

Revenue Estimating Conference
Lottery Ticket Sales and the EETF Transfers
January 11, 2024

The Revenue Estimating Conference reviewed ticket sales and transfers that have occurred in the 23 weeks since the August 2023 Conference. Ticket sales came in \$305.1 million or 8.1% above the estimate for the year. Actual transfers from ticket sales to the Educational Enhancement Trust Fund (EETF) through November were \$80.0 million or 11.6% above estimate. Based on this information, the Conference adopted a revised forecast that covers the 2023-24 through 2028-29 fiscal years.

Nearly 62% of the year-to-date gain came from several large jackpots in Powerball that increased ticket sales. Because the occurrence of high jackpots are independent events, the Conference made only modest changes to the outer years of the Powerball forecast and treated the current year overage as a one-time windfall. Mega Millions—the second highest contributor to the overall gain—was addressed similarly to Powerball. Altogether, the changes to these two games explained nearly 69% of the positive adjustments to terminal games over the entire forecast horizon—with the greatest impact in the current year. Since scratch-off sales were held to their current forecast, all of the final adjustments to total sales came from the collection of terminal games.

Overall, forecasted ticket sales in the current year were increased by \$272.3 million to \$9.550 billion. While this level still drops back from last year's record sales of \$9.802 billion, it does so by a lesser percent (from -5.3% to -2.6%) than predicted in the summer. The annual estimate for FY 2024-25 continues the decline, falling -2.8% relative to the prior year. Despite that, the new estimate adds \$67.2 million to that year. Thereafter, positive growth resumes, with annual gains to the prior forecast ranging from \$62.3 million to \$48.7 million.

In addition to ticket sales, the Conference revised the factors that affect transfers to the EETF. One notable revision to this calculation was the increase to a 6.07% retailer commission rate for FY 2023-24. Before the legislative change to a higher rate, retailers had been expected to receive 5.60%.

Expected transfers to the EETF gain \$75.6 million in FY 2023-24, but lose to the prior forecast by \$21.1 million to \$32.9 million in each of the subsequent years. The loss to EETF, despite the higher ticket sales, is largely explained by a higher projected prize percentage for the scratch-off games throughout the forecast. After transfers for prizes, fees, administrative expenses, and unclaimed prizes, net transfers to the EETF equal approximately 38.10% of terminal game ticket sales and 18.48% of scratch-off ticket sales.

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

LOTTERY ESTIMATING CONFERENCE, JAN 2024
LOTTERY SALES PROJECTIONS
SUMMARY

Ticket Sales

	Aug 2023	Jan 2024	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	9801.8	9801.8	0.0
2023-24	9277.7	9550.0	272.3
2024-25	9215.5	9282.7	67.2
2025-26	9331.8	9394.1	62.3
2026-27	9435.6	9493.2	57.6
2027-28	9533.4	9586.4	52.9
2028-29	9632.0	9680.6	48.7

Other Income

	Aug 2023	Jan 2024	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	15.1	15.1	0.0
2023-24	15.0	17.0	2.0
2024-25	15.0	15.0	0.0
2025-26	15.0	15.0	0.0
2026-27	15.0	15.0	0.0
2027-28	15.0	15.0	0.0
2028-29	15.0	15.0	0.0

Unclaimed Prizes

	Aug 2023	Jan 2024	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	116.5	116.5	0.0
2023-24	70.1	91.6	21.6
2024-25	69.8	70.7	0.9
2025-26	70.7	71.6	0.9
2026-27	71.5	72.4	0.9
2027-28	72.3	73.2	0.9
2028-29	73.1	74.0	0.9

Distribution to EETF from Lottery Receipts

	Aug 2023	Jan 2024	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	2374.0	2374.0	0.0
2023-24	2299.2	2374.8	75.6
2024-25	2264.4	2243.3	-21.1
2025-26	2290.3	2265.2	-25.1
2026-27	2312.8	2285.0	-27.8
2027-28	2330.0	2299.7	-30.3
2028-29	2357.9	2325.0	-32.9