

Maryland Lottery and Gaming Control Agency

Larry Hogan, Governor • Gordon Medenica, Director



Montgomery Park Business Center
1800 Washington Blvd., Suite 330
Baltimore, Maryland 21230

Tel: 410-230-8800
TTY users call Maryland Relay
www.mdlottery.com

TO: Maryland Lottery and Gaming Control Commission
Gordon Medenica, Director

FROM: Paula Yocum, Managing Director, Acting CFO

DATE: September 17, 2020

SUBJECT: Report for the September Commission Meeting

This is a status update of ongoing and special projects in Finance.

I. BUDGET

- **FISCAL YEAR 2020 Final Expenditures**
 - Lottery: \$77,743,420
 - VLT Special Fund: \$10,842,801
 - VLT General Fund: \$ 6,461,424
 - COVID 19 – Fund 9: \$95,651
- **FISCAL YEAR 2021 (was reduced by \$119,756, see approved budget amounts below)**
 - Lottery: \$85,009,877
 - VLT Special Fund: \$11,660,871
 - VLT General Fund: \$ 6,566,576
- **FISCAL YEAR 2022**
 - The Fiscal Year 2022 budget has been submitted to DBM.
- **Promotion Fund (Unclaimed Prizes)**
 - Beginning Balance as of August 1, 2020 \$1,855,266
 - Estimated increase in August, 2020 \$1,021,161
 - Estimated usage in August, 2020 (\$1,832,676)
 - Estimated Ending Balance as of August 31, 2020 \$1,043,751

II. ACCOUNTING/FINANCE

- Attached are the February, March and April financial statements.

III. PROCUREMENT

- The Central Monitor and Control System for a Video Lottery Terminal Program Contract (#2009-11) with IGT (formerly GTECH Corporation) provides the design, development, implementation, lease, operation, and maintenance of a complete turnkey Central Monitor and Control System for a Video Lottery Terminal Program. Original expiration of this Contract was September 26, 2020. An RFP for a replacement contract was delayed during

review/approval by DGS, with final DGS approval not received until March 25, 2020. However, at that point, the pandemic and associated shutdown of both State and vendor operations required us to seek an extension of the Contract for one year with a term of 9/27/2020 - 9/26/2021 in the total NTE amount of \$4,000,000. This had been submitted to DGS for inclusion on the BPW Agenda for review/approval at its September 2, 2020, meeting but it has now been re-scheduled to appear on the September 23rd BPW Agenda for review/approval. (NOTE: The RFP for a replacement contract has been reviewed and updated for any changes needed due to the pandemic delay and will be presented to the Commission for review at the September meeting. Subject to Commission approval, the RFP will be issued by October 2020).

- Analysis of the Sports and Event Wagering Industry and Relevant North American Industry Classification System (NAICS) Codes (#2021-05): RFP (Small Procurement) to obtain Consultant to assist with identification of NAICS codes related to Sports Betting in accordance with Senate Bill 4. RFP was issued 8/7/2020; Proposals were due 8/21/2020 two proposals had been received from Keen Independent Research, LLC and MGT Consulting Group. Small Procurement procedures were used for this procurement not exceeding \$50,000 in total contract amount. Keen was determined by the Evaluation Committee to be ranked first technically and first in price (\$47,380) and was therefore awarded the Contract, which was approved by MLGCA in-house since it is within its delegated authority of \$50,000. Keen's report under this contract is due by the end of September.
- MBE/VSBE/SBR Activities:
 - A summary of the MLGCA's MBE/VSBE participation is attached.