



February 29, 2024

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

Re: January 2024 Lottery Results

Dear Governor Youngkin:

I am very pleased to provide our report of monthly activities and financial update for the month of January 2024, as required in §58.1-4006 of the *Code of Virginia*. Comparisons to forecast are based on the estimates as included in HB/SB29 for fiscal year 2024.

January Monthly Update:

	Monthly Actuals Jan FY24	% of Total	Monthly Actuals Jan FY23	Current Month FY24 vs FY23		Monthly Forecast Jan FY24	Current Month Actuals vs Forecast	
				\$ Change	% Change		\$ Change	% Change
Sales								
Scratchers	\$ 104,743,738	23.0%	\$ 102,527,824	\$ 2,215,914	2.2%	\$ 100,000,000	\$ 4,743,738	4.7%
Draw Games	\$ 108,543,881	23.9%	\$ 139,265,727	\$ (30,721,846)	-22.1%	\$ 106,470,361	\$ 2,073,520	1.9%
iLottery Instants	\$ 241,499,725	53.1%	\$ 191,380,197	\$ 50,119,528	26.2%	\$ 241,726,743	\$ (227,018)	-0.1%
Total	\$ 454,787,344	100.0%	\$ 433,173,748	\$ 21,613,596	5.0%	\$ 448,197,104	\$ 6,590,240	1.5%
Prize Expense				<u>FY24 Rates</u>	<u>FY23 Rates</u>		<u>Forecast Rates</u>	
Scratchers	\$ 74,907,393	21.8%	\$ 71,818,237	71.5%	70.0%	\$ 72,200,000	72.2%	
Draw Games	\$ 54,856,866	16.0%	\$ 74,760,326	50.5%	53.7%	\$ 56,451,841	53.0%	
iLottery Instants	\$ 213,475,716	62.2%	\$ 169,917,885	88.4%	88.8%	\$ 214,895,075	88.9%	
Total	\$ 343,239,975	100.0%	\$ 316,496,448	75.5%	73.1%	\$ 343,546,916	76.7%	
Retailer Earnings	\$ 11,195,277		\$ 12,685,670	5.5%	5.6%	\$ 11,633,224	5.7%	
Admin Expenses	\$ 16,393,725		\$ 18,122,591	3.6%	4.2%	\$ 20,036,240	4.5%	
Other Income	\$ 641,319		\$ 457,321			\$ 350,000		
Profits	\$ 84,599,686		\$ 86,326,360	<u>\$ Change</u> (1,726,674)	<u>% Change</u> -2.0%	\$ 73,330,724	<u>\$ Change</u> \$ 11,268,962	<u>% Change</u> 15.4%

January Highlights

While total sales were stronger than last January, retail sales and total profits were both lower than last January. Scratcher sales increased, but draw game sales were lower due to the Mega Millions jackpot growing to over \$1 billion last January.

Fiscal Year to Date Update:

	YTD FY24 Jan	% of Total	YTD FY23 Jan	Year to Date FY24 vs FY23		Forecast FY24 YTD Jan	Year to Date FY24 vs FY24 Forecast	
				\$ Change	% Change		\$ Change	% Change
Sales								
Scratchers	\$ 710,050,235	22.8%	\$ 748,529,371	\$ (38,479,136)	-5.1%	\$ 695,408,963	\$ 14,641,272	2.1%
Draw Games	\$ 780,549,396	25.0%	\$ 807,606,811	\$ (27,057,415)	-3.4%	\$ 764,632,741	\$ 15,916,655	2.1%
iLottery Instants	\$ 1,626,708,905	52.2%	\$ 1,097,154,598	\$ 529,554,307	48.3%	\$ 1,620,000,000	\$ 6,708,905	0.4%
Total	\$ 3,117,308,536	100.0%	\$ 2,653,290,780	\$ 464,017,756	17.5%	\$ 3,080,041,704	\$ 37,266,832	1.2%
Prize Expense				<u>FY24 Rates</u>	<u>FY23 Rates</u>		<u>Forecast Rates</u>	
Scratchers	\$ 512,659,318	21.5%	\$ 535,385,768	72.2%	71.5%	\$ 502,085,271	72.2%	
Draw Games	\$ 419,407,101	17.6%	\$ 432,227,372	53.7%	53.5%	\$ 404,840,843	52.9%	
iLottery Instants	\$ 1,455,309,200	61.0%	\$ 977,481,065	89.5%	89.1%	\$ 1,440,180,000	88.9%	
Total	\$ 2,387,375,619	100.0%	\$ 1,945,094,205	76.6%	73.3%	\$ 2,347,106,114	76.2%	
<u>Retailer Earnings</u>	\$ 78,933,490		\$ 83,451,774	5.7%	5.7%	\$ 82,146,237	5.7%	
<u>Admin Expenses</u>	\$ 115,062,186		\$ 110,619,417	3.7%	4.2%	\$ 138,100,212	4.5%	
<u>Other Income</u>	\$ 7,022,612		\$ 2,384,571			\$ 2,450,000		
Profits	\$ 542,959,853		\$ 516,509,955	\$ 26,449,898	5.1%	\$ 515,139,141	\$ 27,820,712	5.4%

Year to Date Highlights

For the fiscal year, iLottery Instants continue to experience strong growth in the fourth year of availability. Overall profits are up more than 5% compared both to last year and the updated forecast included in your introduced budget.

Other Highlights

We continue to monitor legislation during the 2024 Session related to the regulation of skill games, casino gaming, and illegal gambling coordination efforts. In addition, to mark National Problem Gambling Awareness Month in March, we are taking several steps to highlight our commitment to responsible gaming. Through our long-standing partnership with the Virginia Council on Problem Gambling, the Lottery funds a statewide helpline which serves as a gateway to additional resources for individuals and their families concerned about problem gambling. This number is printed on every Virginia Lottery product, and messages and links to responsible gaming resources are featured on our website and marketing materials. We also have a robust statewide paid digital media campaign, featuring a public service announcement that highlights the helpline number. Though we shine a spotlight on this important message this time each year, we remain committed to reminding Virginians all year long about the importance of responsible play.

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

Respectfully,

A handwritten signature in black ink that reads "Tony R. Russell". The signature is written in a cursive style with a long horizontal stroke at the beginning.

Tony R. Russell

- c: The Honorable L. Louise Lucas, Chairwoman, Senate Finance & Appropriations Committee
- The Honorable Luke E. Torian, Chairman, House Appropriations Committee
- The Honorable Vivian E. Watts, 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
- Sharon H. Lawrence, Acting State Comptroller
- April Kees, Director, Senate Finance & Appropriations Committee
- Anne E. Oman, Staff Director, House Appropriations Committee
- Ferhan Hamid, Chairman, Virginia Lottery Board