

Maryland Lottery and Gaming Control Agency

MISSION

The mission of the Maryland Lottery and Gaming Control Agency (MLGCA) is to provide revenue through the sale of entertaining lottery and gaming products to support programs and services benefiting the citizens of Maryland. We administer and promote the sale of lottery and gaming products in a secure and responsible manner. This is achieved in partnership with a network of licensed lottery retailers and casino operators.

VISION

We envision ourselves as an innovative, adaptive, and responsible business that will continue to provide a reliable source of revenue for State government operations well into the future. We will utilize the latest technological tools and resources to provide a range of entertaining products and access opportunities that appeal to a broad player base.

KEY GOALS, OBJECTIVES, AND PERFORMANCE MEASURES

Goal 1. Support State government operations and good causes by maximizing traditional lottery sales and revenues (profits).

- Obj. 1.1 Maximize lottery revenues (profits) through sales growth in all game categories.
- Obj. 1.2 Maximize lottery revenues (profits) through effective marketing and advertising spending.
- Obj. 1.3 Ensure MLGCA operations are efficient, cost-effective, and adequate to grow lottery sales.

Performance Measures	2013 Act.	2014 Act.	2015 Act.	2016 Act.	2017 Act.	2018 Est.	2019 Est.
Instant games sales (in thousands)	\$485,839	\$479,631	\$546,054	\$611,286	\$676,753	\$650,285	\$670,009
Monitor games sales (in thousands)	\$493,570	\$466,231	\$457,656	\$478,648	\$483,643	\$485,138	\$497,376
Draw games sales (in thousands)	\$776,710	\$778,128	\$757,156	\$815,610	\$771,149	\$782,139	\$792,034
Total sales (in thousands)	\$1,756,119	\$1,723,990	\$1,760,866	\$1,905,544	\$1,931,545	\$1,917,562	\$1,959,419
Ratio of administrative costs to sales	3.1%	3.3%	3.3%	3.2%	3.5%	3.7%	3.8%

Goal 2. Ensure the long-term sustainability of the Maryland Lottery.

- Obj. 2.1 Maintain a fresh and relevant portfolio of lottery games to increase lottery playership.

Performance Measures	2013 Act.	2014 Act.	2015 Act.	2016 Act.	2017 Act.	2018 Est.	2019 Est.
Player Satisfaction Index	72%	65%	59%	59%	71%	72%	72%
Retailer Satisfaction Index	81%	N/A	89%	87%	86%	86%	86%
Percent of surveyed adults who are aware of the Maryland Lottery	N/A	N/A	N/A	N/A	82%	82%	83%
Percent of surveyed adults who rate their overall opinion of the Maryland Lottery as a 4 or 5 out of 5	N/A	N/A	N/A	N/A	57%	57%	58%
Percent of adult Marylanders who indicated they have purchased any Lottery game in the past twelve months	50%	63%	59%	66%	73%	73%	74%

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Obj. 2.2 Support Maryland businesses and the lottery retail network.

Performance Measures	2013 Act.	2014 Act.	2015 Act.	2016 Act.	2017 Act.	2018 Est.	2019 Est.
Number of lottery retailers	4,477	4,721	4,895	4,539	4,440	4,600	5,000
Population/retailer ratio	1,304	1,256	1,221	1,323	1,355	1,308	1,203
Total commissions paid	\$119,788	\$122,109	\$128,596	\$141,157	\$145,883	\$143,817	\$146,956

Goal 3. Support State government and good causes by maximizing casino profit contributions.

Obj. 3.1 Assist casinos in maximizing profit contributions.

Obj. 3.2 Ensure the integrity of gaming through effective and efficient regulatory oversight, while encouraging a strong and viable employment base.

Performance Measures	2013 Act.	2014 Act.	2015 Act.	2016 Act.	2017 Act.	2018 Est.	2019 Est.
Total casino gaming revenue (in thousands)	\$608,717	\$834,004	\$1,038,224	\$1,143,972	\$1,420,942	\$1,746,496	\$1,769,231
Total casino contributions to good causes (in thousands)	\$373,573	\$416,193	\$487,289	\$510,038	\$592,243	\$701,976	\$711,157
Total licensed casino employees	3,536	4,442	6,224	6,185	8,807	9,000	9,000
Total licenses issued	4,769	4,468	6,830	4,318	4,887	2,554	2,554
Number of casino audits and reviews	N/A	33	118	109	103	144	144
Number of bingo hall audits and reviews	N/A	6	43	72	27	65	65
¹ Number of casino regulatory and statutory findings	N/A	59	185	52	109	100	100
Number of bingo hall regulatory and statutory findings	N/A	47	11	6	9	9	9

NOTES

¹ Casino compliance officer findings were included in fiscal year 2015 but not fiscal year 2014.

Maryland Lottery and Gaming Control Agency
Summary of Maryland Lottery and Gaming Control Agency

	2017 Actual	2018 Appropriation	2019 Allowance
Number of Authorized Positions	324.10	324.10	324.10
Number of Contractual Positions	10.75	9.75	9.75
Salaries, Wages and Fringe Benefits	26,428,999	26,457,332	26,680,886
Technical and Special Fees	456,358	454,392	547,645
Operating Expenses	70,599,180	73,410,199	72,189,244
Net General Fund Expenditure	20,706,321	19,669,221	6,929,957
Special Fund Expenditure	76,778,216	80,652,702	92,487,818
Total Expenditure	<u>97,484,537</u>	<u>100,321,923</u>	<u>99,417,775</u>

Maryland Lottery and Gaming Control Agency

E75D00.01 Administration and Operations

Program Description

The Administration and Operations program of the Maryland State Lottery and Gaming Control Agency encompasses all of the expenses incurred in the operation of Lottery gaming in Maryland. This program's expenses do not include the cost of prizes, commissions, cashing fees, or agent incentives.

Appropriation Statement

	2017 Actual	2018 Appropriation	2019 Allowance
Number of Authorized Positions	163.10	163.10	163.10
Number of Contractual Positions	7.75	6.75	6.75
01 Salaries, Wages and Fringe Benefits	14,917,538	14,509,028	14,597,301
02 Technical and Special Fees	343,037	263,499	390,154
03 Communications	366,026	301,691	399,320
04 Travel	49,738	39,000	56,000
06 Fuel and Utilities	173,623	172,775	178,832
07 Motor Vehicle Operation and Maintenance	414,058	404,091	473,399
08 Contractual Services	49,663,257	51,624,883	64,586,346
09 Supplies and Materials	96,753	196,000	196,000
10 Equipment - Replacement	17,177	81,500	81,500
11 Equipment - Additional	19,111	124,000	117,000
13 Fixed Charges	1,148,515	1,079,235	1,147,492
Total Operating Expenses	51,948,258	54,023,175	67,235,889
Total Expenditure	67,208,833	68,795,702	82,223,344
Special Fund Expenditure	67,208,833	68,795,702	82,223,344
Total Expenditure	67,208,833	68,795,702	82,223,344
Special Fund Expenditure			
E75301 Lottery Ticket Sales	55,340,958	63,795,702	77,223,344
E75305 Instant Ticket Lottery Machine Sales	11,867,875	5,000,000	5,000,000
Total	67,208,833	68,795,702	82,223,344

Maryland Lottery and Gaming Control Agency

Summary of Revenues - Per Board of Revenue Estimates (\$ Millions)

	FY 2016 Actual	FY 2017 Actual	FY 2018 Estimated	FY 2019 Estimated
Traditional Lottery Summary				
Pick 3	242	239	241	241
Pick 4	281	292	292	298
Lotto/Multimatch	31	24	23	23
Instant Game	611	677	746	769
Keno/Race Trax	479	484	490	502
Match 5	27	25	25	25
Jackpot Games	229	183	186	190
Instant Ticket Lottery Machines	10	12	12	12
 Total Lottery Sales	 1,908	 1,935	 2,016	 2,061
Less:				
Agent Earnings	141	146	149	153
Operating Budget	62	67	72	82
Prizes	1,135	1,197	1,236	1,265
 Net Lottery Revenue	 570	 525	 559	 561
Less:				
Stadium Authority Revenue	20	20	20	20
Veterans' Organizations Revenue	<0.1	<0.1	<0.1	<0.1
Baltimore City School Construction Revenue	20	20	20	20
Racing Fund	-	1	1	1
Miscellaneous Adjustments				
 Total General Fund Revenue	 530	 484	 518	 520
Video Lottery Summary				
Total Revenue Generated by Video Lottery	742	886	1,011	1,026
Revenue Distribution:				
Education Trust Fund	322	362	388	408
Casino Operators	304	391	475	483
Local Impact Grants	40	47	55	56
Small/Minority/Women-Owned Business Account	11	13	-	-
Racing Purse Dedication	50	55	59	60
Racetrack Renewal	7	8	10	10
VLT Operations	8	10	10	10
General Fund	-	-	15	-
Table Games Summary				
Total Revenue Generated by Table Games	402	535	622	632
Revenue Distribution:				
Education Trust Fund	80	89	93	95
Casino Operators	322	428	497	506
Local Impact Grants	-	18	31	32

Numbers may not add due to rounding

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E75D00.02 Video Lottery Terminal and Gaming Operations

Program Description

The State Lottery and Gaming Control Commission is responsible for regulating the operations of the VLTs and table games, including the licensing of operators and the operation of a Central System. The Commission also regulates electronic bingo, pull tab machines at certain veterans' organizations, and illegal gaming devices.

Appropriation Statement

	2017 Actual	2018 Appropriation	2019 Allowance
Number of Authorized Positions	161.00	161.00	161.00
Number of Contractual Positions	3.00	3.00	3.00
01 Salaries, Wages and Fringe Benefits	11,511,461	11,948,304	12,083,585
02 Technical and Special Fees	113,321	190,893	157,491
03 Communications	55,439	68,060	73,060
04 Travel	34,124	20,000	43,500
07 Motor Vehicle Operation and Maintenance	12,639	40,417	28,854
08 Contractual Services	4,269,485	5,152,460	4,359,365
09 Supplies and Materials	31,325	90,000	90,000
10 Equipment - Replacement	18,865	41,000	41,000
11 Equipment - Additional	13,941,921	13,667,416	0
13 Fixed Charges	287,124	297,671	307,576
14 Land and Structures	0	10,000	10,000
Total Operating Expenses	18,650,922	19,387,024	4,953,355
Total Expenditure	30,275,704	31,526,221	17,194,431
Net General Fund Expenditure	20,706,321	19,669,221	6,929,957
Special Fund Expenditure	9,569,383	11,857,000	10,264,474
Total Expenditure	30,275,704	31,526,221	17,194,431
Special Fund Expenditure			
SWF321 Video Lottery Terminal Proceeds	9,569,383	11,857,000	10,264,474
Total	9,569,383	11,857,000	10,264,474

3 Year Position Summary

Classification Title	FY 2017 Positions	FY 2017 Expenditures	FY 2018 Positions	FY 2018 Appropriation	FY 2019 Positions	FY 2019 Allowance
E75 - Maryland Lottery and Gaming Control Agency						
E75D0001 - Administration and Operations						
Accountant Advanced	1.00	62,676	1.00	62,676	1.00	62,676
Accountant Lead	1.00	67,639	1.00	67,639	1.00	67,639
Accountant Manager II	1.00	72,546	1.00	72,546	1.00	72,546
Accountant Manager III	1.00	97,203	1.00	97,203	1.00	97,203
Admin Aide	3.00	124,955	3.00	124,955	3.00	124,955
Admin Officer I	1.00	48,825	1.00	48,825	1.00	48,825
Admin Officer II	6.00	275,993	6.00	275,993	6.00	275,993
Admin Officer III	5.00	261,259	5.00	261,259	5.00	261,259
Admin Prog Mgr I	1.00	83,811	1.00	83,811	1.00	83,811
Admin Spec II	6.00	249,631	6.00	249,631	6.00	249,631
Admin Spec III	4.00	183,536	4.00	183,536	4.00	183,536
Administrator I	3.00	173,308	3.00	173,308	3.00	173,308
Administrator II	6.00	380,145	6.00	380,145	6.00	380,145
Administrator III	6.00	393,128	6.00	393,128	6.00	393,128
Administrator V	3.00	256,160	3.00	256,160	3.00	256,160
Agency Buyer II	1.00	47,209	1.00	47,209	1.00	47,209
Agency Procurement Spec Supv	1.00	63,171	1.00	63,171	1.00	63,171
Asst Attorney General VI	1.60	165,989	1.60	165,989	1.60	165,989
Asst Attorney General VII	1.00	108,635	1.00	108,635	1.00	108,635
Computer Network Spec II	3.00	206,287	3.00	206,287	3.00	206,287
Computer Operator II	3.00	113,750	3.00	113,750	3.00	113,750
Computer Operator Lead	1.00	54,619	1.00	54,619	1.00	54,619
Database Specialist II	1.00	68,723	1.00	68,723	1.00	68,723
Designated Admin Mgr I	1.00	83,811	1.00	83,811	1.00	83,811
Designated Admin Mgr IV	1.00	101,786	1.00	101,786	1.00	101,786
Designated Admin Mgr Senior II	1.00	113,763	1.00	113,763	1.00	113,763
Dir State Lottery	1.00	177,977	1.00	177,977	1.00	177,977
Div Dir Ofc Atty General	1.00	134,749	1.00	134,749	1.00	134,749
Exec VII	1.00	129,230	1.00	129,230	1.00	129,230
Exec VIII	1.00	142,646	1.00	142,646	1.00	142,646
Fiscal Accounts Clerk II	3.00	96,621	3.00	96,621	3.00	96,621
Fiscal Accounts Clerk Manager	1.00	51,051	1.00	51,051	1.00	51,051
Fiscal Accounts Clerk Supervisor	1.00	48,453	1.00	48,453	1.00	48,453
Fiscal Accounts Technician II	2.00	87,170	2.00	87,170	2.00	87,170
Fiscal Accounts Technician Supv	3.50	171,975	3.50	171,975	3.50	171,975
Fiscal Services Admin VI	1.00	68,959	1.00	68,959	1.00	68,959
HR Administrator III	1.00	72,546	1.00	72,546	1.00	72,546
HR Officer I	1.00	64,588	1.00	64,588	1.00	64,588
Internal Auditor Prog Super	1.00	64,184	1.00	64,184	1.00	64,184
IT Asst Director III	1.00	96,144	1.00	96,144	1.00	96,144
IT Programmer Analyst II	2.00	126,342	2.00	126,342	2.00	126,342
IT Programmer Analyst Supervisor	1.00	85,401	1.00	85,401	1.00	85,401
IT Staff Specialist	1.00	56,374	1.00	56,374	1.00	56,374
IT Systems Technical Spec	1.00	64,184	1.00	64,184	1.00	64,184
Lottery Regional Manager	4.00	270,318	4.00	270,318	4.00	270,318
Lottery Representative I	4.00	183,375	4.00	183,375	4.00	183,375
Lottery Representative II	32.00	1,542,323	32.00	1,542,323	32.00	1,542,323
Lottery Representative III	7.00	422,106	7.00	422,106	7.00	422,106

3 Year Position Summary

Classification Title	FY 2017 Positions	FY 2017 Expenditures	FY 2018 Positions	FY 2018 Appropriation	FY 2019 Positions	FY 2019 Allowance
OBSExecutive Associate III	1.00	64,387	1.00	64,387	1.00	64,387
Office Secy I	1.00	31,061	1.00	31,061	1.00	31,061
Office Secy II	1.00	34,795	1.00	34,795	1.00	34,795
Prgm Mgr I	5.00	334,542	5.00	334,542	5.00	334,542
Prgm Mgr II	6.00	482,607	6.00	482,607	6.00	482,607
Prgm Mgr III	1.00	97,203	1.00	97,203	1.00	97,203
Prgm Mgr Senior I	1.00	110,729	1.00	110,729	1.00	110,729
Prgm Mgr Senior II	1.00	101,463	1.00	101,463	1.00	101,463
Prgm Mgr Senior III	2.00	203,846	2.00	203,846	2.00	203,846
Prgm Mgr Senior IV	1.00	132,186	1.00	132,186	1.00	132,186
Pub Affairs Officer I	1.00	36,557	1.00	36,557	1.00	36,557
Pub Affairs Officer II	6.00	339,088	6.00	339,088	6.00	339,088
Services Specialist	1.00	37,380	1.00	37,380	1.00	37,380
Total E75D0001	163.10	10,021,118	163.10	10,021,118	163.10	10,021,118
E75D0002 - Video Lottery Terminal and Gaming Operations						
Accountant Advanced	2.00	114,086	2.00	114,086	2.00	114,086
Accountant Lead Specialized	1.00	58,548	1.00	58,548	1.00	58,548
Accountant Supervisor II	1.00	72,777	1.00	72,777	1.00	72,777
Admin Officer I	2.00	99,806	2.00	99,806	2.00	99,806
Admin Officer II	3.00	134,703	3.00	134,703	3.00	134,703
Administrator II	33.00	1,730,460	33.00	1,730,460	33.00	1,730,460
Administrator III	4.00	223,431	4.00	223,431	4.00	223,431
Administrator IV	6.00	398,678	6.00	398,678	6.00	398,678
Administrator V	1.00	63,522	1.00	63,522	1.00	63,522
Administrator VI	1.00	83,553	1.00	83,553	1.00	83,553
Asst Attorney General VI	1.00	87,455	1.00	87,455	1.00	87,455
Asst Attorney General VIII	1.00	113,763	1.00	113,763	1.00	113,763
Casino Compliance Lead	12.00	537,191	12.00	537,191	12.00	537,191
Casino Compliance Representative	54.00	2,226,151	54.00	2,226,151	54.00	2,226,151
Casino Compliance Supervisor	6.00	298,884	6.00	298,884	6.00	298,884
Computer Network Spec Supr	1.00	85,401	1.00	85,401	1.00	85,401
Exec VII	3.00	361,074	3.00	361,074	3.00	361,074
HR Officer III	1.00	63,171	1.00	63,171	1.00	63,171
Internal Auditor II	8.00	450,794	8.00	450,794	8.00	450,794
Internal Auditor Super	4.00	233,412	4.00	233,412	4.00	233,412
IT Staff Specialist	2.00	104,969	2.00	104,969	2.00	104,969
IT Staff Specialist Supervisor	1.00	59,527	1.00	59,527	1.00	59,527
IT Technical Support Spec II	1.00	55,796	1.00	55,796	1.00	55,796
Lottery & Gaming Commissioner	7.00	126,000	7.00	126,000	7.00	126,000
Lottery Representative III	1.00	54,884	1.00	54,884	1.00	54,884
Office Secy I	1.00	37,774	1.00	37,774	1.00	37,774
Prgm Mgr II	1.00	79,835	1.00	79,835	1.00	79,835
Prgm Mgr III	1.00	80,463	1.00	80,463	1.00	80,463
Prgm Mgr Senior III	1.00	102,270	1.00	102,270	1.00	102,270
Total E75D0002	161.00	8,138,378	161.00	8,138,378	161.00	8,138,378
Total E75 Maryland Lottery and Gaming Control Agency	324.10	18,159,496	324.10	18,159,496	324.10	18,159,496