



State of Washington
Agency Activity Inventory System

Agency Activity by Agency
Approp Period 2001-03
Activity Version: 2001-03 Recast Actuals

Agency: 116 - State Lottery Commission

Statewide Result: Improve the ability of State Government to achieve its results

Prizes

Payments are made to Lottery game winners. (Shared Game Lottery Account-Nonappropriated, State Lottery Account-Nonappropriated)

Total \$	<u>\$579,810,027</u>
GFS \$	\$0
Other \$	\$579,810,027
FTEs	0.0

Agency Priority:

Expected Results

Award winning prize dollars.

Statewide Result: Improve the ability of State Government to achieve its results

Commissions

Commissions are paid to retailers who sell Lottery products. (Lottery Administrative Account, Shared Game Lottery Account-Nonappropriated, State Lottery Account-Nonappropriated)

Total \$	<u>\$56,033,848</u>
GFS \$	\$0
Other \$	\$56,033,848
FTEs	0.0

Agency Priority:

Expected Results

Meet contractual obligation to retailers.

Statewide Result: Improve the ability of State Government to achieve its results

Game Vendors

Payments are made to online and scratch product vendors. (Shared Game Lottery Account-Nonappropriated, State Lottery Account-Nonappropriated)

Total \$	<u>\$21,453,910</u>
GFS \$	\$0
Other \$	\$21,453,910
FTEs	0.0

Agency Priority:

Expected Results

Viable games.



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Marketing

The marketing activity develops and implements the Lottery's strategic marketing plan. (Lottery Administrative Account, Shared Game Lottery Account-Nonappropriated, State Lottery Account-Nonappropriated)

Total \$	<u>\$20,857,409</u>
GFS \$	\$0
Other \$	\$20,857,409
FTEs	8.8

Agency Priority:

Expected Results

Develop marketing plans to generate the maximum amount of revenues (\$910 million in the 2003-2005 Biennium) for the state, using strategies consistent with the dignity of the state and in the general welfare of the people. Analyze products and implement programs focused on individual products that will result in the greatest return on investment. Manage the advertising contract to ensure a cohesive advertising plan is implemented that meets the Lottery standards in the most cost-efficient manner possible. Manage the Lottery scratch product life cycle, including, but not limited to, the number of games, themes, price point, and profitability. Scratch revenue is projected to be \$520 million for the 2003-2005 Biennium. Develop, create, and distribute to regional offices, materials that will be placed in retailer locations by the Lottery district sales representatives.

Statewide Result: Improve the ability of State Government to achieve its results

Sales

The sales activity supports the marketing plan through telemarketing, corporate account managers, headquarters staff, six regional offices, and 33 district sales representatives. The Sales Department ensures correct distribution of scratch games, prime replacement of sale material in retailer locations, retailer training and development, selling techniques, and efficiencies allowing each retailer to maximize sales and reduce expenses. (Lottery Administrative Account, Shared Game Lottery Account-Nonappropriated, State Lottery Account-Nonappropriated)

Total \$	<u>\$12,453,497</u>
GFS \$	\$0
Other \$	\$12,453,497
FTEs	67.3

Agency Priority:

Expected Results

Sales projection of \$910 million in the 2003-2005 Biennium are met. Point of sale material is optimally placed in retailer locations. Retailers are kept knowledgeable on available scratch games, Lottery programs, and promotions that support the sale of all Lottery products. Retailers are motivated to sell the maximum number of product through face to face contact with district sales representatives, analysis and shipment of scratch product by telemarketing representatives, and additional support and services provided at the regional and headquarters offices. Excellent customer service is provided to all retailers.



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Transfer to King County

The Lottery is responsible for the funds necessary for debt service payments on the bonds used to build Safeco Field. (State Lottery Account-Nonappropriated)

Total \$	\$7,594,835
GFS \$	\$0
Other \$	\$7,594,835
FTEs	0.0

Agency Priority:

Expected Results

Meet statutory obligation.

Statewide Result: Improve the ability of State Government to achieve its results

Administrative Services Activity

Administrative Services Activity includes the operations of the Director's Office, the Internal Auditor, Human Resources, Legal Services, the Quality Consultant, and the Administrative Services Division. (Lottery Administrative Account)

Total \$	\$4,358,237
GFS \$	\$0
Other \$	\$4,358,237
FTEs	16.6

Agency Priority:

Expected Results

The Director's Office is responsible for the overall management of the agency. The Internal Auditor provides independent appraisal of operations to management. Human Resources is responsible for personnel programs, administering affirmative action, and equal opportunity programs and retailer compliance with state and federal American with Disabilities Act requirements. Legal Services provides legal review of policies and procedures, ethics training, represents the agency in administrative hearings, and acts as liaison with the Office of the Attorney General. The Quality Consultant applies specialized knowledge of total quality management and organizational development techniques to ensure agency efforts to eliminate waste, duplication, and delay in services. Administrative Services is responsible for facility management, vehicle leasing, agency supplies, risk management, purchasing, and records retention.



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Information Services

The Lottery's Information Services Division is responsible for providing cost-effective, quality automated systems and reliable production services to the other Lottery divisions. The division plans, develops, implements, and manages the information technology systems and services for all Lottery operations, including telecommunications. The unit also manage the Information Technology operations of the gaming systems, internal control system, and local area network and wide area network services. (Lottery Administrative Account, State Lottery Account-Nonappropriated)

Total \$	<u>\$3,788,108</u>
GFS \$	\$0
Other \$	\$3,788,108
FTEs	14.5

Agency Priority:

Expected Results

Deliver internal services necessary to effectively support the Lottery in its operations. Leverage technology and resources to continually improve processes. Reduce costs and mitigate legal and business risks associated with managing the agency's information technology.

Statewide Result: Improve the ability of State Government to achieve its results

Financial Services and Budget Services

Financial Services is a support organization within the Lottery whose primary role is to provide complete financial services with the highest level of integrity. These financial services include accounting, investing, banking, audit support, and financial analysis. Budget Services is a support operation and is responsible for all aspects of the budget process for the Lottery. It tracks agency and program budgets and monitors for compliance with legislative intent. (Lottery Administrative Account, State Lottery Account-Nonappropriated)

Total \$	<u>\$1,799,444</u>
GFS \$	\$0
Other \$	\$1,799,444
FTEs	13.8

Agency Priority:

Expected Results

Provide internal financial services to support the operations of the Lottery. Provide internal support in the development and implementation of all games, promotions, and events. Prepare and distribute accurate and timely financial reports. Coordinate and support annual audits of financial statements and practices. Pay the Internal Revenue Service for withholding amounts and file reports accurately and timely. Invest adequately for Lottery annuity prizes. Prepare the Lottery's biennial and supplemental budget requests. Prepare quarterly revenue estimates that forecast the distribution of revenues to dedicated accounts. Respond to legislative fiscal note requests. Prepares the allotments, salary and benefits projections, and variance reports. Provide tracking system and reports for budget monitoring and control for program management. Purchases securities for Lotto Plus winners.



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Scratch Ticket Distribution

The Lottery warehouse is responsible for storage, order processing, and distribution of scratch tickets.

Total \$	<u>\$1,616,115</u>
GFS \$	\$0
Other \$	\$1,616,115
FTEs	4.5

Agency Priority:

Expected Results

The Lottery warehouse maintains control of the Lottery's inventory of scratch tickets. It picks and packs orders placed by scratch inventory specialists. Ticket orders are then shipped via couriers to retailers for next business day arrival.

Statewide Result: Improve the ability of State Government to achieve its results

Communications

The Washington Lottery Communication's Division is charged with developing and implementing strategic communications plans and objectives for the Lottery, consistent with the overall agency mission and goals. Providing clear, accurate information about the Lottery's role as a unique state agency and strong Washington business is accomplished in a number of ways, including representing the Lottery as official spokespersons to the public, media, retail customers, and other key audiences; working closely in communities throughout the state to develop strong community outreach programs that benefit Washington citizens and strengthen the Lottery's business; and writing, designing, editing, and coordinating production of internal/external agency communications, including maintaining a strong Internet presence. (Lottery Administrative Account, Shared Game Lottery Account-Nonappropriated, State Lottery Account-Nonappropriated)

Total \$	<u>\$1,472,230</u>
GFS \$	\$0
Other \$	\$1,472,230
FTEs	5.1

Agency Priority:

Expected Results

Increased satisfaction with an awareness and positive perception of the Lottery by all customer groups (players, retailers, and the public, the media) through strong, clear messages, establishing and managing good relationships, and seeking feedback. Meet increasing demands for immediate access to vast amounts and varieties of information regarding the Lottery as a business, good corporate citizen, responsible entertainment provider, revenue-generating state agency, and good employer.



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Security

Lottery Security is responsible for the integrity of the lottery drawings and equipment; security of scratch tickets; security of Lottery facilities; investigating crimes under the Lottery statute; and conducting background checks on retailers, vendors, and contractors, as well as Lottery employment applicants. Security works with local law enforcement on crimes related to Lottery products. (Lottery Administrative Account)

Total \$	\$1,092,981
GFS \$	\$0
Other \$	\$1,092,981
FTEs	4.0

Agency Priority:

Expected Results

Security will ensure that all lottery drawings are random; security issues with scratch products are found before the tickets are launched; all lottery facilities are secure; all retailers, employees, vendors, contractors, and their key employees do not have disqualifying criminal history or credit issues; assistance is provided to local law enforcement on investigations concerning or related to Lottery products to ensure that public confidence in the Lottery is maintained

Statewide Result: Improve the ability of State Government to achieve its results

Retailer Services

The Lottery's Retailer Services Division delivers timely, cost-effective, quality services to retailers, players, and staff to support the Lottery's sales and marketing efforts. The Division licenses new retailers, makes collections from retailers, processes bank account changes, coordinates the installation of online terminals at retailer locations, issues retailer credits, answers the Lottery's toll-free line, processes and pays mailed-in winning tickets, validates jackpot claims, performs debt checks and collects against winner payments, changes the status on scratch game packs, explains how accounting and inventory reports work, explains how the terminals work, assists with Korean and Spanish language translation, and oversees the smooth operation of the online vendor contract. (Lottery Administrative Account)

Total \$	\$937,556
GFS \$	\$0
Other \$	\$937,556
FTEs	10.1

Agency Priority:

Expected Results

Increased sales through providing licenses, equipment, knowledge, and support to Lottery retailers, players, and staff.



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Planning and Research

The Planning and Research Section is responsible for providing appropriate objective information upon which to make proactive business decisions. The information is based upon sound research techniques and thorough analyses. Tactical and strategic research activities of the section include agency planning efforts, market research, revenue projections, sales analyses, new product development, primary research, including product testing and other related activities, and secondary industry research. The activities of the section are primarily in support of the Director's Office and Marketing and Sales. (Lottery Administrative Account, State Lottery Account-Nonappropriated)

Total \$	\$573,001
GFS \$	\$0
Other \$	\$573,001
FTEs	2.4

Agency Priority:

Expected Results

Providing timely business intelligence through marketing research and sales analysis activities to key decision makers in Marketing, Sales and the Director's Office. Provide ongoing evaluation of research activities with respect to results achieved. Maximize the value of contracted research projects through multiple applications of analyses to existing research data. Incorporate acquired intelligence into the strategic planning efforts of the organization. Identify and forecast demographic and behavioral trends for purposes of product design and marketing decisions.

Sub-Total for Agency 116 - State Lottery Commission

Totals	\$713,841,198
GFS	\$0
Other	\$713,841,198
FTEs	147.0