

Revenue Estimating Conference
Lottery Ticket Sales and the EETF Transfers
February 21, 2023

The Revenue Estimating Conference reviewed the ticket sales and transfers that have occurred since the last conference held in July 2022. Ticket sales for this 30-week period have run \$630.7 million or 12.5% over estimate. During the same period, transfers from ticket sales to the Educational Enhancement Trust Fund (EETF) were \$195.3 million or 18.4% above estimate. Based on this information, the Conference adopted a revised forecast for the 2022-23 through 2027-28 fiscal years.

With the exception of Fantasy 5 (including EZ Match) which came in essentially on estimate and the Pick Games group which came in under estimate, sales were over estimate for each type of game. The Conference chose to maintain the current forecast for Fantasy 5 and lower the projections for Pick Games in all years. Accordingly, The Pick Games' estimate for the current year was reduced by \$25.5 million and by similar amounts in the subsequent years.

In the current year, the Conference made nearly equal-sized upward revisions to Powerball, Mega Millions, and Scratch-Off tickets, with increases that ranged between \$242.0 million and \$250.3 million. The two terminal games have experienced abnormally large jackpots that have significantly impacted ticket sales, with some spillover to Scratch-Off sales. After increasing the estimates for the terminal games in the current fiscal year, the Conference pulled the estimates sharply back in FY 2023-24 to levels that are more typical. Only Scratch-Off was allowed to retain some of its excess activity, with annual increases in the outer years ranging between \$104.1 million and \$169.5 million.

For all other games (Lotto, Jackpot Triple Play, Cash Pop, and Cash 4 Life), the Conference revised the forecasts based on year-to-date overages and current trends. In addition to the FY 2022-23 changes, the growth rates in FY 2023-24 were also modified for Lotto and Cash Pop to reflect the nature of their recent activity (Lotto downwards and Cash Pop upwards); the other games retained their previously adopted growth rates for that year. In all cases, the prior growth rates were retained for FY 2024-25 and onwards.

In addition to ticket sales, the Conference revised the factors which affect transfers to the EETF. One notable change to this calculation was the incorporation of new vendor rates for terminal games. The vendors previously received 3.05% of terminal ticket sales; however, these vendors now receive 0.74% of all ticket sales.

Overall, forecasted ticket sales in the current year were increased by \$752.2 million, reaching a new total of \$9.986 billion. The increases to the annual estimates for FY 2023-24 through FY 2027-28 were significantly smaller, ranging from \$129.7 million to \$194.9 million. Likewise, expected transfers to EETF were increased by \$290.3 million, with annual transfers in FY 2023-24 through 2027-28 increased between \$60.4 million and \$80.6 million.

Additional details of the forecast and other changes are shown in the following table.

**LOTTERY ESTIMATING CONFERENCE, February 2023
 LOTTERY SALES PROJECTIONS
 SUMMARY**

Ticket Sales

	July 2022	Feb 2023	Diff.
2017-18	6701.1	6701.1	0.0
2018-19	7151.2	7151.2	0.0
2019-20	7505.1	7505.1	0.0
2020-21	9076.2	9076.2	0.0
2021-22	9324.6	9324.6	0.0
2022-23	9233.7	9985.9	752.2
2023-24	9252.6	9447.5	194.9
2024-25	9362.5	9492.2	129.7
2025-26	9460.6	9606.4	145.8
2026-27	9552.9	9707.7	154.8
2027-28	9639.2	9803.0	163.8

Other Income

	July 2022	Feb 2023	Diff.
2017-18	13.4	13.4	0.0
2018-19	16.0	16.0	0.0
2019-20	20.8	20.8	0.0
2020-21	14.8	14.8	0.0
2021-22	10.6	10.6	0.0
2022-23	14.3	14.3	0.0
2023-24	14.4	14.4	0.0
2024-25	14.5	14.5	0.0
2025-26	14.6	14.6	0.0
2026-27	14.7	14.7	0.0
2027-28	14.8	14.8	0.0

Unclaimed Prizes

	July 2022	Feb 2023	Diff.
2017-18	55.3	55.3	0.0
2018-19	58.3	58.3	0.0
2019-20	56.0	56.0	0.0
2020-21	34.2	34.2	0.0
2021-22	135.2	135.2	0.0
2022-23	70.5	75.1	4.6
2023-24	70.7	71.9	1.2
2024-25	71.6	72.3	0.7
2025-26	72.4	73.2	0.8
2026-27	73.1	74.0	0.9
2027-28	73.8	74.8	1.0

Distribution to EETF from Lottery Receipts

	July 2022	Feb 2023	Diff.
2017-18	1760.0	1760.0	0.0
2018-19	1917.6	1917.6	0.0
2019-20	1851.5	1851.5	0.0
2020-21	2246.0	2246.0	0.0
2021-22	2382.0	2382.0	0.0
2022-23	2207.5	2497.8	290.3
2023-24	2252.6	2333.2	80.6
2024-25	2243.1	2303.5	60.4
2025-26	2264.5	2327.5	63.0
2026-27	2283.6	2347.9	64.3
2027-28	2297.4	2363.1	65.7