

Governmental Affairs Policy Committee

**Tuesday, October 6, 2009
1:30 PM - 2:30 PM
306 HOB**

Committee Meeting Notice

HOUSE OF REPRESENTATIVES

Governmental Affairs Policy Committee

Start Date and Time: Tuesday, October 06, 2009 01:30 pm
End Date and Time: Tuesday, October 06, 2009 02:30 pm
Location: 306 HOB
Duration: 1.00 hrs

Introduction of Committee Members and staff

Agency overview presentations by:
Department of the Lottery
Department of Management Services
Department of State, Division of Elections

NOTICE FINALIZED on 09/29/2009 15:07 by Ellinor.Martha

Committee Information

Governmental Affairs Policy Committee

Chair: Robert "Rob" Schenck

Vice Chair: Kenneth "Ken" Roberson

Democratic Ranking Member: Oscar Braynon II

Members:	Kevin Ambler	Debbie Mayfield
	Thomas "Tom" Anderson	Charles McBurney
	James "Jim" Frishe	Scott Randolph
	Doug Holder	Michelle Rehwinkel Vasilinda
	Paige Kreegel	Kelly Skidmore
	Rick Kriseman	

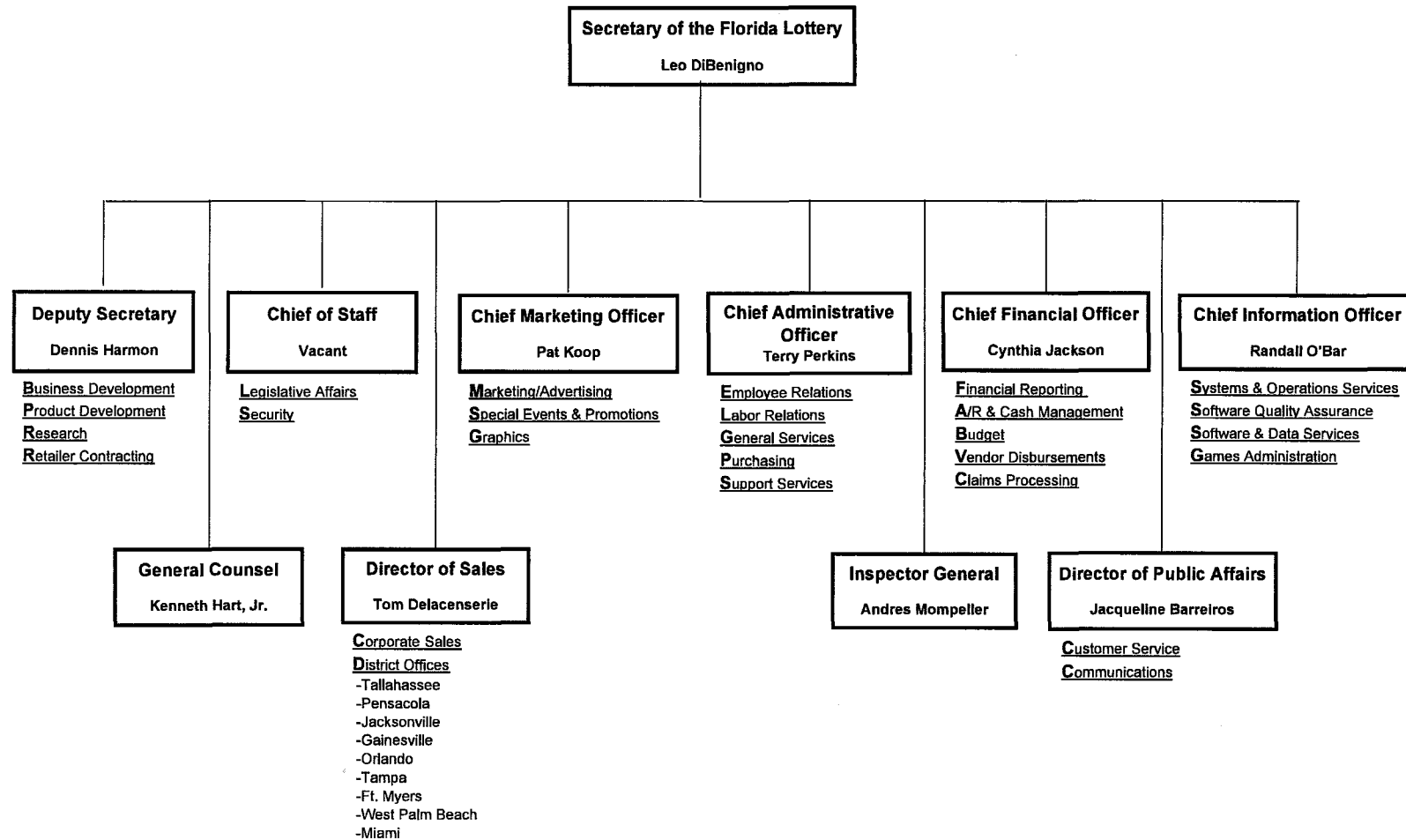
Staff: Heather Williamson, Staff Director
Martha Ellinor, Senior Administrative Assistant
Judy McDonald, Chief Legislative Analyst
Eric Haug, Senior Legislative Analyst

Address: 209 House Office Building
402 South Monroe Street
Tallahassee, Florida 32399-1300
Phone: 850.488.1791

General Subject Matter by Topic

- State employee benefits
- Collective bargaining
- Florida Retirement System
- Issues involving public officers and employees
- Procurement and state contracting
- Administrative Procedure Act and agency rulemaking
- Government reorganization
- Creation of boards, councils, and commissions
- State technology issues
- State lottery
- Ethics and elections
- Public records and open meetings
- Privacy issues as a result of access to government records and meetings

DEPARTMENT OF THE LOTTERY



Florida Lottery Overview

Governmental Affairs Policy Committee

October 6, 2009

**Charlie Crist
Governor**

**Leo DiBenigno
Secretary**

Florida Lottery Mission and Mandate

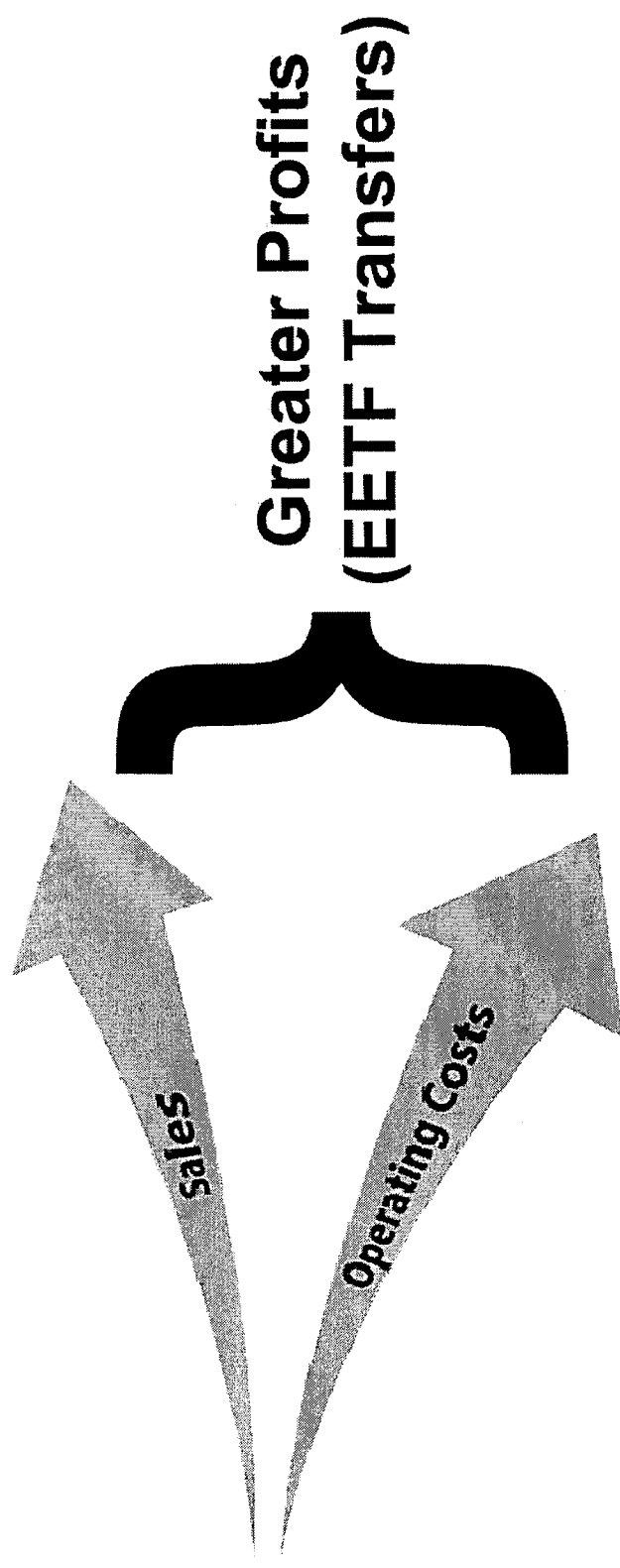
Purpose

“ . . . to operate the state lottery . . .so as to maximize revenues [for the Educational Enhancement Trust Fund] in a manner consonant with the dignity of the state and the welfare of its citizens.” (Section 24.104, Florida Statutes).

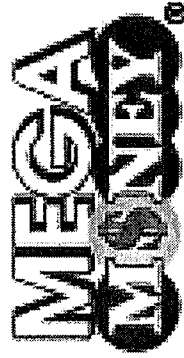
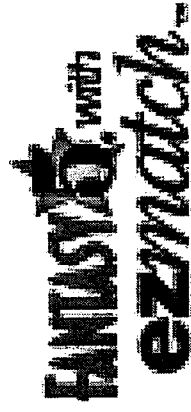
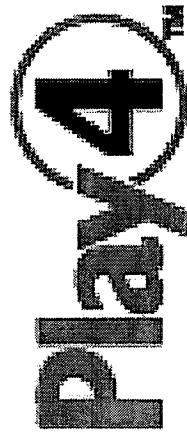
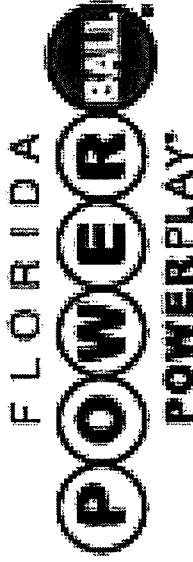
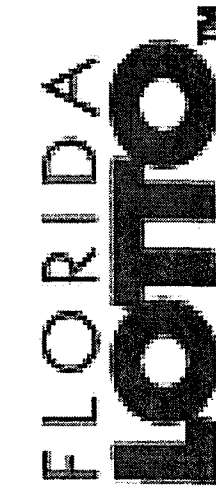
Legislative Intent

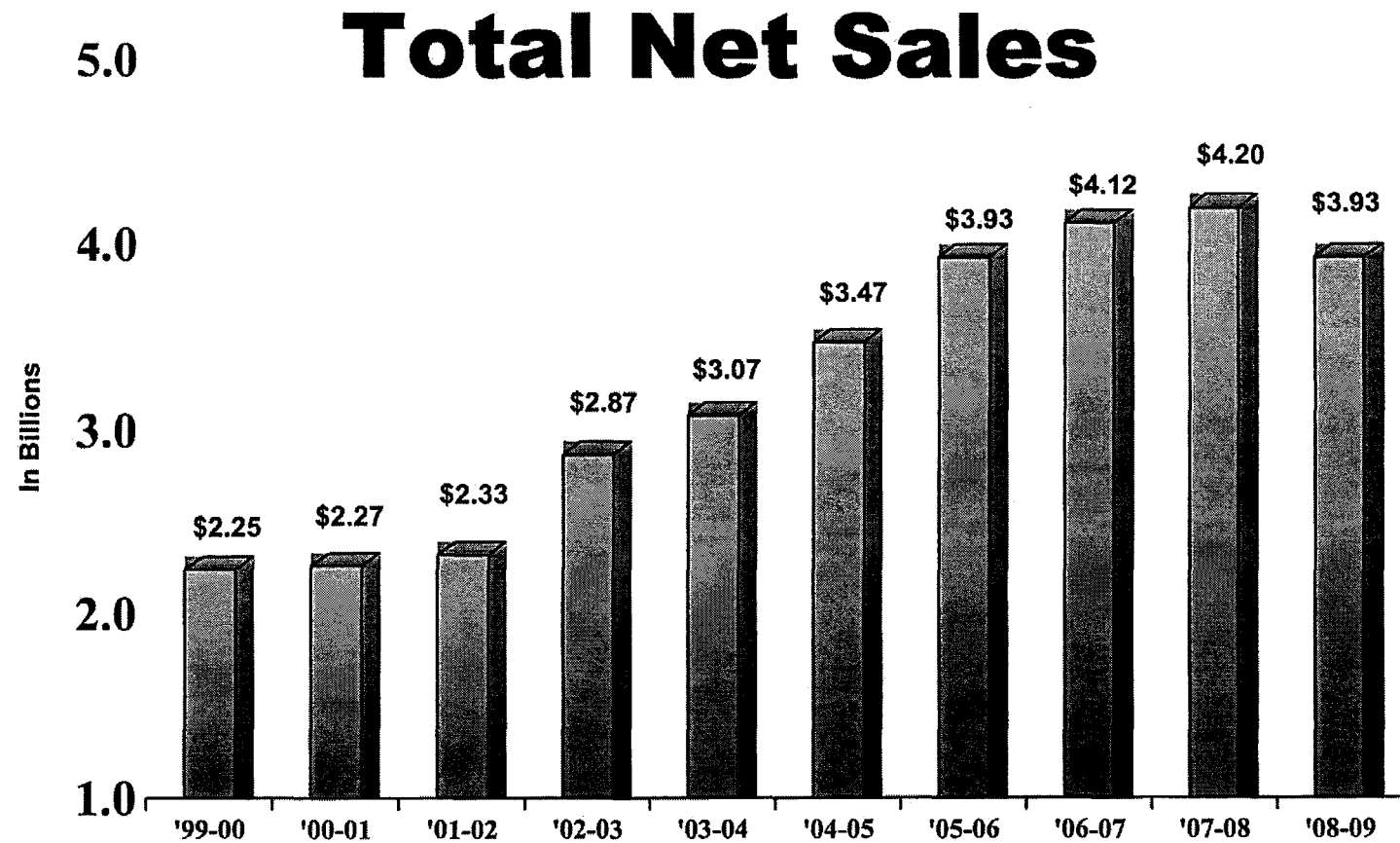
“That the lottery games be operated by a department of state government that functions as much as possible in the manner of an entrepreneurial business enterprise.” Section 24.102, Florida Statutes).

Two-Fold Strategy



The Games of the Florida Lottery





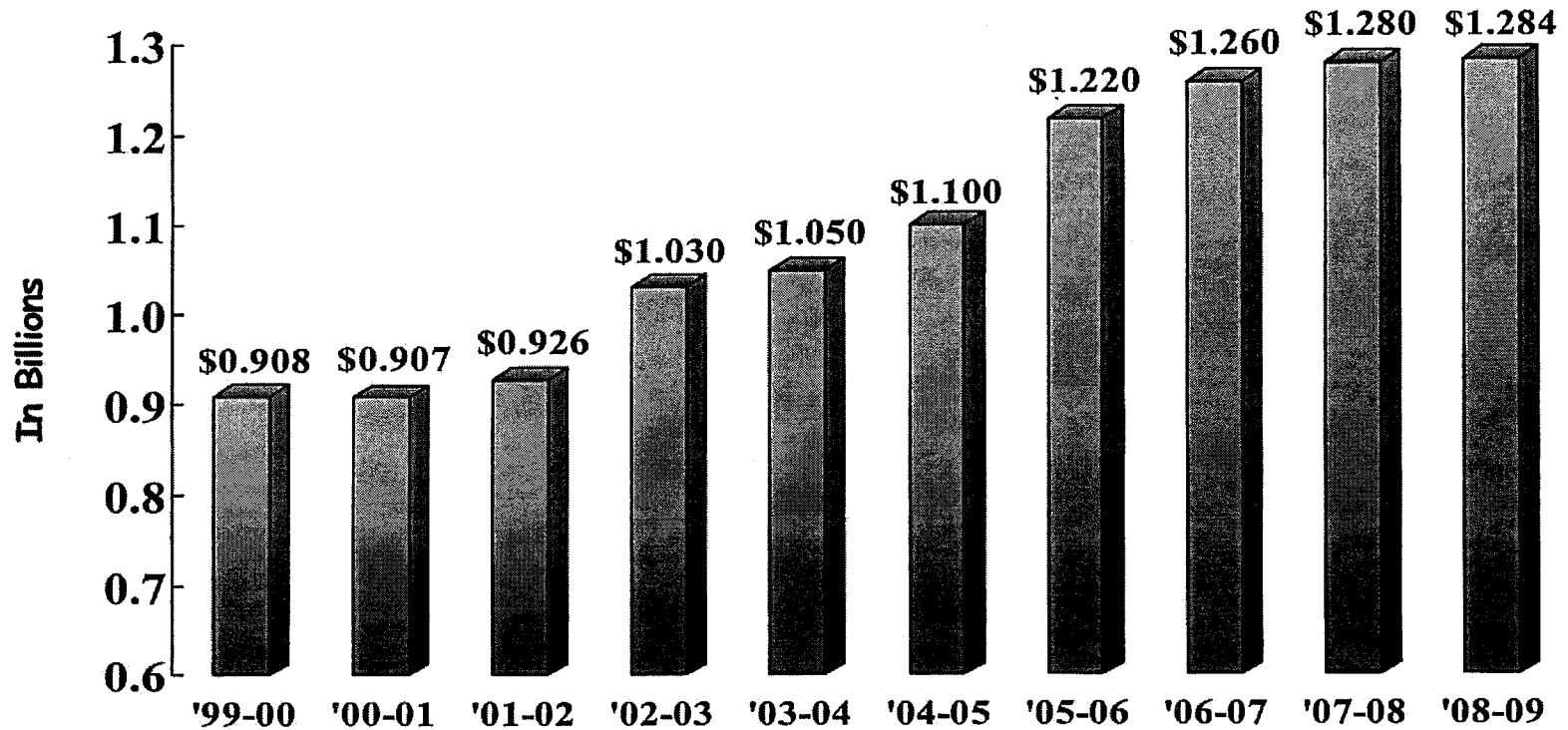
Calculation: Profits to EETF

Monthly

Revenues
-Expenses
Transfer

Net Profit

(Transfers to the Educational Enhancement Trust Fund)



The Lottery Sales Dollar

Prizes: 61.6%

Vendors: 1.5%

EETF:
29.3%

Retailers: 5.6%



Operations: 1.9%*

** Operations includes advertising,
staff and all office operations.*

POWERBALL® with POWER PLAY®

- **Florida Sales Began January 4, 2009**
- **Powerball now played in 30 states, D.C. and Virgin Islands**
- **Other major multi-state game, Mega Millions, played in 12 states**

POWERBALL® with POWER PLAY®

Early Florida Impacts: FY 08-09

Jan – June '09

Actual Powerball Sales = \$233.4 million



Net Gain in Florida Lottery Sales = \$110.4 million
(Appears that 53% of Sales Shifted from
Lotto and Other Games)



Net Gain in EETF @ 40% Contribution Rate
= \$44.2 Million

POWERBALL® with POWER PLAY®

Current Fiscal Year: FY 09-10

REC Forecast for FY 09-10

Sales = \$390.6 million

Net EETF = \$75 million



Actual Results from First Quarter

Sales = \$115.4 million



At that Pace, Annual Sales = \$461 million

Instant Ticket Vending Machines



Q: What are Instant Ticket Vending Machines (ITVMs)?

- Self-service vending machines
- Customers can use to purchase Florida Lottery Scratch-Off tickets, choosing from 24 bins
- To operate, money is inserted and a button is pushed to select desired instant ticket.

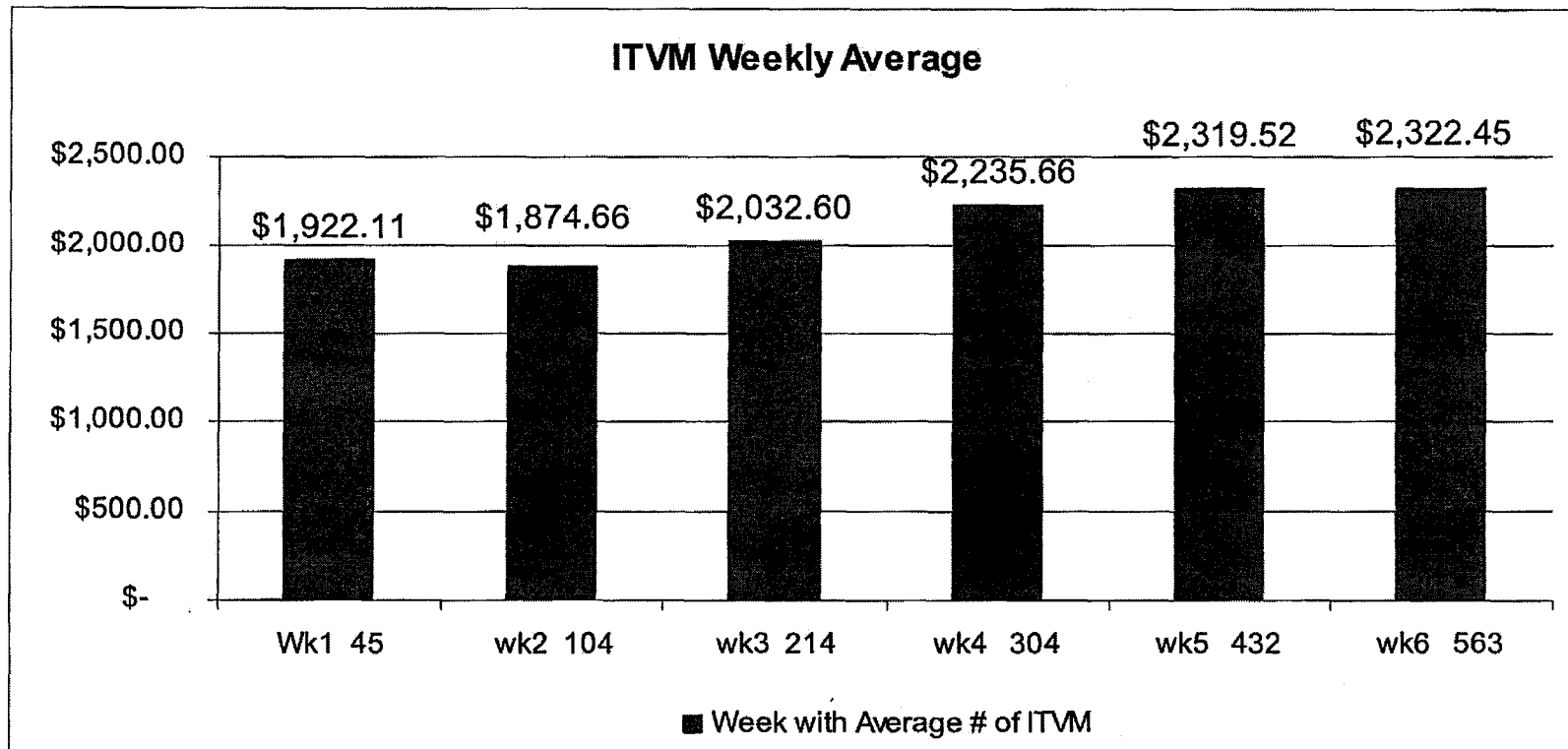
Instant Ticket Vending Machines

Q: What are some of the key ITVMs Advantages?

- Player convenience
- User friendly and secure.
- Better ticket accounting
- Bins each hold up to three books of tickets keeping retailers from having to replace the inventory as often.
- Deterring underage play - Machines have a remote-controlled “kill switch” designed to prevent underage sales.
- Compulsive gambling message – All machines display the “800” number, 1-888-Admit-It, to the Florida Council on Compulsive Gambling.
- Scrolling LED messaging on top which can be used for a variety of consumer awareness and in-store messages.



Early ITVM Sales



Selecting a New General Market Advertising Agency

April 15, 2009

ITN issued

May 12

Replies submitted by 14 agencies

May 26

Agency replies scored; 3 Finalists selected for work assignment

June 8

Presentation of work assignments by Finalists as well as final scoring and ranking of Finalists

June 19

Notice of Intended Agency Decision to select St. John & Partners

Selecting a New General Market Advertising Agency

June 24

Bid protest filed

August 26

**Bid protest voluntarily dismissed and
Contract signed between Lottery and
St. John & Partners**

September 21-22

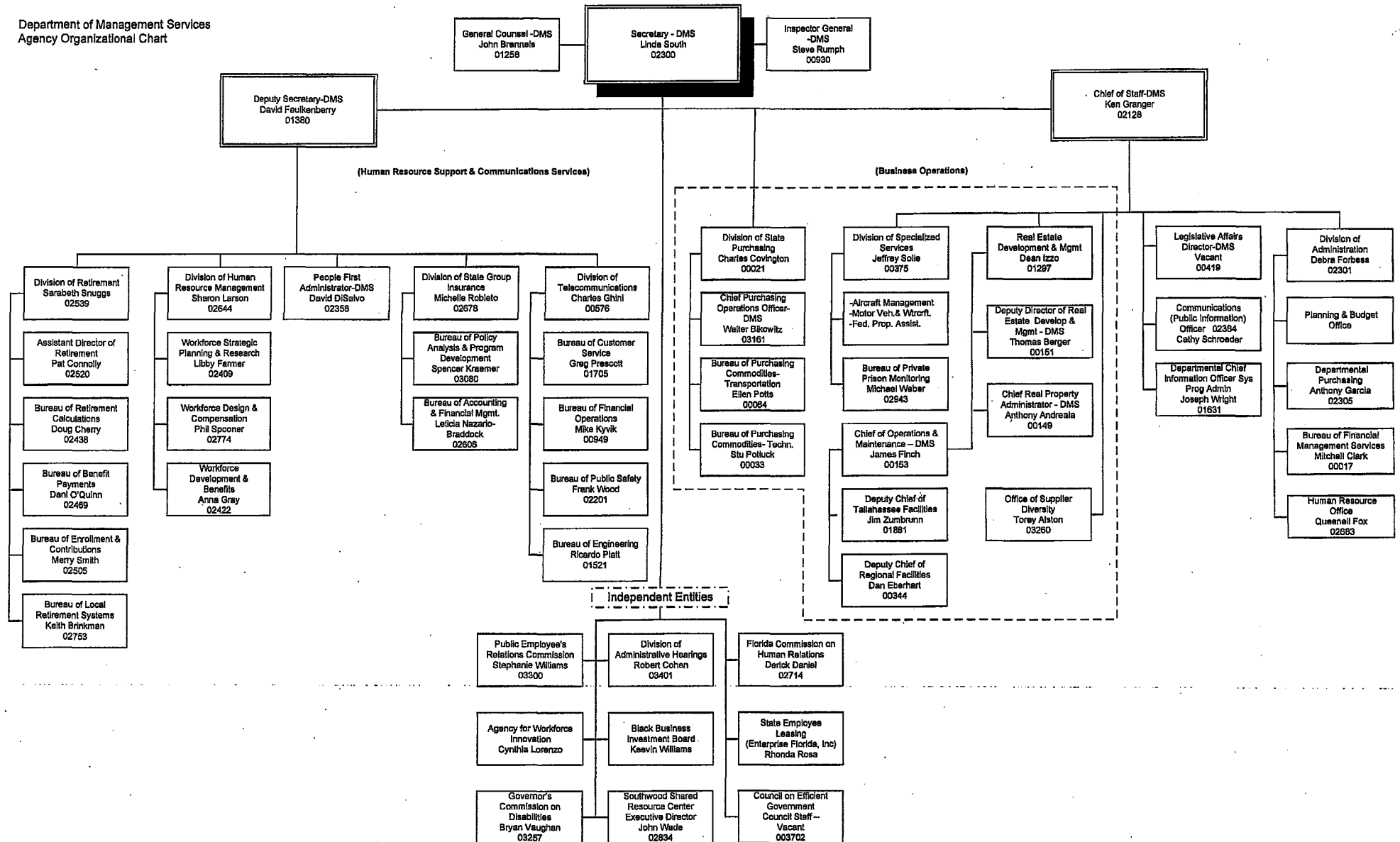
**Two-day Planning Session with
St. Johns & Partners**

October 5

St. Johns' First Creative Presentation

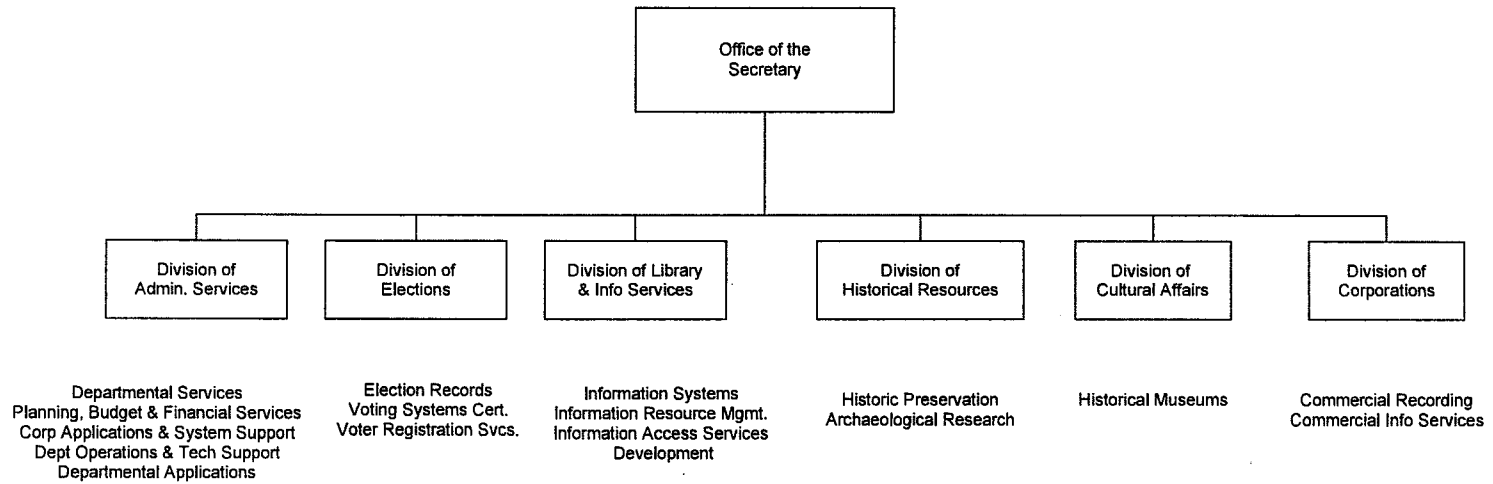
Thank You

Department of Management Services
Agency Organizational Chart





DEPARTMENT OF STATE
ORGANIZATIONAL UNITS
(483.50 FTE)





DEPARTMENT OF STATE
DIVISION OF ELECTIONS (4510)
(58.00 FTE)

