

Revenue Estimating Conference
Slot Machine Revenues
October 21, 2009
Executive Summary

The Revenue Estimating Conference meeting on Slot Machine revenues adopted revised estimates for tax revenues from slot machine operations for fiscal years 2009-10 through 2012-13. The estimates of transfers to the Educational Enhancement Trust Fund were affected as follows:

Slot Machines Tax Collections			
Millions of \$			
	Feb-09 Estimate	Oct-09 Estimate	Difference
2006-07	48.2	48.2	0.0
2007-08	122.3	122.3	0.0
2008-09	104.4	104.1	-0.3
2009-10	132.9	127.9	-5.0
2010-11	178.0	175.8	-2.2
2011-12	183.3	181.0	-2.3
2012-13	190.8	188.4	-2.4

The forecast reflects updated tax collections data and information concerning the number of machines in the currently operating facilities in Broward County. Collections since the last conference have been running slightly below estimate, ending last year \$.3 below estimate, and falling \$.4 below estimate for the first three months of the current fiscal year. The conference expects that the current economic weakness coupled with the increased gambling activity in Native American casinos will result in lower than previously forecast collections for the Broward County facilities through the remainder of the 2009-10 fiscal year, with stability in the number of machines at the current level of 3,680 (slightly below previous estimate of 3,781) but declines in per machine income. The outlook for the Broward Country facilities begins to improve with increasing income per machine as the economy is expected to finally turn around in 2010-11 and further strengthen in 2011-12 and 2012-13. The forecast does not anticipate any increase during the forecast period in the currently operating number of machines for the facilities in Broward County.

The forecast also differs from the prior forecast relative to the facilities opening in Miami-Dade County. The prior forecast assumed that Flagler Greyhound would operate for $\frac{3}{4}$ of the 2009-10 fiscal year with 700 machines, Calder/Tropical Park would operate for $\frac{1}{2}$ of the year with 1,200 machines, and Miami Jai-Alai would operate for $\frac{1}{4}$ of the year with 1,400 machines, for a total of 3,300 machines operational during the last quarter of the fiscal year. The new forecast reflects the opening of Flagler Greyhound on October 15 with 700 machines, while expecting that Calder/Tropical Park will open January 21, 2010 with 1,235 machines, and Miami Jai-Alai will open around April 1, 2010 with 1,400 machines, for a total of 3,335 machines. The number of machines in

Miami-Dade County is expected to remain stable throughout the forecast period. The income per machine is expected to follow the same pattern as for the facilities in Broward Country.

This forecast assumes that all facilities currently operating will continue to operate, and that Flagler Greyhound and Miami Jai-Alai will begin operating as outlined above and continue in operation, throughout the forecast period. There is a risk associated with this forecast should one or more of the facilities not open as planned or not remain open due to financial difficulties.

**Revenue Estimating Conference
Slot Machines Tax
10/21/2009**

TOTAL ALL FACILITIES						
	Tax		Number of Machines		Income Per Machine per Day	
	Feb-09	Oct-09	Feb-09	Oct-09	Feb-09	Oct-09
2006-07	48.2	48.2	1,432	1,432	190.95	190.95
2007-08	122.3	122.3	3,626	3,626	185.18	185.18
2008-09	104.4	104.1	3,776	3,748	151.56	151.89
2009-10	132.9	127.9	7,081	5,353	138.59	147.17
2010-11	178.0	175.8	7,081	7,015	137.74	137.31
2011-12	183.3	181.0	7,081	7,015	141.43	140.99
2012-13	190.8	188.4	7,081	7,015	147.27	146.75

% CHANGE						
	Tax		Number of Machines		Income Per Machine per Day	
	Feb-09	Oct-09	Feb-09	Oct-09	Feb-09	Oct-09
2007-08	153.7%	153.7%	153.2%	153.2%	-3.0%	-3.0%
2008-09	-14.6%	-14.9%	4.1%	3.4%	-18.2%	-18.0%
2009-10	27.3%	22.9%	87.5%	42.8%	-8.6%	-3.1%
2010-11	33.9%	37.5%	0.0%	31.0%	-0.6%	-6.7%
2011-12	3.0%	3.0%	0.0%	0.0%	2.7%	2.7%
2012-13	4.1%	4.1%	0.0%	0.0%	4.1%	4.1%

**Revenue Estimating Conference
Slot Machines Tax
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	Tax		Number of Machines		Income Per Machine per Day	
	Feb-09	Oct-09	Feb-09	Oct-09	Feb-09	Oct-09
Mardi Gras	23.1	23.1	588	588	216.13	216.13
Gulf Stream	15.4	15.4	523	523	161.39	161.39
Pompano	11.3	11.3	321	321	193.22	193.22
TOTAL	48.2	48.2	1432	1432	190.95	190.95

	Tax		Number of Machines		Income Per Machine per Day	
	Feb-09	Oct-09	Feb-09	Oct-09	Feb-09	Oct-09
Mardi Gras	39.6	39.6	1239	1239	174.47	174.47
Gulf Stream	19.6	19.6	887	887	120.76	120.76
Pompano	63.7	63.7	1500	1500	232.17	232.17
TOTAL	122.3	122.3	3626	3626	185.18	185.18

	Tax		Number of Machines		Income Per Machine per Day	
	Feb-09	Oct-09	Feb-09	Oct-09	Feb-09	Oct-09
Mardi Gras	34.3	33.9	1,440	1,440	130.50	129.04
Gulf Stream	21.1	20.9	835	834	138.15	137.60
Pompano	49.1	49.0	1,501	1,474	179.21	182.30
Calder						
Flagler						
Miami Jai-Alai						
TOTAL	104.4	103.9	3,776	3,748	151.56	151.89

	Tax		Number of Machines		Income Per Machine per Day	
	Feb-09	Oct-09	Feb-09	Oct-09	Feb-09	Oct-09
Mardi Gras	32.6	27.3	1,439	1,361	123.97	109.97
Gulf Stream	20.4	20.8	841	851	132.63	133.82
Pompano	45.2	47.0	1,501	1,474	164.88	174.68
Calder *	14.0	12.7	1,200	1,235	127.40	127.40
Flagler *	13.7	12.9	700	700	142.85	142.85
Miami Jai-Alai *	7.2	7.2	1,400	1,400	113.06	113.06
TOTAL	132.9	127.9	7,081	5,353	138.59	147.17

* The three Miami-Dade facilities are expected to be open for part of the fiscal year.

	Tax		Number of Machines		Income Per Machine per Day	
	Feb-09	Oct-09	Feb-09	Oct-09	Feb-09	Oct-09
Mardi Gras	33.2	27.9	1,439	1,354	126.46	112.78
Gulf Stream	20.6	21.0	841	850	133.96	135.24
Pompano	46.7	48.6	1,501	1,476	170.65	180.52
Calder	28.5	29.3	1,200	1,235	129.95	129.95
Flagler	19.0	19.0	700	700	148.59	148.59
Miami Jai-Alai	30.0	30.0	1,400	1,400	117.59	117.59
TOTAL	178.0	175.8	7,081	7,015	137.74	137.31

	Tax		Number of Machines		Income Per Machine per Day	
	Oct-08	Feb-09	Oct-08	Feb-09	Oct-08	Feb-09
Mardi Gras	34.2	28.7	1,439	1,354	129.89	115.84
Gulf Stream	21.0	21.5	841	850	136.59	137.90
Pompano	48.4	50.3	1,501	1,476	176.13	186.32
Calder	29.3	30.2	1,200	1,235	133.48	133.48
Flagler	19.6	19.6	700	700	152.62	152.62
Miami Jai-Alai	30.8	30.8	1,400	1,400	120.20	120.20
TOTAL	183.3	181.0	7,081	7,015	141.43	140.99

	Tax		Number of Machines		Income Per Machine per Day	
	Feb-09	Oct-09	Feb-09	Oct-09	Feb-09	Oct-09
Mardi Gras	35.6	29.9	1,439	1,354	135.09	120.80
Gulf Stream	21.8	22.2	841	850	141.37	143.12
Pompano	50.6	52.6	1,501	1,476	184.06	195.25
Calder	30.5	31.3	1,200	1,235	138.82	138.82
Flagler	20.4	20.4	700	700	159.49	159.93
Miami Jai-Alai	32.0	32.0	1,400	1,400	125.01	125.35
TOTAL	190.8	188.4	7,081	7,015	147.27	146.75

EDUCATIONAL ENHANCEMENT TRUST FUND
FINANCIAL OUTLOOK STATEMENT
including results of the October 2009 Revenue Estimating Conferences
FY 2009-10 through FY 2012-13
(\$ MILLIONS)

DATE: 21-Oct-09
TIME: 10:00 AM

	<u>RECURRING</u>	<u>NON- RECURRING</u>	<u>TOTAL</u>
FUNDS AVAILABLE 2009-10			
Balance forward from 2008-09	0.0	111.1	111.1
Revenues from Lottery ticket sales	1,214.3	(0.8)	1,213.5
Revenues from slot machine activity	175.8	(47.9)	127.9
Transfer from DOL Administrative TF	4.8	0.0	4.8
Interest earnings	3.0	0.0	3.0
Total 2009-10 funds available (A)	<u>1,397.9</u>	<u>62.4</u>	<u>1,460.3</u>
APPROPRIATIONS 2009-10			
Public Schools	295.3	33.5	328.8
Workforce Education	3.8	0.0	3.8
State University System	201.2	0.0	201.2
Community Colleges	117.0	0.0	117.0
Bright Futures	418.9	0.0	418.9
Student Financial Assistance	35.3	0.0	35.3
SMART Schools/Classrooms First	167.0	0.0	167.0
Class Size Reduction/Debt Service	154.3	(2.4)	151.9
Total 09-10 appropriations	<u>1,392.8</u>	<u>31.1</u>	<u>1,423.9</u>
AVAILABLE RESERVES	5.1	31.3	36.4
FUNDS AVAILABLE 2010-11			
Balance forward from 2009-10	0.0	36.4	36.4
Revenues from Lottery ticket sales	1,206.8	0.0	1,206.8
Revenues from slot machine activity	175.8	0.0	175.8
Interest earnings	3.0	0.0	3.0
Total 2010-11 funds available (A)	<u>1,385.6</u>	<u>36.4</u>	<u>1,422.0</u>
FUNDS AVAILABLE 2011-12			
Balance forward from 2010-11	0.0	0.0	0.0
Revenues from Lottery ticket sales	1,214.9	0.0	1,214.9
Revenues from slot machine activity	181.0	0.0	181.0
Interest earnings	3.0	0.0	3.0
Total 2011-12 funds available (A)	<u>1,398.9</u>	<u>0.0</u>	<u>1,398.9</u>
FUNDS AVAILABLE 2012-13			
Balance forward from 2011-12	0.0	0.0	0.0
Revenues from Lottery ticket sales	1,230.7	0.0	1,230.7
Revenues from slot machine activity	188.4	0.0	188.4
Interest earnings	3.0	0.0	3.0
Total 2012-13 funds available (A)	<u>1,422.1</u>	<u>0.0</u>	<u>1,422.1</u>

(A) Senate Bill 788 authorizes the ratification of an Indian Gaming Compact by the Florida Legislature after execution by the Governor. Revenue from the ratification which would be available for appropriation from the Educational Enhancement Trust Fund (EETF) is not included here. The bill also authorizes the transfer of any Indian Gaming revenues already received by the state to the EETF once the U.S. Department of Interior approves the ratification; those contingent receipts also are not shown at this time.