

Revenue Estimating Conference  
Lottery Sales  
February 8, 2010  
Executive Summary

The Revenue Estimating Conference met concerning Lottery revenues on February 8, 2010. The conference reduced expected distributions to the Educational Enhancement Trust Fund (EETF) from current projections by \$48.1 million in 2009-10, \$49.2 million in 2010-11, and \$46.1 million in 2011-12. These figures translate into growth rates of -9.6% in 2009-10, -7% in 2010-11, and 1.0% in 2011-12. Distributions are then expected to increase by 1.2% in 2012-13 and 1.6% in 2013-14.

Overall the forecast for ticket sales was decreased, by \$98.3 million in 2009-10, \$90.5 million in 2010-11, and \$88.0 million in 2011-12. The largest change in sales forecast was to the projections for Lotto and Powerball, which were reduced by a total of \$98.3 million in 2009-10 and \$88.2 million in 2010-11. Both of these two games have been running significantly behind our previous forecast, and have been negatively impacted by having fewer rollovers than expected. Mega Money, Cash 3, and Play 4 sales have also been running behind estimate, and the associated forecasts have been adjusted downward accordingly. The Fantasy 5 and Raffle forecasts remained essentially the same.

Scratch-off sales have been running very close to estimate and have begun to show some growth over the same week in 2008-09. The forecast for scratch-off sales was increased slightly by \$20.6 million in 2009-10 and \$23.9 million in 2010-11.

The projections for non-ticket income were reduced slightly, by \$.6 million in 2009-10 and by \$2.0 million in 2010-11. The forecast for 80% unclaimed prizes available for immediate transfer to EETF was increased by about \$4.0 million per year based on the most recent experience.

EETF transfers were affected by several other changes to the forecast. On the negative side, the prize payout percentage was increased for scratch-off tickets. Positively affecting the EETF transfers is a reduction in the projected administrative appropriation and a reduction in the 2010-11 on-line prize payout percentage.

The details of the forecast and changes are shown in the table on the next page.

<b>Summary of All games</b>				
		<b>October 2009</b>	<b>Feb. 2010 2009</b>	<b>Difference</b>
<b>Scratch-off</b>	<b>2009-10</b>	2013.4	2034.0	20.6
	<b>2010-11</b>	2018.4	2042.3	23.9
	<b>2011-12</b>		2058.5	
<b>Lotto</b>	<b>2009-10</b>	461.5	430.4	-31.1
	<b>2010-11</b>	463.3	431.9	-31.4
	<b>2011-12</b>		434.9	
<b>Powerball</b>	<b>2009-10</b>	467.4	400.2	-67.2
	<b>2010-11</b>	459.9	403.1	-56.8
	<b>2011-12</b>		408.7	
<b>Mega Money</b>	<b>2009-10</b>	89.9	87.2	-2.7
	<b>2010-11</b>	90.8	88.1	-2.7
	<b>2011-12</b>		89.0	
<b>Fantasy 5</b>	<b>2009-10</b>	273.9	273.9	0.0
	<b>2010-11</b>	267.4	267.4	0.0
	<b>2011-12</b>		264.7	
<b>Cash 3</b>	<b>2009-10</b>	309.5	299.3	-10.2
	<b>2010-11</b>	306.4	296.3	-10.1
	<b>2011-12</b>		298.3	
<b>Play 4</b>	<b>2009-10</b>	239.0	232.0	-7.0
	<b>2010-11</b>	245.2	233.8	-11.4
	<b>2011-12</b>		235.6	
<b>Raffle</b>	<b>2009-10</b>	32.0	31.9	-0.1
	<b>2010-11</b>	30.0	30.0	0.0
	<b>2011-12</b>		30.0	
<b>TOTAL</b>	<b>2008-09</b>	3886.6	3788.9	-97.7
	<b>2009-10</b>	3881.4	3792.9	-88.5
	<b>2011-12</b>		3819.7	
<b>EETF from Ticket sales</b>	<b>2009-10</b>	1148.4	1097.2	-51.2
	<b>2010-11</b>	1145.2	1093.9	-51.3
	<b>2011-12</b>		1102.3	
<b>Other Income</b>	<b>2009-10</b>	24.9	24.3	-0.6
	<b>2010-11</b>	21.3	19.3	-2.0
	<b>2011-12</b>		21.5	
<b>80% unclaimed prizes</b>	<b>2009-10</b>	40.3	44.0	3.7
	<b>2010-11</b>	40.3	44.3	4.0
	<b>2011-12</b>		46.0	
<b>TOTAL EETF</b>	<b>2009-10</b>	1213.5	1165.5	-48.1
	<b>2010-11</b>	1206.8	1157.5	-49.2
	<b>2011-12</b>		1169.8	