



STATE OF MAINE
DEPARTMENT OF ADMINISTRATIVE AND FINANCIAL SERVICES
BUREAU OF ALCOHOLIC BEVERAGES AND LOTTERY OPERATIONS
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Senator Hickman, Representative Caiazzo and members of the Joint Standing Committee of Veterans and Legal Affairs;

The Bureau of Alcoholic Beverages & Lottery Operations was asked by the Joint Standing Committee on Veterans and Legal Affairs to provide insight into the feasibility of the Maine Lottery offering a rotating charity ticket. This request came after a hearing on LD 948, An Act To Support Boys and Girls Clubs through Lottery Revenue. Although the committee ultimately voted “Ought Not To Pass” they did want to explore the possibility of creating a single special lottery ticket game and “charity fund” to support a variety of nonprofit and charitable organizations across the state.

For reference, the Maine Legislature established the Maine Outdoor Heritage Fund (MOHF) in 1996 with the passage of LD717 and required the Maine Lottery to offer a dedicated revenue ticket to fund the program. The revenue from the sale of this ticket is transferred to the MOHF and used to fund projects that benefit conservation and wildlife projects throughout the state. The MOHF consists of a seven-member Board of Directors who oversee and administer the program. The board is responsible for all aspects of the program including the development of grant eligibility, grant applications, awarding of funds, budgets, accounting, audit, and all other administrative aspects of the program. These are not responsibilities that BABLO is suited to take on. Charitable organizations, philanthropic giving, and grant making are far outside of BABLO staffs’ expertise. If additional dedicated tickets were to be established for the benefit of other organizations, a similar structure as has been implemented for administration of the MOHF would be necessary for each of these organizations.

In addition to the work being done by the MOHF, the Lottery coordinates with MOHF personnel on ticket design, prize structures and game play specifications. Further, the Department of Administrative and Financial Services (DAFS) Service Center accounting team must account for ticket sales, prize expense and revenue separately from all other lottery games. If additional dedicated revenue tickets were to be offered, new accounts and tracking would need to be established for each new fund creating additional accounting processes with the financial service center.

Finally, the revenue for the MOHF is solely derived from the sale of one designated instant ticket game, thus the revenue generated fluctuates considerably from year to year (FY18 \$722,000 vs FY21 \$427,000) making it a challenge to project the available funds. If the committee is looking to provide funds for non-profit organizations, appropriating a set amount of lottery revenues annually may yield more consistent funding from year to year.

In closing, the Bureau's response to the Committee's request for information is not intended to indicate support. If there is future legislation to establish a rotating charity game, the Administration will consider the merits of the proposal and weigh-in at that time.

Respectfully,

A handwritten signature in cursive script, appearing to read "Gregory R. Mineo".

Gregory R. Mineo, Director
Bureau of Alcoholic Beverages and Lottery Operations