



June 16, 2023
COMMISSION
REPORT

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NOTICE OF PUBLIC MEETING AND EXECUTIVE SESSION OF THE ARIZONA STATE LOTTERY COMMISSION

Pursuant to Arizona Revised Statute (A.R.S.) § 38-431.02, notice is hereby given to the members of the Arizona State Lottery Commission and to the general public that the Arizona State Lottery Commission will hold a meeting open to the public on **June 16, 2023, at 10:00 a.m.**, in the **Arizona Lottery Board Room, located at 4740 East University Drive, Phoenix, Arizona.** The public is welcomed to join the meeting in person, via telephone, or internet through **Google Hangouts Meet**. The following are instructions on joining the meeting via the Google Hangouts Meet:

Join the meeting online by entering the following link into your URL
meet.google.com/guc-uece-uyy

[OR](#)

Join the meeting US Toll Free by phone at 406-686-2820 when prompted enter Access Code 846 044 593 **followed by the pound key (#)**

If you are having problems with connecting, please contact 480-921-4493.

Pursuant to A.R.S. § 38-431.02(B), further notice is hereby given to the Arizona State Lottery Commission and members of the public that the Arizona State Lottery Commission may vote to go into Executive Session, which will not be open to the public, for the purpose of obtaining legal advice pursuant to A.R.S. § 38-431.03(A)(3) regarding any of the agenda items. The Commission may also vote on any item listed on the agenda. All members of the Commission will be participating by means of telephonic communication.

Call to Order

1. Call for Quorum
2. Call for Notice
3. Approval of Minutes for May 19, 2023, Public Meeting

Agency Reports

1. Director's Presentation
2. Retailer of the Quarter - Presentation
3. Financial Report – Presentation
4. New Games Introduction – No Presentation

New Business

1. Discussion and possible action on new instant scratch game profiles: *5X #1432, 10X #1433, 20X #1434, 50X #1435, 100X #1436, Cash Blast #1438, and Bonus Word Crossword #1439.*
2. Discussion and possible action on new Fast Play™ game profile: *Year of the Dragon #161.*
3. Discussion and possible action on new promotion game profile: *2023 "Powerball First Millionaire of the Year®" #129.*

Call to the Public

Consideration and discussion of comments from the public. Those members of the public wishing to address the Commission need not request permission in advance and will be given approximately five minutes for their comments and requests. Action taken as a result of public comment will be limited to directing staff to study the matter or rescheduling the matter for further consideration at a later date to comply with A.R.S. § 38-431.02.

Announcements

1. The next Commission meeting will be held **August 18, 2023, at 10:00 a.m.**

Adjournment

Materials

A copy of the agenda and background material provided to Commission members, which is not exempt by law from public inspection, is available for public inspection at least 24 hours advance of the meeting at the Lottery Office located at 4740 East University Drive, Phoenix, Arizona.

Notice

Any amendments or additions to the agenda will be made available at least 24 hours prior to the meeting.

Dated this 7th day of June, 2023

Alec Esteban Thomson
Executive Director

Persons with a disability may request a reasonable accommodation by calling (480) 921-4486. Requests should be made as early as possible to allow time to arrange the accommodation.
The Commission reserves the right to change the order of items on the agenda.

PUBLIC MEETING OF THE ARIZONA LOTTERY

Commission Minutes of May 19, 2023, Meeting

- PRESIDING** Chair Jeff Weintraub (In-Person)
- COMMISSIONERS** Todd Newman, Tim Baumgarten (In-Person), and Julie Katsel (Teleconference),
- LOTTERY** Executive Director; Alec Esteban Thomson, Russ Harben; Deputy Director of Operations & Chief Financial Officer, Todd Terrell; Deputy Director of Security and Investigations, and Christopher Rogers; Deputy Director of Products & Marketing (In-Person)
- Luanne Mansanares, Orion Steen, Jimmy Arwood, John Gilliland, Mary Cimaglio, Adam Tollefson, Robin Peters, Stacey Henderson, and Stacie Davis (In Person) Alexandra Adukeh, Shelby Alessi, Debra Andrego, Cassandra Bierworth, Anjali Dang, Karla Henriksen, Susan Kalember, Mia Lemke, Cheyenne McMurtry Vicki Nelson, Lisa Schartz, Lynda Sellers, Kathleen Syms, Art Uthaisri, Nocholas Wagner, and Steven Wood (Teleconference)
- GUESTS** Attorney General Representative: Pam Peiser (In Person)
- Scientific Games Representatives: Topper Wilson, Hanna Balamut, Irvin Perez, and Gabriel Reed (Teleconference)
- Pollard Banknote Limited Representatives: Jessica Velardi and Travis Priest
- Owens Harkey Representatives: Noelle Hobaica (Teleconference)
- IGT Representative: Nicholas Schell
- PUBLIC** None

Call to Order

1. **Call for Quorum:** Pursuant to the Public Notice dated May 9, 2023, the Public Meeting of the Arizona State Lottery Commission was called to order at 10:01 a.m. by Chair Jeff Weintraub. A quorum was present, with Chair Weintraub, Vice Chair Newman, (Teleconference), and Commissioner Baumgarten. (Appearing in-person) at 10:04 Commissioner Katsel joined virtually.
2. **Notice:** Notice was posted by Luanne Mansanares on May 10, 2023, at 12:30 p.m., at the Arizona State Lottery, located at 4740 E. University Dr., Phoenix, Arizona.
3. **Approval of Minutes:** Chair Weintraub entertained a motion to approve the minutes of the April 21, 2023, Public Meeting. Vice Chair Newman moved; Commissioner Baumgarten seconded. The vote was unanimous with Chair Weintraub voting aye, Vice Chair Newman voting aye, and Commissioner Baumgaren voting aye, The motion carried.

10:04 Commissioner Katsel virtually joined the meeting.

Agency Reports

1. **Director's Presentation:** Executive Director, Alec Esteban Thomson presented information on Arizona Lottery's newly appointed Commissioner, Tereza Fritz. John Gilliland presented information on the beneficiary of the month, and Jimmy Arwood provided a legislative update.
2. **Retailer of the Quarter** – Presented by Stacey Henderson
3. **Financial Report** - Presented by Russ Harben.
4. **Marketing and Products Review** – Presented by Chris Rogers
5. **New Games Introduction – No Presentation**

New Business

1. Chair Weintraub asked if any members of the public wanted to address the Commission regarding new instant scratch game profiles: *Bingo Bash #1424*, *Holiday Cash #1426*, *Naughty or Nice Crossword #1428*, *Snow Globe Cash #1429*, and *25 Days of Winning #1430*. There was no response from the public.

In accordance with A.R.S. §5-554(C), Chair Weintraub entertained a motion to approve the orders and authorize the Director to issue the orders regarding new instant scratch game profiles: #1424, #1426, #1428, #1429, and #1430. Vice Chair Newman moved; Commissioner Baumgarten seconded. The vote was unanimous with Chair Weintraub voting aye, Vice Chair Newman voting aye, Commissioner Katsel voting aye, and Commissioner Baumgarten voting aye. The motion carried.

2. Chair Weintraub asked if any members of the public wanted to address the Commission regarding new Fast Play™ game profiles: *Reindeer Riches #159*, and *Christmas Cactus Cash #160*. There was no response from the public.

In accordance with A.R.S. §5-554(C), Chair Weintraub entertained a motion to approve the order and authorize the Director to issue the order regarding new Fast Play™ game profiles: #159, and #160. Vice Chair Newman moved; Commissioner Baumgarten seconded. The vote was unanimous with Chair Weintraub voting aye, Vice Chair Newman voting aye, Commissioner Katsel voting aye, and Commissioner Baumgarten voting aye. The motion carried.

3. Chair Weintraub asked if any members of the public wanted to address the Commission regarding new promotion game profile: *\$50,000 Scratchers Cash #128*. There was no response from the public.

In accordance with A.R.S. §5-554(C), Chair Weintraub entertained a motion to approve the order and authorize the Director to issue the order regarding new promotion game profile: #128. Commissioner Baumgarten moved; Vice Chair Newman seconded. The vote was unanimous with Chair Weintraub voting aye, Vice Chair Newman voting aye,

Commissioner Katsel voting aye, and Commissioner Baumgarten voting aye. The motion carried.

Call to the Public

Chair Weintraub invited members of the public to speak before the Commission. There was no response from the public.

Announcements

The next Commission meeting will be held in person on June 16, 2023, at 10:00 a.m. Chair Weintraub asked if there any other announcements. There was no response.

Adjournment

Chair Weintraub stated with nothing remaining on the agenda, we are adjourned. The meeting adjourned at 10:44 am.

Materials

A copy of the agenda and background material provided to Commission members, which is not exempt by law from public inspection, is available for public inspection at least 24 hours in advance of the meeting at the Lottery Office located at 4740 East University Drive, Phoenix, Arizona.

Notice

Persons with a disability may request a reasonable accommodation by calling (480) 921-4486. Requests should be made as early as possible to allow time to arrange the accommodation.
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Agency Reports
Report to Arizona Lottery Commission
June 16, 2023

Director’s Presentation

Retailer of the Quarter - Presentation

Financial Report – Presentation

New Game Introductions – No Presentation

New Game Introductions.

The following Scratchers games were introduced since the last commission meeting: *24K Gold* #1402 and *Bingo Star* #1408.

The following Fast Play game was introduced since the last commission meeting: *Sevens* #153.

More information on these games are available by visiting the Scratchers and Fast Play sections at ArizonaLottery.com

The following game was approved to end consistent with the Instant Scratch Game Ending Policy. Players have 180 days from the game-ending date to claim prizes.

Date Ended	Price Point	Game No.	Game Name	Beginning Inventory	% Sold through 6/5/23
6/6/23	\$10	1371	Diamond 9s	2,417,340	79%

ATTACHMENT A

Dashboard Report June 2023

SERVING ARIZONA FOR 41 YEARS



-0.52%

vs. Proj (FYTD)

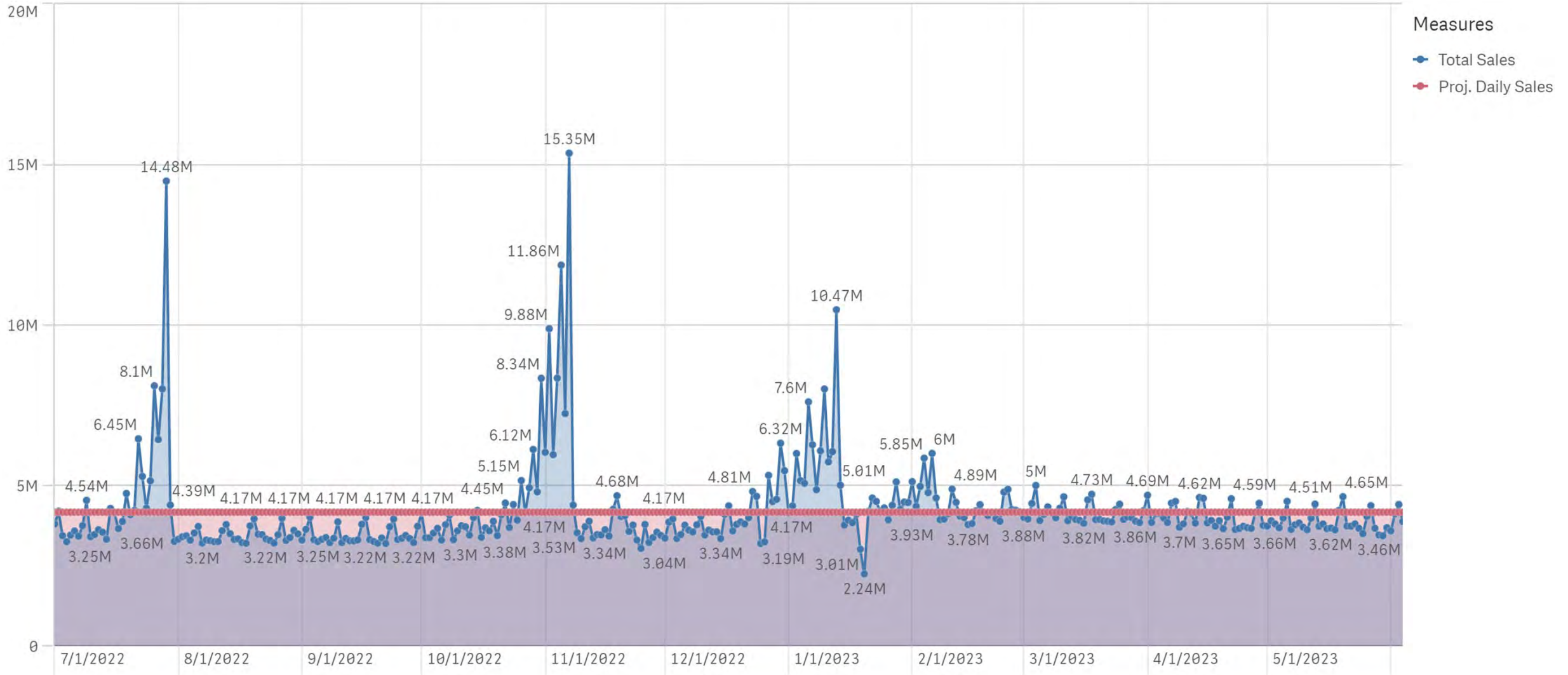
Total Sales (FYTD)
\$1,416,845,061

11.31%

vs. PYTD

3.41%	Draw Sales \$413,218,787 ^{29.2%} <small>%Total Sales</small>	42.26%	Draw Sales : From 7/1/2017 - To 6/4/2023 Fast Play Sales : From 2/11/2018 - To 6/4/2023 Pulltab Sales : From 7/2/2017 - To 6/2/2023 Scratcher Sales : From 7/1/2017 - To 6/4/2023	-2.06%	Instant Sales \$1,003,626,274 ^{70.8%} <small>%Total Sales</small>	2.16%
vs. Proj (FYTD)		vs. PYTD		vs. Proj (FYTD)		vs. PYTD
4.45%	Multi-State \$289,529,967 ^{70.1%} <small>%Draw Sales</small>	75.10%		-2.06%	Scratchers Sales \$989,209,954 ^{69.8%} <small>%Instant Sales</small>	2.06%
vs. Proj (FYTD)		vs. PYTD		vs. Proj (FYTD)		vs. PYTD
1.00%	In-State \$78,929,452 ^{19.1%} <small>%Draw Sales</small>	-2.08%		-1.53%	Charitable Pulltab Sales \$8,540,580 ^{0.6%} <small>%Instant Sales</small>	6.67%
vs. Proj (FYTD)		vs. PYTD	vs. Proj (FYTD)		vs. PYTD	
5.57%	Quick Draw \$2,341,025 ^{0.6%} <small>%Draw Sales</small>	46.80%	-1.63%	Age Rest. Pulltab Sales \$4,377,240 ^{0.4%} <small>%Instant Sales</small>	10.66%	
vs. Proj (FYTD)		vs. PYTD	vs. Proj (FYTD)		vs. PYTD	
0.91%	Fast Play \$42,418,343 ^{10.3%} <small>%Draw Sales</small>	-1.17%	-1.53%	Other Pulltab Sales \$1,494,720 ^{0.1%} <small>%Instant Sales</small>	26.51%	
vs. Proj (FYTD)		vs. PYTD	vs. Proj (FYTD)		vs. PYTD	

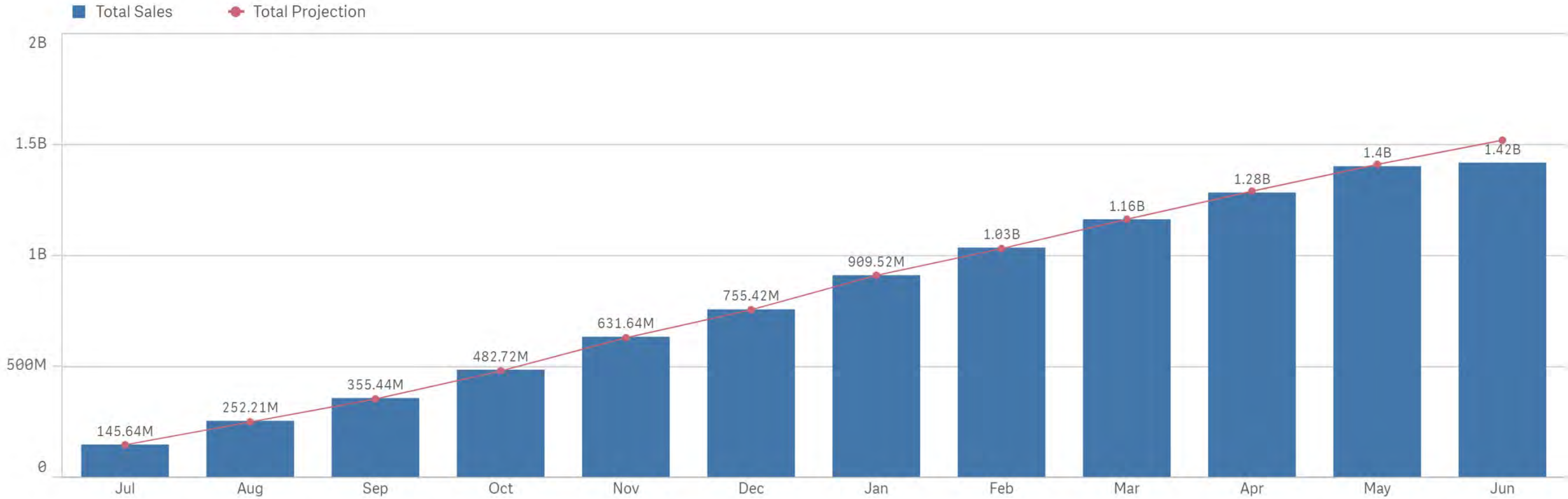
Daily Sales vs Goal





YTD Sales vs. Projection

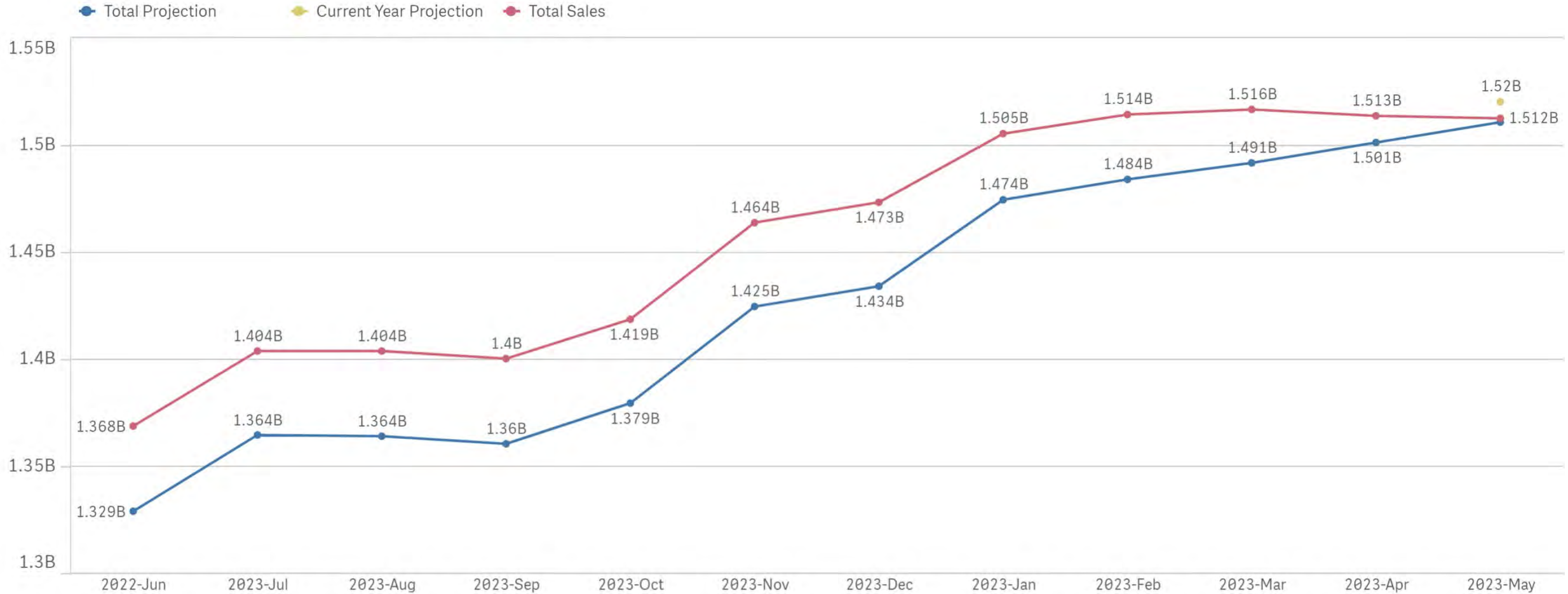
FY 2023 Total Sales vs. Projection



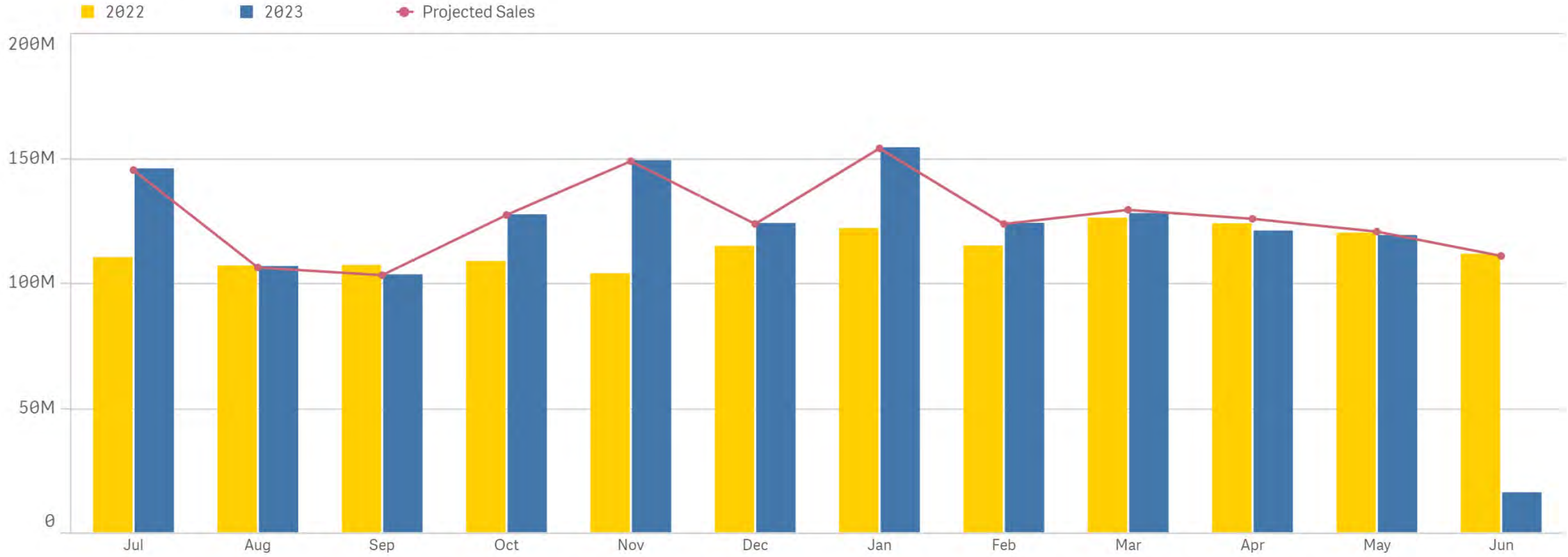


Rolling 12 Month Total Sales

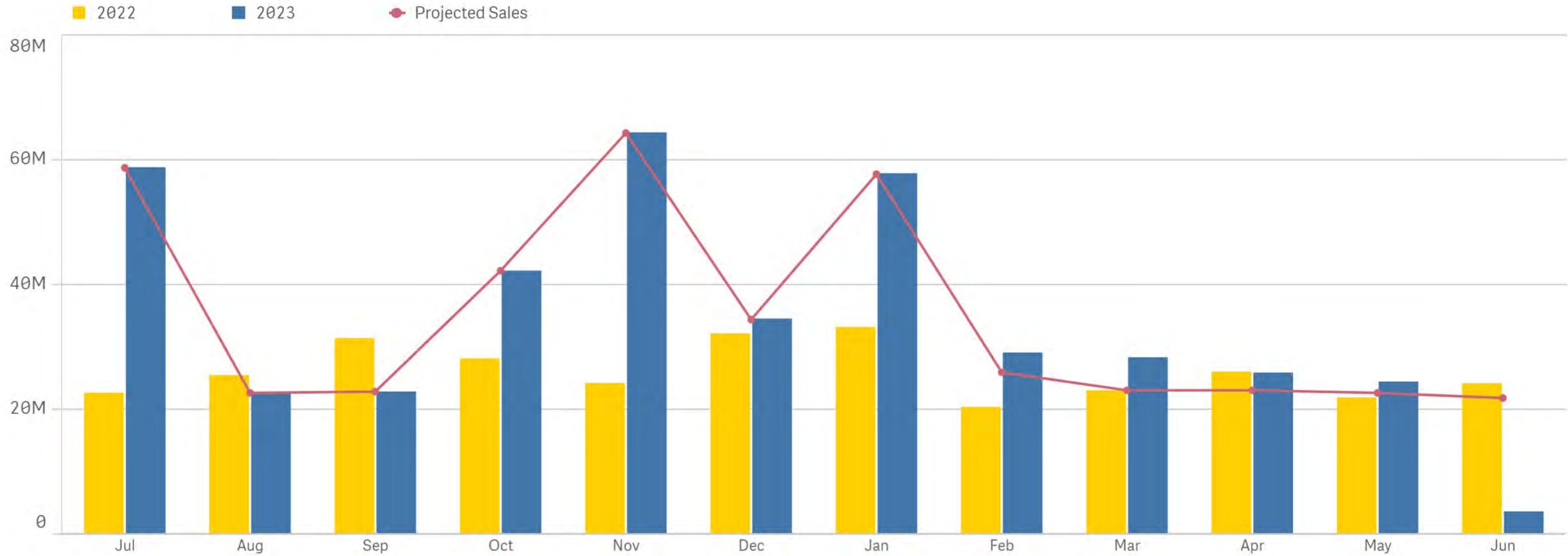
Rolling 12 Month Sales



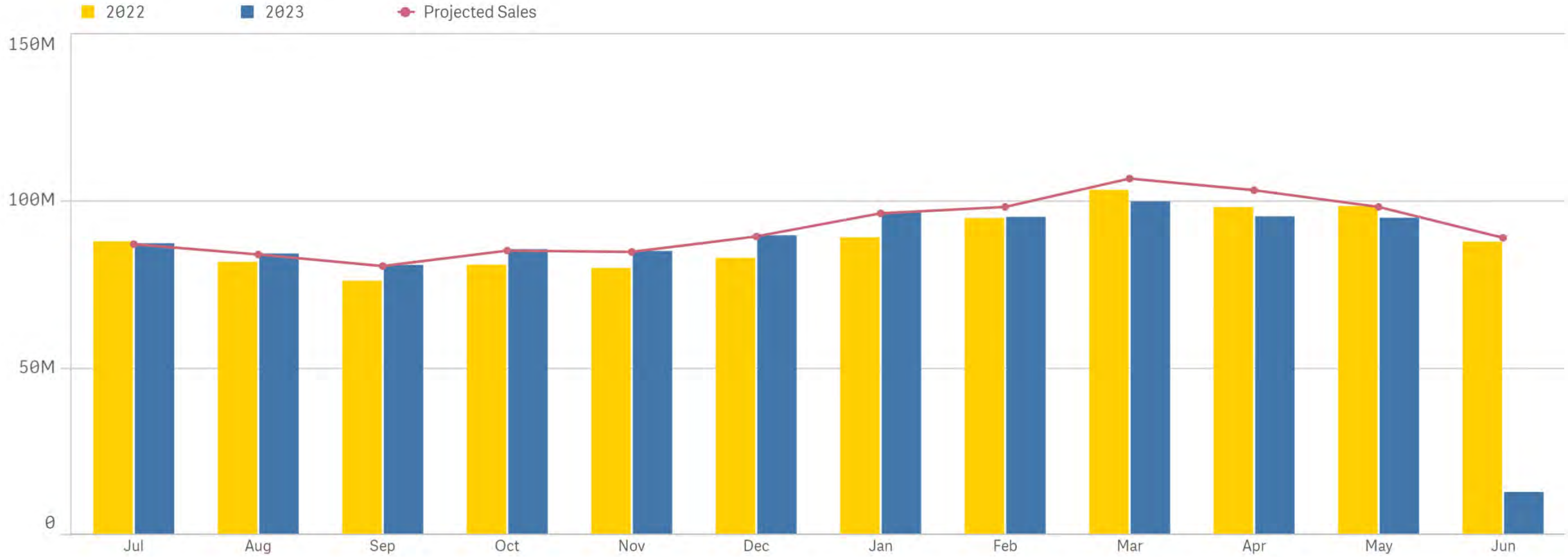
Total Sales FY 2022 vs. 2023 vs. Projection



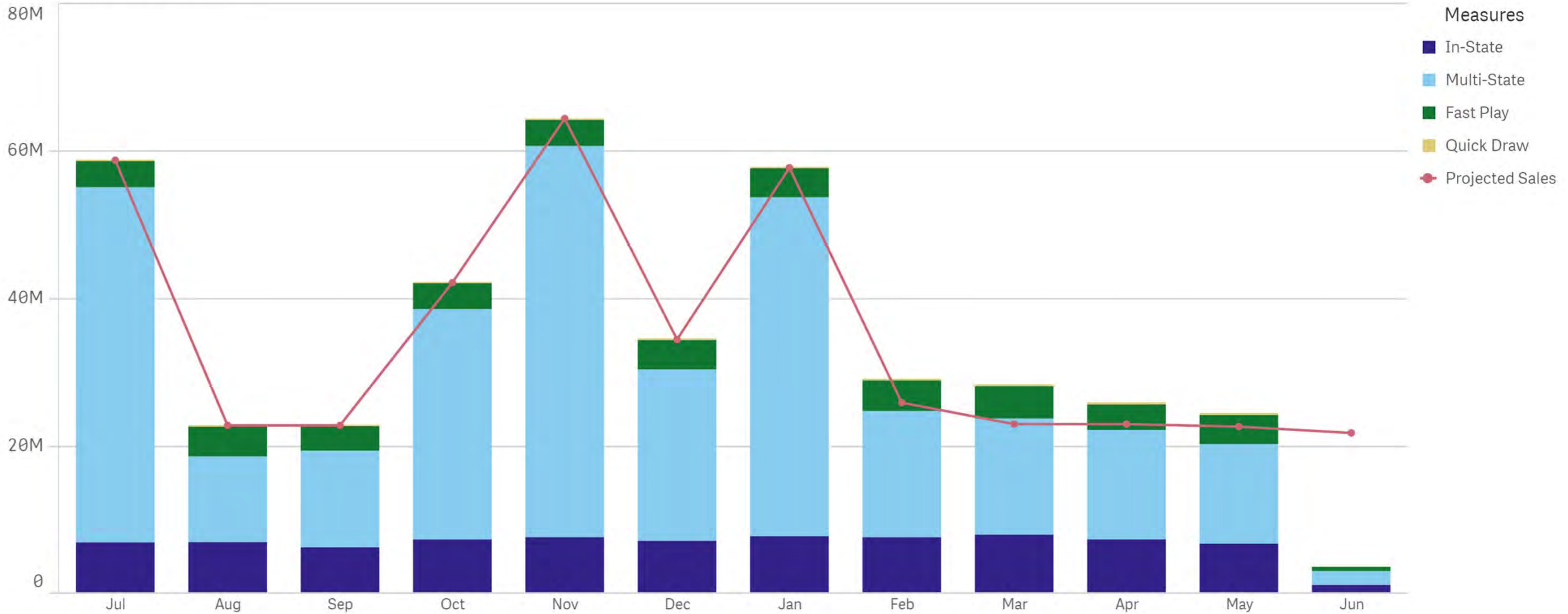
Draw Sales FY 2022 vs. 2023 vs. Projection



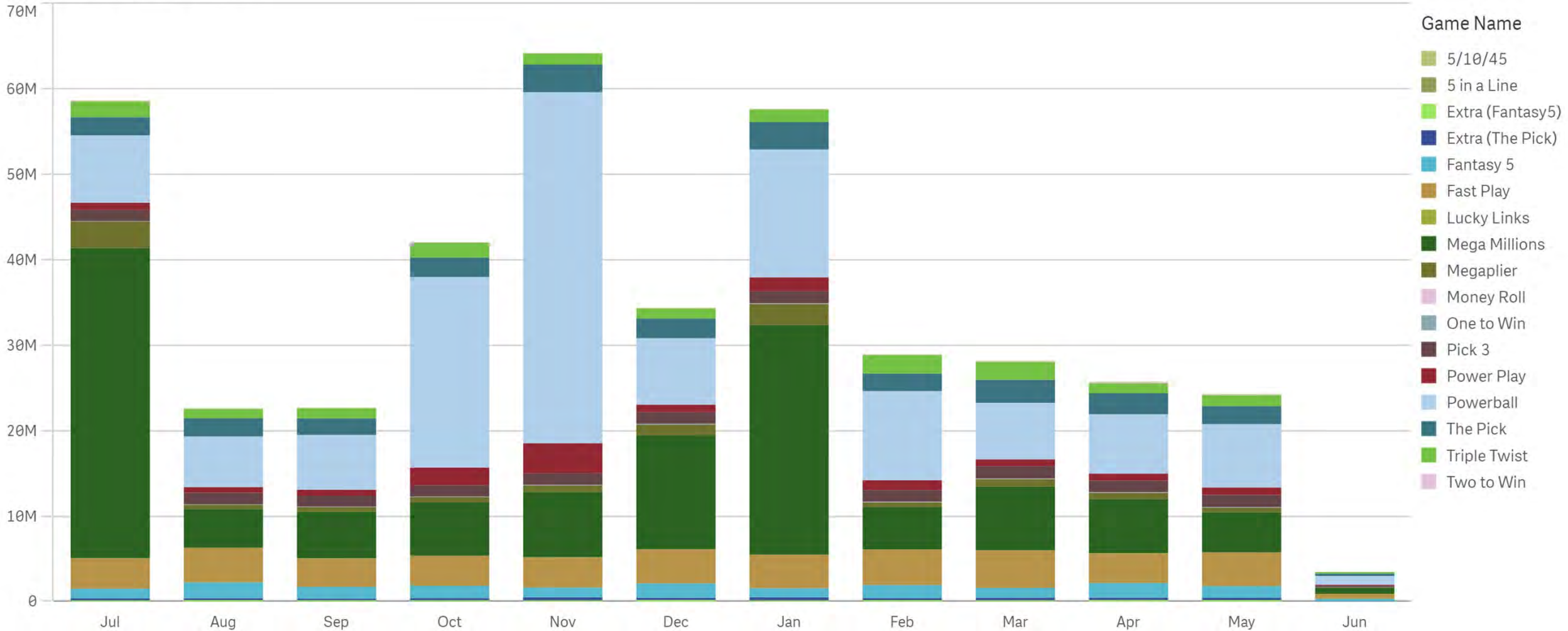
Instant Sales FY 2022 vs. 2023 vs. Projection



FY 2023 Draw Sales by month



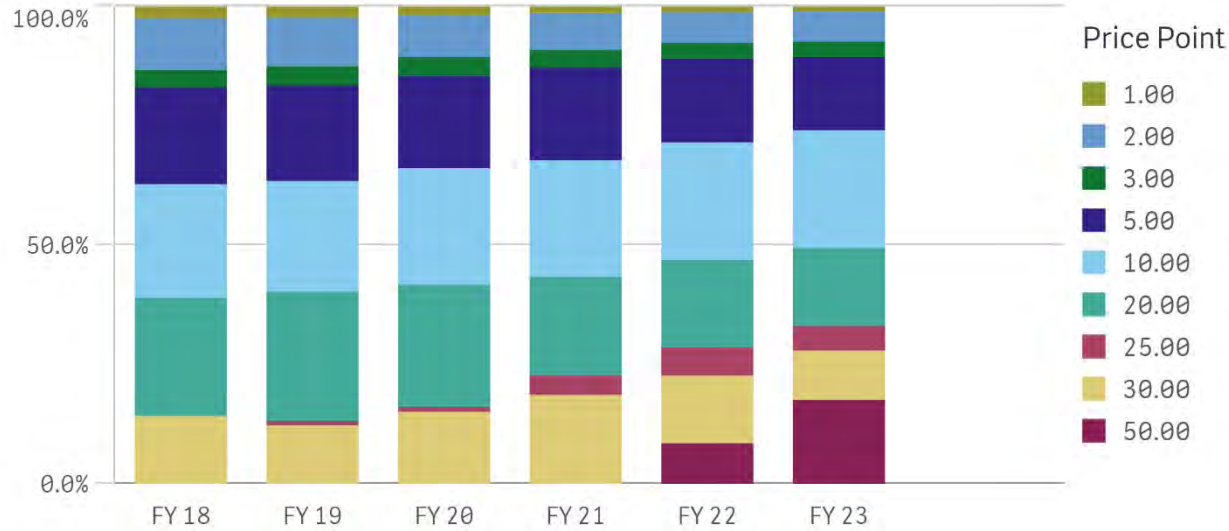
FY 2023 Draw Sales by Game



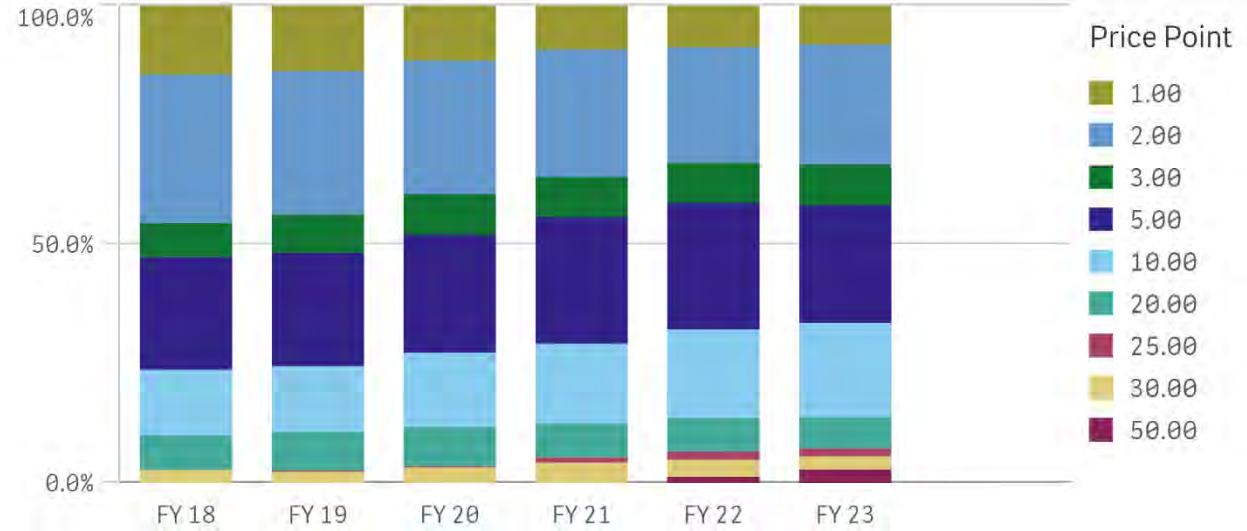


Scratcher Sales by Price Point

Based on Dollars Sold

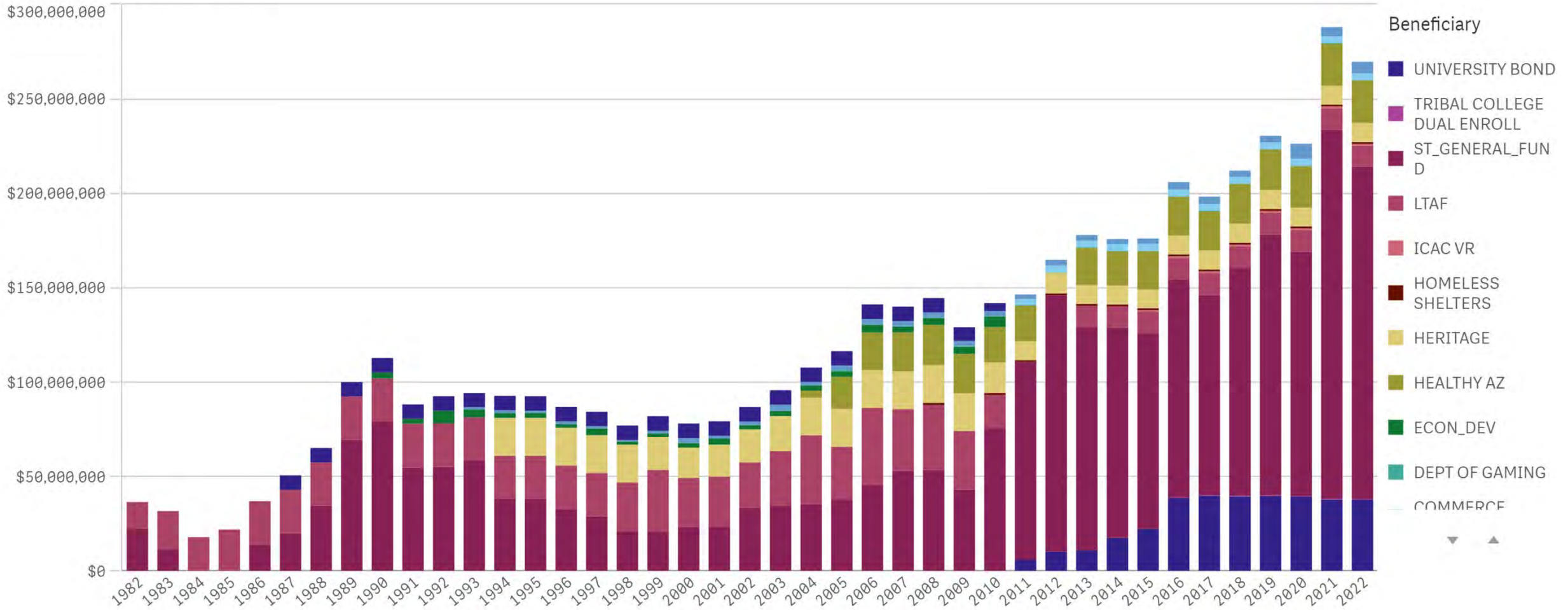


Based on Tickets Sold



Price Point	FY 19	FY 20	FY 21	FY 22	FY 23	Price Point	FY 19	FY 20	FY 21	FY 22	FY 23
1.00	\$17,327,856	\$15,243,692	\$14,836,696	\$12,025,050	\$10,095,922	1.00	17,327,856	15,243,692	14,836,696	12,025,050	10,095,922
2.00	\$76,045,580	\$74,204,632	\$86,605,472	\$67,053,928	\$61,872,124	2.00	38,022,790	37,102,316	43,302,736	33,526,964	30,936,062
3.00	\$30,416,967	\$33,795,897	\$40,770,039	\$34,325,706	\$31,861,293	3.00	10,138,989	11,265,299	13,590,013	11,441,902	10,620,431
5.00	\$150,294,810	\$163,624,105	\$214,810,495	\$183,329,755	\$152,501,080	5.00	30,058,962	32,724,821	42,962,099	36,665,951	30,500,216
10.00	\$173,763,390	\$207,204,520	\$271,076,850	\$256,301,440	\$243,724,500	10.00	17,376,339	20,720,452	27,107,685	25,630,144	24,372,450
20.00	\$204,007,420	\$217,273,740	\$228,944,840	\$192,016,600	\$161,638,240	20.00	10,200,371	10,863,687	11,447,242	9,600,830	8,081,912
25.00	\$6,504,400	\$8,628,650	\$45,939,625	\$61,671,325	\$51,463,225	25.00	260,176	345,146	1,837,585	2,466,853	2,058,529
30.00	\$91,917,900	\$128,434,380	\$206,849,550	\$147,402,630	\$101,871,420	30.00	3,063,930	4,281,146	6,894,985	4,913,421	3,395,714
50.00	\$0	\$0	\$0	\$89,036,700	\$174,182,150	50.00	0	0	0	1,780,734	3,483,643

Transfer Amount by Beneficiary





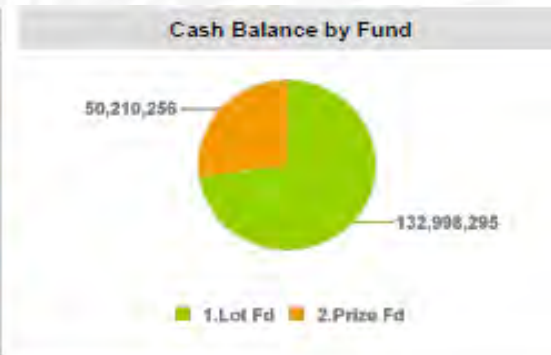
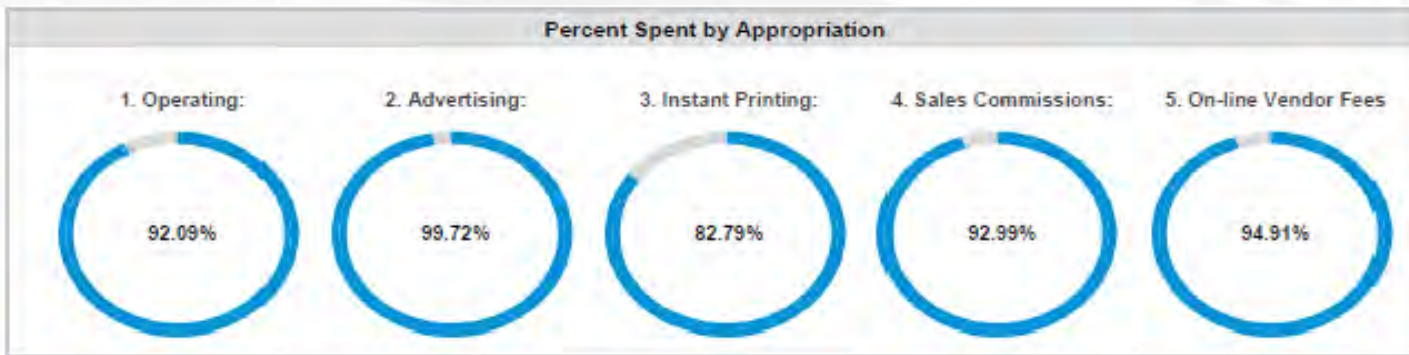
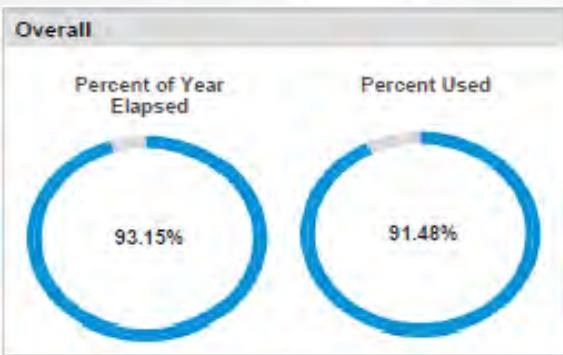
Draw Game Monthly Sales

Month	POWERBALL	MEGA MILLIONS	TOTAL MULTI-STATE DRAW GAMES	THE PICK	FANTASY 5	PICK 3	TRIPLE TWIST	TOTAL IN-STATE DRAW GAMES	QUICK DRAW	TOTAL DRAW GAMES
Jul	\$8,735,275	\$39,432,494	\$48,167,769	\$2,351,982	\$1,304,028	\$1,306,893	\$1,808,248	\$6,771,151	\$178,661	\$58,665,109
Aug	\$6,591,949	\$5,029,864	\$11,621,813	\$2,346,454	\$2,033,785	\$1,353,693	\$1,053,398	\$6,787,330	\$196,232	\$22,650,553
Sep	\$7,121,776	\$6,008,210	\$13,129,986	\$2,131,560	\$1,524,983	\$1,282,314	\$1,142,388	\$6,081,245	\$168,210	\$22,707,541
Oct	\$24,390,310	\$6,868,210	\$31,258,520	\$2,510,242	\$1,603,840	\$1,326,070	\$1,715,738	\$7,155,890	\$165,667	\$42,097,936
Nov	\$44,634,095	\$8,431,817	\$53,065,912	\$3,572,498	\$1,289,389	\$1,342,610	\$1,274,416	\$7,478,913	\$175,321	\$64,254,777
Dec	\$8,644,403	\$14,595,764	\$23,240,167	\$2,549,897	\$1,876,346	\$1,386,677	\$1,169,166	\$6,982,086	\$207,338	\$34,419,778
Jan	\$16,605,276	\$29,356,730	\$45,962,006	\$3,534,983	\$1,217,123	\$1,414,444	\$1,449,798	\$7,616,348	\$204,715	\$57,705,411
Feb	\$11,602,390	\$5,524,857	\$17,127,247	\$2,283,846	\$1,704,419	\$1,346,778	\$2,132,928	\$7,467,971	\$219,829	\$28,959,237
Mar	\$7,434,820	\$8,310,866	\$15,745,686	\$2,977,063	\$1,296,244	\$1,439,262	\$2,105,356	\$7,817,925	\$245,914	\$28,204,848
Apr	\$7,771,543	\$7,059,067	\$14,830,610	\$2,718,161	\$1,917,682	\$1,355,128	\$1,193,022	\$7,183,993	\$268,615	\$25,750,124
May	\$8,286,140	\$5,207,884	\$13,494,024	\$2,348,061	\$1,570,842	\$1,431,731	\$1,252,128	\$6,602,762	\$269,402	\$24,310,430
Jun	\$1,134,999	\$751,228	\$1,886,227	\$311,639	\$315,617	\$188,538	\$168,044	\$983,838	\$41,121	\$3,493,043

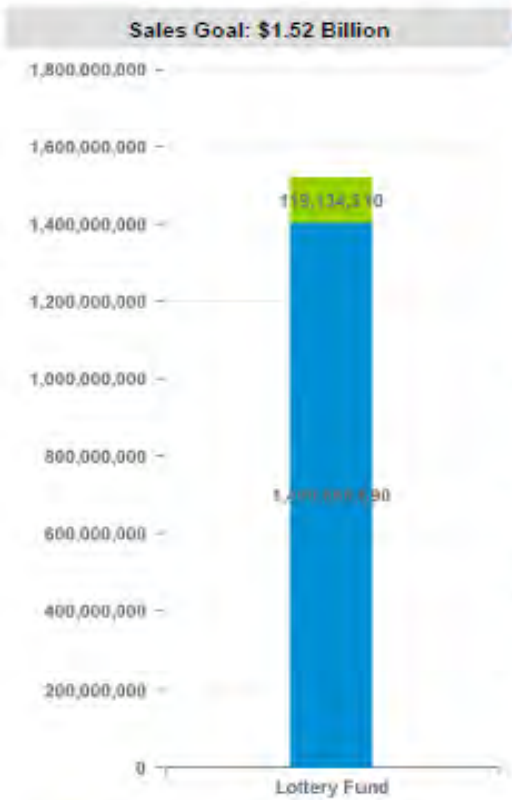


Instant Game Monthly Sales

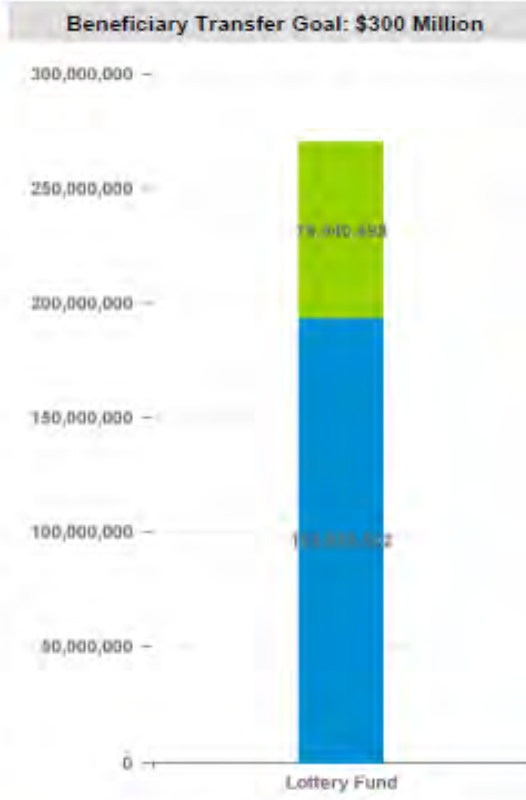
Month	SCRATCHERS	CHARITABLE PULL-TABS	AGE-RESTRICTED PULL-TABS	TOTAL INSTANT SALES CURRENT FY	TOTAL INSTANT SALES PREVIOUS FY	% of Change
Jul	\$85,830,540	\$725,760	\$292,680	\$86,972,100	\$87,567,671	-0.7%
Aug	\$82,719,267	\$732,240	\$363,960	\$83,921,307	\$81,430,467	3.1%
Sep	\$79,397,874	\$714,960	\$304,560	\$80,521,614	\$75,720,197	6.3%
Oct	\$83,981,140	\$710,460	\$355,320	\$85,187,320	\$80,573,893	5.7%
Nov	\$83,355,949	\$742,020	\$407,160	\$84,660,649	\$79,592,943	6.4%
Dec	\$88,094,418	\$694,680	\$395,280	\$89,363,658	\$82,643,454	8.1%
Jan	\$94,862,735	\$933,240	\$465,480	\$96,391,055	\$88,749,211	8.6%
Feb	\$93,542,467	\$773,700	\$452,520	\$94,882,087	\$94,521,006	0.4%
Mar	\$98,001,273	\$902,160	\$500,040	\$99,547,113	\$102,981,838	-3.3%
Apr	\$93,679,409	\$811,200	\$403,920	\$95,031,689	\$97,816,671	-2.8%
May	\$93,340,034	\$759,720	\$406,080	\$94,661,354	\$98,156,659	-3.6%
Jun	\$12,404,848	\$40,440	\$30,240	\$12,486,328	\$87,464,598	-85.7%



Budget by Appropriation Type and Object Class



Appropriation	Object Class	Budget	Expenditures	Encumbered	Remaining	% Used
1. Operating:	0000 - Appropriation Budget	10,468,900	-	-	10,468,900	
	6000 - Personal Services	-	4,472,533	-	-4,472,533	
	6100 - Employee Related Expenditures	-	1,781,720	-	-1,781,720	
	6200 - Professional And Outside Services	-	551,711	93,337	-645,048	
	6500 - Travel - In-State	-	32,934	12,774	-45,708	
	6600 - Travel - Out-Of-State	-	44,511	-	-44,511	
	7000 - Other Operating Expenditures	-	1,126,018	1,047,159	-2,173,177	
	8100 - Capital Outlay	-	-	-	-	
	8400 - Capital Equipment	-	-	18,651	-18,651	
	8500 - Non-Capital Equipment	-	16,411	361,341	-377,752	
	9100 - Transfers Out	-	81,690	-	-81,690	
Total:		10,468,900	8,107,528	1,533,262	828,111	92.09%
2. Advertising:	0000 - Appropriation Budget	15,500,000	-	-	15,500,000	
	7000 - Other Operating Expenditures	-	11,878,106	3,528,037	-15,406,142	
	9100 - Transfers Out	-	50,000	-	-50,000	
Total:		15,500,000	11,928,106	3,528,037	43,858	99.72%
3. Instant Printing:	0000 - Appropriation Budget	38,680,100	-	-	38,680,100	
	7000 - Other Operating Expenditures	-	25,030,702	6,992,281	-32,022,983	
	8400 - Capital Equipment	-	-	-	-	
Total:		38,680,100	25,030,702	6,992,281	6,657,117	82.79%
4. Sales Commissions:	0000 - Appropriation Budget	92,953,900	-	-	92,953,900	
	7000 - Other Operating Expenditures	-	86,437,412	-	-86,437,412	
Total:		92,953,900	86,437,412	-	6,516,488	92.99%
5. On-line Vendor Fees:	0000 - Appropriation Budget	18,252,317	-	-	18,252,317	
	6200 - Professional And Outside Services	-	16,376,794	946,319	-17,323,113	
Total:		18,252,317	16,376,794	946,319	929,204	94.91%
Grand Total:		175,855,217	147,880,542	12,999,898	14,974,777	



Arizona
Lottery

TM

New Business Item #1
Instant Scratch Game Profiles
Report to Arizona Lottery Commission
June 16, 2023

This report has been provided to the Lottery Commission regarding game profiles planned for Arizona Lottery instant scratch games. The Commission is requested to approve these game profiles. After Commission approval, staff will commence with plans for printing, distribution, and sales of these games.

NEW GAME PROFILES

Attached for the Lottery Commission's action is new instant scratch game profiles: *5X #1432*, *10X #1433*, *20X #1434*, *50X #1435*, *100X #1436*, *Cash Blast #1438*, and *Bonus Word Crossword #1439*.

5X #1432. This \$1 game has a top prize of \$5,000. This game will be printed at a quantity of approximately 3.8 million tickets.

10X #1433. This \$2 game has a top prize of \$10,000. This game will be printed at a quantity of approximately 3 million tickets.

20X #1434. This \$5 game has a top prize of \$50,000. This game will be printed at a quantity of approximately 3.3 million tickets.

50X #1435. This \$10 game has a top prize of \$100,000. This game will be printed at a quantity of approximately 3 million tickets.

100X #1436. This \$20 game has a top prize of \$500,000. This game will be printed at a quantity of approximately 3.4 million tickets.

Cash Blast #1438. This \$10 game has a top prize of \$100,000. This game will be printed at a quantity of approximately 2 million tickets.

Bonus Word Crossword #1439. This \$3 game has a top prize of \$20,000. This game will be printed at a quantity of approximately 4.8 million tickets.

Attachments (Commissioners only)

New Business Item #2
Fast Play Game Profile
Report to Arizona Lottery Commission
June 16, 2023

This report has been provided to the Lottery Commission regarding game profiles planned for Arizona Lottery Fast Play games. The Commission is requested to approve this game profile. After Commission approval, staff will commence with plans for game development, launch, and sales of this game.

NEW GAME PROFILE

Attached for the Lottery Commission's action is new Fast Play game profile: *Year of the Dragon #161*.

Year of the Dragon #161. This \$1 seasonal game has a top prize of \$888. In this game, players match YOUR NUMBERS symbols to the WINNING NUMBERS symbols to win a prize.

Attachments (Commissioners only)

New Business Item #3
Players Club Promotion Profile #129
Report to Arizona Lottery Commission
June 16, 2023

This report has been provided to the Lottery Commission regarding the 2023 “Powerball First Millionaire of the Year®” Promotion Profile. The Commission is requested to approve this Promotion Profile.

NEW PROMOTION PROFILE

Attached for the Lottery Commission's action is new Promotion Profile: 2023 “Powerball First Millionaire of the Year®”

2023 Powerball First Millionaire of the Year® Promotion Profile #129

Starting August 1, 2023 players will be able to enter winning and non-winning eligible draw game tickets for a chance to be selected as a semi-finalist and advance to the Powerball First Millionaire of the Year® finalist drawing to be conducted by the Multi State Lottery Association on November 8th, 2023.

Attachments (Commissioners only)