

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	2015 Act.	2016 Act.	2017 Act.	2018 Act.	2019 Act.	2020 Est.	2021 Est.
Instant games sales (in thousands)	\$546,054	\$611,286	\$676,753	\$750,888	\$812,426	\$841,644	\$868,178
Monitor games sales (in thousands)	\$457,656	\$478,648	\$483,643	\$483,994	\$498,058	\$493,670	\$506,339
Draw games sales (in thousands)	\$757,156	\$815,610	\$771,149	\$807,911	\$886,423	\$816,361	\$827,139
Total sales (in thousands)	\$1,760,866	\$1,905,544	\$1,931,545	\$2,042,793	\$2,196,909	\$2,151,675	\$2,201,656
Ratio of administrative costs to sales	3.3%	3.2%	3.5%	3.4%	3.5%	3.5%	3.5%

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	2015 Act.	2016 Act.	2017 Act.	2018 Act.	2019 Act.	2020 Est.	2021 Est.
Player Satisfaction Index	59.4%	59.3%	71.3%	71.5%	70.4%	71.0%	71.5%
Retailer Satisfaction Index	88.7%	86.5%	86.2%	83.8%	87.7%	88.0%	88.0%
Percent of surveyed adults who are aware of the Maryland Lottery	N/A	N/A	82.0%	81.0%	84.0%	85.0%	85.0%
Percent of surveyed adults who rate their overall opinion of the Maryland Lottery as a four or five out of five	N/A	N/A	57.0%	57.0%	59.0%	60.0%	61.0%
Percent of adult Marylanders who indicated they have purchased any Lottery game in the past twelve months	59.0%	66.0%	73.0%	71.0%	74.0%	76.0%	77.0%

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

Performance Measures	2015 Act.	2016 Act.	2017 Act.	2018 Act.	2019 Act.	2020 Est.	2021 Est.
Number of lottery retailers	4,895	4,539	4,440	4,446	4,385	4,470	4,495
Population/retailer ratio	1,221	1,323	1,355	1,350	1,368	1,342	1,335
Total commissions paid	\$128,596	\$141,157	\$145,883	\$153,725	\$165,508	\$161,375	\$165,124

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	2015 Act.	2016 Act.	2017 Act.	2018 Act.	2019 Act.	2020 Est.	2021 Est.
Total casino gaming revenue (in thousands)	\$1,038,224	\$1,143,972	\$1,420,942	\$1,678,966	\$1,760,409	\$1,778,518	\$1,804,573
Total casino contributions to good causes (in thousands)	\$487,289	\$510,038	\$592,243	\$671,651	\$712,170	\$709,969	\$720,286
Total licensed casino employees	6,224	6,185	8,807	9,144	9,122	9,100	9,100
Total licenses issued	6,830	4,318	4,887	5,281	4,658	4,500	4,500
Number of casino audits and reviews	118	109	103	135	108	72	72
Number of bingo hall audits and reviews	43	72	27	65	65	65	65
¹ Number of casino regulatory and statutory findings	185	52	109	126	71	80	80
Number of bingo hall regulatory and statutory findings	11	6	9	1	0	5	5

NOTES

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

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

	2019 Actual	2020 Appropriation	2021 Allowance
Number of Authorized Positions	324.10	324.10	324.10
Number of Contractual Positions	8.15	9.75	10.75
Salaries, Wages and Fringe Benefits	26,416,333	28,645,195	28,070,832
Technical and Special Fees	428,456	541,742	554,108
Operating Expenses	70,256,978	75,278,836	74,771,552
Net General Fund Expenditure	6,715,636	6,954,957	6,585,501
Special Fund Expenditure	90,386,131	97,510,816	96,810,991
Total Expenditure	<u>97,101,767</u>	<u>104,465,773</u>	<u>103,396,492</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

	2019 Actual	2020 Appropriation	2021 Allowance
Number of Authorized Positions	163.10	163.10	163.10
Number of Contractual Positions	5.15	6.75	7.75
01 Salaries, Wages and Fringe Benefits	14,361,515	15,380,149	15,275,361
02 Technical and Special Fees	318,161	392,154	409,992
03 Communications	279,977	336,165	336,165
04 Travel	62,093	79,000	79,000
06 Fuel and Utilities	179,740	185,943	186,571
07 Motor Vehicle Operation and Maintenance	363,314	502,423	370,761
08 Contractual Services	63,190,855	67,579,308	66,657,682
09 Supplies and Materials	69,173	186,000	196,000
10 Equipment - Replacement	27,037	81,500	131,500
11 Equipment - Additional	123,940	167,000	167,000
13 Fixed Charges	1,169,979	1,220,019	1,299,564
Total Operating Expenses	<u>65,466,108</u>	<u>70,337,358</u>	<u>69,424,243</u>
Total Expenditure	<u>80,145,784</u>	<u>86,109,661</u>	<u>85,109,596</u>
Special Fund Expenditure	<u>80,145,784</u>	<u>86,109,661</u>	<u>85,109,596</u>
Total Expenditure	<u>80,145,784</u>	<u>86,109,661</u>	<u>85,109,596</u>
Special Fund Expenditure			
E75301 Lottery Ticket Sales	76,128,188	81,109,661	81,609,596
E75305 Instant Ticket Lottery Machine Sales	4,017,596	5,000,000	3,500,000
Total	<u>80,145,784</u>	<u>86,109,661</u>	<u>85,109,596</u>

Maryland Lottery and Gaming Control Agency

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

	FY 2018 Actual	FY 2019 Actual	FY 2020 Estimated	FY 2021 Estimated
Traditional Lottery Summary				
Pick 3	235	246	246	246
Pick 4	296	312	317	323
Lotto/Multimatch	29	29	28	28
Instant Game	751	812	847	877
Keno/Race Trax	484	498	522	531
5 Card Cash	6	6	6	6
Match 5	20	20	19	19
Jackpot Games	213	264	179	202
Instant Ticket Lottery Machines	13	14	14	14
Fast Play	-	-	4	10
 Total Lottery Sales	 2,047	 2,201	 2,183	 2,257
 Less:				
Agent Earnings	154	166	164	170
Operating Budget	70	80	86	84
Prizes	1,247	1,362	1,361	1,402
 Net Lottery Revenue	 576	 593	 571	 601
 Less:				
Stadium Authority Revenue	20	20	20	15
Veterans' Organizations Revenue	<0.1	<0.1	0.1	<0.2
Baltimore City School Construction Revenue	20	20	20	20
Racing Fund	0.5	1	-	-
 Total General Fund Revenue	 535	 552	 531	 566
Video Lottery Summary				
Total Revenue Generated by Video Lottery	1,047	1,125	1,155	1,170
 Revenue Distribution:				
Education Trust Fund	402	447	459	447
Casino Operators	491	529	544	551
Local Impact Grants	57	61	63	63
Small/Minority/Women-Owned Business Account	-	-	-	17
Racing Purse Dedication	61	66	68	68
Racetrack Renewal	10	11	11	11
VLT Operations	10	10	12	12
General Fund	15	-	-	-
Table Games Summary				
Total Revenue Generated by Table Games	632	635	622	631
 Revenue Distribution:				
Education Trust Fund	95	95	93	95
Casino Operators	506	508	498	505
Local Impact Grants	32	32	31	32

Numbers may not add due to rounding

Maryland Lottery and Gaming Control Agency

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

	2019 Actual	2020 Appropriation	2021 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	12,054,818	13,265,046	12,795,471
02 Technical and Special Fees	110,295	149,588	144,116
03 Communications	35,883	60,060	60,060
04 Travel	28,721	33,757	33,757
07 Motor Vehicle Operation and Maintenance	47,655	3,666	4,725
08 Contractual Services	4,333,922	4,386,138	4,759,048
09 Supplies and Materials	30,605	76,138	76,138
10 Equipment - Replacement	9,280	41,000	41,000
13 Fixed Charges	304,804	330,719	362,581
14 Land and Structures	0	10,000	10,000
Total Operating Expenses	<u>4,790,870</u>	<u>4,941,478</u>	<u>5,347,309</u>
Total Expenditure	<u>16,955,983</u>	<u>18,356,112</u>	<u>18,286,896</u>
Net General Fund Expenditure	6,715,636	6,954,957	6,585,501
Special Fund Expenditure	<u>10,240,347</u>	<u>11,401,155</u>	<u>11,701,395</u>
Total Expenditure	<u>16,955,983</u>	<u>18,356,112</u>	<u>18,286,896</u>
Special Fund Expenditure			
SWF321 Video Lottery Terminal Proceeds	<u>10,240,347</u>	<u>11,401,155</u>	<u>11,701,395</u>
Total	<u>10,240,347</u>	<u>11,401,155</u>	<u>11,701,395</u>

3 Year Position Summary

Classification Title	FY 2019 Positions	FY 2019 Expenditures	FY 2020 Positions	FY 2020 Appropriation	FY 2021 Positions	FY 2021 Allowance
E75 - Maryland Lottery and Gaming Control Agency						
E75D0001 - Administration and Operations						
Accountant Advanced	1.00	57,490	1.00	60,183	1.00	60,183
Accountant Lead	1.00	63,380	1.00	66,178	1.00	66,178
Accountant Manager II	1.00	72,079	1.00	76,599	1.00	87,533
Accountant Manager III	1.00	95,500	1.00	102,634	1.00	88,222
Admin Aide	3.00	50,451	3.00	121,026	3.00	121,026
Admin Officer I	1.00	53,846	1.00	51,554	2.00	84,546
Admin Officer II	6.00	224,090	5.00	236,015	5.00	243,535
Admin Officer III	5.00	217,637	5.00	275,858	5.00	280,407
Admin Prog Mgr I	1.00	84,752	1.00	88,494	1.00	88,494
Admin Spec II	6.00	253,089	6.00	263,582	6.00	263,582
Admin Spec III	4.00	156,282	4.00	193,795	4.00	193,795
Administrator I	3.00	191,545	2.00	131,160	4.00	242,570
Administrator II	6.00	453,776	8.00	528,751	7.00	470,511
Administrator III	6.00	504,903	7.00	474,007	7.00	471,961
Administrator V	3.00	222,362	3.00	234,189	3.00	232,918
Agency Buyer II	1.00	47,740	1.00	49,847	1.00	49,847
Agency Procurement Spec Supv	1.00	63,881	0.00	0	1.00	66,701
Asst Attorney General VI	1.60	167,853	1.60	175,262	1.60	175,262
Asst Attorney General VII	1.00	60	1.00	114,704	1.00	72,812
Computer Network Spec II	3.00	168,966	3.00	217,814	3.00	196,664
Computer Operator II	3.00	115,029	3.00	120,109	3.00	113,021
Computer Operator Lead	1.00	55,233	1.00	57,671	1.00	57,671
Database Specialist II	1.00	69,495	1.00	72,563	1.00	72,563
Designated Admin Mgr I	1.00	84,752	1.00	88,494	1.00	88,494
Designated Admin Mgr IV	1.00	0	0.00	0	0.00	0
Designated Admin Mgr Senior I	0.00	109,855	1.00	114,704	1.00	114,704
Designated Admin Mgr Senior II	1.00	115,041	1.00	120,119	1.00	120,119
Dir State Lottery	1.00	179,975	1.00	187,927	1.00	187,927
Div Dir Ofc Atty General	1.00	136,262	1.00	142,276	1.00	142,276
Exec VII	1.00	130,681	1.00	136,455	1.00	136,455
Exec VIII	1.00	144,247	1.00	150,621	1.00	150,621
Fiscal Accounts Clerk II	3.00	108,011	3.50	118,266	3.50	118,266
Fiscal Accounts Clerk Manager	1.00	50,678	1.00	53,905	1.00	52,921
Fiscal Accounts Clerk Supervisor	1.00	48,998	1.00	51,162	1.00	51,162
Fiscal Accounts Technician II	2.00	81,712	2.00	92,042	1.00	52,678
Fiscal Accounts Technician Supv	3.50	140,611	3.00	151,412	3.00	143,830
Fiscal Services Admin VI	1.00	21,147	1.00	72,812	1.00	116,915
HR Administrator III	1.00	73,361	1.00	76,599	1.00	76,599
HR Officer I	1.00	65,313	1.00	68,197	1.00	68,197
Internal Auditor Prog Super	1.00	68,140	1.00	67,770	1.00	74,553
IT Asst Director III	1.00	97,224	1.00	101,515	1.00	101,515
IT Programmer Analyst II	2.00	95,657	2.00	133,402	2.00	116,177
IT Programmer Analyst Supervisor	1.00	86,360	1.00	90,173	1.00	56,165
IT Staff Specialist	1.00	9,314	1.00	59,524	1.00	60,662
IT Systems Technical Spec	1.00	65,277	1.00	67,770	1.00	73,144
Lottery Regional Manager	4.00	269,771	4.00	281,680	4.00	281,680
Lottery Representative I	4.00	25,332	2.00	83,145	1.00	49,694
Lottery Representative II	32.00	1,661,470	34.00	1,738,751	35.00	1,765,495

3 Year Position Summary

Classification Title	FY 2019 Positions	FY 2019 Expenditures	FY 2020 Positions	FY 2020 Appropriation	FY 2021 Positions	FY 2021 Allowance
Lottery Representative III	7.00	383,160	7.00	445,693	6.00	388,828
OBS-Executive Associate III	1.00	68,941	1.00	71,984	1.00	71,984
Office Secy I	1.00	31,411	1.00	32,798	1.00	32,798
Office Secy II	1.00	35,186	1.00	36,740	1.00	36,740
Prgm Mgr I	5.00	338,300	5.00	353,235	5.00	353,235
Prgm Mgr II	6.00	443,958	6.00	509,570	6.00	487,508
Prgm Mgr III	1.00	120,819	1.00	102,634	2.00	182,861
Prgm Mgr Senior I	1.00	111,972	1.00	116,915	1.00	116,915
Prgm Mgr Senior II	1.00	0	1.00	77,725	1.00	77,725
Prgm Mgr Senior III	2.00	206,135	2.00	215,233	2.00	215,233
Prgm Mgr Senior IV	1.00	132,783	1.00	139,571	1.00	139,571
Pub Affairs Officer I	1.00	36,968	1.00	38,601	1.00	38,601
Pub Affairs Officer II	6.00	259,951	6.00	339,688	4.00	237,448
Services Specialist	1.00	25,486	1.00	30,307	1.00	30,307
Total E75D0001	163.10	9,453,698	163.10	10,471,410	163.10	10,410,005
E75D0002 - Video Lottery Terminal and Gaming Operations						
Accountant Advanced	2.00	111,354	2.00	116,270	2.00	116,270
Accountant Lead Specialized	1.00	59,206	1.00	61,819	1.00	61,819
Accountant Supervisor II	1.00	62,557	1.00	76,844	1.00	52,687
Admin Officer I	2.00	101,792	2.00	106,287	2.00	106,287
Admin Officer II	3.00	136,217	3.00	142,230	3.00	142,230
Administrator II	33.00	1,699,177	32.00	1,791,247	32.00	1,785,496
Administrator III	4.00	345,539	6.00	360,792	6.00	360,792
Administrator IV	6.00	387,601	6.00	404,712	6.00	404,712
Administrator V	1.00	64,235	1.00	67,071	1.00	67,071
Administrator VI	1.00	84,492	1.00	88,222	1.00	88,222
Asst Attorney General VI	1.00	88,438	1.00	92,342	1.00	92,342
Asst Attorney General VIII	1.00	115,041	1.00	120,119	1.00	120,119
Casino Compliance Lead	12.00	573,350	12.00	605,129	12.00	604,209
Casino Compliance Representative	54.00	2,156,242	54.00	2,407,708	54.00	2,382,501
Casino Compliance Supervisor	6.00	317,733	6.00	324,947	6.00	338,772
Computer Network Spec Supr	1.00	0	1.00	56,165	0.00	0
Exec VII	3.00	386,086	3.00	403,143	3.00	403,143
HR Officer III	1.00	63,881	1.00	66,701	1.00	66,701
Internal Auditor II	8.00	393,650	8.00	485,549	8.00	481,508
Internal Auditor Super	4.00	182,259	4.00	256,070	4.00	244,593
IT Staff Specialist	2.00	106,148	2.00	110,834	2.00	110,834
IT Staff Specialist Supervisor	1.00	60,196	1.00	62,853	1.00	62,853
IT Systems Technical Spec	0.00	0	0.00	0	1.00	71,761
IT Technical Support Spec II	1.00	56,423	1.00	58,913	1.00	58,913
Lottery & Gaming Commissioner	7.00	108,001	7.00	126,000	7.00	126,000
Lottery Representative III	1.00	0	0.00	0	0.00	0
Office Secy I	1.00	38,199	1.00	39,885	1.00	39,885
Prgm Mgr II	1.00	80,732	1.00	84,296	1.00	84,296
Prgm Mgr III	1.00	81,367	1.00	84,959	1.00	84,959
Prgm Mgr Senior III	1.00	103,418	1.00	107,984	1.00	107,984
Total E75D0002	161.00	7,963,334	161.00	8,709,091	161.00	8,666,959
Total E75 Maryland Lottery and Gaming Control Agency	324.10	17,417,032	324.10	19,180,501	324.10	19,076,964