

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	2014 Act.	2015 Act.	2016 Act.	2017 Act.	2018 Act.	2019 Est.	2020 Est.
Instant games sales (in thousands)	\$479,631	\$546,054	\$611,286	\$676,753	\$750,888	\$768,556	\$792,897
Monitor games sales (in thousands)	\$466,231	\$457,656	\$478,648	\$483,643	\$483,994	\$501,904	\$515,512
Draw games sales (in thousands)	\$778,128	\$757,156	\$815,610	\$771,149	\$807,911	\$875,107	\$838,266
Total sales (in thousands)	\$1,723,990	\$1,760,866	\$1,905,544	\$1,931,545	\$2,042,793	\$2,145,567	\$2,146,675
Ratio of administrative costs to sales	3.3%	3.3%	3.2%	3.5%	3.4%	4.0%	3.9%

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	2014 Act.	2015 Act.	2016 Act.	2017 Act.	2018 Act.	2019 Est.	2020 Est.
Player Satisfaction Index	64.6%	59.4%	59.3%	71.3%	71.5%	72.0%	72.5%
Retailer Satisfaction Index	N/A	88.7%	86.5%	86.2%	83.8%	88.0%	89.0%
Percent of surveyed adults who are aware of the Maryland Lottery	N/A	N/A	N/A	82.0%	81.0%	82.5%	83.5%
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	N/A	57.0%	57.0%	57.5%	58.0%
Percent of adult Marylanders who indicated they have purchased any Lottery game in the past twelve months	63.0%	59.0%	66.0%	73.0%	71.0%	72.0%	72.5%

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

Performance Measures	2014 Act.	2015 Act.	2016 Act.	2017 Act.	2018 Act.	2019 Est.	2020 Est.
Number of lottery retailers	4,721	4,895	4,539	4,440	4,446	4,500	4,550
Population/retailer ratio	1,256	1,221	1,323	1,355	1,350	1,333	1,319
Total commissions paid	\$122,109	\$128,596	\$141,157	\$145,883	\$153,725	\$154,577	\$158,264

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	2014 Act.	2015 Act.	2016 Act.	2017 Act.	2018 Act.	2019 Est.	2020 Est.
Total casino gaming revenue (in thousands)	\$834,004	\$1,038,224	\$1,143,972	\$1,420,942	\$1,678,966	\$1,674,824	\$1,696,365
Total casino contributions to good causes (in thousands)	\$416,193	\$487,289	\$510,038	\$592,243	\$671,651	\$666,331	\$674,880
Total licensed casino employees	4,442	6,224	6,185	8,807	9,144	9,000	9,100
Total licenses issued	4,468	6,830	4,318	4,887	5,281	5,200	5,300
Number of casino audits and reviews	33	118	109	103	135	72	72
Number of bingo hall audits and reviews	6	43	72	27	65	65	65
¹ Number of casino regulatory and statutory findings	59	185	52	109	126	100	100
Number of bingo hall regulatory and statutory findings	47	11	6	9	1	3	2

NOTES

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

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Summary of Maryland Lottery and Gaming Control Agency

	2018 Actual	2019 Appropriation	2020 Allowance
Number of Authorized Positions	324.10	324.10	324.10
Number of Contractual Positions	5.98	9.75	9.75
Salaries, Wages and Fringe Benefits	26,181,205	26,718,891	28,298,409
Technical and Special Fees	392,040	547,645	547,210
Operating Expenses	60,840,922	72,176,630	75,306,676
Net General Fund Expenditure	7,474,980	6,930,921	6,943,445
Special Fund Expenditure	79,939,187	92,512,245	97,208,850
Total Expenditure	87,414,167	99,443,166	104,152,295

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

	2018 Actual	2019 Appropriation	2020 Allowance
Number of Authorized Positions	163.10	163.10	163.10
Number of Contractual Positions	4.09	6.75	6.75
01 Salaries, Wages and Fringe Benefits	14,826,163	14,628,271	15,272,212
02 Technical and Special Fees	280,866	390,154	392,154
03 Communications	343,299	399,320	336,165
04 Travel	76,488	56,000	79,000
06 Fuel and Utilities	179,482	178,832	185,943
07 Motor Vehicle Operation and Maintenance	268,537	473,399	502,423
08 Contractual Services	52,906,619	64,573,732	67,580,805
09 Supplies and Materials	146,818	196,000	186,000
10 Equipment - Replacement	107,732	81,500	81,500
11 Equipment - Additional	106,195	117,000	167,000
13 Fixed Charges	1,124,409	1,147,492	1,220,019
Total Operating Expenses	<u>55,259,579</u>	<u>67,223,275</u>	<u>70,338,855</u>
Total Expenditure	<u>70,366,608</u>	<u>82,241,700</u>	<u>86,003,221</u>
Special Fund Expenditure	<u>70,366,608</u>	<u>82,241,700</u>	<u>86,003,221</u>
Total Expenditure	<u>70,366,608</u>	<u>82,241,700</u>	<u>86,003,221</u>
Special Fund Expenditure			
E75301 Lottery Ticket Sales	66,546,493	77,241,700	81,003,221
E75305 Instant Ticket Lottery Machine Sales	3,820,115	5,000,000	5,000,000
Total	<u>70,366,608</u>	<u>82,241,700</u>	<u>86,003,221</u>

Maryland Lottery and Gaming Control Agency

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

	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimated	FY 2020 Estimated
Traditional Lottery Summary				
Pick 3	239	235	233	233
Pick 4	292	296	298	304
Lotto/Multimatch	24	29	32	29
Instant Game	677	751	816	842
Keno/Race Trax	484	484	486	494
Match 5	25	25	25	25
Jackpot Games	183	213	248	212
Instant Ticket Lottery Machines	12	13	13	14
 Total Lottery Sales	 1,935	 2,047	 2,151	 2,152
Less:				
Agent Earnings	146	154	162	162
Operating Budget	67	70	82	86
Prizes	1,197	1,247	1,321	1,331
 Net Lottery Revenue	 527	 575	 586	 573
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	0.5	1	1	-
 Total General Fund Revenue	 484	 535	 544	 533
Video Lottery Summary				
Total Revenue Generated by Video Lottery	886	1,047	1,103	1,121
Revenue Distribution:				
Education Trust Fund	362	402	439	430
Casino Operators	391	491	518	542
Local Impact Grants	47	57	60	61
Small/Minority/Women-Owned Business Account	13	-	-	-
Racing Purse Dedication	55	61	65	66
Racetrack Renewal	8	10	11	11
VLT Operations	9	10	11	11
General Fund	-	15	-	-
Table Games Summary				
Total Revenue Generated by Table Games	535	632	662	658
Revenue Distribution:				
Education Trust Fund	89	95	99	99
Casino Operators	428	506	529	526
Local Impact Grants	18	32	33	33

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

	2018 Actual	2019 Appropriation	2020 Allowance
Number of Authorized Positions	161.00	161.00	161.00
Number of Contractual Positions	1.89	3.00	3.00
01 Salaries, Wages and Fringe Benefits	11,355,042	12,090,620	13,026,197
02 Technical and Special Fees	111,174	157,491	155,056
03 Communications	40,028	73,060	60,060
04 Travel	13,829	43,500	43,500
07 Motor Vehicle Operation and Maintenance	29,218	28,854	20,266
08 Contractual Services	4,430,375	4,359,365	4,386,138
09 Supplies and Materials	16,584	90,000	76,138
10 Equipment - Replacement	70,543	41,000	41,000
11 Equipment - Additional	670,844	0	0
13 Fixed Charges	309,922	307,576	330,719
14 Land and Structures	0	10,000	10,000
Total Operating Expenses	<u>5,581,343</u>	<u>4,953,355</u>	<u>4,967,821</u>
Total Expenditure	<u>17,047,559</u>	<u>17,201,466</u>	<u>18,149,074</u>
Net General Fund Expenditure	7,474,980	6,930,921	6,943,445
Special Fund Expenditure	<u>9,572,579</u>	<u>10,270,545</u>	<u>11,205,629</u>
Total Expenditure	<u>17,047,559</u>	<u>17,201,466</u>	<u>18,149,074</u>
Special Fund Expenditure			
SWF321 Video Lottery Terminal Proceeds	<u>9,572,579</u>	<u>10,270,545</u>	<u>11,205,629</u>
Total	<u>9,572,579</u>	<u>10,270,545</u>	<u>11,205,629</u>

3 Year Position Summary

Classification Title	FY 2018 Positions	FY 2018 Expenditures	FY 2019 Positions	FY 2019 Appropriation	FY 2020 Positions	FY 2020 Allowance
E75 - Maryland Lottery and Gaming Control Agency						
E75D0001 - Administration and Operations						
Accountant Advanced	1.00	41,531	1.00	62,676	1.00	58,139
Accountant Lead	1.00	43,689	1.00	67,639	1.00	63,930
Accountant Manager II	1.00	72,546	1.00	72,546	1.00	73,997
Accountant Manager III	1.00	104,770	1.00	97,203	1.00	99,148
Admin Aide	3.00	87,346	3.00	124,955	3.00	116,912
Admin Officer I	1.00	48,825	1.00	48,825	1.00	49,802
Admin Officer II	6.00	226,059	6.00	275,993	5.00	227,997
Admin Officer III	5.00	219,902	5.00	261,259	5.00	266,487
Admin Prog Mgr I	1.00	83,811	1.00	83,811	1.00	85,488
Admin Spec II	6.00	249,925	6.00	249,631	6.00	254,626
Admin Spec III	4.00	181,289	4.00	183,536	4.00	187,210
Administrator I	3.00	134,657	3.00	173,308	2.00	126,705
Administrator II	6.00	413,575	6.00	380,145	7.00	446,351
Administrator III	6.00	439,754	6.00	393,128	7.00	457,905
Administrator V	3.00	240,817	3.00	256,160	3.00	226,233
Agency Buyer II	1.00	47,209	1.00	47,209	1.00	48,154
Agency Procurement Spec Supv	1.00	63,171	1.00	63,171	1.00	64,435
Asst Attorney General VI	1.60	165,989	1.60	165,989	1.60	169,309
Asst Attorney General VII	1.00	108,635	1.00	108,635	1.00	110,808
Computer Network Spec II	3.00	206,288	3.00	206,287	3.00	210,414
Computer Operator II	3.00	113,751	3.00	113,750	3.00	116,027
Computer Operator Lead	1.00	54,619	1.00	54,619	1.00	55,712
Database Specialist II	1.00	68,723	1.00	68,723	1.00	70,098
Designated Admin Mgr I	1.00	83,811	1.00	83,811	1.00	85,488
Designated Admin Mgr IV	1.00	63,844	1.00	101,786	0.00	0
Designated Admin Mgr Senior I	0.00	40,775	0.00	0	1.00	110,808
Designated Admin Mgr Senior II	1.00	113,763	1.00	113,763	1.00	116,039
Dir State Lottery	1.00	177,977	1.00	177,977	1.00	181,537
Div Dir Ofc Atty General	1.00	134,749	1.00	134,749	1.00	137,444
Exec VII	1.00	129,230	1.00	129,230	1.00	131,815
Exec VIII	1.00	142,646	1.00	142,646	1.00	145,499
Fiscal Accounts Clerk II	3.00	95,883	3.00	96,621	3.50	114,247
Fiscal Accounts Clerk Manager	1.00	51,139	1.00	51,051	1.00	52,073
Fiscal Accounts Clerk Supervisor	1.00	48,453	1.00	48,453	1.00	49,423
Fiscal Accounts Technician II	2.00	88,952	2.00	87,170	2.00	88,914
Fiscal Accounts Technician Supv	3.50	137,265	3.50	171,975	3.00	146,266
Fiscal Services Admin VI	1.00	0	1.00	68,959	1.00	70,339
HR Administrator III	1.00	72,546	1.00	72,546	1.00	73,997
HR Officer I	1.00	64,588	1.00	64,588	1.00	65,880
Internal Auditor Prog Super	1.00	64,184	1.00	64,184	1.00	65,468
IT Asst Director III	1.00	96,144	1.00	96,144	1.00	98,067
IT Programmer Analyst II	2.00	126,342	2.00	126,342	2.00	128,870
IT Programmer Analyst Supervisor	1.00	85,401	1.00	85,401	1.00	87,110
IT Staff Specialist	1.00	56,374	1.00	56,374	1.00	57,502
IT Systems Technical Spec	1.00	64,184	1.00	64,184	1.00	65,468
Lottery Regional Manager	4.00	260,081	4.00	270,318	4.00	272,111
Lottery Representative I	4.00	127,509	4.00	183,375	2.00	80,319
Lottery Representative II	32.00	1,571,705	32.00	1,542,323	34.00	1,679,678

3 Year Position Summary

Classification Title	FY 2018 Positions	FY 2018 Expenditures	FY 2019 Positions	FY 2019 Appropriation	FY 2020 Positions	FY 2020 Allowance
Lottery Representative III	7.00	424,825	7.00	422,106	7.00	430,552
OBS-Executive Associate III	1.00	70,822	1.00	64,387	1.00	69,539
Office Secy I	1.00	31,062	1.00	31,061	1.00	31,683
Office Secy II	1.00	34,796	1.00	34,795	1.00	35,491
Prgm Mgr I	5.00	334,544	5.00	334,542	5.00	341,235
Prgm Mgr II	6.00	482,609	6.00	482,607	6.00	492,263
Prgm Mgr III	1.00	97,203	1.00	97,203	1.00	99,148
Prgm Mgr Senior I	1.00	110,729	1.00	110,729	1.00	112,944
Prgm Mgr Senior II	1.00	0	1.00	101,463	1.00	75,085
Prgm Mgr Senior III	2.00	203,847	2.00	203,846	2.00	207,924
Prgm Mgr Senior IV	1.00	134,287	1.00	132,186	1.00	134,830
Pub Affairs Officer I	1.00	29,566	1.00	36,557	1.00	37,289
Pub Affairs Officer II	6.00	325,587	6.00	339,088	6.00	328,148
Services Specialist	1.00	13,751	1.00	37,380	1.00	29,277
Total E75D0001	163.10	9,608,054	163.10	10,021,118	163.10	10,115,657
E75D0002 - Video Lottery Terminal and Gaming Operations						
Accountant Advanced	2.00	94,671	2.00	114,086	2.00	112,321
Accountant Lead Specialized	1.00	55,661	1.00	58,548	1.00	59,719
Accountant Supervisor II	1.00	72,777	1.00	72,777	1.00	74,233
Admin Officer I	2.00	91,627	2.00	99,806	2.00	102,675
Admin Officer II	3.00	134,704	3.00	134,703	3.00	137,400
Administrator II	33.00	1,676,814	33.00	1,730,460	32.00	1,730,395
Administrator III	4.00	292,223	4.00	223,431	6.00	348,536
Administrator IV	6.00	371,463	6.00	398,678	6.00	390,964
Administrator V	1.00	63,522	1.00	63,522	1.00	64,793
Administrator VI	1.00	83,553	1.00	83,553	1.00	85,225
Asst Attorney General VI	1.00	87,455	1.00	87,455	1.00	89,205
Asst Attorney General VIII	1.00	113,764	1.00	113,763	1.00	116,039
Casino Compliance Lead	12.00	528,181	12.00	537,191	12.00	584,566
Casino Compliance Representative	54.00	2,162,250	54.00	2,226,151	54.00	2,325,888
Casino Compliance Supervisor	6.00	281,878	6.00	298,884	6.00	313,907
Computer Network Spec Supr	1.00	32,710	1.00	85,401	1.00	54,257
Exec VII	3.00	352,408	3.00	361,074	3.00	389,435
HR Officer III	1.00	63,171	1.00	63,171	1.00	64,435
Internal Auditor II	8.00	392,116	8.00	450,794	8.00	469,056
Internal Auditor Super	4.00	232,566	4.00	233,412	4.00	247,370
IT Staff Specialist	2.00	104,970	2.00	104,969	2.00	107,069
IT Staff Specialist Supervisor	1.00	59,527	1.00	59,527	1.00	60,718
IT Technical Support Spec II	1.00	55,796	1.00	55,796	1.00	56,912
Lottery & Gaming Commissioner	7.00	119,867	7.00	126,000	7.00	128,520
Lottery Representative III	1.00	21,588	1.00	54,884	0.00	0
Office Secy I	1.00	37,775	1.00	37,774	1.00	38,530
Prgm Mgr II	1.00	79,867	1.00	79,835	1.00	81,432
Prgm Mgr III	1.00	80,463	1.00	80,463	1.00	82,073
Prgm Mgr Senior III	1.00	102,270	1.00	102,270	1.00	104,316
Total E75D0002	161.00	7,845,637	161.00	8,138,378	161.00	8,419,989
Total E75 Maryland Lottery and Gaming Control Agency	324.10	17,453,691	324.10	18,159,496	324.10	18,535,646