

Revenue Estimating Conference
Slot Machine Revenues
October 22, 2008
Executive Summary

The Revenue Estimating Conference meeting on Slot Machine revenues adopted revised estimates for tax revenues from slot machine operations for fiscal years 2007-08 through 2011-12. The estimates of transfers to the Educational Enhancement Trust Fund were affected as follows:

Slot Machines Tax Collections			
Millions of \$			
	Feb-08 Estimate	Oct-08 Estimate	Difference
2006-07	48.2	48.2	0.0
2007-08	120.3	122.3	2.0
2008-09	122.9	107.8	-15.1
2009-10	180.2	137.5	-42.7
2010-11	280.0	188.2	-91.8
2011-12	294.8	202.3	-92.5

The forecast reflects updated tax collections data and information concerning the number of machines in the currently operating facilities. Collections in 2007-08 ran slightly ahead of estimate, but for the first three months of the 2008-09 fiscal year transfers have been running about 10% below estimate. The conference expects that the current economic weakness coupled with the introduction of Class III slot machines in Native American casinos will result in lower collections through the remainder of the 2008-09 fiscal year.

The weakness in the collections from the Broward County facilities will continue through 2009-10 with stability in the number of machines but declines in per machine income. The outlook begins to improve as the economy finally turns around in 2010-11 and further strengthens in 2011-12. The forecast does not anticipate any increase during the forecast period in the currently operating number of machines for the facilities in Broward County, contrary to the prior forecast which assumed about 1,000 additional machines opening in 2010-11. The prior forecast also assumed that Dania would be opening in July of 2010 with 1,500 machines, while the current forecast assumes that Dania will not be opening any time during the forecast period.

The forecast also differs from the prior forecast relative to the facilities opening in Miami-Dade County. The prior forecast assumed that there would be a total of 4,500 machines operating in Miami-Dade County beginning January 1, 2010, with that number remaining constant through 2011-12. The revised forecast assumes that all three Miami-Dade facilities will again operate for half of the 2009-10 the fiscal year, with the total number of machines in those three facilities being only 2,700, growing to 3,200 in 2010-11 and 2011-12.

**Revenue Estimating Conference
Slot Machines Tax
10/22/2008**

TOTAL ALL FACILITIES						
	Tax		Number of Machines		Income Per Machine per Day	
	Feb-08	Oct-08	Feb-08	Oct-08	Feb-08	Oct-08
2006-07	48.2	48.2	1,432	1,432	190.95	190.95
2007-08	120.3	122.3	3,600	3,626	182.61	185.18
2008-09	122.9	107.8	3,552	3,768	189.57	156.70
2009-10	180.2	137.5	5,802	5,119	169.96	147.25
2010-11	280.0	188.2	10,322	6,969	148.65	148.69
2011-12	294.8	202.3	10,322	6,969	156.08	158.25

% CHANGE						
	Tax		Number of Machines		Income Per Machine per Day	
	Feb-08	Oct-08	Feb-08	Oct-08	Feb-08	Oct-08
2007-08	149.6%	153.7%	151.4%	153.2%	-4.4%	-3.0%
2008-09	2.1%	-11.9%	-1.3%	3.9%	3.8%	-15.4%
2009-10	46.6%	27.6%	63.3%	35.9%	-10.3%	-6.0%
2010-11	55.4%	36.8%	77.9%	36.1%	-12.5%	1.0%
2011-12	5.3%	7.5%	0.0%	0.0%	5.0%	6.4%

EDUCATIONAL ENHANCEMENT (LOTTERY) TRUST FUND
 CONSENSUS REVENUE ESTIMATING CONFERENCE
 RETROSPECT
 FY 2005-06 and FY 2006-07
 (\$ MILLIONS)

18-Jan-2008

	<u>RECURRING</u>	<u>NON-RECURRING</u>	<u>TOTAL</u>
FUNDS AVAILABLE 2005-06			
Balance forward from 2004-05	0.0	65.8	65.8
Revenues from ticket sales	1,218.5	0.0	1,218.5
Transfer from DOL Administrative TF	0.0	60.0	60.0
Unencumbered DOL balance from 04-05	0.0	15.1	15.1
Miscellaneous adjustments	0.0	25.3	25.3
Nonoperating revenue	0.0	3.2	3.2
Interest earnings	1.5	0.0	1.5
Total 2005-06 funds available	1,220.0	169.4	1,389.4
EXPENDITURES 2005-06			
Public Schools	271.9	67.3	339.2
State University System	138.2	6.5	144.7
Community Colleges	99.8	7.0	106.8
Critical Jobs Initiative	0.0	4.7	4.7
Bright Futures	306.7	0.0	306.7
Student Financial Assistance	18.1	0.0	18.1
Debt Service on outstanding bonds	202.9	0.0	202.9
Total 05-06 expenditures	1,037.6	85.5	1,123.1
AVAILABLE RESERVES	182.4	83.9	266.3
 FUNDS AVAILABLE 2006-07			
Balance forward from 2005-06	0.0	266.3	266.3
Revenues from Lottery ticket sales	1,256.4	0.0	1,256.4
Revenues from slot machine activity	172.9	(124.7)	48.2
Transfer from DOL Administrative TF	0.0	6.1	6.1
Interest earnings	6.3	0.0	6.3
Miscellaneous revenue	0.0	0.7	0.7
FCO reversions	0.0	1.0	1.0
Total 2006-07 funds available	1,435.6	149.4	1,585.0
 EXPENDITURES 2006-07			
Public Schools	330.9	0.0	330.9
State University System	166.9	10.1	177.0
State University System/challenge grants	0.0	120.1	120.1
Community Colleges	115.8	24.1	139.9
Community Colleges/facilities matching grants	0.0	35.0	35.0
Bright Futures	346.3	0.0	346.3
Student Financial Assistance	21.4	0.0	21.4
Classrooms First/Class Size Reduction	206.1	0.0	206.1
Total 06-07 expenditures	1,187.4	189.3	1,376.9
AVAILABLE RESERVES	248.2	(39.9)	208.1

**EDUCATIONAL ENHANCEMENT TRUST FUND
FINANCIAL OUTLOOK STATEMENT**

including the results of the 2009A special session and Senate Bill 2A vetoes
FY 2008-09 through FY 2011-12
(\$ MILLIONS)

DATE: 6-Feb-09
TIME: 9:00 AM

	<u>RECURRING</u>	<u>NON- RECURRING</u>	<u>TOTAL</u>
FUNDS AVAILABLE 2008-09			
Balance forward from 2007-08	0.0	149.4	149.4
Revenues from Lottery ticket sales	1,189.0	0.5	1,189.5
Revenues from slot machine activity	188.2	(80.4)	107.8
Transfer from DOL Administrative TF	0.0	6.5	6.5
Interest earnings	3.0	0.0	3.0
Total 2008-09 funds available	<u>1,380.2</u>	<u>76.0</u>	<u>1,456.2</u>
ESTIMATED EXPENDITURES 2008-09			
Public Schools	402.3	0.0	402.3
Public Schools/non-FEFP	6.9	3.3	10.2
State University System	205.9	22.6	228.5
Community Colleges	121.9	8.1	130.0
Bright Futures	422.7	13.5	436.2
Student Financial Assistance	38.9	0.0	38.9
SMART Schools/Classrooms First	166.9	0.0	166.9
Class Size Reduction/Debt Service	155.0	0.0	155.0
Reappropriations	0.0	0.6	0.6
Budget amendment (EOG #B2009-0128)	0.0	(48.2)	(48.2)
Reductions to appropriations (SB2A)	(78.7)	(2.3)	(81.0)
Reductions to appropriations/vetoes	3.2	0.1	3.3
Total 08-09 estimated expenditures	<u>1,445.0</u>	<u>(2.3)</u>	<u>1,442.7</u>
AVAILABLE RESERVES	<u>(64.8)</u>	<u>78.3</u>	<u>13.5</u>
FUNDS AVAILABLE 2009-10			
Balance forward from 2008-09	0.0	13.5	13.5
Revenues from Lottery ticket sales	1,177.2	0.0	1,177.2
Revenues from slot machine activity	188.2	(50.7)	137.5
Interest earnings	3.0	0.0	3.0
Total 2009-10 funds available	<u>1,368.4</u>	<u>(37.2)</u>	<u>1,331.2</u>
FUNDS AVAILABLE 2010-11			
Balance forward from 2009-10	0.0	0.0	0.0
Revenues from Lottery ticket sales	1,200.3	0.0	1,200.3
Revenues from slot machine activity	188.2	0.0	188.2
Interest earnings	3.0	0.0	3.0
Total 2010-11 funds available	<u>1,391.5</u>	<u>0.0</u>	<u>1,391.5</u>
FUNDS AVAILABLE 2011-12			
Balance forward from 2010-11	0.0	0.0	0.0
Revenues from Lottery ticket sales	1,230.9	0.0	1,230.9
Revenues from slot machine activity	202.3	0.0	202.3
Interest earnings	3.0	0.0	3.0
Total 2011-12 funds available	<u>1,436.2</u>	<u>0.0</u>	<u>1,436.2</u>