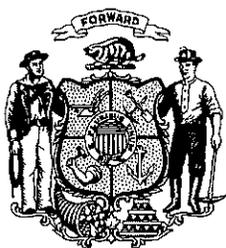


State of Wisconsin

SENATE CHAIR
Alberta Darling

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



ASSEMBLY CHAIR
John Nygren

308 East, State Capitol
P.O. Box 8593
Madison, WI 53708-8953
Phone: (608) 266-2343

Joint Committee on Finance

MEMORANDUM

To: Members
Joint Committee on Finance

From: Senator Alberta Darling
Representative John Nygren

Date: September 27, 2019

Re: 14-Day Passive Review Approval – DOA

Pursuant to s. 79.10(11), Stats., attached is a 14-day passive review request from the Department of Administration, received on September 27, 2019.

Please review the material and notify **Senator Darling** or **Representative Nygren** no later than **Wednesday, October 16, 2019**, 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



STATE OF WISCONSIN
DEPARTMENT OF ADMINISTRATION

Tony Evers, Governor
Joel Brennan, Secretary

September 26, 2019

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

SEP 27 2019
J. 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:

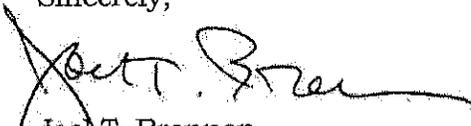
Under s. 79.10(11), Wisconsin Statutes, the Department of Administration must submit to the Joint Committee on Finance its estimate of the total funds available for distribution under the lottery and gaming credit.

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 \$271,222,950 will be available for distribution in December 2019. 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,



Joel T. Brennan
Secretary

Enc.

cc: Members, Joint Committee on Finance
Peter Barca, Secretary of Revenue

Lottery Credit Certification FY20
 Last Update: 9/24/2019

	ACTUAL 2017-18	ACTUAL 2018-19	PROJECTED 2019-20
FISCAL YEAR OPENING BALANCE	\$13,214,691	\$32,310,397	\$32,169,817
GROSS REVENUES - OPERATING			
Ticket Sales			
Scratch Games	\$419,398,240	\$450,364,292	\$454,867,935
Pull-Tab Games	\$1,036,575	\$978,975	\$972,113
Lotto Games	\$246,957,605	\$261,789,507	\$247,274,325
Total Ticket Sales	\$667,392,420	\$713,132,773	\$703,114,373
Retailer Fees & Miscellaneous Revenue	\$286,937	\$1,257,472	\$192,427
TOTAL GROSS REVENUES - OPERATING	\$667,679,357	\$714,390,245	\$703,306,800
EXPENDITURES			
Prizes-SEG	\$404,205,317	\$432,195,345	\$432,400,126
Retailer Compensation-SEG	\$38,486,279	\$9,703,093	\$1,322,522
Retailer Compensation-GPR	\$8,000,000	\$40,000,000	\$47,980,700
Vendor Fees-SEG	\$17,696,362	\$20,778,509	\$2,706,726
Vendor Fees-GPR			\$17,826,000
General Program Operations-SEG	\$18,419,839	\$18,976,877	\$13,974,000
General Program Operations-GPR			\$5,893,300
Lottery Credit Administration-SEG	\$230,849	\$228,584	\$280,200
Gaming Law Enforcement-SEG	\$356,700	\$352,300	\$433,600
Banking Fees & Misc Expenses-SEG	\$119	\$0	\$149
Program Reserves			\$111,057
TOTAL EXPENDITURES	\$487,395,465	\$522,234,709	\$522,928,381
NET SEG PROCEEDS	\$188,283,891	\$232,155,536	\$252,078,419
Interest Earnings	\$1,058,066	\$2,583,872	\$1,548,235
Gaming Revenue Transfer In	\$8,886	\$0	\$10,429
TOTAL AVAILABLE FOR TAX RELIEF	\$202,565,535	\$267,049,805	\$285,806,900
Lottery and Gaming Credit-SEG	\$169,874,658	\$234,224,767	\$271,222,950
Late Lottery & Gaming Credit Applications-SEG	\$380,480	\$655,221	\$517,850
Farmland Tax Relief Credit-SEG	\$0	\$0	\$0
TOTAL APPROPRIATIONS FOR TAX RELIEF	\$170,255,138	\$234,879,988	\$271,740,800
Gross Closing Balance	\$32,310,397	\$32,169,817	\$14,066,100
Reserve (2% of Gross Revenues-Operating)	\$13,353,600	\$14,287,800	\$14,066,100
NET CLOSING BALANCE	\$18,956,797	\$17,882,017	\$0