



Pennsylvania Lottery Private Management Agreement (PMA) and AFSCME Council 13 Counter Proposal Comparison

| | Lottery PMA with Camelot | AFSCME "Counter Proposal" |
|---------------------------------------|--|---|
| Guaranteed Profits for Seniors | \$34 billion over 20 years | None. |
| Annual Profit Growth | 20 consecutive years of <i>guaranteed growth</i> , with payments to the state in case of shortfall | Claims they can deliver faster growth, but historical profits <i>declined</i> in 3 of the past 6 years |
| Protections Against Shortfall | A total of \$200 million in collateral provided by <i>private</i> company funds | Takes \$500 million <i>out</i> of Lottery revenue to create a "Reserve Fund" |
| Management Profits | Profit sharing <i>only after</i> first \$34 billion in guaranteed revenue | Approximately \$100,000 in forced union dues from employees to AFSCME as a condition of employment |
| Employment | Expands Lottery workforce to include 70 state employees, a transfer of remaining state employees to Camelot, and the hiring of additional Pennsylvanians | 230 state employees with no employment expansion |
| Annual Business Plan | Required to submit Annual Business Plan | None. Recommends Department of Revenue craft an Annual Business Plan and Marketing Strategy |
| New Games | Regulated roll out of Keno and internet sales using worldwide experience | Execute regulated rollout of Keno and internet sales with the help of a consultant |
| Opt-Out Protections | Can terminate contract at any time for specific shortcomings and after 3 years for any reason | None. Cannot terminate employees for failing to meet performance goals |