

# STATE OF WISCONSIN

SENATE CHAIR  
ALBERTA DARLING

317 East, State Capitol  
P.O. Box 7882  
Madison, WI 53707-7882  
Phone: (608) 266-5830



ASSEMBLY CHAIR  
JOHN NYGREN

309 East, State Capitol  
P.O. Box 8953  
Madison, WI 53708-8953  
Phone: (608) 266-2343

## JOINT COMMITTEE ON FINANCE

**REVISED**

To: Members  
Joint Committee on Finance

From: Senator Alberta Darling  
Representative John Nygren

Date: October 1, 2015

Re: Passive Review Approval -- DOA

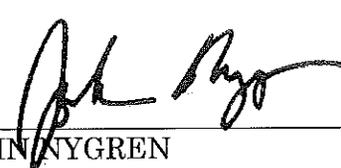
Pursuant to s. 79.10(11), Stats., the Department of Administration has provided to the Committee an estimate of the total funds available for distribution under the lottery and gaming credit. If the Committee wishes to revise the total amount to be distributed, it must do so at a meeting that takes place before October 16, 2015.

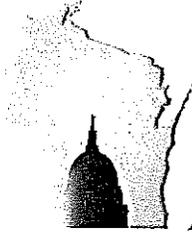
Please review the material and notify Senator Darling or Representative Nygren no later than Tuesday, October 13, 2015, if you have any concerns about the request or if you would like the Committee to meet formally to consider it.

Also, please contact us if you need further information.

Attachments  
AD:JN:jm

  
ALBERTA DARLING  
Senate Chair

  
JOHN NYGREN  
Assembly Chair



**WISCONSIN DEPARTMENT OF  
ADMINISTRATION**

**SCOTT WALKER**  
GOVERNOR  
**SCOTT A. NEITZEL**  
SECRETARY

Office of the Secretary  
Post Office Box 7864  
Madison, WI 53707-7864  
Voice (608) 266-1741  
Fax (608) 267-3842  
TTY (608) 267-9629

September 29, 2015

The Honorable Alberta Darling, Senate Co-Chair  
Joint Committee on Finance  
317 East, State Capitol  
Madison, WI 53702

RECEIVED  
SEP 30 2015

St. Finance

The Honorable John Nygren, Assembly Co-Chair  
Joint Committee on Finance  
309 East, State Capitol  
Madison, WI 53702

Dear Senator Darling and Representative Nygren:

Under s. 79.10(11), Wisconsin Statutes, the Department of Administration must submit to the Joint Committee on Finance its estimate of the total funds available for distribution under the lottery and gaming credit.

Total funds available equal net lottery proceeds and interest plus net racing and bingo proceeds less the amounts expended for gaming enforcement and lottery credit administration. A 2 percent reserve of estimated gross revenues is also required under s. 20.003(5), Wisconsin Statutes.

The department estimates \$161,428,592 will be available for distribution in December 2015. A more detailed calculation of this estimate is attached for your review.

Following the Committee's approval or revision of the estimate, the department will inform the Department of Revenue of the total amount available for the lottery and gaming credit. The Department of Revenue will then calculate the estimated fair market value necessary to distribute the total amount of revenue available.

Sincerely,

Scott A. Neitzel  
Secretary

Enc.

cc: Members, Joint Committee on Finance  
Richard Chandler, Secretary of Revenue

**Lottery Fund Condition Statement**  
 B-3 REVENUE AND BALANCE FORM

**Lottery Credit Certification FY16**  
**Last Update: September 28, 2015**

	Actual 2014-15	Projected 2015-16	Projected 2016-17
<b>Fiscal Year Opening Balance</b>	\$ 23,564,362	\$ 18,744,908	\$ 11,605,600
<b>OPERATING REVENUES</b>			
Ticket Sales			
Instant Scratch Games	\$ 356,370,186	\$ 356,191,512	\$ 356,191,512
Pull-Tab Games	\$ 1,093,320	\$ 974,448	\$ 974,448
Lotto Games	\$ 217,167,877	\$ 223,006,916	\$ 223,006,916
Total Ticket Sales	\$ 574,631,382	\$ 580,172,876	\$ 580,172,876
Retailer Fees and Miscellaneous Operating Revenue	\$ 267,144	\$ 109,410	\$ 81,633
<b>GROSS REVENUES</b>	\$ 574,898,526	\$ 580,282,286	\$ 580,254,509
<b>EXPENDITURES</b>			
Gaming Law Enforcement (DOJ) s. 20.455 (2)(r)	\$ 393,849	\$ 389,500	\$ 389,500
Lottery Credit Administration (DOR) s. 20.566 (2)(r)	\$ 246,520	\$ 285,800	\$ 285,800
Prizes (DOR) s. 20.566 (8)(s)	\$ 342,460,528	\$ 346,733,805	\$ 346,733,805
Retailer Compensation (DOR) s. 20.566 (8)(r)	\$ 36,427,297	\$ 43,767,519	\$ 40,581,465
Vendor Fees (DOR) s. 20.566 (8)(v)	\$ 12,843,263	\$ 12,986,391	\$ 12,986,391
General Program Operations (DOR) s. 20.566 (8)(q)	\$ 21,003,832	\$ 21,900,600	\$ 21,915,100
Banking Fees & Misc Expenses	\$ -	\$ -	\$ -
Employee Compensation Reserves	\$ -	\$ -	\$ -
Health Insurance Reserves	\$ -	\$ 87,200	\$ 170,000
Rent Reserves	\$ -	\$ 22,000	\$ 37,100
<b>TOTAL EXPENDITURES</b>	\$ 413,375,290	\$ 426,172,815	\$ 423,099,161
<b>NET PROCEEDS</b>	\$ 161,523,237	\$ 154,109,471	\$ 157,155,348
OPERATING TRANSFERS IN (Gaming Revenue)	\$ 21,264	\$ 21,264	\$ 21,264
INTEREST EARNINGS	\$ 68,931	\$ 325,691	\$ 1,186,632
<b>Total Available for Tax Relief</b>	\$ 185,177,794	\$ 173,201,333	\$ 169,968,845
<b>APPROPRIATIONS FOR TAX RELIEF</b>			
Farmland Tax Relief Credit (DOR) s. 20.835 (2)(q)	\$ 22	\$ -	\$ -
Lottery and Gaming Credit (DOR) s. 20.835 (3)(q)	\$ 166,020,939	\$ 161,428,592	\$ 158,196,603
Lottery and Gaming Credit; Late Applications (DOR) s. 20.835 (3)(s)	\$ 412,364	\$ 167,142	\$ 167,142
<b>Total Appropriations for Tax Relief</b>	\$ 166,433,326	\$ 161,595,733	\$ 158,363,745
<b>Gross Closing Balance</b>	\$ 18,744,468	\$ 11,605,600	\$ 11,605,100
<b>Reserve (2% of Gross Revenues)</b>	\$ 11,498,000	\$ 11,605,600	\$ 11,605,100
<b>Change in Encumbrance Balance</b>	\$ (440)	\$ -	\$ -
<b>Net Closing Balance</b>	\$ 7,246,028	\$ -	\$ -

Projected FY16 Retailer Compensation includes \$3,186,054 for FY15 Performance Incentives paid in FY16.