

# 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 29, 2020

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 29, 2020.

Please review the material and notify **Senator Darling** or **Representative Nygren** no later than **Friday, October 16, 2020**, 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 29, 2020

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

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 \$237,442,068 will be available for distribution in December 2020. 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

SEP 29 2020  
ST. FINANCE

## Lottery Fund Condition Statement

Last Update: 9/25/2020

	ACTUAL 2019-20	PROJECTED 2020-21
<b>FISCAL YEAR OPENING BALANCE</b>	\$ 32,169,817	\$ 16,480,205
<b>GROSS REVENUES - OPERATING</b>		
Ticket Sales		
Scratch Games	\$ 512,986,222	\$ 481,599,679
Pull-Tab Games	\$ 755,460	\$ 358,512
Lotto Games	\$ 211,698,030	\$ 192,329,337
<b>Total Ticket Sales</b>	<b>\$ 725,439,712</b>	<b>\$ 674,287,528</b>
Retailer Fees & Miscellaneous Revenue	\$ 217,867	\$ 142,300
<b>TOTAL GROSS REVENUES - OPERATING</b>	<b>\$ 725,657,578</b>	<b>\$ 674,429,828</b>
<b>EXPENDITURES</b>		
Prizes	\$ 453,523,027	\$ 423,961,166
Retailer Compensation - SEG	\$ 2,918,880	
Retailer Compensation - GPR	\$ 47,980,700	\$ 47,510,281
Vendor Fees - SEG	\$ 1,452,347	\$ 1,955,399
Vendor Fees - GPR	\$ 17,826,000	\$ 17,826,000
General Program Operations - SEG	\$ 14,029,568	\$ 12,590,600
General Program Operations - GPR	\$ 4,994,477	\$ 7,276,700
Lottery Credit Administration	\$ 200,158	\$ 281,900
Gaming Law Enforcement	\$ 433,600	\$ 434,100
Banking Fees & Misc Expenses	\$ 1,957	\$ 700
Program Reserves		\$ 153,200
<b>TOTAL EXPENDITURES - GPR</b>	<b>\$ 70,801,177</b>	<b>\$ 72,612,981</b>
<b>TOTAL EXPENDITURES - SEG</b>	<b>\$ 472,559,537</b>	<b>\$ 439,377,065</b>
<b>NET SEG PROCEEDS</b>	<b>\$ 253,098,042</b>	<b>\$ 235,052,763</b>
Interest Earnings	\$ 1,614,417	\$ 63,300
Gaming Revenue Transfer In	\$ -	\$ -
<b>TOTAL AVAILABLE FOR TAX RELIEF **</b>	<b>\$ 286,882,276</b>	<b>\$ 251,596,268</b>
<b>APPROPRIATIONS FOR TAX RELIEF</b>		
Lottery and Gaming Credit	\$ 269,726,105	\$ 237,442,068
Late Lottery & Gaming Credit Applications	\$ 675,965	\$ 665,600
Farmland Tax Relief Credit	\$ -	\$ -
<b>TOTAL APPROPRIATIONS FOR TAX RELIEF</b>	<b>\$ 270,402,070</b>	<b>\$ 238,107,668</b>
Gross Closing Balance	\$ 16,480,205	\$ 13,488,600
Reserve (2% of Gross Revenues-Operating)	\$ 14,513,200	\$ 13,488,600
<b>NET CLOSING BALANCE</b>	<b>\$ 1,967,005</b>	<b>\$ -</b>