

Revenue Estimating Conference
Slot Machine Revenues
July 25, 2007
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 2010-11. The estimates of transfers to the Educational Enhancement Trust Fund were reduced as follows: in 2007-08 from \$196.2 million to \$113.5 million, in 2008-09 from \$275.3 million to \$123.6 million, in 2009-10 from \$333.7 million to \$151.6 million, and for 2010-11 from \$354.0 million to \$172.9 million.

There are three reasons for the adjustment in the estimate. First is the use of updated information about when Dania will be opening and how many terminals the facilities will have operating at different points in time. The addition of new terminals has been reduced greatly from the prior forecast, as shown by the forecast tables. Additionally, the new forecast expects lower per terminal income as a result of recent activity and information about the response in per machine income to the addition of new terminals. Finally, the new forecast takes into account actual collections for 2006-07.

**Revenue Estimating Conference
Slot Machines Tax
7/25/2007**

	GULFSTREAM					
	Income Per Machine		Annualized Number of Machines		Tax	
	Post-session 2007	Jul-07	Post-session 2007	Jul-07	Post-session 2007	Jul-07
2006-07	75,754	58,711	493	523	18.7	15.4
2007-08	77,626	30,932	1,430	1,221	55.5	18.9
2008-09	78,660	33,406	2,000	1,221	78.7	20.4
2009-10	83,424	27,727	2,000	1,221	83.4	16.9
2010-11	88,502	24,261	2,000	1,500	88.5	18.2

	MARDI GRAS					
	Income Per Machine		Annualized Number of Machines		Tax	
	Post-session 2007	Jul-07	Post-session 2007	Jul-07	Post-session 2007	Jul-07
2006-07	75,754	78,452	586	588	22.2	23.1
2007-08	77,626	68,083	1,750	1,212	67.9	41.3
2008-09	78,660	74,380	2,000	1,231	78.7	45.8
2009-10	83,424	61,736	2,000	1,231	83.4	38.0
2010-11	88,502	54,019	2,000	2,000	88.5	54.0

	POMPANO					
	Income Per Machine		Annualized Number of Machines		Tax	
	Post-session 2007	Jul-07	Post-session 2007	Jul-07	Post-session 2007	Jul-07
2006-07	75,754	70,424	375	321	14.2	11.3
2007-08	77,626	71,009	1,875	1,500	72.8	53.3
2008-09	78,660	76,503	2,000	1,500	78.7	57.4
2009-10	83,424	66,323	2,000	1,500	83.4	49.7
2010-11	88,502	70,303	2,000	1,500	88.5	52.7

	DANIA					
	Income Per Machine		Annualized Number of Machines		Tax	
	Post-session 2007	Jul-07	Post-session 2007	Jul-07	Post-session 2007	Jul-07
2006-07					0.0	
2007-08					0.0	
2008-09	78,660		1,000		39.3	
2009-10	83,424	62,595	2,000	1,500	83.4	46.9
2010-11	88,502	54,771	2,000	1,750	88.5	47.9

	TOTAL					
	Income Per Machine		Annualized Number of Machines		Tax	
	Post-session 2007	Jul-07	Post-session 2007	Jul-07	Post-session 2007	Jul-07
2006-07 *	75,754	1,749,546	1,455	1,432	55.1	48.2
2007-08	77,626	57,716	5,055	3,933	196.2	113.5
2008-09	78,660	62,527	7,000	3,952	275.3	123.6
2009-10	83,424	55,618	8,000	5,452	333.7	151.6
2010-11	88,502	51,220	8,000	6,750	354.0	172.9

	TOTAL RATES OF CHANGE					
	Income Per Machine		Annualized Number of Machines		Tax	
	Post-session 2007	Jul-07	Post-session 2007	Jul-07	Post-session 2007	Jul-07
2007-08	2.5%	-96.7%	247.5%	174.7%	256.1%	135.5%
2008-09	1.3%	8.3%	38.5%	0.5%	40.3%	8.9%
2009-10	6.1%	-11.0%	14.3%	38.0%	21.2%	22.7%
2010-11	6.1%	-7.9%	0.0%	23.8%	6.1%	14.0%

Sales Tax Impact (Total)	
2007-08	-8.9
2008-09	-9.6
2009-10	-11.8
2010-11	-13.5

EETF Lottery Impact	
2007-08	-6.6
2008-09	-7.2
2009-10	-8.8
2010-11	-10.0

* The 2007-08 tax figure is from the Comptroller's tape, while the individual facility tax figures are from DBPR records. Due to timing differences, the total is not the sum of the individual facilities' figures.

**EDUCATIONAL ENHANCEMENT TRUST FUND
FINANCIAL OUTLOOK STATEMENT**

including results of the Revenue Estimating Conference on slot machine revenues of July 2007
FY 2006-07 and FY 2007-08
(\$ MILLIONS)

DATE: 25-Jul-07
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	<u>RECURRING</u>	<u>NON- RECURRING</u>	<u>TOTAL</u>
FUNDS AVAILABLE 2006-07			
Balance forward from 2005-06	0.0	266.3	266.3
Revenues from Lottery ticket sales	1,235.1	0.0	1,235.1
Impact of slot machine activity on ticket sales	(10.0)	7.2	(2.8)
Revenues from slot machine activity	172.9	(124.7)	48.2
Transfer from DOL Administrative TF	0.0	10.1	10.1
Interest earnings	6.3	0.0	6.3
Miscellaneous revenue	0.0	0.6	0.6
FCO reversions	0.0	1.0	1.0
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Total 2006-07 funds available	1,404.3	160.5	1,564.8
ESTIMATED 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	120.2	120.2
Community Colleges	115.9	24.1	140.0
Community Colleges/facilities matching grants	0.0	35.0	35.0
Bright Futures	346.3	0.0	346.3
Student Financial Assistance	21.5	0.0	21.5
SMART Schools/Classrooms First	167.9	0.0	167.9
Class Size Reduction/Debt Service	100.3	0.0	100.3
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Total 06-07 estimated expenditures	1,249.7	189.4	1,439.1
AVAILABLE RESERVES	154.6	(28.9)	125.7
FUNDS AVAILABLE 2007-08			
Balance forward from 2006-07	0.0	125.7	125.7
Revenues from Lottery ticket sales	1,256.7	1.6	1,258.3
Impact of slot machine activity on ticket sales	(10.0)	3.4	(6.6)
Unused appropriations (debt service)	0.0	55.0	55.0
Revenues from slot machine activity	172.9	(59.4)	113.5
Transfer from DOL Administrative TF	0.0	3.0	3.0
Interest earnings	3.0	0.0	3.0
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Total 2007-08 funds available	1,422.6	129.3	1,551.9
ESTIMATED EXPENDITURES 2007-08			
Public Schools	420.3	0.0	420.3
Public Schools/non-FEFP	20.0	15.0	35.0
State University System	166.9	4.5	171.4
State University System/challenge grants	0.0	74.3	74.3
Community Colleges	117.4	0.0	117.4
Community Colleges/matching grants	0.0	48.7	48.7
Bright Futures	398.4	0.0	398.4
Student Financial Assistance	39.4	0.0	39.4
SMART Schools/Classrooms First	166.9	0.0	166.9
Class Size Reduction/Debt Service	125.3	0.0	125.3
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Total 07-08 estimated expenditures	1,454.6	142.5	1,597.1
AVAILABLE RESERVES	(32.0)	(13.2)	(45.2)

**EDUCATIONAL ENHANCEMENT TRUST FUND
FINANCIAL OUTLOOK STATEMENT**

including results of the Revenue Estimating Conference on slot machine revenues of July 2007
FY 2008-09, FY 2009-10, and FY 2010-11
(\$ MILLIONS)

DATE: 25-Jul-07
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	<u>RECURRING</u>	<u>NON- RECURRING</u>	<u>TOTAL</u>
FUNDS AVAILABLE 2008-09			
Balance forward from 2007-08	0.0	(45.2)	(45.2)
Revenues from Lottery ticket sales	1,266.9	0.5	1,267.4
Impact of slot machine activity on ticket sales	(10.0)	2.8	(7.2)
Revenues from slot machine activity	172.9	(49.3)	123.6
Interest earnings	3.0	0.0	3.0
Total 2008-09 funds available	<u>1,432.8</u>	<u>(91.2)</u>	<u>1,341.6</u>
 FUNDS AVAILABLE 2009-10			
Balance forward from 2008-09	0.0	0.0	0.0
Revenues from Lottery ticket sales	1,292.8	0.0	1,292.8
Impact of slot machine activity on ticket sales	(10.0)	1.2	(8.8)
Revenues from slot machine activity	172.9	(21.3)	151.6
Interest earnings	3.0	0.0	3.0
Total 2009-10 funds available	<u>1,458.7</u>	<u>(20.1)</u>	<u>1,438.6</u>
 FUNDS AVAILABLE 2010-11			
Balance forward from 2009-10	0.0	0.0	0.0
Revenues from Lottery ticket sales	1,318.2	0.0	1,318.2
Impact of slot machine activity on ticket sales	(10.0)	0.0	(10.0)
Revenues from slot machine activity	172.9	0.0	172.9
Interest earnings	3.0	0.0	3.0
Total 2010-11 funds available	<u>1,484.1</u>	<u>0.0</u>	<u>1,484.1</u>