



STATE OF ARKANSAS
ARKANSAS LOTTERY COMMISSION

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June 13, 2014

The Honorable Robert Thompson, Co-Chair
The Honorable Mark Perry, Co-Chair
Arkansas Lottery Commission Legislative Oversight Committee
One Capitol Mall, Room R-501
Little Rock, AR 72201

RE: Proposed 2015 Annual Budget

Gentlemen:

On behalf of our agency and the Commissioners of the Arkansas Lottery Commission, please accept the attached Proposed Annual Budget pursuant to §§ 23-115-206(a)(10)(A). The budget was approved by the Arkansas Lottery Commission on May 21, 2014. The following information is provided:

1. Summary/Budget Detail Schedules
2. Compensation and Benefits
3. Vacant Positions
4. Other Compensation Benefits
5. Administrative Expenses

Please call me if you have any questions or need additional information.

Respectfully submitted,

A handwritten signature in black ink, appearing to be "Bishop Woosley".

Bishop Woosley
Director

Enclosures

cc: John C. "Smokey" Campbell III, Chairman, Arkansas Lottery Commission

Arkansas Lottery Commission
Budget Detail Schedules
For the Fiscal Year Ending June 30, 2015

	2013 Audited	% of Revenue	2014 Budget (Original)	% of Revenue	2014 Budget Revised 01/2014	% of Revenue	2015 Budget	% of Revenue	Explanation for Change in Budget Amounts
Operating Revenues:									
Instant Games	\$ 355,061,785	80.676%	\$ 375,000,000	81.559%	\$ 324,907,460	77.714%	\$ 331,750,000	77.281%	Instant Game sales are forecast approximately \$40 million below the F2014 budget, but are forecast to increase slightly from the revised FY2014 budget.
OnLine Games	84,486,209	19.197%	84,500,000	18.378%	92,858,087	22.211%	97,206,000	22.644%	Online game revenues are forecast to increase due primarily to sales from new games
Less: Promotions Discount	-	0.000%	(250,000)	-0.054%	(250,000)	-0.060%	(250,000)	-0.058%	Promotional discounts remain at the same level as FY2014
Retailer application, fidelity	556,792	0.127%	530,000	0.115%	553,583	0.132%	560,000	0.130%	Retailer communication and licensing fees reflect an increase consistent with the estimated FY2014 level
Non Gaming Revenue	4,490	0.001%	10,000	0.002%	10,000	0.002%	10,000	0.002%	Other miscellaneous revenues are consistent with estimated FY2014 .
Total Operating Revenues	440,109,276	100.000%	459,790,000	100.000%	418,079,130	100.000%	429,276,000	100.000%	
Operating Expenses:									
Instant Game Prizes	250,246,337	56.860%	264,200,000	57.461%	226,753,686	54.237%	237,022,500	55.214%	Decrease in instant games prizes is proportionate to the decrease in instant games revenues
On-Line Game Prizes	41,877,845	9.515%	42,461,250	9.235%	50,490,758	12.077%	52,000,600	12.114%	Online games prizes increase is proportionate to the increase in online games revenues
Retailer Commissions	24,986,551	5.677%	25,982,000	5.651%	23,924,657	5.723%	24,007,600	5.593%	No significant change in percentage paid to retailers. Amount also reflects \$250,000 for retailer bonuses which is the same as for FY2014. Forecast decrease is consistent with decrease in revenues.
Gaming Contract Costs	22,116,163	5.025%	23,664,250	5.147%	21,218,085	5.075%	21,117,000	4.919%	No significant change in percentage paid to gaming vendors. Lower FY2015 budget amount is due primarily to decrease in ticket revenues
Staff Compensation & Benefits	6,049,048	1.374%	6,350,000	1.381%	5,780,332	1.383%	6,450,000	1.503%	Increase relates to the forecast to backfill five to seven currently vacant positions and estimating a 3% merit bonus for FY2015. Also a 1% COLA increase is projected.
Marketing, Advertising & Promotions	4,414,655	1.003%	4,500,000	0.979%	4,499,223	1.076%	5,000,000	1.165%	\$500,000 increase is to be used to promote 5 Year Anniversary plan.
General and administrative expenses	1,231,212	0.280%	1,370,000	0.298%	1,388,301	0.332%	1,420,000	0.331%	Increase for FY2015 is due to expected increases for lease costs and DIS fees.
Services Provided by Other Agencies:	936,736	0.213%	1,550,000	0.337%	1,117,411	0.267%	800,000	0.186%	The ADHE administrative fees are budgeted for \$650,000, as the actual fees billed for FY2014 were \$615,000. An additional \$150,000 is budgeted for Legislative Audit fees for the annual audit.
Legal and Professional Services	22,507	0.005%	25,000	0.005%	12,674	0.003%	10,000	0.002%	Decrease in the budget for legal and professional services is due to the hiring of a full time Chief Legal Counsel position
Capital asset depreciation	182,158	0.041%	185,000	0.040%	183,343	0.044%	210,000	0.049%	Increase reflects impact of the purchase of approx. \$125,000 of depreciable assets which is expected to occur in FY2015
Total Operating Expenses	352,063,212	79.994%	370,287,500	80.534%	335,368,470	80.217%	348,037,700	81.076%	
Operating Income	88,046,064	20.006%	89,502,500	19.466%	82,710,660	19.783%	81,238,300	18.924%	
Non-Operating Revenue (Expense):									
Interest Income	322,722	0.073%	240,000	0.052%	270,027	0.065%	140,000	0.033%	Based upon an average balance of approximately \$27 million at 55 basis points
Other Non-Operating Income	-	0.000%	-	0.000%	0	0.000%	-	0.000%	No non-operating income for FY2015 is identified
Income before Transfers	\$ 88,368,786	20.079%	\$ 89,742,500	19.518%	\$ 82,980,687	19.848%	\$ 81,378,300	18.957%	
Transfers To:									
Arkansas Department of Health Services	(200,000)	-0.045%	\$ (200,000)	-0.043%	\$ (200,000)	-0.048%	\$ (200,000)	-0.047%	This amount is specified by statute
ADHE Education Trust Account (Regular)	(85,216,747)	-19.363%	(84,241,200)	-18.322%	(77,000,790)	-18.418%	(75,500,000)	-17.588%	This is the amount of the expected transfer of Net Proceeds to ADHE for F2014
Unclaimed Prizes Reserve-transferred at June 30 by statute	(5,040,414)	-1.145%	(5,258,800)	-1.144%	(5,779,897)	-1.382%	(5,700,000)	-1.328%	
Total Transfers to ADHE Education Trust Account	(90,257,161)	-20.508%	(89,500,000)	-19.465%	(82,780,687)	-19.800%	(81,200,000)	-18.916%	
Change in Net Assets	(\$ 2,088,375)	-0.475%	\$ 42,500	0.009%	\$ 0	0.000%	(\$ 21,700)	-0.005%	

Arkansas Lottery Commission																	
Compensation & Benefits																	
Budget FY 2015																14.76%	
	Career								COLA %	Budgeted	Merit	Adj Budgeted					
Employee	Grades	Position Title	Race	Gross	Soc Sec C	Medicare C	APERS C	Annual Gross	1.00%	Gross	3.00%	Gross	Annual Taxes	Annual APERS	Total Comp and Benefits		
Ali K. Mustafa	C120	Marketing Sales Representative	OM	1,609.64	-99.80	-23.34	-239.51	\$ 41,850.57	\$ 418.51	\$ 42,269.08	\$ 1,268.07	\$ 43,537.15	\$ 3,330.59	\$ 6,426.08	\$ 53,293.82		
Amber C. Fiser	C114	Graphic Specialist	CF	1,819.88	-112.83	-26.39	-270.80	\$ 47,317.00	\$ 473.17	\$ 47,790.17	\$ 1,433.71	\$ 49,223.88	\$ 3,765.63	\$ 7,265.44	\$ 60,254.95		
Ana M. Rodriguez	C115	Administrative Analyst	OM	1,251.88	-77.62	-18.15	-186.28	\$ 32,548.80	\$ 325.49	\$ 32,874.29	\$ 986.23	\$ 33,860.52	\$ 2,590.33	\$ 4,997.81	\$ 41,448.66		
Andrew J. Biernat	C120	Marketing Sales Representative	CM	1,609.64	-99.80	-23.34	-239.51	\$ 41,850.57	\$ 418.51	\$ 42,269.08	\$ 1,268.07	\$ 43,537.15	\$ 3,330.59	\$ 6,426.08	\$ 53,293.82		
Angela D. Meredith	C120	Security Specialist	BF	2,812.15	-174.35	-40.78	-418.45	\$ 73,116.00	\$ 731.16	\$ 73,847.16	\$ 2,215.41	\$ 76,062.57	\$ 5,818.79	\$ 11,226.84	\$ 93,108.20		
Anita J. Junior	N904	Product Developer	BF	2,868.40	-177.84	-41.59	-426.82	\$ 74,578.32	\$ 745.78	\$ 75,324.10	\$ 2,259.72	\$ 77,583.83	\$ 5,935.16	\$ 11,451.37	\$ 94,970.36		
Antwon D. Ross	C112	Administrative Support Specialist III	BM	1,255.38	-77.83	-18.20	-186.80	\$ 32,640.00	\$ 326.40	\$ 32,966.40	\$ 988.99	\$ 33,955.39	\$ 2,597.59	\$ 5,011.82	\$ 41,564.80		
Audra L. McCaskill	C122	Claims Center Manager	BF	1,774.62	-110.03	-25.73	-264.06	\$ 46,140.07	\$ 461.40	\$ 46,601.47	\$ 1,398.04	\$ 47,999.51	\$ 3,671.96	\$ 7,084.73	\$ 58,756.21		
Barbara G. Campbell	C120	Marketing Sales Representative	CF	1,464.56	-90.80	-21.24	-217.93	\$ 38,078.64	\$ 380.79	\$ 38,459.43	\$ 1,153.78	\$ 39,613.21	\$ 3,030.41	\$ 5,846.91	\$ 48,490.53		
Bob C. Coleman Jr	C128	QA Systems Analyst	CM	2,163.81	-134.16	-31.38	-321.98	\$ 56,259.12	\$ 562.59	\$ 56,821.71	\$ 1,704.65	\$ 58,526.36	\$ 4,477.27	\$ 8,638.49	\$ 71,642.12		
Charles E. Freeman	C120	Marketing Sales Representative	BM	1,597.74	-99.06	-23.17	-237.74	\$ 41,541.34	\$ 415.41	\$ 41,956.75	\$ 1,258.70	\$ 43,215.46	\$ 3,305.98	\$ 6,378.60	\$ 52,900.04		
Christopher M. Pabin	C120	Payroll Specialist	CM	1,464.56	-90.80	-21.24	-217.93	\$ 38,078.64	\$ 380.79	\$ 38,459.43	\$ 1,153.78	\$ 39,613.21	\$ 3,030.41	\$ 5,846.91	\$ 48,490.53		
Cindy L. Carlock	C120	Marketing Sales Representative	CF	1,609.64	-99.80	-23.34	-239.51	\$ 41,850.57	\$ 418.51	\$ 42,269.08	\$ 1,268.07	\$ 43,537.15	\$ 3,330.59	\$ 6,426.08	\$ 53,293.82		
Clifton C. Rassmann	C128	QA Systems Analyst	OM	2,620.51	-162.47	-38.00	-389.93	\$ 68,133.20	\$ 681.33	\$ 68,814.53	\$ 2,064.44	\$ 70,878.97	\$ 5,422.24	\$ 10,461.74	\$ 86,762.94		
Cynthia L. Burnett	C122	Claims Center Manager	CF	1,761.51	-109.21	-25.54	-262.11	\$ 45,799.13	\$ 457.99	\$ 46,257.12	\$ 1,387.71	\$ 47,644.83	\$ 3,644.83	\$ 7,032.38	\$ 58,322.04		
Dean E. Heard	C120	Marketing Sales Representative	BF	1,585.85	-98.32	-22.99	-235.97	\$ 41,232.09	\$ 412.32	\$ 41,644.41	\$ 1,249.33	\$ 42,893.74	\$ 3,281.37	\$ 6,331.12	\$ 52,506.23		
Debbie M. Stobaugh	C120	Marketing Sales Representative	CF	1,609.64	-99.80	-23.34	-239.51	\$ 41,850.57	\$ 418.51	\$ 42,269.08	\$ 1,268.07	\$ 43,537.15	\$ 3,330.59	\$ 6,426.08	\$ 53,293.82		
Demetria P. King	C122	Accountant	BF	1,761.51	-109.21	-25.54	-262.11	\$ 45,799.13	\$ 457.99	\$ 46,257.12	\$ 1,387.71	\$ 47,644.83	\$ 3,644.83	\$ 7,032.38	\$ 58,322.04		
Don S. Smith	C120	Marketing Sales Representative	CM	1,609.64	-99.80	-23.34	-239.51	\$ 41,850.57	\$ 418.51	\$ 42,269.08	\$ 1,268.07	\$ 43,537.15	\$ 3,330.59	\$ 6,426.08	\$ 53,293.82		
Donald M. Brown	Q146U	Internal Auditor	CM	4,315.38	-267.55	-62.57	-642.13	\$ 112,200.00	\$ 1,122.00	\$ 113,322.00	\$ 3,399.66	\$ 116,721.66	\$ 8,929.21	\$ 17,228.12	\$ 142,878.98		
Donna C. Brooks	C112	Claims Assistant	CF	1,435.85	-89.02	-20.82	-213.65	\$ 37,332.00	\$ 373.32	\$ 37,705.32	\$ 1,131.16	\$ 38,836.48	\$ 2,970.99	\$ 5,732.26	\$ 47,539.73		
Donna M. Barnhart	C120	Marketing Sales Representative	CF	1,081.42	-67.05	-15.68	-160.92	\$ 28,116.99	\$ 281.17	\$ 28,398.16							
Eric L. Huffstutlar	C113	Computer Operator	CM	1,346.40	-83.48	-19.52	-200.34	\$ 35,006.40	\$ 350.06	\$ 35,356.46	\$ 1,060.69	\$ 36,417.16	\$ 2,785.91	\$ 5,375.17	\$ 44,578.24		
Felicia R. Morehead	C112	Claims Assistant	BF	1,089.47	-67.55	-15.80	-162.11	\$ 28,326.31	\$ 283.26	\$ 28,609.57	\$ 858.29	\$ 29,467.86	\$ 2,254.29	\$ 4,349.46	\$ 36,071.61		
Gregory D. Mote	c120	Security Specialist	CM	1,596.15	-98.96	-23.14	-237.51	\$ 41,500.00	\$ 415.00	\$ 41,915.00							
Gwen N. Armbrust	C121	HR Generalist	CF	1,783.68	-110.59	-25.86	-265.41	\$ 46,375.79	\$ 463.76	\$ 46,839.55	\$ 1,405.19	\$ 48,244.73	\$ 3,690.72	\$ 7,120.92	\$ 59,056.38		
Henry B. Gilmore Jr	C125	Application Support Specialist	BM	2,054.34	-127.37	-29.79	-305.69	\$ 53,412.78	\$ 534.13	\$ 53,946.91	\$ 1,618.41	\$ 55,565.32	\$ 4,250.75	\$ 8,201.44	\$ 68,017.50		
James H. Springer	C121	Draw Manager	BM	1,665.12	-103.24	-24.14	-247.77	\$ 43,293.12	\$ 432.93	\$ 43,726.05	\$ 1,311.78	\$ 45,037.83	\$ 3,445.39	\$ 6,647.58	\$ 55,130.81		
Jean C. Block	N910	Chief Legal Counsel	OM	4,119.23	-255.39	-59.73	-612.94	\$ 107,100.00	\$ 1,071.00	\$ 108,171.00	\$ 3,245.13	\$ 111,416.13	\$ 8,523.33	\$ 16,445.02	\$ 136,384.48		
Jeffery C. Fitch	C120	Marketing Sales Representative	CM	1,597.74	-99.06	-23.17	-237.74	\$ 41,541.34	\$ 415.41	\$ 41,956.75	\$ 1,258.70	\$ 43,215.46	\$ 3,305.98	\$ 6,378.60	\$ 52,900.04		
Jeremy K. Smith	C130	Network Engineer	CM	2,680.63	-166.20	-38.87	-398.88	\$ 69,696.40	\$ 696.96	\$ 70,393.36	\$ 2,111.80	\$ 72,505.16	\$ 5,546.65	\$ 10,701.76	\$ 88,753.57		
Jerold K. Fetzer	N910	Chief Fiscal Officer	OM	3,844.62	-238.37	-55.75	-572.08	\$ 99,960.00	\$ 999.60	\$ 100,959.60	\$ 3,028.79	\$ 103,988.39	\$ 7,955.11	\$ 15,348.69	\$ 127,292.19		
Joanna M. Buntten	N906	Advertising & Marketing Director	CF	3,102.45	-192.35	-44.99	-461.64	\$ 80,663.64	\$ 806.64	\$ 81,470.28	\$ 2,444.11	\$ 83,914.38	\$ 6,419.45	\$ 12,385.76	\$ 102,719.60		
Justin D. Rogers	C117	Application Support Specialist	CM	1,265.15	-78.44	-18.34	-188.25	\$ 32,893.98	\$ 328.94	\$ 33,222.92	\$ 996.69	\$ 34,219.61	\$ 2,617.80	\$ 5,050.81	\$ 41,888.22		
Justin M. Webb	C115	Administrative Analyst	CM	1,628.08	-100.94	-23.61	-242.26	\$ 42,330.00	\$ 423.30	\$ 42,753.30	\$ 1,282.60	\$ 44,035.90	\$ 3,368.75	\$ 6,499.70	\$ 53,904.34		
Kenneth K. McCarthy	N904	Sales Training & Retail Coordinator	CM	3,201.23	-198.48	-46.42	-476.34	\$ 83,232.00	\$ 832.32	\$ 84,064.32	\$ 2,521.93	\$ 86,586.25	\$ 6,623.85	\$ 12,780.13	\$ 105,990.23		
Kenya N. Lee	c112	Claims Assistant	BF				\$ 42,330.00	\$ 423.30	\$ 42,753.30								
Lance T. Huey	N910	Security Director	CM	4,447.85	-275.77	-64.49	-661.84	\$ 115,644.00	\$ 1,156.44	\$ 116,800.44	\$ 3,504.01	\$ 120,304.45	\$ 9,203.29	\$ 17,756.94	\$ 147,264.68		
La'Tonyalyn K. White	C120	Marketing Sales Representative	BF	1,609.64	-99.80	-23.34	-239.51	\$ 41,850.57	\$ 418.51	\$ 42,269.08	\$ 1,268.07	\$ 43,537.15	\$ 3,330.59	\$ 6,426.08	\$ 53,293.82		
Linda G. Chambers	C120	Marketing Sales Representative	CF	1,609.64	-99.80	-23.34	-239.51	\$ 41,850.57	\$ 418.51	\$ 42,269.08	\$ 1,268.07	\$ 43,537.15	\$ 3,330.59	\$ 6,426.08	\$ 53,293.82		
Lindsey E. Teague	C124	Promotions & Events Manager	CF	2,163.81	-134.16	-31.38	-321.98	\$ 56,259.12	\$ 562.59	\$ 56,821.71	\$ 1,704.65	\$ 58,526.36	\$ 4,477.27	\$ 8,638.49	\$ 71,642.12		
Lisa Tater	N901	Regional Sales Manager	CF	2,601.00	-161.26	-37.71	-387.03	\$ 67,626.00	\$ 676.26	\$ 68,302.26	\$ 2,049.07	\$ 70,351.33	\$ 5,381.88	\$ 10,383.86	\$ 86,117.06		
Maria C. Craig	C122	Accountant	CF	2,176.92	-134.97	-31.57	-323.93	\$ 56,599.80	\$ 566.00	\$ 57,165.80	\$ 1,714.97	\$ 58,880.77	\$ 4,504.38	\$ 8,690.80	\$ 72,075.95		
Mark A. Olsen	C117	Graphic Web Coordinator	CM	1,569.23	-97.29	-22.75	-233.50	\$ 40,800.00	\$ 408.00	\$ 41,208.00	\$ 1,236.24	\$ 42,444.24	\$ 3,246.98	\$ 6,264.77	\$ 51,955.99		
Mark D. Hearn	N901	Regional Sales Manager	BM	2,601.00	-161.26	-37.71	-387.03	\$ 67,626.00	\$ 676.26	\$ 68,302.26	\$ 2,049.07	\$ 70,351.33	\$ 5,381.88	\$ 10,383.86	\$ 86,117.06		
Merrill M. Forte	C120	Marketing Sales Representative	BM	1,597.74	-99.06	-23.17	-237.74	\$ 41,541.34	\$ 415.41	\$ 41,956.75	\$ 1,258.70	\$ 43,215.46	\$ 3,305.98	\$ 6,378.60	\$ 52,900.04		
Michael C. Smith	N919	IT Gaming Director	CM	6,002.31	-372.14	-87.03	-893.14	\$ 156,060.00	\$ 1,560.60	\$ 157,620.60	\$ 4,728.62	\$ 162,349.22	\$ 12,419.72	\$ 23,962.74	\$ 198,731.68		
Michael J. Taylor	C112	Administrative Support Specialist III	CM	1,480.57	-91.80	-21.47	-220.31	\$ 38,494.80	\$ 384.95	\$ 38,879.75	\$ 1,166.39	\$ 40,046.14	\$ 3,063.53	\$ 5,910.81	\$ 49,020.48		
Molly K. Harris	C120	Marketing Sales Representative	CF	1,597.74	-99.06	-23.17	-237.74	\$ 41,541.34	\$ 415.41	\$ 41,956.75	\$ 1,258.70	\$ 43,215.46	\$ 3,305.98	\$ 6,378.60	\$ 52,900.04		
Patricia D. Vick	C126	Paralegal	CF	2,157.06	-133.74	-31.28	-320.97	\$ 56,083.43	\$ 560.83	\$ 56,644.26	\$ 1,699.33	\$ 58,343.59	\$ 4,463.28	\$ 8,611.51	\$ 71,418.39		
Paula K. O'Brien	C112	Claims Assistant	CF	1,089.47	-67.55	-15.80	-162.11	\$ 28,326.32	\$ 283.26	\$ 28,609.58	\$ 858.29	\$ 29,467.87	\$ 2,254.29	\$ 4,349.46	\$ 36,071.62		
Rachel K. Dill	C117	Promotions/Spc Event Coordinator	CF	1,340.01	-83.08	-19.43	-199.39	\$ 34,840.34	\$ 348.40	\$ 35,188.74	\$ 1,055.66	\$ 36,244.41	\$ 2,772.7				

Vacant positions	Position Title	Base	Midpoint	Max
C112	Administrative Supp Spec III	\$ 26,824.00	\$ 34,871.00	\$ 42,918.00
C120	Marketing Sales Representative	\$ 39,631.00	\$ 51,124.00	\$ 62,616.00
N901	SMB Project Coordinator	\$ 65,000.00	\$ 73,125.00	\$ 81,250.00
N909	Executive Assistant	\$ 88,957.00	\$ 100,077.00	\$ 111,196.00
N922	V.P. Gaming Operations	\$ 180,524.00	\$ 203,090.00	\$ 225,655.00
		<u>\$ 400,936.00</u>	<u>\$ 462,287.00</u>	<u>\$ 523,635.00</u>
Employer taxes		\$ 30,671.60	\$ 35,364.96	\$ 40,058.08
APERS		\$ 59,178.15	\$ 68,233.56	\$ 77,288.53
Total budget		<u>\$ 490,785.76</u>	<u>\$ 565,885.52</u>	<u>\$ 640,981.60</u>

Vacant positions	Position Title	Base	COLA	Budgeted	Annual	APERS	Adj Budgeted
			1%	Gross	Taxes	14.76%	Gross
C112	Administrative Supp Spec III	\$ 26,824.00	\$ 268.24	\$ 27,092.24	\$ 2,072.56	\$ 3,998.81	\$ 33,163.61
C120	Marketing Sales Representative	\$ 39,631.00	\$ 396.31	\$ 40,027.31	\$ 3,062.09	\$ 5,908.03	\$ 48,997.43
N901	SMB Project Coordinator	\$ 65,000.00	\$ 650.00	\$ 65,650.00	\$ 5,022.23	\$ 9,689.94	\$ 80,362.17
N909	Executive Assistant	\$ 88,957.00	\$ 889.57	\$ 89,846.57	\$ 6,873.26	\$ 13,261.35	\$ 109,981.19
N922	VP Administration	\$ 180,524.00	\$ 1,805.24	\$ 182,329.24	\$ 13,948.19	\$ 26,911.80	\$ 223,189.22
Total budget		<u>\$ 400,936.00</u>	<u>\$ 4,009.36</u>	<u>\$ 404,945.36</u>	<u>\$ 30,978.32</u>	<u>\$ 59,769.94</u>	<u>\$ 495,693.62</u>

Other Compensation Benefits

Unemployment Experience Rate= 2.00% (paid quarterly)

Quarterly Salaries= \$955,000 x 2%= \$19,000 x 4= **\$76,000**

Worker's Comp Experience Rate= 0%

No work comp claims. This will be 0% until claims are filed

WC Premium Tax 2014= \$3,820,000 x .000435= **\$1,662.00** (annual fee)

This fee is paid by each agency for administrative maintenance.

Employer Health Premiums= \$466 per covered employee (referred to as State Match)

Avg monthly= 62 employees @ \$466= \$28,892 (rounded up to \$29,000 x 12 months)= **\$348,000**

CELL R91. Comp and Benefits

Career Service is given to employees with at least 10 years of service.

CELL R94. Comp and Benefits

10 fulltime employees

1 part time employee. Part time employees are based on a % of hours worked.

Active Positions					Notes
Vacant pos	Position titles	Base	Midpoint	Max	
C112	Administrative Supp Spec III	\$ 26,824.00	\$ 34,871.00	\$ 42,918.00	
C120	Marketing Sales Representative	\$ 39,631.00	\$ 51,124.00	\$ 62,616.00	
N901	SMB Project Coordinator	\$ 65,000.00	\$ 73,125.00	\$ 81,250.00	
N909	Executive Assistant	\$ 88,957.00	\$ 100,077.00	\$ 111,196.00	
N922	V.P. Gaming Operations	\$ 180,524.00	\$ 203,090.00	\$ 225,655.00	
		\$ 400,936.00	\$ 462,287.00	\$ 523,635.00	
Employer taxes		\$ 30,671.60	\$ 35,364.96	\$ 40,058.08	
APERS		\$ 59,178.15	\$ 68,233.56	\$ 77,288.53	
Total budget		\$ 490,785.76	\$ 565,885.52	\$ 640,981.60	

Inactive Positions

Vacant pos	Position titles	Base	Midpoint	Max	Notes
C112	Administrative Supp Spec III	\$ 26,824.00	\$ 34,871.00	\$ 42,918.00	
C112	Administrative Supp Spec III	\$ 26,824.00	\$ 34,871.00	\$ 42,918.00	
C113	Computer Operator	\$ 28,165.00	\$ 36,614.00	\$ 45,064.00	
N908	Procurement Director	\$ 85,536.00	\$ 96,228.00	\$ 106,919.00	
N909	Marketing & Product Dev Director	\$ 88,957.00	\$ 100,077.00	\$ 111,196.00	
N909	Sales/Retail Relations Director	\$ 88,957.00	\$ 100,077.00	\$ 111,196.00	
N912	Admin & Operations Director	\$ 100,065.00	\$ 112,573.00	\$ 125,081.00	
N912	Information Technology Director	\$ 100,065.00	\$ 112,573.00	\$ 125,081.00	

Q147U	Chief Operating Officer	\$ 126,050.00		\$ 315,125.00	This position is set by Lottery Act with a special salary allowance. See below.
		\$ 1,987,495.52	\$ 2,135,947.03	\$ 2,725,562.21	
Employer taxes		\$ 152,043.41	\$ 163,399.95	\$ 208,505.51	
APERS		\$ 293,354.34	\$ 315,265.78	\$ 402,292.98	
Total budget		\$ 2,432,893.26	\$ 2,614,612.76	\$ 3,336,360.70	

Salary Allowances set forth by Arkansas Scholarship Lottery Act

TITLE	Max No. of Employees	Max Annual Salary Rate	Position
(01) LOTTERY CMSN DIRECTOR	1	\$ 141,603.00	Q145
(02) LOTTERY CMSN INTERNAL Auditor	1	\$ 141,603.00	Q146
(03) LOTTERY CMSN CHIEF OPERATING OFFICER	1	\$ 126,050.00	Q147

23-115-306. Special salary allowances.

(a) The Arkansas Lottery Commission, upon approval of the Arkansas Lottery Commission Legislative Oversight Committee, may make special salary allowances authorized by this section for recruitment or retention in amounts as the commission may determine equitable in view of the exacting duties that are involved as a part of

the salary of the:

(1) Director of the Arkansas Lottery Commission;

(2) Internal auditor of the commission; and

(3) Chief operating officer of the commission.

(b) The total compensation for a position subject to an allowance under subsection (a) of this section, including the salary authorized by the General Assembly and a special salary allowance, shall not exceed an amount equal to two and one-half (2 1/2) times the salary for the position authorized by the General Assembly.

(c)(1) The requirement of approval by the Arkansas Lottery Commission Legislative Oversight Committee before granting a special salary allowance under this section is not a severable part of this section.

(2) If the requirement of approval by the Arkansas Lottery Commission Legislative Oversight Committee is ruled unconstitutional by a court of competent jurisdiction, this section is void.

Arkansas Lottery Commission
Detailed Schedule of General and Administrative Expenses
For Budget Fiscal Year Ended June 30, 2015

	GL#-Cost Center	FY2013 Audited	FY2014 Budget	FY 2015 Budget	Comments
Public Information Expense	5722-E-GL-00000	868	1,000	1,000	Legal postings in newspapers Little Rock office includes annual rent increases
Office Lease & Improvements	5750-C-SH-00000	406,134	425,000	432,000	
Jonesboro Lease & Office expen	5751-A-CC-00000	36,903	38,500	35,000	Lease ,utilities, security contract
Springdale Lease & Office expe	5753-A-CC-00000	39,957	40,000	35,000	Lease ,utilities, security contract
Camden Lease & Office expense	5754-A-CC-00000	25,111	26,000	26,000	Lease ,utilities, security contract
Office Parking	5755-C-SH-00000	19,091	20,000	23,000	LR building parking
Retailer background checks	5760-D-GE-00000	5,582	6,000	5,500	Background checks for new retailers
Equipment-Low Value	5810-C-SH-10000	32,708	45,000	50,000	IT infrastructure
Equipment-Low Value	5810-G-00-10000	1,827	10,000	5,000	Administrative & other
Equipment-Low Value	5810-I-IA-10000	1,519	2,500	2,000	Internal Audit
Equipment Lease	5830-A-00-10000	300	-	-	Copiers
Equipment Lease	5830-C-SH-10000	25,305	26,000	25,000	Copiers and postage machine
Equipment Lease	5830-M-AD-10000	-	-	3,000	Copiers
Maintenance & Repairs	5840-C-SH-10000	11,600	12,000	14,000	Building maintenance
Lottery Vehicle expenses	5845-C-SH-10000	9,161	10,000	11,000	Vehicle gas, oil, maintenance
Office Administrative expense	5850-C-SH-00000	226	500	500	General Office expense
Postage & Freight	5850-C-SH-10000	12,587	12,000	13,000	Postage & Package Delivery
Postage & Freight	5850-G-00-10000	8	-	-	Postage
Office Supplies & Expense	5855-A-00-10000	2,315	500	500	Departmental Office Supplies costs
Office Supplies & Expense	5855-A-AC-10000	250	500	500	Departmental Office Supplies costs
Office Supplies & Expense	5855-A-CC-10000	957	1,200	1,500	Departmental Office Supplies costs
Office Supplies & Expense	5855-C-SH-10000	35,560	40,000	45,000	Common office supplies
Office Supplies & Expense	5855-E-00-10000	217	500	500	Departmental Office Supplies costs
Office Supplies & Expense	5855-S-GS-10000	-	-	3,000	Departmental Office Supplies costs
Office Supplies & Expense	5855-G-00-10000	583	800		Departmental Office Supplies costs
Office Expense	5856-C-SH-10000	2,732	4,000	3,000	General Office Expense
Office Expense	5856-E-AH-10000	-	-	1,000	General Office Expense
Software Costs	5870-A-00-20000	398	1,000	-	Data processing supplies & software
Data Processing supplies	5870-C-SH-10000	3,595	3,000	1,500	Data processing supplies & software
Data Processing support & Srvc	5870-C-SH-11000	12,420	15,000	10,000	Data processing supplies & software

Software Costs	5870-C-SH-20000	12,458	15,000	20,000	Data processing supplies & software
Data Processing supplies	5870-G-00-10000	110	-	-	Data processing supplies & software
Telecommunications Services	5875-C-SH-10000	888	-	2,000	Monitoring Service
					Paid to DIS for phones and
Telephone	5880-C-SH-10000	272,393	254,000	260,000	Communications
Mobil Telephones	5881-C-SH-10000	36,458	38,000	32,000	Cell phones and air cards
Mobil Telephones	5881-D-GE-00000	45	-	-	Cell phones and air cards
Travel and Mileage expense	5905-A-00-10000	229	500	-	General travel reimbursements
Travel and Mileage expense	5905-A-AC-10000	1,428	1,500	3,000	General travel reimbursements
Travel and Mileage expense	5905-A-AI-10000	465	1,000	500	General travel reimbursements
Travel and Mileage expense	5905-A-AT-10000	-	-	500	General travel reimbursements
Travel and Mileage expense	5905-A-CC-10000	747	1,000	500	General travel reimbursements
Travel and Mileage expense	5905-D-GE-10000	3,042	3,000	2,500	MSR Mileage
Travel and Mileage expense	5905-E-00-10000	321	1,500	9,000	MSR Mileage
Travel and Mileage expense	5905-E-AH-10000	16	-	1,000	MSR Mileage
Travel and Mileage expense	5905-E-GL-10000	1,383	1,000	5,000	MSR Mileage
Travel and Mileage expense	5905-E-LF-10000	816	1,000	500	MSR Mileage
Travel and Mileage expense	5905-G-00-10000	145	2,000	-	General travel reimbursements
Travel and Mileage expense	5905-G-GI-10000	560	1,000	500	General travel reimbursements
Travel and Mileage expense	5905-G-PD-10000	(938)	-	-	General travel reimbursements
Travel and Mileage expense	5905-I-IA-10000	5,448	4,500	4,000	Internal Audit Travel
Travel and Mileage expense	5905-M-AD-10000	761	2,500	8,500	General travel reimbursements
					Primary ALC travel account for
Travel and Mileage expense	5905-S-GS-10000	196,148	200,000	200,000	conferences and other trips
Commission Travel and Mileage	5910-E-EC-10000	8,472	10,000	9,000	Commision Travel & Mileage
					Travel reimbursement for some ticket
Winner Travel Reimbursements	5913-S-GS-00000	36	500	500	winners
					Professional licenses and association
Dues and Memberships	5915-A-00-10000	534	600	1,000	dues
					Professional licenses and association
Dues and Memberships	5915-A-AC-10000	819	1,000	2,000	dues
					Professional licenses and association
Dues and Memberships	5915-A-AI-10000	-	-	1,000	dues
					Professional licenses and association
Dues and Memberships	5915-A-AT-10000	-	-	1,000	dues
					Professional licenses and association
Dues and Memberships	5915-A-CC-10000	114	200	-	dues

Dues and Memberships	5915-C-SH-10000	16,000	18,000	-	Professional licenses and association dues
Dues and Memberships	5915-D-GE-10000	-	-	1,000	Professional licenses and association dues
Dues and Memberships	5915-E-00-10000	65	100	20,000	Professional licenses and association dues
Dues and Memberships	5915-E-AH-10000	1,599	2,000	2,000	Professional licenses and association dues
Dues and Memberships	5915-E-GL-10000	215	300	500	Professional licenses and association dues
Dues and Memberships	5915-E-LF-10000	-	-	1,000	Professional licenses and association dues
Dues and Memberships	5915-G-00-10000	279	300	1,000	Professional licenses and association dues
Dues and Memberships	5915-G-GI-10000	-	-	-	Professional licenses and association dues
Dues and Memberships	5915-I-IA-10000	575	400	1,000	Professional licenses and association dues
Dues and Memberships	5915-M-AD-10000	-	-	1,000	Professional licenses and association dues
Dues and Memberships	5915-S-GS-10000	-	-	2,000	Professional licenses and association dues
Education and Training	5917-A-00-10000	190	400	-	Conferences and continuing education costs
Education and Training	5917-A-AC-10000	2,944	2,000	2,000	Conferences and continuing education costs
Education and Training	5917-D-GE-10000	425	-	500	Conferences and continuing education costs
Education and Training	5917-E-00-10000	-	-	2,000	Conferences and continuing education costs
Education and Training	5917-E-AH-10000	-	-	500	Conferences and continuing education costs
Education and Training	5917-E-GL-10000	2,924	2,500	1,000	Conferences and continuing education costs
Education and Training	5917-I-IA-10000	1,243	200	500	Conferences and continuing education costs

Education and Training	5917-M-AD-10000	-	-	3,000	Conferences and continuing education costs
Education and Training	5917-S-GS-10000	-	-	1,000	Conferences and continuing education costs
Property Insurance	5925-C-SH-10000	1,447	2,000	1,500	For office equipment and vehicles
Liability Insurance	5930-C-SH-10000	63,635	53,000	63,000	Includes directors/officers liability annual premium
Over & Short -Claim Centers	5955-A-CC-10000	29	-	-	Claim Center Sales Shortages
Other Operating Expenses	5990-A-AC-10000	(92,439)	6,000	500	Other Expenses
Other Operating Expenses	5990-A-AT-10000	-	-	1,000	Other Expenses
Other Operating Expenses	5990-A-CC-10000	10	-	-	Other Expenses
Other Operating Expenses	5990-C-SH-10000	259	-	2,000	Other Expenses
Other Operating Expenses	5990-G-00-10000	1,000	2,000	-	Other Expenses
Other Operating Expenses	5990-I-IA-10000	-	-	500	Other Expenses
Totals		<u>1,231,212</u>	<u>1,370,000</u>	<u>1,420,000</u>	