



March 2, 2026

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

Re: January 2026 Lottery Results

Dear Governor Spanberger:

I am very pleased to provide our report of monthly activities and financial update for the month of January 2026, as required in §58.1-4006 of the *Code of Virginia*. Also with this month's reporting, I am providing activity compared to the forecasted Lottery profit transfers as included in HB29/SB29 for fiscal year 2026.

January Monthly Update:

	Monthly Actuals Jan FY26	% of Total	Monthly Actuals Jan FY25	Current Month FY26 vs FY25		Monthly Forecast Jan FY26	Current Month Actuals vs Forecast	
				<u>\$ Change</u>	<u>% Change</u>		<u>\$ Change</u>	<u>% Change</u>
Sales								
Scratchers	\$ 93,677,363	17.4%	\$ 97,267,166	\$ (3,589,803)	-3.7%	\$ 108,182,816	\$ (14,505,453)	-13.4%
Draw Games	\$ 103,036,601	19.1%	\$ 96,634,663	\$ 6,401,938	6.6%	\$ 96,408,308	\$ 6,628,293	6.9%
iLottery Instant	\$ 342,722,539	63.5%	\$ 292,097,121	\$ 50,625,418	17.3%	\$ 321,581,146	\$ 21,141,393	6.6%
Total	\$ 539,436,503	100.0%	\$ 485,998,950	\$ 53,437,553	11.0%	\$ 526,172,270	\$ 13,264,233	2.5%
Prize Expense				<u>FY26 Rates</u>	<u>FY25 Rates</u>		<u>Forecast Rates</u>	
Scratchers	\$ 66,557,970	15.5%	\$ 70,188,358	71.1%	72.2%	\$ 80,055,284	74.0%	
Draw Games	\$ 58,145,432	13.6%	\$ 46,937,257	56.4%	48.6%	\$ 58,612,843	60.8%	
iLottery Instant	\$ 304,206,764	70.9%	\$ 258,896,746	88.8%	88.6%	\$ 288,619,079	89.8%	
Total	\$ 428,910,166	100.0%	\$ 376,022,361	79.5%	77.4%	\$ 427,287,206	81.2%	
<u>Retailer Earnings</u>	\$ 10,594,144		\$ 10,607,285	5.8%	5.8%	\$ 11,280,842	5.7%	
<u>Admin Expenses</u>	\$ 20,367,502		\$ 18,861,186	3.8%	3.9%	\$ 22,865,140	4.3%	
<u>Other Income</u>	\$ 581,392		\$ 715,224			\$ 750,000		
Profits	\$ 80,146,083		\$ 81,223,342	\$ (1,077,259)	-1.3%	\$ 65,489,082	\$ 14,657,001	22.4%

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Fiscal Year-to-Date Update:

	YTD FY26 Jan	% of Total	YTD FY25 Jan	Year to Date FY26 vs FY25		Forecast FY26 YTD Jan	Year to Date FY26 vs FY25 Forecast	
				\$ Change	% Change		\$ Change	% Change
Sales								
Scratchers	\$ 703,738,833	18.5%	\$ 762,464,168	\$ (58,725,335)	-7.7%	\$ 743,226,069	\$ (39,487,236)	-5.3%
Draw Games	\$ 776,107,227	20.4%	\$ 678,965,201	\$ 97,142,026	14.3%	\$ 744,361,960	\$ 31,745,267	4.3%
iLottery Instant	\$ 2,322,044,769	61.1%	\$ 1,803,389,475	\$ 518,655,294	28.8%	\$ 2,265,829,432	\$ 56,215,337	2.5%
Total	\$ 3,801,890,829	100.0%	\$ 3,244,818,844	\$ 557,071,985	17.2%	\$ 3,753,417,461	\$ 48,473,368	1.3%
Prize Expense				FY26 Rates	FY25 Rates		Forecast Rates	
Scratchers	\$ 515,555,958	17.1%	\$ 558,367,995	73.3%	73.2%	\$ 548,882,455	73.9%	
Draw Games	\$ 426,763,792	14.1%	\$ 333,263,015	55.0%	49.1%	\$ 415,981,802	55.9%	
iLottery Instant	\$ 2,076,622,607	68.8%	\$ 1,613,501,556	89.4%	89.5%	\$ 2,018,161,587	89.1%	
Total	\$ 3,018,942,357	100.0%	\$ 2,505,132,566	79.4%	77.2%	\$ 2,983,025,844	79.5%	
Retailer Earnings	\$ 78,153,905		\$ 77,729,644	5.8%	5.7%	\$ 81,437,777	5.7%	
Admin Expenses	\$ 146,775,304		\$ 127,319,425	3.9%	3.9%	\$ 164,892,945	4.4%	
Other Income	\$ 7,107,876		\$ 7,427,855			\$ 5,250,000		
Profits	\$ 565,127,139		\$ 542,065,064	\$ 23,062,075	4.3%	\$ 529,310,895	\$ 35,816,244	6.8%

Sales Highlights

January weather interruptions contributed to the decline in retail sales activity for the month, with Scratcher sales falling short of the monthly goal and behind same month prior year levels. iLottery instants continue to show strong growth, up 17.3% compared to January 2025 and 6.6% stronger than forecast for the month.

Overall sales are up more than 17% year-to-date and over 1% of forecast through January. This increase is largely due to iLottery instants sales, which now comprise over 60% of sales versus 55.6% in FY25. For the year-to-date, Scratchers are down almost 8% while draw games and iLottery instants are up 14.3% and 28.8% respectively compared to the prior year.

Profit Highlights

FY26 profits through January total over \$565 million, an increase of over 4% compared with FY25 and nearly 7% ahead of the forecast included in the proposed budget. The strength in profits comes higher than expected sales related to multi-state jackpot game wins, and from better than budgeted administrative spending efficiency. Retailers continue to earn nearly 6% of sales in commissions and incentives.

Other Highlights

In mid-February we completed the Lottery's largest and most complex retail system upgrade in our nearly 38-year history. This undertaking unfolded in three phases over two years and involved nearly every team across the organization. The complex project included upgrades to equipment in our 5,300 retail partners, self-service enhancements to elevate the player experience, and changes to multiple backend processes to improve efficiencies. By all accounts, this was a successful endeavor demonstrating the Lottery's continued commitment to providing products and services that benefit our players and thousands of businesses across the Commonwealth, all with a focus on our mission of raising revenue for our K-12 public schools.

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In addition to all profits being designated for our public schools, the Lottery expands its reach in this area by highlighting students and educators through our award-winning Thank a Teacher campaign. The entry period for the ninth annual Thank a Teacher Art Contest just came to a close and we received several hundred pieces of original artwork from talented students. Three finalists – one each from elementary, middle and high school – have been selected and their art will be featured on tens of thousands of thank-you notes distributed to Virginia teachers during National Teacher Appreciation Week later this spring.

As we move into March, the Lottery will also recognize National Problem Gambling Awareness Month, underscoring our long-standing commitment to responsible gaming. In partnership with the Virginia Council on Problem Gambling, we continue to fund a statewide helpline featured on every Virginia Lottery product. Throughout the year, with increased emphasis in March, we run paid media campaigns that include public service announcements and digital advertising, complemented by responsible gaming messages and links to resources across our website and marketing materials. We are proud to maintain our Sustaining Level designation in a nationwide verification program through the National Council on Problem Gaming and the North American Association of State and Provincial Lotteries.

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

Respectfully,



Khalid R. Jones

- 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 Bonnie Krenz-Schnurman, Chief of Staff, Office of the Governor
- The Honorable Mark D. Sickles, Secretary of Finance
- Michael Maul, Director, Department of Planning & Budget
- Sharon Lawrence, State Comptroller
- April Kees, Director, Senate Finance & Appropriations Committee
- Anne E. Oman, Staff Director, House Appropriations Committee
- Ferhan Hamid, Chairman, Virginia Lottery Board