

# State of Wisconsin

SENATE CHAIR  
**Howard Marklein**

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## Joint Committee on Finance

### MEMORANDUM

To: Members  
Joint Committee on Finance

From: Senator Howard Marklein  
Representative Mark Born

Date: September 27, 2023

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, 2023.

Please review the material and notify **Senator Marklein** or **Representative Born** no later than **Monday, October 16, 2023**, 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

HM:MB:jm



STATE OF WISCONSIN  
DEPARTMENT OF ADMINISTRATION

Tony Evers, Governor  
Kathy Blumenfeld, Secretary

September 27, 2023

SEP 27 2023  
*St. Finance*

The Honorable Howard Marklein, Senate Co-Chair  
Joint Committee on Finance  
316 East, State Capitol  
Madison, WI 53702

The Honorable Mark Born, Assembly Co-Chair  
Joint Committee on Finance  
308 East, State Capitol  
Madison, WI 53702

Dear Senator Marklein and Representative Born:


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 \$362,353,138 will be available for distribution in December 2023. 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,

DocuSigned by:  
  
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Kathy K. Blumenfeld  
Secretary

Enc.

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

**Lottery Fund Condition Statement**

Last Update: 9/5/2023

	ACTUAL 2022-23	PROJECTED 2023-24
<b>FISCAL YEAR OPENING BALANCE</b>	<b>\$ 39,715,126</b>	<b>\$ 54,894,567</b>
<b>GROSS REVENUES - OPERATING</b>		
Ticket Sales		
Scratch Games	\$ 652,963,645	\$ 621,425,662
Pull-Tab Games	\$ 1,416,300	\$ 1,330,131
Lotto Games	\$ 327,288,769	\$ 307,918,628
<b>Total Ticket Sales</b>	<b>\$ 981,668,714</b>	<b>\$ 930,674,421</b>
 Retailer Fees & Miscellaneous Revenue	 \$ 174,782	 \$ 170,200
<b>TOTAL GROSS REVENUES - OPERATING</b>	<b>\$ 981,843,495</b>	<b>\$ 930,844,621</b>
<b>EXPENDITURES</b>		
Prizes	\$ 608,174,453	\$ 583,812,131
Retailer Compensation - SEG	\$ 16,756,957	\$ 1,056,009
Retailer Compensation - GPR	\$ 51,999,600	\$ 64,366,400
Vendor Fees - SEG	\$ 9,237,261	\$ 476,933
Vendor Fees - GPR	\$ 20,875,400	\$ 24,358,400
General Program Operations	\$ 17,907,402	\$ 20,728,900
Lottery Credit Administration	\$ 314,722	\$ 339,200
Gaming Law Enforcement	\$ 457,200	\$ 415,400
Banking Fees & Misc Expenses	\$ 174	\$ 200
Program Reserves		\$ 550,377
<b>TOTAL EXPENDITURES - GPR</b>	<b>\$ 72,875,000</b>	<b>\$ 88,724,800</b>
<b>TOTAL EXPENDITURES - SEG</b>	<b>\$ 652,848,168</b>	<b>\$ 607,379,150</b>
<b>NET SEG PROCEEDS</b>	<b>\$ 328,995,327</b>	<b>\$ 323,465,471</b>
 Interest Earnings	 \$ 5,838,356	 \$ 3,460,000
Gaming Revenue Transfer In	\$ -	\$ -
<b>TOTAL AVAILABLE FOR TAX RELIEF</b>	<b>\$ 374,548,810</b>	<b>\$ 381,820,038</b>
<b>APPROPRIATIONS FOR TAX RELIEF</b>		
Lottery and Gaming Credit	\$ 318,781,670	\$ 362,353,138
Late Lottery & Gaming Credit Applications	\$ 872,573	\$ 850,000
Farmland Tax Relief Credit	\$ -	\$ -
<b>TOTAL APPROPRIATIONS FOR TAX RELIEF</b>	<b>\$ 319,654,242</b>	<b>\$ 363,203,138</b>
 Gross Closing Balance	 \$ 54,894,567	 \$ 18,616,900
Reserve (2% of Gross Revenues-Operating)	\$ 19,636,900	\$ 18,616,900
<b>NET CLOSING BALANCE</b>	<b>\$ 35,257,667</b>	<b>\$ -</b>