

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 8593
Madison, WI 53708-8953
Phone: (608) 266-2343

Revised Joint Committee on Finance

MEMORANDUM

To: Members
Joint Committee on Finance

From: Senator Alberta Darling
Representative John Nygren

Date: October 3, 2017

Re: 14-Day Passive Review Approval – DOA

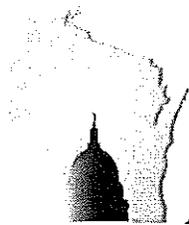
Pursuant to s. 79.10(11), Stats., attached is a passive review request from the Department of Administration, received on October 2, 2017.

Please review the material and notify **Senator Darling** or **Representative Nygren** no later than **Friday, October 13, 2017**, 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



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 28, 2017

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

OCT 02 2017
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:

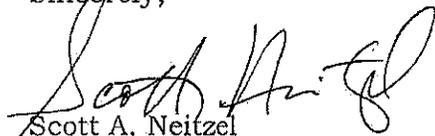
Under s. 79.10(11), Wisconsin Statutes, the Department of Administration must submit to the Joint Committee on Finance its estimate of the total funds available for distribution under the lottery and gaming credit.

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 \$172,129,432 will be available for distribution in December 2017. 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 FY2018
Last Update: September 28, 2017

	Actual 2015-16	Actual 2016-17	Projected 2017-18
Fiscal Year Opening Balance	\$ 18,744,908	\$ 32,588,022	\$ 13,175,567
OPERATING REVENUES			
Ticket Sales			
Instant Scratch Games	\$ 378,800,170	\$ 384,817,222	\$ 388,124,444
Pull-Tab Games	\$ 1,130,803	\$ 1,049,397	\$ 994,504
Lotto Games	\$ 247,233,964	\$ 216,906,158	\$ 216,584,521
Total Ticket Sales	\$ 627,164,937	\$ 602,772,777	\$ 605,703,469
Retailer Fees and Miscellaneous Operating Revenue	\$ 123,038	\$ 403,498	\$ 82,436
GROSS REVENUES	\$ 627,287,975	\$ 603,176,275	\$ 605,785,905
EXPENDITURES			
Gaming Law Enforcement (DOJ) s. 20.455 (2)(r)	\$ 354,244	\$ 388,183	\$ 351,900
Lottery Credit Administration (DOR) s. 20.566 (2)(r)	\$ 190,120	\$ 183,681	\$ 267,900
Prizes (DOR) s. 20.566 (8)(s)	\$ 372,558,701	\$ 362,966,128	\$ 364,965,649
Retailer Compensation (DOR) s. 20.566 (8)(t)	\$ 46,695,529	\$ 41,289,050	\$ 42,473,986
GPR for Retailer Compensation expenses			\$ (8,000,000)
Vendor Fees (DOR) s. 20.566 (8)(v)	\$ 14,462,323	\$ 14,064,802	\$ 15,606,253
General Program Operations (DOR) s. 20.566 (8)(q)	\$ 21,524,854	\$ 20,810,173	\$ 19,407,500
Banking Fees & Misc Expenses	\$ 114	\$ 128	\$ -
Employee Compensation Reserves	\$ -	\$ -	\$ -
Health Insurance Reserves	\$ -	\$ -	\$ 121,100
WRS Reserves	\$ -	\$ -	\$ -
Rent Reserves	\$ -	\$ -	\$ 32,500
TOTAL EXPENDITURES	\$ 455,785,885	\$ 439,702,144	\$ 435,226,788
NET PROCEEDS	\$ 171,502,090	\$ 163,474,131	\$ 170,559,116
OPERATING TRANSFERS IN (Gaming Revenue)	\$ 36	\$ 32,794	\$ 32,425
INTEREST EARNINGS	\$ 225,488	\$ 432,353	\$ 736,151
Total Available for Tax Relief	\$ 190,472,522	\$ 196,527,301	\$ 184,503,259
APPROPRIATIONS FOR TAX RELIEF			
Farmland Tax Relief Credit (DOR) s. 20.835 (2)(q)	\$ 895	\$ 1,494	\$ -
Lottery and Gaming Credit (DOR) s. 20.835 (3)(q)	\$ 157,829,226	\$ 183,154,845	\$ 172,129,432
Lottery and Gaming Credit; Late Applications (DOR) s. 20.835 (3)(s)	\$ 257,606	\$ 195,395	\$ 258,127
Total Appropriations for Tax Relief	\$ 158,087,726	\$ 183,351,734	\$ 172,387,559
Gross Closing Balance	\$ 32,384,795	\$ 13,175,567	\$ 12,115,700
Reserve (2% of Gross Revenues)	\$ 12,545,800	\$ 12,063,500	\$ 12,115,700
Change in Encumbrance Balance	\$ (203,227)	\$ -	\$ -
Net Closing Balance	\$ 20,042,222	\$ 1,112,067	\$ -