

Revenue Estimating Conference
Slot Machine Revenues
November 18, 2010
Executive Summary

The Revenue Estimating Conference meeting on Slot Machine revenues adopted revised estimates for tax revenues from slot machine operations for fiscal years 2010-11 through 2013-14. The estimates of transfers to the Educational Enhancement Trust Fund were affected as follows:

Slot Machines Tax Collections			
Millions of \$			
	Post-session 2010	November 2010	Difference
2006-07	48.2	48.2	0.0
2007-08	122.3	122.3	0.0
2008-09	104.4	104.4	0.0
2009-10	129.6	136.5	6.9
2010-11	141.7	125.5	-16.2
2011-12	184.3	140.8	-43.5
2012-13	191.0	145.5	-45.5
2013-14	218.1	162.0	-56.1

The forecast reflects updated tax collections data and information concerning the number of machines in the currently operating facilities. Collections since the last conference have been running slightly below estimate, by a total of \$.2 million in the months July through October. The conference is projecting that overall Net Win will increase by 31% over the 2009-10 fiscal year, but due to the decline in the tax rate from 50% to 35%, tax collections will actually fall by 8%. The conference expects that for the currently operating facilities, revenue will be somewhat below estimate for the rest of the current fiscal year, overall ending up at \$8.0 million below estimate. Additionally, the expectation in February was that Miami Jai-Alai would be opening in April of this year, but the expectation now is that they will likely not be opening within the time period covered by this forecast. As a result, the \$8.2 million expected to be received from Miami Jai-Alai this year has been removed from the forecast, so that the aggregate estimate for the 2010-11 fiscal year is \$16.2 million below the previous estimate.

For 2011-12, the projections for all of the currently operating facilities, with the exception of Flagler, have been reduced. Net win and tax collections for those facilities overall are expected to increase by 2.5% over 2010-11, compared to the 8.6% in the previous forecast. The net loss in tax revenue compared to the previous estimate for all currently operating facilities is \$16.5 million. The 2011-12 forecast for revenues from Hialeah (expected to open on January 1, 2012 with 1,000 machines) has not been changed from the prior forecast. In the previous forecast, Miami Jai-Alai was expected to bring in \$27.0 million. Overall the 2011-12 loss relative to the previous forecast is \$43.5 million.

For 2012-13 and 2013-14, tax collections are expected to be lower than the previous forecast by \$45.5 million and \$56.1 million, respectively, with the removal of Miami Jai-Alai revenues accounting for \$26.4 million in 2012-13 and \$31.0 million in 2013-14.

**Revenue Estimating Conference
Slot Machines Tax
November 2010**

TOTAL ALL FACILITIES						
	Tax		Number of Machines		Income Per Machine per Day	
	Post-Session 2010	Nov-10	Post-Session 2010	Nov-10	Post-Session 2010	Nov-10
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	104.4	3,776	3,776	151.56	151.56
2009-10	129.6	136.5	4,728	4,732	150.20	158.04
2010-11	141.7	125.5	6,066	5,415	182.84	181.38
2011-12	184.3	140.8	7,231	5,880	198.93	186.80
2012-13	191.0	145.5	7,732	6,383	207.00	191.46
2013-14	218.1	162.0	7,732	6,383	220.77	198.72

% CHANGE						
	Tax		Number of Machines		Income Per Machine per Day	
	Post-Session 2010	Nov-10	Post-Session 2010	Nov-10	Post-Session 2010	Nov-10
2007-08	153.7%	153.7%	153.2%	153.2%	-3.0%	-3.0%
2008-09	-14.6%	-14.6%	4.1%	4.1%	-18.2%	-18.2%
2009-10	24.1%	30.7%	25.2%	25.3%	-0.9%	4.3%
2010-11	9.3%	-8.1%	28.3%	14.4%	21.7%	14.8%
2011-12	30.0%	12.2%	19.2%	8.6%	8.8%	3.0%
2012-13	3.7%	3.3%	6.9%	8.5%	4.1%	2.5%
2013-14	14.2%	11.3%	0.0%	0.0%	6.7%	3.8%

**Revenue Estimating Conference
Slot Machines Tax
November 2010**

2006-07	Tax		Number of Machines		Income Per Machine per Day	
	Post-Session 2010	Nov 2010	Post-Session 2010	Nov 2010	Post-Session 2010	Nov 2010
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

2007-08	Tax		Number of Machines		Income Per Machine per Day	
	Post-Session 2010	Nov 2010	Post-Session 2010	Nov 2010	Post-Session 2010	Nov 2010
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

2008-09	Tax		Number of Machines		Income Per Machine per Day	
	Post-Session 2010	Nov 2010	Post-Session 2010	Nov 2010	Post-Session 2010	Nov 2010
Mardi Gras	33.9	33.9	1440	1440	129.04	129.04
Gulf Stream	20.9	20.9	834	834	137.60	137.60
Pompano	49.0	49.0	1474	1474	182.30	182.30
TOTAL	104.4	104.4	3776	3776	151.56	151.56

2009-10	Tax		Number of Machines		Income Per Machine per Day	
	Post-Session 2010	Nov 2010	Post-Session 2010	Nov 2010	Post-Session 2010	Nov 2010
Mardi Gras	27.6	26.6	1,368	1,350	110.64	108.02
Gulf Stream	22.5	23.8	850	849	144.97	153.62
Pompano	49.2	50.7	1,464	1,463	184.15	189.76
Calder *	12.7	14.8	1,245	1,246	127.01	147.12
Flagler *	17.6	22.3	700	734	193.66	234.47
TOTAL	129.6	136.5	4,728	4,732	150.20	158.04

* Open for part of the 2009-10 fiscal year

2010-11	Tax		Number of Machines		Income Per Machine per Day	
	Post-Session 2010	Nov 2010	Post-Session 2010	Nov 2010	Post-Session 2010	Nov 2010
Mardi Gras	23.7	16.6	1,368	1,131	135.61	115.20
Gulf Stream	19.5	18.8	850	850	179.41	172.79
Pompano	42.3	38.7	1,464	1,454	226.26	208.14
Calder	25.0	26.0	1,245	1,195	157.43	170.01
Flagler	23.0	25.4	805	785	223.33	253.78
Miami Jai-Alai*	8.2		1,000		191.89	
TOTAL	141.7	125.5	6,066	5,415	182.84	181.38

* Expected to be open for part of the 2010-11 fiscal year

2011-12	Tax		Number of Machines		Income Per Machine per Day	
	Post-Session 2010	Nov 2010	Post-Session 2010	Nov 2010	Post-Session 2010	Nov 2010
Mardi Gras	25.7	16.6	1,368	1,105	146.75	117.18
Gulf Stream	21.1	19.9	850	850	194.01	182.74
Pompano	46.0	40.6	1,464	1,454	245.22	217.95
Calder	27.3	26.1	1,245	1,189	170.94	171.25
Flagler	24.9	25.4	805	785	241.84	253.08
Miami Jai-Alai	27.0		1,000		210.97	
Hialeah*	12.2	12.2	1,000	1,000	190.48	190.48
TOTAL	184.3	140.8	7,231	5,880	198.93	186.80

* Expected to be open for part of the 2011-12 fiscal year

2012-13	Tax		Number of Machines		Income Per Machine per Day	
	Post-Session 2010	Nov 2010	Post-Session 2010	Nov 2010	Post-Session 2010	Nov 2010
Mardi Gras	24.7	15.8	1,368	1,105	151.39	120.09
Gulf Stream	20.4	19.3	850	850	201.19	190.57
Pompano	44.4	39.1	1,464	1,454	257.08	225.76
Calder	26.1	24.3	1,245	1,189	175.78	171.71
Flagler	24.1	23.6	805	785	250.43	252.51
Miami Jai-Alai	26.4		1,000		220.95	
Hialeah	24.9	23.4	1,000	1,000	208.67	196.77
TOTAL	191.0	145.5	7,732	6,383	207.00	191.46

2013-14	Tax		Number of Machines		Income Per Machine per Day	
	Post-Session 2010	Nov 2010	Post-Session 2010	Nov 2010	Post-Session 2010	Nov 2010
Mardi Gras	28.5	17.4	1,368	1,105	163.02	123.45
Gulf Stream	23.7	21.6	850	850	217.89	198.76
Pompano	51.3	43.5	1,464	1,454	274.43	234.33
Calder	30.2	27.1	1,245	1,189	190.13	178.24
Flagler	27.9	26.3	805	785	270.89	262.61
Miami Jai-Alai	31.0		1,000		242.63	
Hialeah	25.5	26.1	1,000	1,000	199.61	204.24
TOTAL	218.1	162.0	7,732	6,383	220.77	198.72

**EDUCATIONAL ENHANCEMENT TRUST FUND
FINANCIAL OUTLOOK STATEMENT**

including the results of the November, 2010 Revenue Estimating Conferences
FY 2010-11 through FY 2013-14
(\$ MILLIONS)

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	<u>RECURRING</u>	<u>NON- RECURRING</u>	<u>TOTAL</u>
FUNDS AVAILABLE 2010-11			
Balance forward from 2009-10	0.0	80.6	80.6
Revenues from Lottery ticket sales	1,180.8	0.0	1,180.8
Revenues from slot machine activity	162.0	(36.5)	125.5
Transfer from DOL Administrative TF	9.8	0.0	9.8
Interest earnings	3.0	0.0	3.0
Total 2010-11 funds available	<u>1,355.6</u>	<u>44.1</u>	<u>1,399.7</u>
APPROPRIATIONS 2010-11			
Public Schools	242.7	0.0	242.7
Workforce Education	7.3	0.0	7.3
State University System	230.7	0.0	230.7
Community Colleges	127.0	0.0	127.0
Bright Futures	338.4	0.0	338.4
Student Financial Assistance	35.1	0.0	35.1
SMART Schools/Classrooms First	164.8	0.0	164.8
Class Size Reduction/Debt Service	154.7	0.0	154.7
Total 2010-11 appropriations	<u>1300.6</u>	<u>0.0</u>	<u>1300.6</u>
AVAILABLE RESERVES	55.0	44.1	99.1
FUNDS AVAILABLE 2011-12			
Balance forward from 2010-11	0.0	99.1	99.1
Revenues from Lottery ticket sales	1,186.0	0.0	1,186.0
Revenues from slot machine activity	162.0	(21.2)	140.8
Interest earnings	3.0	0.0	3.0
Total 2011-12 funds available	<u>1,351.0</u>	<u>77.9</u>	<u>1,428.9</u>
FUNDS AVAILABLE 2012-13			
Revenues from Lottery ticket sales	1,200.6	0.0	1,200.6
Revenues from slot machine activity	162.0	(16.5)	145.5
Interest earnings	3.0	0.0	3.0
Total 2012-13 funds available	<u>1,365.6</u>	<u>(16.5)</u>	<u>1,349.1</u>
FUNDS AVAILABLE 2013-14			
Revenues from Lottery ticket sales	1,219.3	0.0	1,219.3
Revenues from slot machine activity	162.0	0.0	162.0
Interest earnings	3.0	0.0	3.0
Total 2013-14 funds available	<u>1,384.3</u>	<u>0.0</u>	<u>1,384.3</u>