capital Purchase	1.3	-	-	-
Computer Equipment – Non- Capitalized Purchases	33.4	-	-	-
Other Equipment - Non- Capital Purchase	22.6	-	-	-
Expenditure Category Total:	57.3	-	-	-

Fund Source

Appropriated Funds

LO2122 Lottery Fund (Appropriated)	57.3	-	-	-
Appropriated Funds Total:	57.3	-	-	-
Fund Source Total:	57.3	-	-	-

Transfers-Out

Transfers	-	1,197,501.4	-	1,197,501.4
Transfers Out – Not Subject to Cost Allocation	1,044,704.9	-	-	-
Expenditure Category Total:	1,044,704.9	1,197,501.4	-	1,197,501.4

Fund Source

Appropriated Funds

Program Expenditure Schedule

Agency: Lottery

		FY 2024 Actuals	FY 2025 Expenditure Plan	FY 2026 Funding Issue	FY 2026 Total Request
Program: LOA-1-0 Lottery					
LO2122	Lottery Fund (Appropriated)	84.8	-	-	-
Appropriated Funds Total:		84.8	-	-	-
Non-Appropriated Funds					
LO2122	Lottery Fund (Non-Appropriated)	1,036,239.0	1,190,176.4	-	1,190,176.4
LO3179	Lottery - Prize Fund (Non-Appropriated)	8,381.1	7,325.0	-	7,325.0
Non-Appropriated Funds Total:		1,044,620.1	1,197,501.4	-	1,197,501.4
Fund Source Total:		1,044,704.9	1,197,501.4	-	1,197,501.4

Employee Retirement Coverage

Retirement System	FTE	Personal Services	Fund#
Arizona State Retirement System	98.8	5,218.3	LO2122-A

Sub Program: LOA-1-1 Lottery

FTE				
FTE	49.0	98.8	-	98.8
Expenditure Category Total:		-	-	-

Fund Source

Appropriated Funds					
LO2122	Lottery Fund (Appropriated)	49.0	98.8	-	98.8
Appropriated Funds Total:		49.0	98.8	-	98.8
Fund Source Total:		49.0	98.8	-	98.8

Personal Services

Personal Services	4,707.4	5,216.7	-	5,216.7	
Board & Commission Members Compensation	1.2	1.6	-	1.6	
Expenditure Category Total:		4,708.6	5,218.3	-	5,218.3

Fund Source

Appropriated Funds					
LO2122	Lottery Fund (Appropriated)	4,708.6	5,218.3	-	5,218.3
Appropriated Funds Total:		4,708.6	5,218.3	-	5,218.3
Fund Source Total:		4,708.6	5,218.3	-	5,218.3

Program Expenditure Schedule

Agency: Lottery

	FY 2024 Actuals	FY 2025 Expenditure Plan	FY 2026 Funding Issue	FY 2026 Total Request
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Program: LOA-1-0 Lottery

Sub Program: LOA-1-1 Lottery

Employee Related Expenditures

Employee Related Expenses	-	2,368.7	-	2,368.7
FICA Taxes	347.1	-	-	-
Medical Insurance	716.2	-	-	-
Basic Life	0.4	-	-	-
Long-Term Disability (ASRS)	6.6	-	-	-
Dental Insurance	5.5	-	-	-
Workers' Compensation	34.8	-	-	-
Arizona State Retirement System	536.0	-	-	-
Alternate Retirement Contributions – Reemployed Retirees	9.0	-	-	-
Personnel Board Pro-Rata Charges	40.5	-	-	-
Information Technology Pro Rata Charge	28.7	-	-	-
Accumulated Sick Leave Fund Charge	18.8	-	-	-
Expenditure Category Total:	1,743.8	2,368.7	-	2,368.7

Fund Source

Appropriated Funds

LO2122 Lottery Fund (Appropriated)	1,743.8	2,368.7	-	2,368.7
Appropriated Funds Total:	1,743.8	2,368.7	-	2,368.7
Fund Source Total:	1,743.8	2,368.7	-	2,368.7

Professional & Outside Services

Professional and Outside Services	-	386.8	-	386.8
Other External Financial Services	60.4	-	-	-
Attorney General Legal Services	119.9	-	-	-
Other Professional & Outside Services	358.0	-	-	-
Expenditure Category Total:	538.3	386.8	-	386.8

Fund Source

Appropriated Funds

LO2122 Lottery Fund (Appropriated)	538.3	386.8	-	386.8
Appropriated Funds Total:	538.3	386.8	-	386.8
Fund Source Total:	538.3	386.8	-	386.8

Program Expenditure Schedule

Agency: Lottery

	FY 2024 Actuals	FY 2025 Expenditure Plan	FY 2026 Funding Issue	FY 2026 Total Request
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Program: LOA-1-0 Lottery

Sub Program: LOA-1-1 Lottery

Travel In-State

Travel In-State	-	271.6	-	271.6
Mileage - Private Vehicle	1.7	-	-	-
Motor Pool Charges	(107.2)	-	-	-
Lodging	11.2	-	-	-
Meals with Overnight Stay	2.7	-	-	-
Meals without Overnight Stay	0.0	-	-	-
Other Miscellaneous In- State Travel	0.5	-	-	-
Expenditure Category Total:	(91.2)	271.6	-	271.6

Fund Source

Appropriated Funds

LO2122 Lottery Fund (Appropriated)	(91.2)	271.6	-	271.6
Appropriated Funds Total:	(91.2)	271.6	-	271.6
Fund Source Total:	(91.2)	271.6	-	271.6

Travel Out-Of-State

Travel Out of State	-	16.8	-	16.8
Airfare and Other Common Carrier Charges	15.9	-	-	-
Car Rental Out-of-State	0.5	-	-	-
Lodging Out-of-State	21.7	-	-	-
Lodging Out-of-Country	1.4	-	-	-
Meals with Overnight Stay	3.8	-	-	-
Meals with Overnight Stay Out-of-Country	0.7	-	-	-
Other Miscellaneous Out-of- State Travel	1.7	-	-	-
Expenditure Category Total:	45.9	16.8	-	16.8

Fund Source

Appropriated Funds

LO2122 Lottery Fund (Appropriated)	45.9	16.8	-	16.8
Appropriated Funds Total:	45.9	16.8	-	16.8
Fund Source Total:	45.9	16.8	-	16.8

Other Operating Expenditures

Program Expenditure Schedule

Agency: Lottery

	FY 2024 Actuals	FY 2025 Expenditure Plan	FY 2026 Funding Issue	FY 2026 Total Request
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Program: LOA-1-0 Lottery

Sub Program: LOA-1-1 Lottery

Other Operating Expenses	-	1,222,959.0	-	1,222,959.0
Risk Management Charges to State Agencies	35.9	-	-	-
External Programming and System Development Costs	52.5	-	-	-
Other External Computer Processing, Hosting, Maintenance and Support Costs	101.4	-	-	-
Charges Imposed Related to AFIS.	9.5	-	-	-
External Telecommunications Charges	446.8	-	-	-
Electricity	24.8	-	-	-
Sanitation Waste Disposal	2.5	-	-	-
Water	11.6	-	-	-
Gas & Fuel Oil for Buildings	2.2	-	-	-
Miscellaneous Rent	2.7	-	-	-
Repair & Maintenance - Buildings	390.2	-	-	-
Repair & Maintenance - Other Equipment	15.2	-	-	-
Repair & Maintenance - Other	29.2	-	-	-
Software Support, Maintenance Short-term Licensing	522.9	-	-	-
Office Supplies	14.1	-	-	-
Computer Supplies	14.9	-	-	-
Housekeeping Supplies	9.7	-	-	-
Repair & Maintenance Supplies - Neither Automotive Nor Related to Buildings	0.5	-	-	-
Repair & Maintenance Supplies - Related to Buildings	3.4	-	-	-
Other Operating Supplies	21.8	-	-	-
Lottery Prizes	1,004,680.7	-	-	-
Employee Tuition Reimbursement	8.5	-	-	-
Conference Registration / Attendance Fees	23.1	-	-	-
Other Education & Training Costs	1.0	-	-	-
Internal Printing	1.2	-	-	-
External Printing	3.8	-	-	-
Postage & Delivery	12.2	-	-	-
Document Shredding and Destruction Services	0.2	-	-	-

Program Expenditure Schedule

Agency: Lottery

	FY 2024 Actuals	FY 2025 Expenditure Plan	FY 2026 Funding Issue	FY 2026 Total Request
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Program: LOA-1-0 Lottery

Sub Program: LOA-1-1 Lottery

Awards	3.2	-	-	-
Dues	48.5	-	-	-
Books, Subscriptions & Publications	15.8	-	-	-
Security Services	139.5	-	-	-
Fingerprinting, Background Checks, Etc.	51.1	-	-	-
Other Miscellaneous Operating	4.1	-	-	-
Expenditure Category Total:	1,006,704.7	1,222,959.0	-	1,222,959.0

Fund Source

Appropriated Funds

LO2122 Lottery Fund (Appropriated)	2,024.0	1,933.7	-	1,933.7
Appropriated Funds Total:	2,024.0	1,933.7	-	1,933.7

Non-Appropriated Funds

LO3179 Lottery - Prize Fund (Non-Appropriated)	1,004,680.7	1,221,025.3	-	1,221,025.3
Non-Appropriated Funds Total:	1,004,680.7	1,221,025.3	-	1,221,025.3
Fund Source Total:	1,006,704.7	1,222,959.0	-	1,222,959.0

Capital Equipment

Computer Equipment - Capitalized Purchase	68.3	-	-	-
Expenditure Category Total:	68.3	-	-	-

Fund Source

Appropriated Funds

LO2122 Lottery Fund (Appropriated)	68.3	-	-	-
Appropriated Funds Total:	68.3	-	-	-
Fund Source Total:	68.3	-	-	-

Program Expenditure Schedule

Agency: Lottery

	FY 2024 Actuals	FY 2025 Expenditure Plan	FY 2026 Funding Issue	FY 2026 Total Request
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Program: LOA-1-0 Lottery

Sub Program: LOA-1-1 Lottery

Non-Capital Equipment

Furniture - Non-Capital Purchase	1.3	-	-	-
Computer Equipment – Non- Capitalized Purchases	33.4	-	-	-
Other Equipment - Non- Capital Purchase	22.6	-	-	-
Expenditure Category Total:	57.3	-	-	-

Fund Source

Appropriated Funds

LO2122 Lottery Fund (Appropriated)	57.3	-	-	-
Appropriated Funds Total:	57.3	-	-	-
Fund Source Total:	57.3	-	-	-

Transfers-Out

Transfers	-	1,197,501.4	-	1,197,501.4
Transfers Out – Not Subject to Cost Allocation	1,044,704.9	-	-	-
Expenditure Category Total:	1,044,704.9	1,197,501.4	-	1,197,501.4

Fund Source

Appropriated Funds

LO2122 Lottery Fund (Appropriated)	84.8	-	-	-
Appropriated Funds Total:	84.8	-	-	-

Non-Appropriated Funds

LO2122 Lottery Fund (Non-Appropriated)	1,036,239.0	1,190,176.4	-	1,190,176.4
LO3179 Lottery - Prize Fund (Non-Appropriated)	8,381.1	7,325.0	-	7,325.0
Non-Appropriated Funds Total:	1,044,620.1	1,197,501.4	-	1,197,501.4
Fund Source Total:	1,044,704.9	1,197,501.4	-	1,197,501.4

Employee Retirement Coverage

Retirement System	FTE	Personal Services	Fund#
Arizona State Retirement System	98.8	98.8	LO2122-A

Program Expenditure Schedule

Agency: Lottery

	FY 2024 Actuals	FY 2025 Expenditure Plan	FY 2026 Funding Issue	FY 2026 Total Request
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Program: LOA-1-0 Lottery

Sub Program: LOA-1-2 SLI Instant Tickets

Other Operating Expenditures				
Other Operating Expenses	-	42,399.6	-	42,399.6
Lottery Distribution Costs	17,224.4	-	-	-
Other Resale Supplies	10,121.2	-	-	-
Expenditure Category Total:	27,345.6	42,399.6	-	42,399.6

Fund Source				
Appropriated Funds				
LO2122 Lottery Fund (Appropriated)	27,345.6	42,399.6	-	42,399.6
Appropriated Funds Total:	27,345.6	42,399.6	-	42,399.6
Fund Source Total:	27,345.6	42,399.6	-	42,399.6

Employee Retirement Coverage					
Retirement System	FTE	Personal Services	Fund#		
	-	-			

Sub Program: LOA-1-3 SLI Advertising

Other Operating Expenditures				
Other Operating Expenses	-	15,500.0	4,000.0	19,500.0
Advertising	13,841.1	-	-	-
Expenditure Category Total:	13,841.1	15,500.0	4,000.0	19,500.0

Fund Source				
Appropriated Funds				
LO2122 Lottery Fund (Appropriated)	13,841.1	15,500.0	4,000.0	19,500.0
Appropriated Funds Total:	13,841.1	15,500.0	4,000.0	19,500.0
Fund Source Total:	13,841.1	15,500.0	4,000.0	19,500.0

Employee Retirement Coverage					
Retirement System	FTE	Personal Services	Fund#		
	-	-			

Program Expenditure Schedule

Agency: Lottery

	FY 2024 Actuals	FY 2025 Expenditure Plan	FY 2026 Funding Issue	FY 2026 Total Request
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Program: LOA-1-0 Lottery

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

Professional & Outside Services

Professional and Outside Services	-	20,729.9	(2,766.3)	17,963.6
Other Professional & Outside Services	20,105.9	-	-	-
Expenditure Category Total:	20,105.9	20,729.9	(2,766.3)	17,963.6

Fund Source

Appropriated Funds

LO2122 Lottery Fund (Appropriated)	20,105.9	20,729.9	(2,766.3)	17,963.6
Appropriated Funds Total:	20,105.9	20,729.9	(2,766.3)	17,963.6
Fund Source Total:	20,105.9	20,729.9	(2,766.3)	17,963.6

Employee Retirement Coverage

Retirement System	FTE	Personal Services	Fund#
	-	-	

Sub Program: LOA-1-5 SLI Retailer Commissions

Other Operating Expenditures

Other Operating Expenses	-	110,876.2	-	110,876.2
Aggregate commissions withheld by or paid to sales agents.	100,684.2	-	-	-
Expenditure Category Total:	100,684.2	110,876.2	-	110,876.2

Fund Source

Appropriated Funds

LO2122 Lottery Fund (Appropriated)	100,684.2	110,876.2	-	110,876.2
Appropriated Funds Total:	100,684.2	110,876.2	-	110,876.2
Fund Source Total:	100,684.2	110,876.2	-	110,876.2

Employee Retirement Coverage

Retirement System	FTE	Personal Services	Fund#
	-	-	

Program Expenditure Schedule

Agency: Lottery

	FY 2024 Actuals	FY 2025 Expenditure Plan	FY 2026 Funding Issue	FY 2026 Total Request
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Program: LOA-1-0 Lottery

Sub Program: LOA-1-7 SLI Charitable Commissions

Other Operating Expenditures

Other Operating Expenses	-	1,994.9	-	1,994.9
Aggregate commissions withheld by or paid to sales agents.	1,687.1	-	-	-
Expenditure Category Total:	1,687.1	1,994.9	-	1,994.9

Fund Source

Appropriated Funds

LO2122 Lottery Fund (Appropriated)	1,687.1	1,994.9	-	1,994.9
Appropriated Funds Total:	1,687.1	1,994.9	-	1,994.9
Fund Source Total:	1,687.1	1,994.9	-	1,994.9

Employee Retirement Coverage

Retirement System	FTE	Personal Services	Fund#
	-	-	

Program Expenditure Schedule

Agency:	Lottery
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Administrative Costs Summary	FY 2026
Personal Services	3,152.1
ERE	1,260.2
All Other	3,112.1
Administrative Costs Total:	7,524.4

Administrative Costs / Total Expenditure Ratio	Request	Admin %
FY 2026	2,621,456.9	0.3%