



May 1, 2023

The Honorable Glenn Youngkin
 Governor
 Commonwealth of Virginia
 Patrick Henry Building, 3rd floor
 1111 E. Broad Street
 Richmond, VA 23219

Re: March 2023 Lottery Results

Dear Governor Youngkin:

I am very pleased to provide our report of monthly activities and financial update for the month of March 2023, as required in §58.1-4006 of the *Code of Virginia*. I am showing results compared to the official forecast, as included in your introduced budget (HB1400/SB800). Beginning with April activity next month, I will provide updates compared to the estimates included in Chapter 769, the budget passed on April 12, 2023, that increases anticipated Lottery profit transfers for FY23 by \$9.5 million.

March Monthly Update:

	Monthly Actuals Mar FY23	% of Total	Monthly Actuals Mar FY22	Current Month FY23 vs FY22		Monthly Forecast Mar FY23	Current Month Actuals vs Forecast	
				<u>\$ Change</u>	<u>% Change</u>		<u>\$ Change</u>	<u>% Change</u>
Sales								
Scratchers	\$ 119,276,247	28.1%	\$ 111,921,361	\$ 7,354,886	6.6%	\$ 115,227,442	\$ 4,048,805	3.51%
Draw Games	\$ 96,111,407	22.7%	\$ 92,591,020	\$ 3,520,387	3.8%	\$ 97,816,390	\$ (1,704,983)	-1.74%
iLottery Instants	<u>\$ 208,445,120</u>	<u>49.2%</u>	<u>\$ 122,876,360</u>	<u>\$ 85,568,760</u>	<u>69.6%</u>	<u>\$ 165,000,000</u>	<u>\$ 43,445,120</u>	<u>26.33%</u>
Total	\$ 423,832,774	100.0%	\$ 327,388,741	\$ 96,444,033	29.5%	\$ 378,043,832	\$ 45,788,942	12.11%
Prize Expense				<u>FY23 Rates</u>	<u>FY22 Rates</u>		<u>Forecast Rates</u>	
Scratchers	\$ 87,590,504	27.7%	\$ 80,102,659	73.4%	71.6%	\$ 82,733,304	71.8%	
Draw Games	\$ 43,732,033	13.9%	\$ 50,022,201	45.5%	54.0%	\$ 52,143,585	53.3%	
iLottery Instants	<u>\$ 184,374,935</u>	<u>58.4%</u>	<u>\$ 108,376,846</u>	<u>88.5%</u>	<u>88.2%</u>	<u>\$ 146,520,000</u>	<u>88.8%</u>	
Total	\$ 315,697,472	100.0%	\$ 238,501,706	74.5%	72.8%	\$ 281,396,889	74.4%	
Retailer Earnings	\$ 11,631,417		\$ 11,653,304	5.6%	5.9%	\$ 12,066,418	5.7%	
Admin Expenses	\$ 16,919,867		\$ 14,103,898	4.0%	4.3%	\$ 16,648,509	4.4%	
Other Income	\$ 324,330		\$ 29,301			\$ 100,000		
Profits	<u>\$ 79,908,348</u>		<u>\$ 63,159,134</u>	<u>\$ 16,749,214</u>	<u>26.52%</u>	<u>\$ 68,032,016</u>	<u>\$ 11,876,332</u>	<u>17.46%</u>

Fiscal Year to Date Update:

	YTD FY23 March	% of Total	YTD FY22 March	Year to Date FY23 vs FY22		Forecast FY23 YTD March	Year to Date FY23 vs FY23 Forecast	
				\$ Change	% Change		\$ Change	% Change
Sales								
Scratchers	\$ 968,401,237	28.1%	\$ 1,023,781,526	\$ (55,380,289)	-5.41%	\$ 933,840,593	\$ 34,560,644	3.70%
Draw Games	\$ 992,851,400	28.8%	\$ 871,964,031	\$ 120,887,369	13.86%	\$ 887,933,839	\$ 104,917,561	11.82%
iLottery Instants	\$ 1,481,945,878	43.0%	\$ 925,131,771	\$ 556,814,107	60.19%	\$ 1,311,227,069	\$ 170,718,809	13.02%
Total	\$3,443,198,515	100.0%	\$2,820,877,328	\$ 622,321,187	22.06%	\$ 3,133,001,501	\$ 310,197,014	9.90%
Prize Expense				FY23 Rates	FY22 Rates		Forecast Rates	
Scratchers	\$ 696,552,235	27.5%	\$ 730,819,629	71.9%	71.4%	\$ 670,497,546	71.8%	
Draw Games	\$ 519,984,850	20.5%	\$ 440,720,722	52.4%	50.5%	\$ 472,082,301	53.2%	
iLottery Instants	\$ 1,318,279,990	52.0%	\$ 820,826,243	89.0%	88.7%	\$ 1,164,369,637	88.8%	
Total	\$2,534,817,075	100.0%	\$ 1,992,366,594	73.6%	70.6%	\$ 2,306,949,484	73.6%	
Retailer Earnings	\$ 105,298,349		\$ 105,936,647	5.7%	5.7%	\$ 102,692,869	5.7%	
Admin Expenses	\$ 143,670,331		\$ 119,048,881	4.2%	4.2%	\$ 143,074,104	4.6%	
Other Income	\$ 2,999,303		\$ 824,630			\$ 900,000		
Profits	\$ 662,412,063		\$ 604,349,836	\$ 58,062,227	9.61%	\$ 581,185,044	\$ 81,227,019	13.98%

Sales Highlights

For FY23, total sales are nearly 10% ahead of the official forecast, primarily from the strong jackpot game sales this year (Mega Millions and Powerball) and the continued strength of iLottery offerings. Year-over-year comparison shows sales up more than 22%. However, scratcher ticket sales, games that are sold only in retail stores, are down more than 5% compared to last year.

Profit Highlights

Profits for the month and the year-to-date were strong. March profits were ahead of forecast, culminating in the \$81 million year-to-date surplus versus forecast. We continue to be on a solid pace to meet the profit transfers expected in the budget for the current fiscal year. Any surplus will become part of the total transfers available in the Lottery Proceeds Fund for FY24.

Other Highlights

In preparation for National Teacher Appreciation Week in May, the Virginia Lottery is sponsoring the Thank a Teacher campaign. We provide hard copy and digital notecards, featuring designs by three talented public-school artists, for Virginians to express thanks to their favorite educators. Recipients can enter the unique code on the notes for a chance to win a Virginia-themed vacation, gift cards and supplies for their school. We are on track to deliver 65,000 notecards, a record in the campaign’s eight years! We look forward to awarding these prizes to deserving teachers as part of our continued emphasis on supporting Virginia’s K-12 public schools, the beneficiary of 100% of lottery profits. We hope the administration will be able to join us at some of these surprise teacher celebrations.

Finally, to cap off the Virginia Lottery’s robust support of National Problem Gambling Awareness Month in March, I am pleased to report that the Lottery’s responsible gaming program has earned the “Sustaining Level” certification from the National Council on Problem Gambling. To achieve this, the Lottery was evaluated in a variety of areas, and this designation clearly demonstrates our long-standing and ongoing commitment to responsible play in the Commonwealth.

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Please let me know if you have any questions, or if you would like more information.

Respectfully,



Kelly T. Gee

- c: The Honorable Janet D. Howell, Chairwoman, Senate Finance & Appropriations Committee
- The Honorable Barry D. Knight, Chairman, House Appropriations Committee
- The Honorable Roxann L. Robinson, Chairwoman, House Finance Committee
- The Honorable Jeff Goettman, Chief of Staff, Office of the Governor
- The Honorable Stephen E. Cummings, Secretary of Finance
- Michael Maul, Director, Department of Planning & Budget
- Lewis R. McCabe, State Comptroller
- April Kees, Director, Senate Finance & Appropriations Committee
- Anne E. Oman, Staff Director, House Appropriations Committee
- Ferhan Hamid, Chairman, Virginia Lottery Board