



**JUNE 17, 2016
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 17, 2016, at 10 a.m., in the Arizona Lottery Board Room located at 4740 East University Drive, Phoenix, Arizona. Pursuant to A.R.S. § 38-431.02(B), 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, as well as for the purposes listed on the agenda under Executive Session. The Commission may also vote on any item listed on the agenda. One or more members of the Commission may participate by means of telephonic communication.

Call to Order

1. Call for Quorum
2. Call for Notice
3. Approval of Minutes for May 20, 2016, Public Meeting

Agency Reports

1. Director's Presentation
2. Vending Machine
3. Conversion Update by Scientific Games
4. FY2017 Marketing Plan Overview

New Business

1. Election of Commission Chair and Vice-Chair.
2. Discussion and Action on Instant Scratch Game Profiles: *Letter to Santa* #1075, *Dear Santa* #1076, *Frosty Crossword* #1077, *Money Tree* #1078, *Holiday Riches* #1079, *\$200 Million Cash Explosion*® #1080, *Spin 3* #1082, *Frogger*® #1086, and *Arizona Cardinals* #1087.
3. Discussion and Action regarding amendments to Article 5 of the Arizona Administrative Code relating to Lottery procurements.

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

The next Commission meeting will be held August 19, 2016, 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 in 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 10th day of June, 2016

Gregory R. Edgar
Executive Director

Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by calling (480) 921-4486. Requests should be made as early as possible to allow time to arrange the accommodation.

**PUBLIC MEETING OF THE ARIZONA LOTTERY
COMMISSION MINUTES MAY 20, 2016**

PRESIDING Vice-Chair Michael Love

COMMISSIONERS Jeff Weintraub and Kristine Burnett

LOTTERY Gregg Edgar, Executive Director; Chris Rogers, Director of Products & Marketing; Raynie Hosto, Director of Sales; Steve O’Ney, Director of IT
Kimberly Siddall, Pam DiNunzio, Robin Peters, Roland Tang, Shelby Alessi, Monica Godek, Holly Gordon, Wyeth Hines, Michael Schiefelbein, Nikki O’Shea, and Jacqui Ayala

GUESTS GTECH Representatives: Russ Harben, Maryanne Manning, and Serena Arlotta
LaneTerralever Representatives: Jody Alexander, Lexi Bahn, John Sizer, and Bill Woodward
Owen’s Harkey Representatives: Matt Owens, David Miller, Brad Casper, Dawn Webley, and Chelsea Smeland
Attorney General Representative: Deanie Reh

PUBLIC Kyle Hoffman and Brian Townsend

Call to Order Pursuant to the Public Notice dated May 13, 2016, the Public Meeting of the Arizona State Lottery Commission was called to order at 10:00 a.m. by Vice-Chair Love. A quorum was present.

Vice-Chair Love entertained a motion to approve the minutes of the April 22, 2016, Public meeting; Commissioner Weintraub moved, Commissioner Burnett seconded. All members voting aye, motion carried.

Director’s Presentation Director Edgar spoke about some of our Beneficiaries and showed a video from the Arizona Bio Medical Research Commission’s Public Cord Blood Program.

Director Edgar presented a PowerPoint overview of the Director’s Presentation. The Director’s Presentation is attached for the official minutes.

Director Edgar provided follow-up information pertaining to a question that was asked at the last Commission meeting regarding employment. He said our census number is about 88 and said that currently we are below that figure at 67.

Retailer of the Quarter Mr. Wyeth Hines recognized Shell 24 as retailer of the quarter.

Marketing/Products Update Mr. Chris Rogers provided an update on Marketing and Advertising. He went over some of the metrics pertaining to the last Powerball run and said we had more than 130 story placements between 04/01 and 05/07, with the growing jackpot as the central story. He said this created advertising value of \$57,000 and news coverage publicity value of more than \$170,000. With respect to the website he said page views and new users have increased.

He also shared some upcoming promotional scratch tickets including the Holiday games and an Arizona Cardinals ticket.

New Business Vice-Chair Love asked if any members of the public would like to address the Commission regarding new instant scratch game profiles: *\$250,000 Crossword #1074 and Slingo® Trio #1081*. No response from the public.

In accordance with A.R.S. §5-554 (C), Vice-Chair Love entertained a motion to approve the order and authorize the Director to issue the order regarding new instant scratch game profiles: #1074 and #1081. Commissioner Weintraub moved; Commissioner Burnett seconded. All members voting aye, the motion carried.

Director Edgar announced that the State Procurement Office has awarded the Lottery's new advertising contract to Owens Harkey effective July 1, 2016. He introduced Matt Owens to the Commission.

Vice-Chair Love asked if any members of the public would like to address the Commission regarding Amended Promotion Profile #77 – 35th Anniversary – Second Chance Drawings. No response from the public.

In accordance with A.R.S. §5-554 (C), Vice-Chair Love entertained a motion to approve the order and authorize the Director to issue the order regarding Amended Promotion Profile #77. Commissioner Weintraub moved; Commissioner Burnett seconded. All members voting aye, the motion carried.

Call to the Public Vice-Chair Love invited members of the public to speak before the Commission. No one from the public requested to speak.

Announcements The next Commission meeting will be held June 17, 2016, at 10:00 a.m.

Adjournment Vice-Chair Love entertained a motion to adjourn, Commissioner Weintraub moved; Commissioner Burnett seconded. All members voting aye, the motion carried. All members voting aye, motion carried. Meeting adjourned at 10:30 a.m.

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

Agency Reports
 Report to Arizona Lottery Commission
 June 17, 2016

Director's Presentation

Vending Machine

Conversion Update by Scientific Games

FY2017 Marketing Plan Overview

New Games Introduction

The following games were introduced since the last commission meeting: *Black Cherry Doubler #1030, Straight Up 7's #1044, Money Bag Crossword #1050, and Ghostbusters™ #1055.*

More information on these games is available by visiting the [Scratchers](#) section at ArizonaLottery.com

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

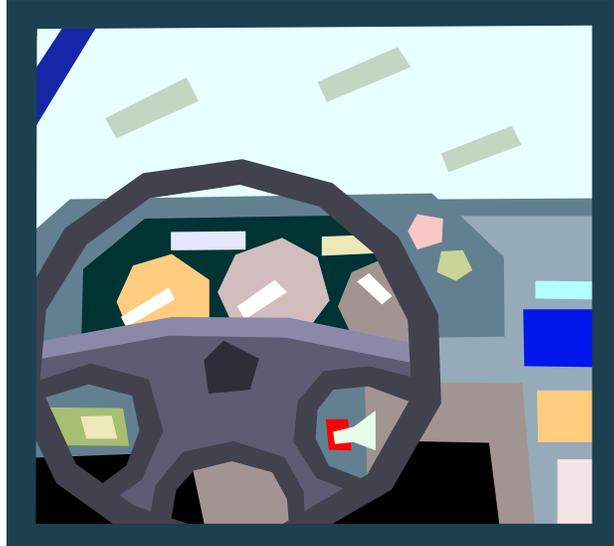
Date Ended	Price Point	Game No.	Game Name	Beginning Inventory	% Sold through 06/04/16
05/18/16	\$10	1022	Silver & Gold Crossword	2,199,720	93.7%
06/01/16	\$5	978	Crossword Party	4,982,280	94.7%

Events/Sponsorships

May & June			
Event Date	Event Organization	Event Name	Sponsorship Cost
5/1/2016	Duet	Duet Cabaret	\$1,500.00
5/1/2016	Phoenix Youth Symphony	Season Finale Concert	\$250.00
5/1/2016	Emerge! Center Against Domestic Abuse	Mother of the Year Luncheon	\$4,000.00
5/1/2016	Arizona Coalition to End Sexual and Domestic Violence	Thrive Gala and Awards Dinner	\$10,000.00

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5/1/2016	Arizona Coalition to End Sexual and Domestic Violence	Thrive Gala and Awards Dinner	\$10,000.00
5/7/2016	Bens Bells	Celebration of Kindness	\$2,500.00
5/12/2016	Arizona Community Action Association	2016 ACAA Annual Conference	\$4,500.00
5/13/2016	Diaper Bank of Southern Arizona	Dancing with our Stars	\$2,500.00
5/14/2016	Rosie's House	20th Anniversary May Gala Concert	\$1,500.00
5/18/2016	Greater Phoenix Chamber of Commerce	29th Annual IMPACT Awards Luncheon	\$4,500.00
5/21/2016	Shadow's Foundation	Flagstaff Armed Forces Day	\$4,500.00
5/24/2016	Treasures 4 Educators	21st Century Conference	\$200.00
6/7/2016	Arizona Site Steward Program	30th Anniversary Conference	\$1,500.00
6/8/2016	Arizona Historic Preservation Conference	Preservation Next	\$4,000.00
6/10/2016	Hands on Greater Phoenix	A Taste of Volunteering	\$3,000.00
06/11/2016	The Lukemia and Lymphoma Society	Man & Woman of the Year Grand Finale 2016	\$4,500.00
06/20/2016	Desert Discovery Center Scottsdale	DDC Nature Film Festival	\$4,500.00
6/28/2016	Prescott Frontier Days	World's Oldest Rodeo	\$2,500.00

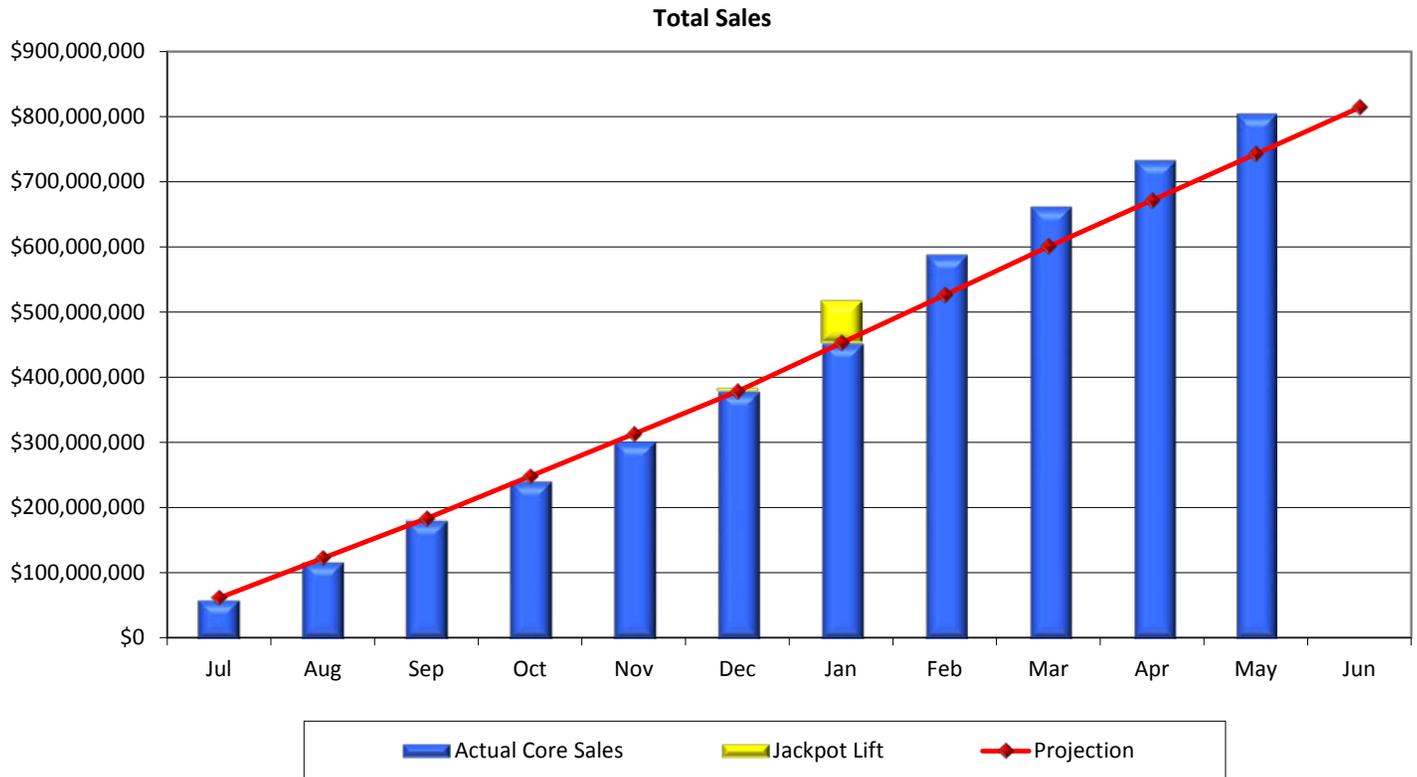
ATTACHMENT A



**Arizona Lottery
Dashboard
May 2016**

Fiscal Year 2016

**Arizona Lottery
FY 2016 Sales versus Projections**



Projection:	742,753,934
Actual Core:	734,587,012
Jackpot Lift:	70,000,000
Total Actual:	804,587,012
Difference:	61,833,078
% Difference:	8.3%

* Total sales are currently 8.3% above projections

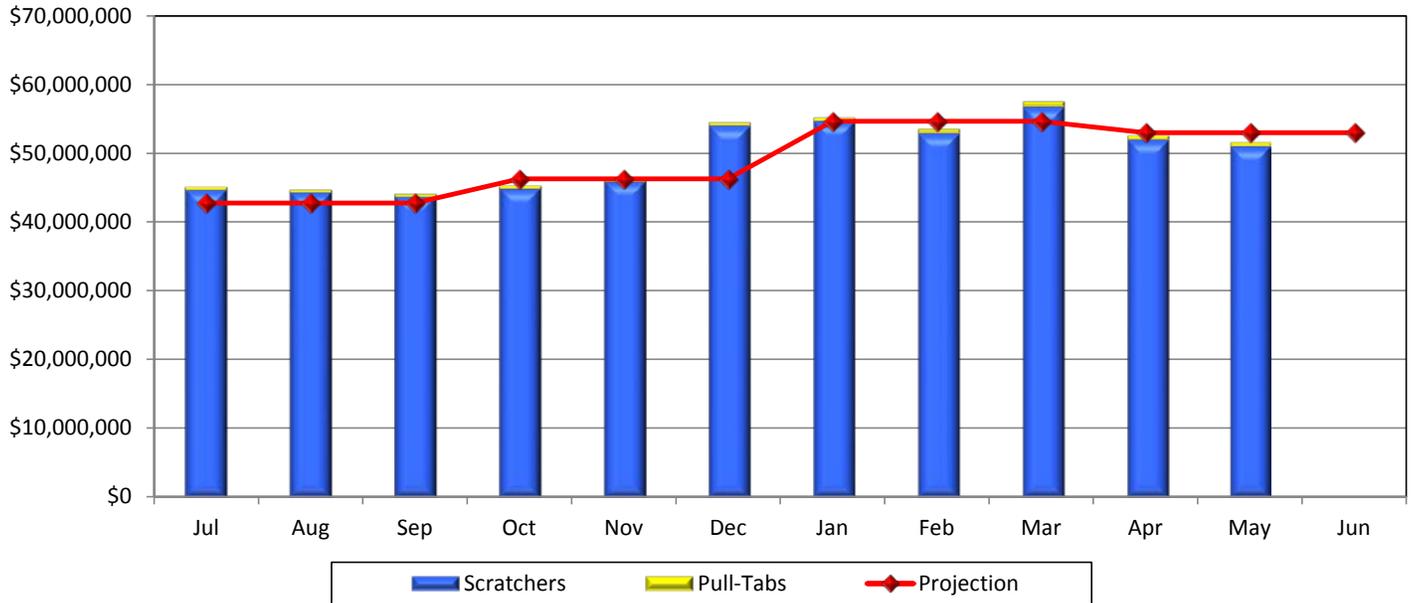
* The Instant product line (Scratchers & Pull-tabs) at \$550,869,447, currently 2.6% above projections.

* Total draw game sales of \$253,717,565, currently 23.3% above projections.

* The Multi-State draw games are currently 28.4% above projections; in-state games are 10.2% above projections.

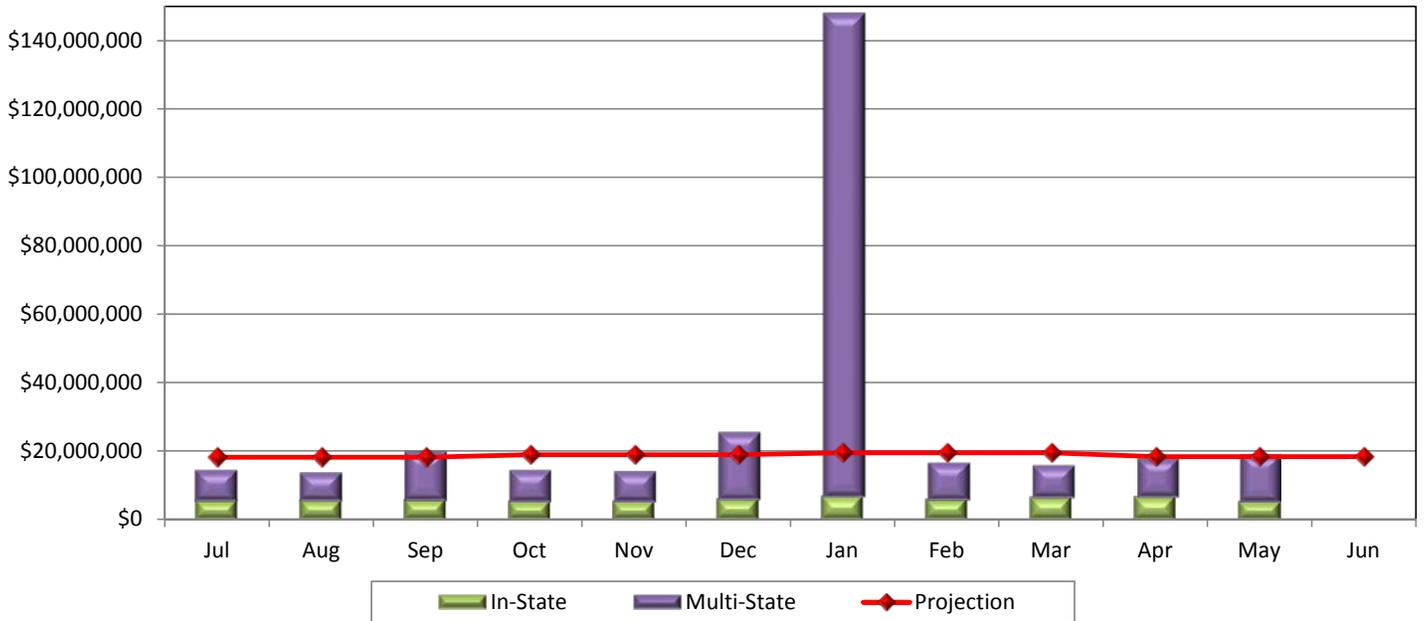
**Arizona Lottery
FY 2016 Sales versus Projections**

Instant Sales



Projection: 536,929,934
 Actual: 550,869,447
 Difference: 13,939,513
 % Difference: 2.6%

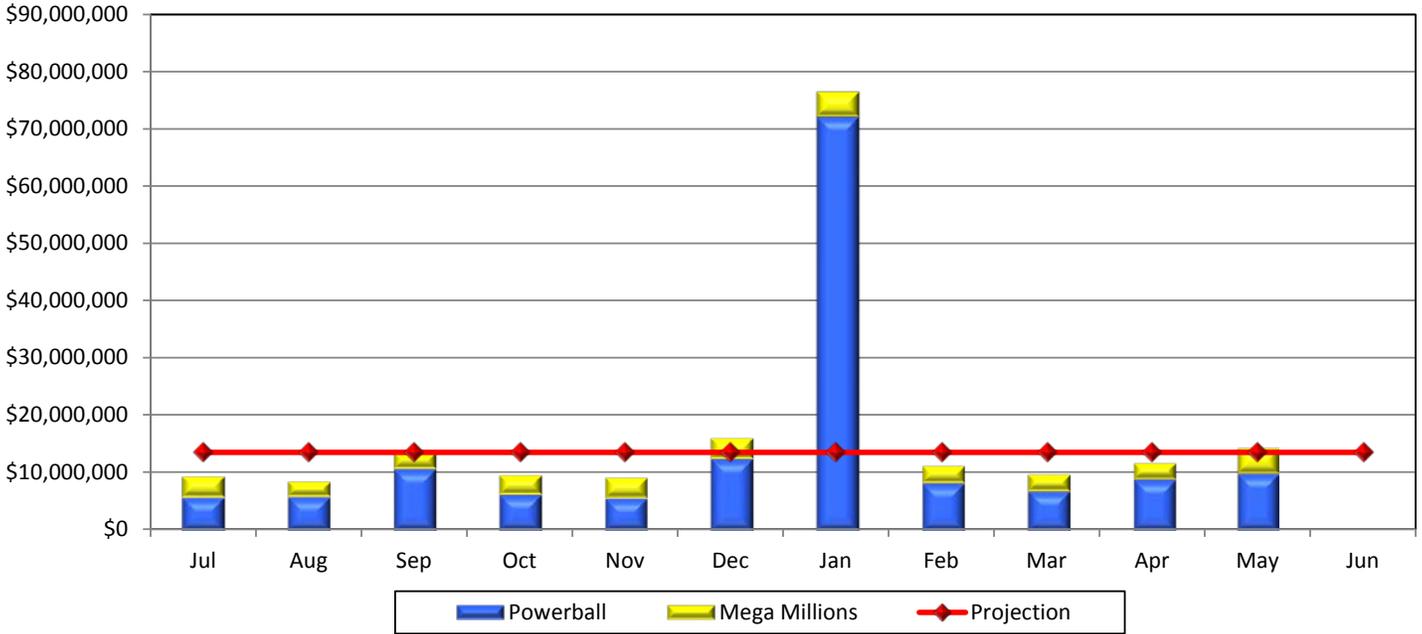
Total Draw Games



Projection: 205,824,000
 Actual: 253,717,565
 Difference: 47,893,565
 % Difference: 23.3%

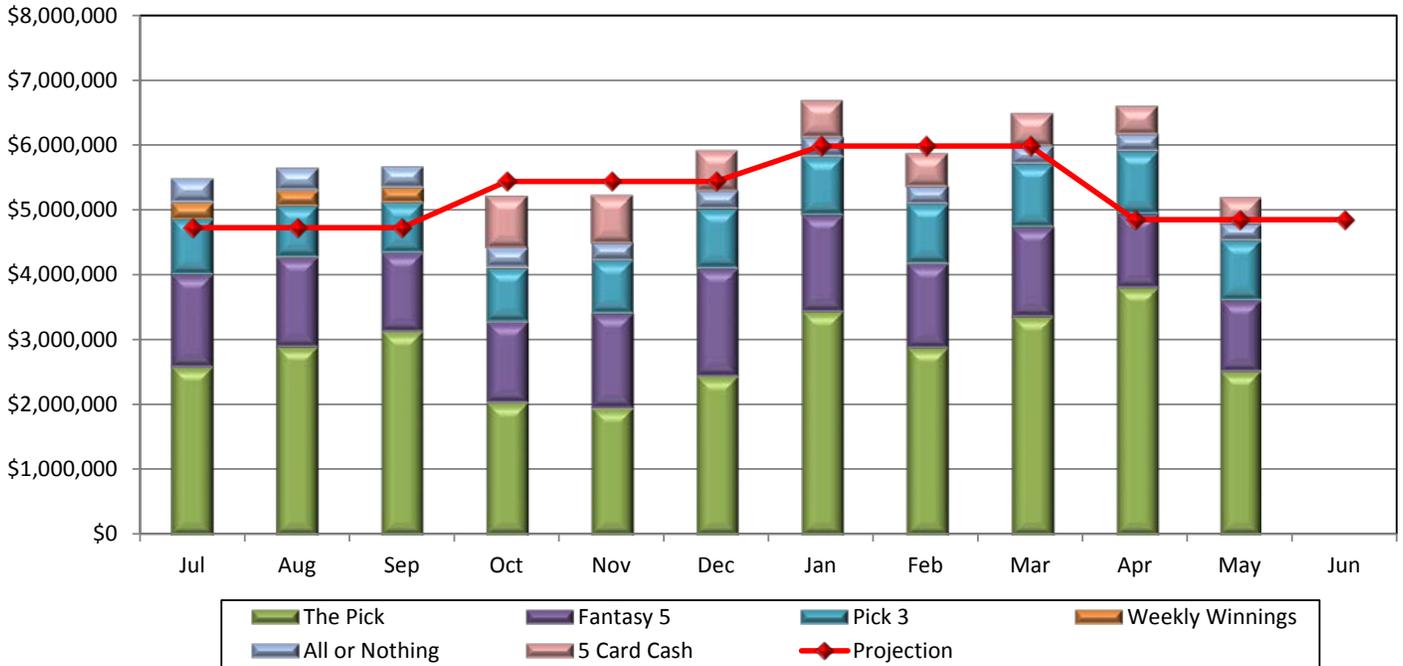
**Arizona Lottery
FY 2016 Sales versus Projections**

Multi-State Games



Projection: 147,675,000
 Actual: 189,631,374
 Difference: 41,956,374
 % Difference: 28.4%

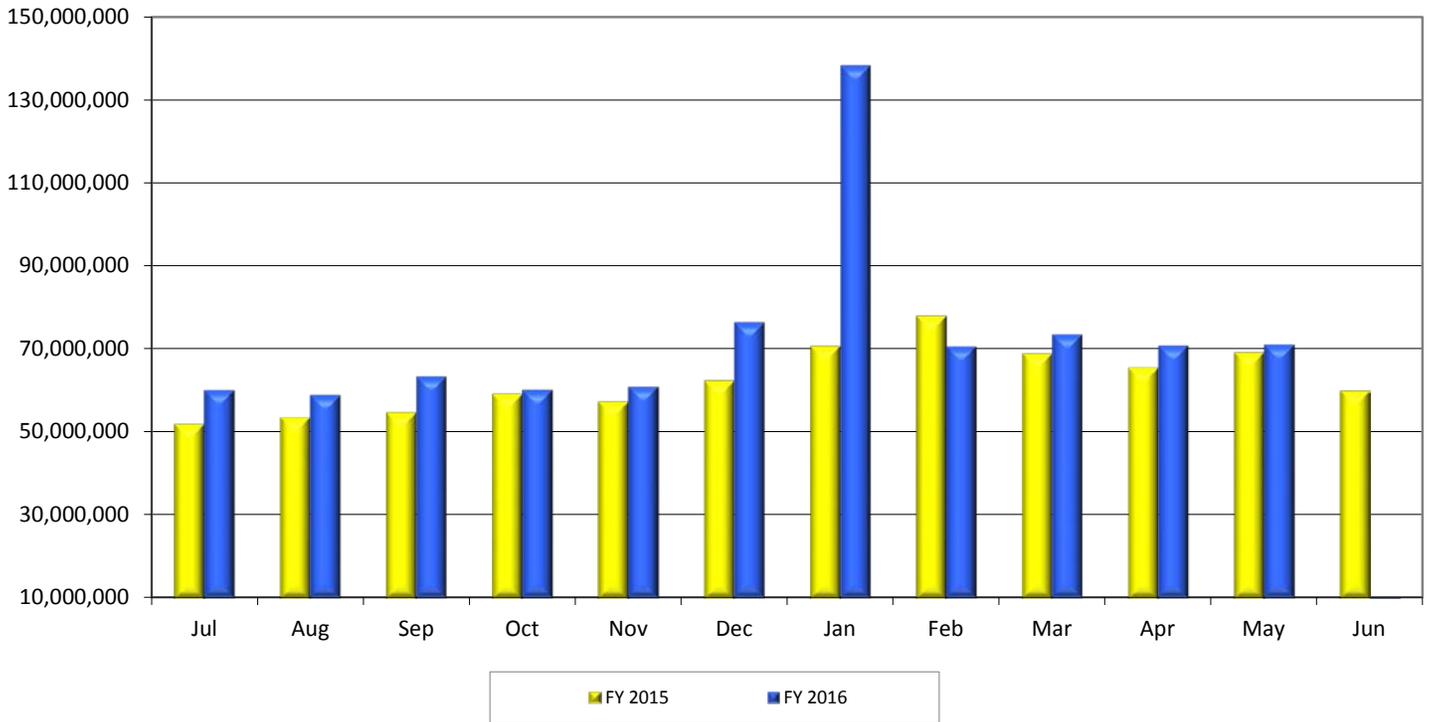
In-State Games



Projection: 58,149,000
 Actual: 64,086,191
 Difference: 5,937,191
 % Difference: 10.2%

**Arizona Lottery
FY 2016 versus FY 2015**

Total Sales

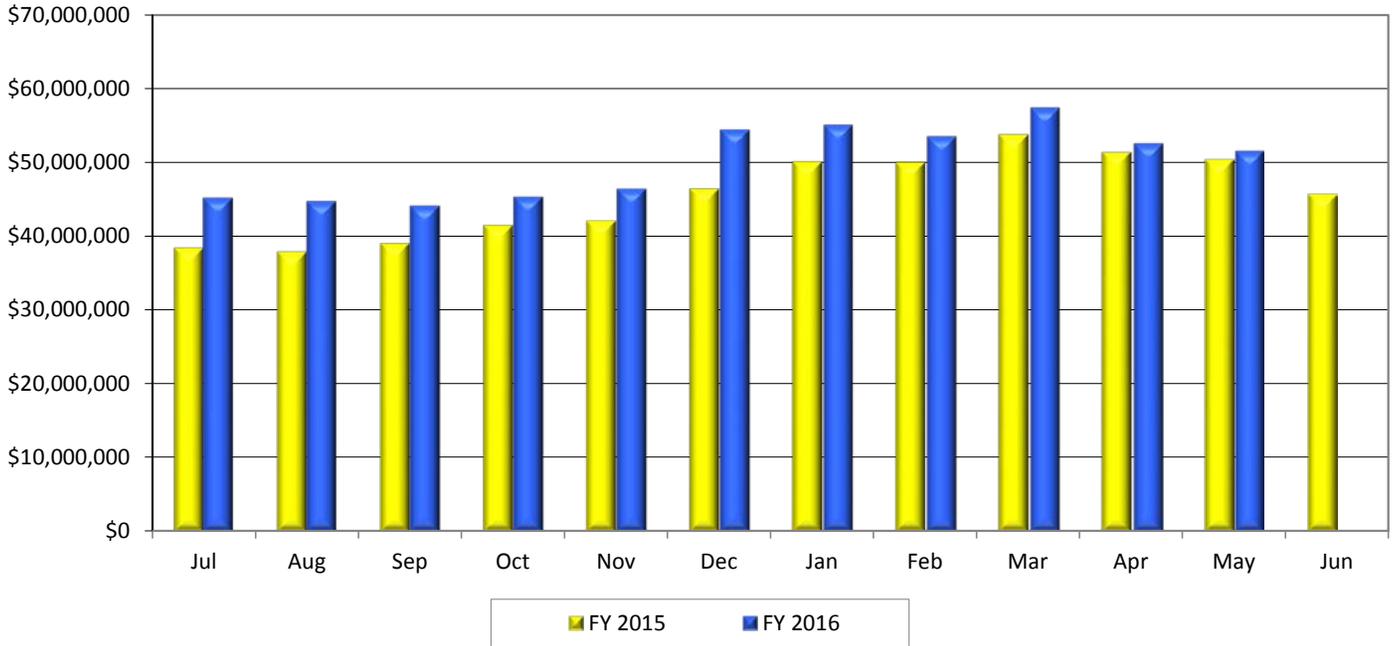


FY 2016	804,587,012
FY 2015	690,086,911
% Change	16.6%

- * Total sales are currently 16.6% ahead of last year.
- * The Instant product line (Scratchers & Pull-tabs) are 9.9% ahead of last year.
- * Total draw game sales are 34.5% ahead of last year.
- * Sales of the multi-state games, Powerball and Mega Millions are currently 44.5% ahead of last year.
- * Sales of the in-state games are currently 11.7% ahead of last year.

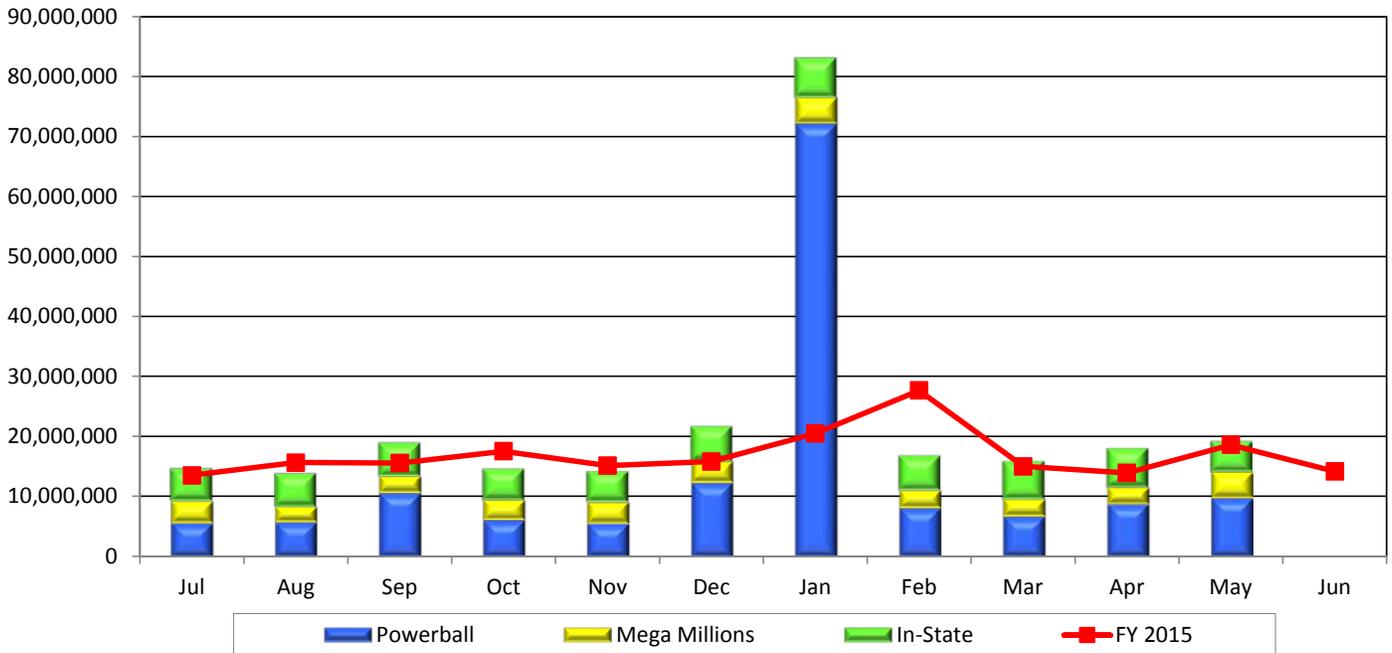
**Arizona Lottery
FY 2016 versus FY 2015**

Total Instant Games



FY 2016	550,869,447
FY 2015	501,429,727
% Change	9.9%

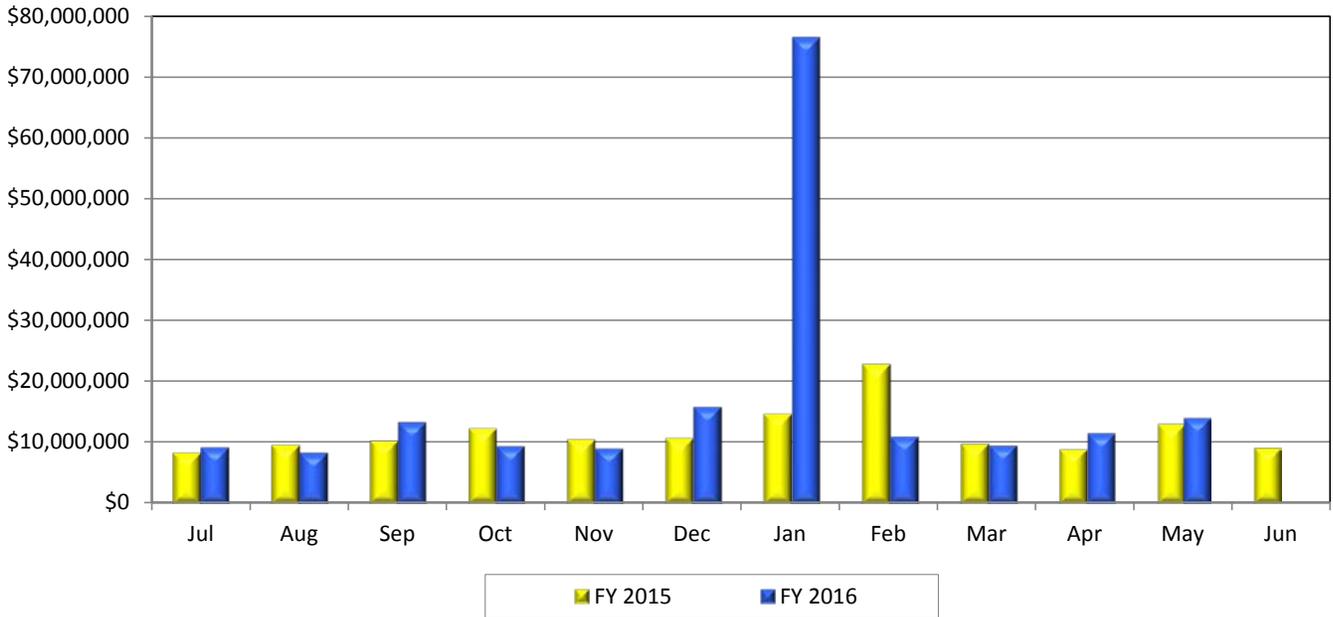
Total Draw Games



FY 2016	253,717,565
FY 2015	188,657,184
% Change	34.5%

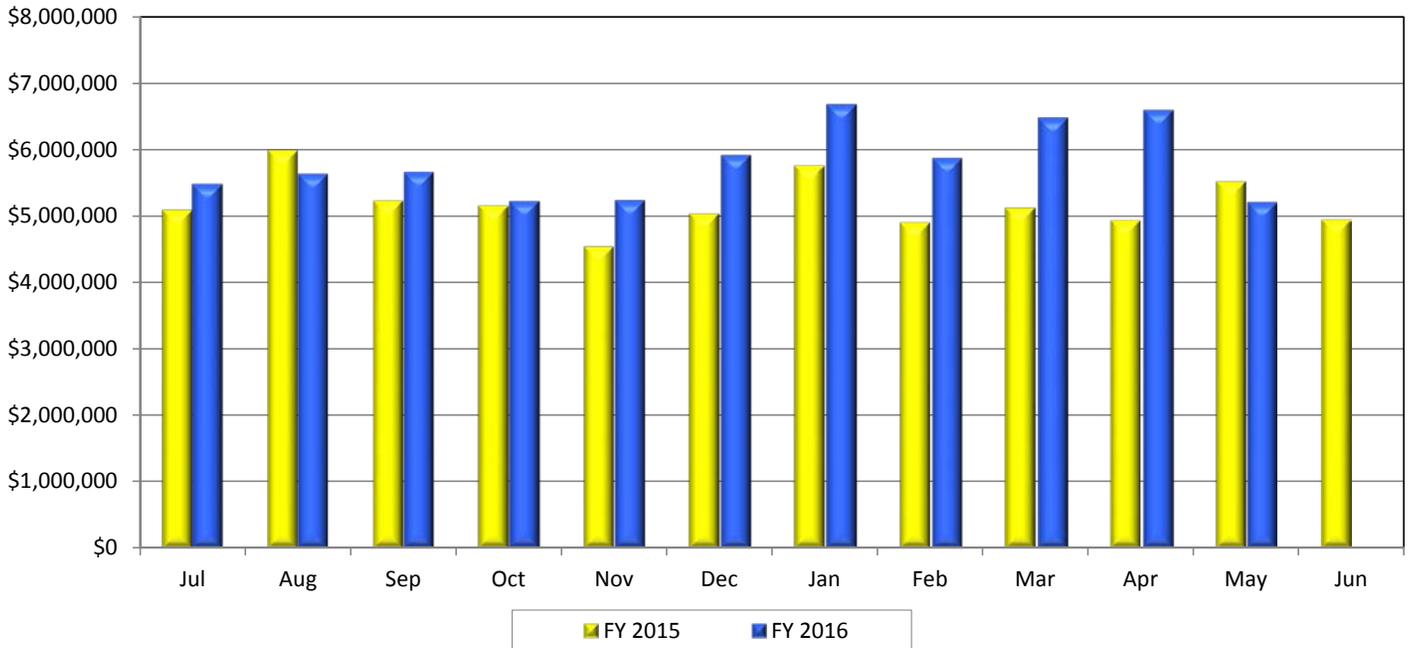
**Arizona Lottery
FY 2016 versus FY 2015**

Multi-State Jackpot Games



FY 2016	189,631,374
FY 2015	131,262,849
% Change	44.5%

Total In-State Games

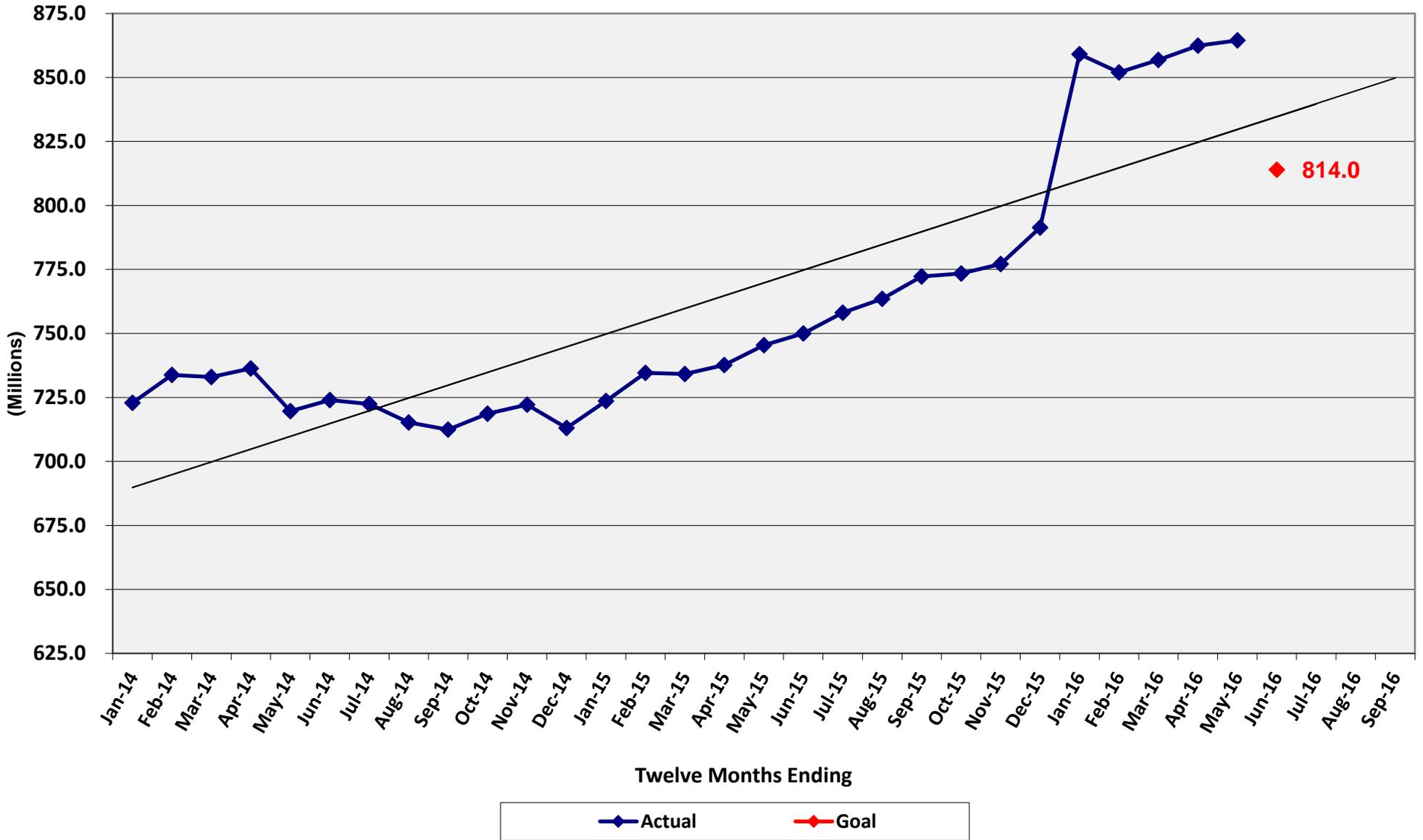


FY 2016	64,086,191
FY 2015	57,394,335
% Change	11.7%

Arizona Lottery
Sales by Product - FY 2016

Month	Scratchers	Instant Tabs		Total Instantants	Powerball	Mega Millions	The Pick / EXTRA	Fantasy 5 / EXTRA	Pick 3	All Or Nothing	Weekly Winnings	5 Card Cash	Total Draw Games	Total Sales
		Instant Tabs - Charitable	- Age Restricted											
July	44,762,330	450,366		45,212,696	5,763,799	3,627,153	2,582,698	1,425,781	852,825	363,932	262,250		14,878,438	60,091,134
August	44,414,146	379,050		44,793,196	5,902,069	2,548,809	2,893,009	1,378,843	796,506	340,102	237,118		14,096,456	58,889,652
September	43,796,339	385,836		44,182,175	10,744,756	2,810,199	3,129,067	1,212,089	777,945	324,994	225,022		19,224,072	63,406,247
October	44,978,294	416,928		45,395,222	6,243,435	3,330,685	2,040,103	1,241,266	824,639	304,364	20,098	804,064	14,808,654	60,203,876
November	45,957,929	513,420		46,471,349	5,623,792	3,574,033	1,952,954	1,456,703	817,537	274,874		743,752	14,443,645	60,914,994
December	54,036,756	440,220		54,476,976	12,514,149	3,553,725	2,439,498	1,664,069	913,539	281,512		631,664	21,998,156	76,475,132
January	54,693,763	439,398		55,133,161	72,229,844	4,329,119	3,432,991	1,488,743	897,617	297,262		569,502	83,245,078	138,378,239
February	52,931,953	630,840	6,480	53,569,273	8,262,537	2,925,452	2,876,887	1,299,425	914,863	275,110		514,218	17,068,492	70,637,765
March	56,772,406	610,836	39,960	57,423,202	6,831,780	2,859,437	3,358,373	1,372,822	975,248	282,746		498,094	16,178,500	73,601,702
April	51,982,504	551,124	71,280	52,604,908	8,883,335	2,801,501	3,797,792	1,140,201	964,429	259,914		443,828	18,291,000	70,895,908
May	51,039,251	482,718	85,320	51,607,289	9,887,680	4,384,085	2,516,629	1,095,720	918,412	264,400		418,148	19,485,074	71,092,363
June				0									0	0
YTD Sales	545,365,671	5,300,736	203,040	550,869,447	152,887,176	36,744,198	31,020,001	14,775,662	9,653,560	3,269,210	744,488	4,623,270	253,717,565	804,587,012
YTD Rtlr Commissions	35,448,769	1,060,147	13,198	36,522,113	9,937,666	2,388,373	2,016,300	960,418	627,481	212,499	48,392	300,513	16,491,642	53,013,755
% of Sales	67.8%	0.66%	0.03%	68.5%	19.0%	4.6%	3.9%	1.8%	1.2%	0.4%	0.1%	0.6%	31.5%	100.0%
Avg Mo Sales	49,578,697	481,885	50,760	50,111,342	13,898,834	3,340,382	2,820,000	1,343,242	877,596	297,201	186,122	577,909	22,763,377	73,144,274

Annual Sales Trailing 12 Month Periods



**Arizona Lottery
Transfers To Other State Funds**

Month	Heritage Game & Fish	Healthy Arizona	State General Fund	Mass Transit LTAF II*	Homeless Shelters	State General Fund II	Arizona Commerce Authority	Univ Capital Debt Service	Dept of Gaming	Internet Crimes & Victims' Rights	Tribal College Dual Enrollment	C.A.S.A.	Total Transfers
July			3,750,175								41,150		3,791,325
August			3,750,175								81,722		3,831,897
September	3,094,200	6,356,000	16,681,650	4,528,600							37,128	739,776	31,437,354
**Approp Transfer									300,000				300,000
October			3,750,175										3,750,175
November			3,750,175										3,750,175
December	3,417,600	7,003,100	18,363,150	4,982,100								682,966	34,448,916
January			3,750,175										3,750,175
February			3,750,175										3,750,175
March	3,488,200	7,117,200	26,604,150	1,991,300	1,000,000	14,574,325				911,000		849,466	56,535,641
April													0
May													0
June													0
Profit Distribution													0
YTD Transfers	10,000,000	20,476,300	84,150,000	11,502,000	1,000,000	14,574,325	0	0	300,000	911,000	160,000	2,272,209	145,345,834
FY15 Transfers	10,000,000	20,199,500	84,150,000	11,444,400	1,000,000	15,490,000	2,514,900	0	300,000	1,000,000	0	2,476,724	148,575,524

*Clean Air Act
 **Pursuant to Proposition 202 (Compulsive Gambling Treatment)
 ***Pursuant to HB2001, FY14 for BREAZ
 ****Pursuant to HB2517 (Victims' Rights)

Arizona Lottery
Transfers To Other State Funds
By Product - FY 2016

6/8/2016

	Scratchers	Powerball	Mega Millions	The Pick / EXTRA	Fantasy 5 / EXTRA	Pick 3	All Or Nothing	Weekly Winnings	5 Card Cash	Instant Tabs	Instant Tabs Age Restricted	Unclaimed Age Restricted	Unclaimed Prizes Tribal	Unclaimed Prizes C.A.S.A.	Total Transfers
July	2,714,775	468,200	229,700	129,100	85,300	48,700	31,000	17,700		25,700			41,150		3,791,325
August	2,714,775	468,200	229,700	129,100	85,300	48,700	31,000	17,700		25,700			81,722		3,831,897
Gaming Department	217,100	37,500	18,400	10,300	6,800	3,900	2,500	1,400		2,100					300,000
September	19,835,450	5,002,800	1,922,100	2,022,300	894,000	545,900	210,900	156,700		70,300			37,128	739,776	31,437,354
October	2,714,775	468,200	229,700	129,100	85,300	48,700	31,000		17,700	25,700					3,750,175
November	2,714,775	468,200	229,700	129,100	85,300	48,700	31,000		17,700	25,700					3,750,175
December	22,115,550	5,525,200	2,312,500	1,446,700	985,600	580,100	166,300		548,000	86,000				682,966	34,448,916
January	2,714,775	468,200	229,700	129,100	85,300	48,700	31,000		17,700	25,700					3,750,175
February	2,714,775	468,200	229,700	129,100	85,300	48,700	31,000		17,700	25,700					3,750,175
March	25,806,250	22,204,700	2,221,000	2,304,000	932,200	641,500	164,800		383,900	116,825	11,000	900,000		849,466	56,535,641
April															0
May															0
June															0
Profit Distribution															0
Final Profit Distribution															0
YTD Transfers	84,263,000	35,579,400	7,852,200	6,557,900	3,330,400	2,063,600	730,500	193,500	1,002,700	429,425	11,000	900,000	160,000	2,272,209	145,345,834
Transfer % of Total Sales	10.5%	4.4%	1.0%	0.8%	0.4%	0.3%	0.1%	0.02%	0.1%	0.1%	0.001%	0.1%	0.02%	0.3%	18.1%
YTD Sales	545,365,671	152,887,176	36,744,198	31,020,001	14,775,662	9,653,560	3,269,210	744,488	4,623,270	5,300,736	203,040				804,587,012
% of Sales by Product	67.78%	19.00%	4.57%	3.86%	1.84%	1.20%	0.41%	0.09%	0.57%	0.66%	0.03%				100.00%
% of Transfer by Product	15.45%	23.27%	21.37%	21.14%	22.54%	21.38%	22.34%	25.99%	21.69%	8.10%	5.42%				17.78%

Note: The transfers formerly attributed to Weekly Winnings were moved to 5 Card Cash as Weekly Winnings ended in September 2015.

FY16 Year-to-Date Budget Status MAY



Date: 5/31/2016
Elapsed: 92%

	<u>Budget</u>	<u>Expenditures thru May</u>	<u>Percent Expended</u>	<u>Balance</u>	<u>Comments</u>
Personal Services	4,467,400	3,455,500	77%	1,011,900	
ERE	2,077,300	1,473,000	71%	604,300	
Professional & Outside	386,800	364,600	94%	22,200	contracted IT/audit services
Travel In-State	271,600	178,500	66%	93,100	
Travel Out-of-State	16,800	16,700	99%	100	
Other Operating / Equip.	1,169,500	782,800	67%	386,700	
Operating Subtotal:	\$ 8,389,400	\$ 6,271,100	75%	\$ 2,118,300	
Advertising 1/	15,500,000	7,739,300	50%	7,760,700	
% of sales { Instant Tickets	20,118,800	10,023,500	50%	10,095,300	
{ On-Line Vendor Fees	9,519,900	8,339,800	88%	1,180,100	
{ Charitable Commissions	969,000	1,100,800	114%	(131,800)	sales tracking above JLBC forecast
{ Retailer Commissions	54,357,500	52,723,600	97%	1,633,900	sales tracking above JLBC forecast
Total Budget:	\$ 108,854,600	\$ 86,198,100	79%	\$ 22,656,500	

1/ Advertising agency expenses are typically one month behind.

Notes on Sales-Related Line Items:

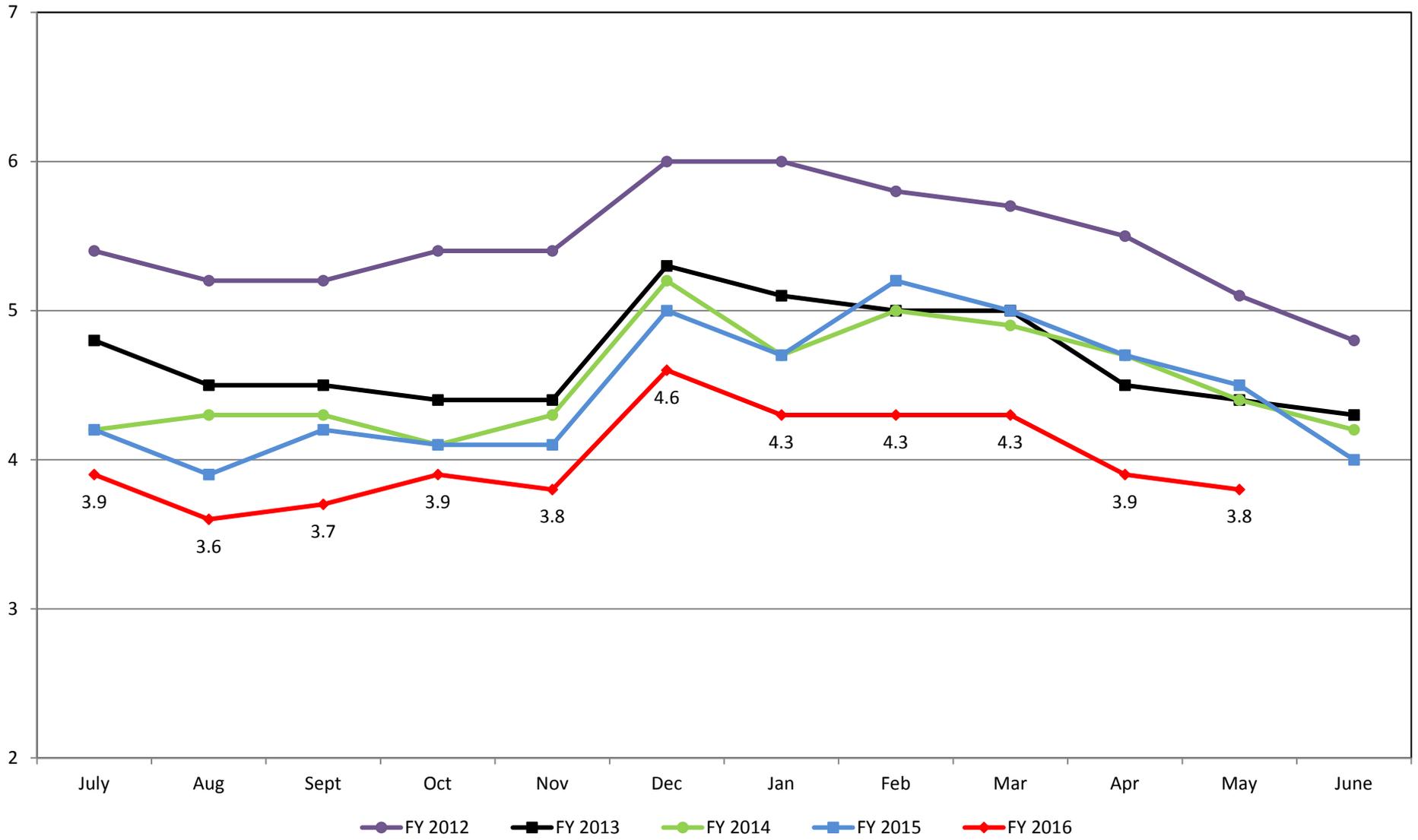
Instant Tickets: Appropriated based on 3.6% of sales. The budget reflects the JLBC instant sales estimate of \$558.9 million for FY16.

On-Line Vendor Fees: Appropriation based on percentage of on-line sales as determined by contract. The budget reflects the JLBC on-line sales estimate of \$257.3 million for FY16.

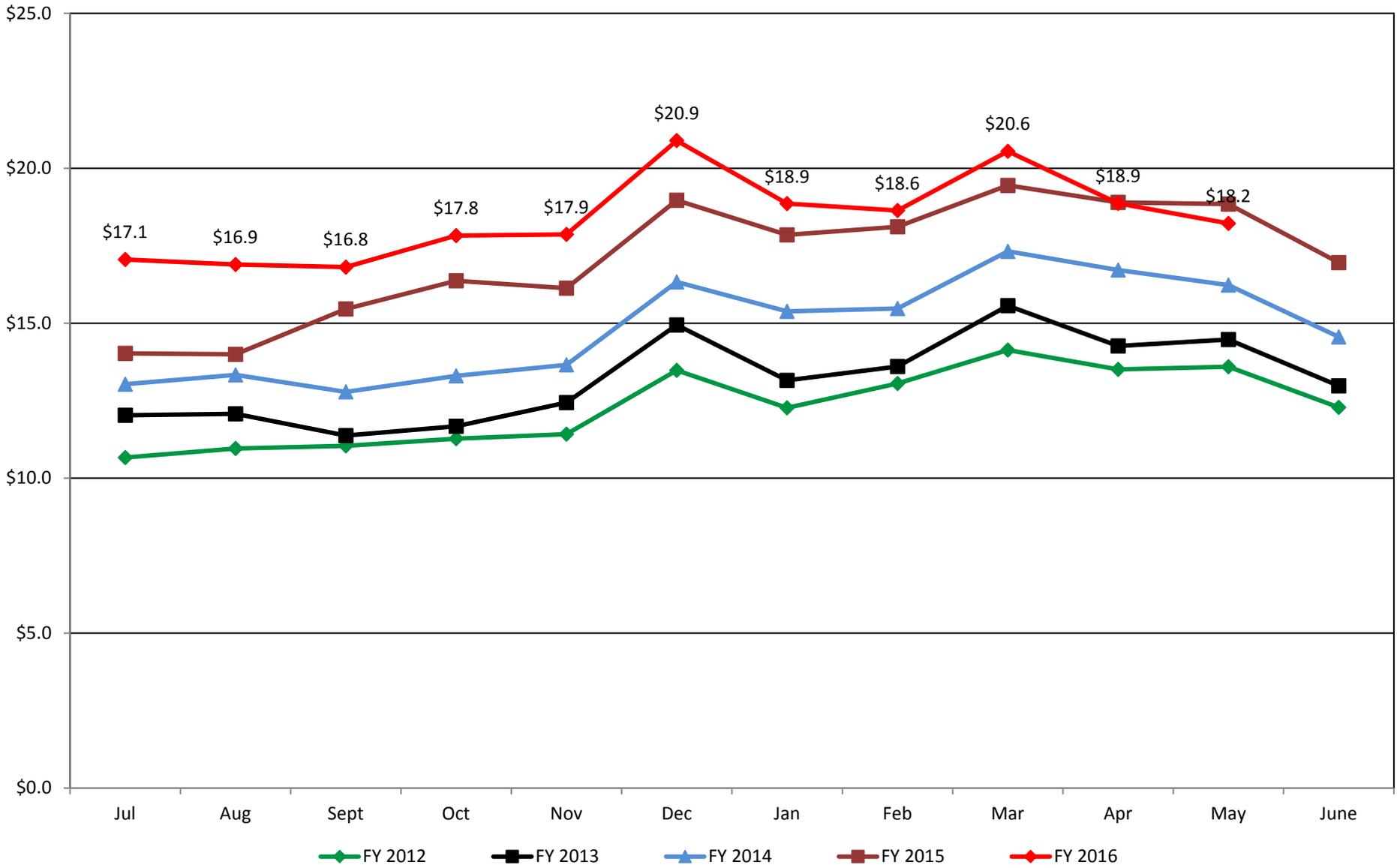
Charitable Commissions: The compensation rate is 20% of instant tab ticket sales. The budget reflects the JLBC sales estimate of \$4.84 million for FY16.

Retailer Commissions: The compensation rate is 6.5% plus up to an additional .5% based on performance criteria. The budget reflects the JLBC estimated compensation rate of 6.7% based on total sales of \$816.2.

**Arizona Lottery
Ticket Vending Machine - Monthly Out-of-Stock Averages**



**Arizona Lottery
Vending Machine Sales - Instant Tickets**



**Draw Games - Advertised Jackpot Comparisons
May FY2016 vs FY2015**

Powerball	FY2016 Jackpot			FY2015 Jackpot		
	Wed	Sat	Wkly Sales	Wed	Sat	Wkly Sales
05/07/16	\$348.0	\$415.0	\$5.60	\$80.0	\$90.0	\$1.44
05/14/16	\$40.0	\$50.0	\$1.26	\$100.0	\$110.0	\$1.58
05/21/16	\$60.0	\$70.0	\$1.29	\$120.0	\$138.0	\$1.80
05/28/16	\$80.0	\$90.0	\$1.35	\$154.0	\$171.0	\$1.98
Total Monthly Sales	\$9,887,680			\$7,518,495		

Mega Millions	FY2016 Jackpot			FY2015 Jackpot		
	Tue	Fri	Wkly Sales	Tue	Fri	Wkly Sales
05/07/16	\$128.0	\$138.0	\$0.91	\$110.0	\$126.0	\$0.97
05/14/16	\$150.0	\$161.0	\$0.89	\$140.0	\$159.0	\$1.06
05/21/16	\$174.0	\$187.0	\$0.97	\$173.0	\$194.0	\$1.37
05/28/16	\$203.0	\$218.0	\$1.14	\$214.0	\$233.0	\$1.70
Total Monthly Sales	\$4,384,085			\$5,519,164		

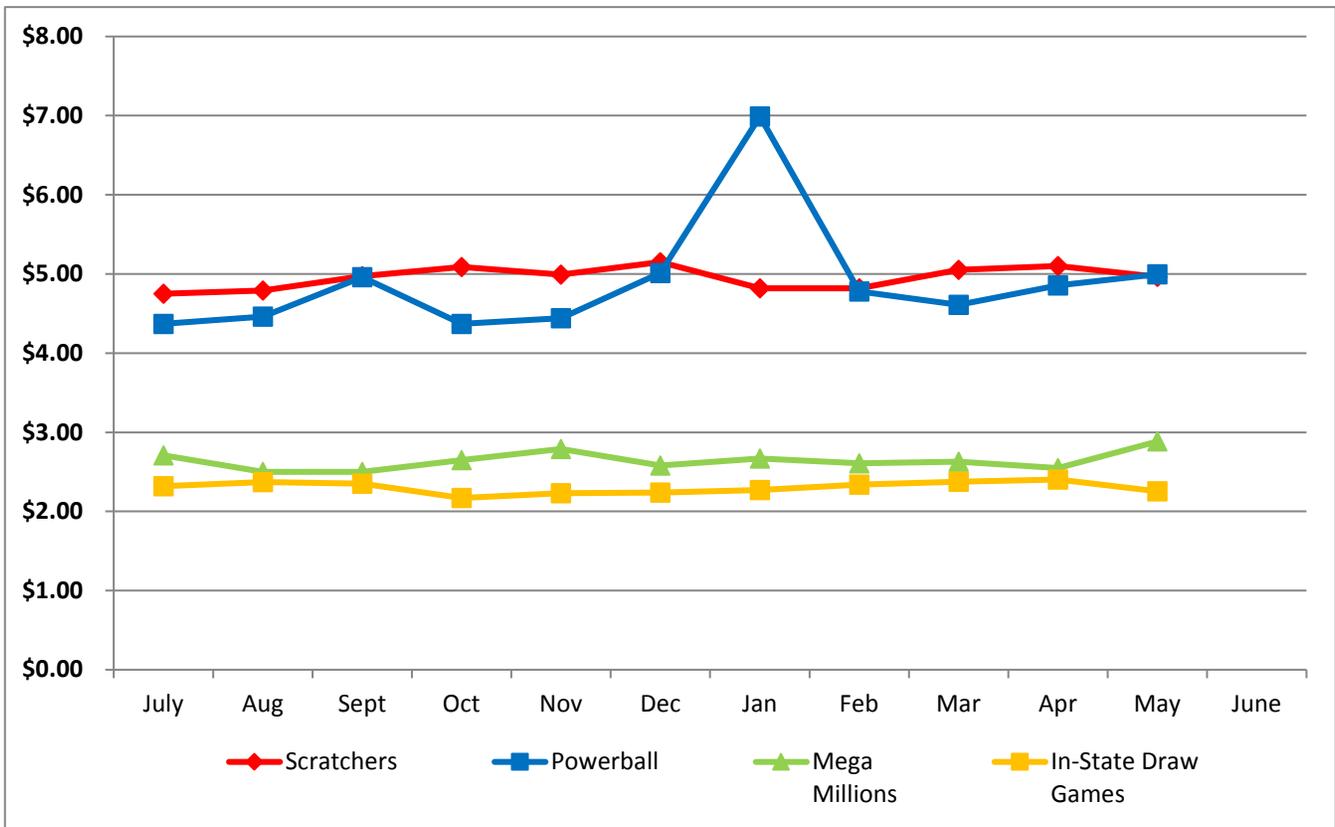
The Pick	FY2016 Jackpot			FY2015 Jackpot		
	Wed	Sat	Wkly Sales	Wed	Sat	Wkly Sales
05/07/16	\$8.2	\$8.4	\$1.01	\$1.5	\$1.6	\$0.49
05/14/16	\$1.0	\$1.0	\$0.47	\$1.6	\$1.7	\$0.49
05/21/16	\$1.0	\$1.0	\$0.46	\$1.7	\$1.8	\$0.51
05/28/16	\$1.0	\$1.0	\$0.46	\$1.8	\$1.9	\$0.52
Total Monthly Sales	\$2,516,629			\$2,257,990		

Jackpot and weekly sales amounts are in millions

High jackpot for the period

**Arizona Lottery
Average Wager Transactions - By Game**

	Scratchers	Powerball	Mega Millions	In-State Draw Games
July	\$4.75	\$4.37	\$2.71	\$2.32
Aug	\$4.79	\$4.46	\$2.50	\$2.37
Sept	\$4.97	\$4.96	\$2.50	\$2.35
Oct	\$5.09	\$4.37	\$2.65	\$2.17
Nov	\$4.99	\$4.44	\$2.79	\$2.23
Dec	\$5.15	\$5.01	\$2.58	\$2.24
Jan	\$4.82	\$6.99	\$2.67	\$2.27
Feb	\$4.82	\$4.78	\$2.61	\$2.34
Mar	\$5.05	\$4.61	\$2.63	\$2.38
Apr	\$5.10	\$4.85	\$2.55	\$2.40
May	\$4.96	\$5.00	\$2.88	\$2.25
June				
Average	\$4.95	\$4.89	\$2.64	\$2.30



New Business Item #1
Vote for Commission Chair and Vice-Chair
Report to Arizona Lottery Commission
June 17, 2016

Pursuant to Arizona Revised Statute §5-552(A) the commission members are required to elect a new Commission Chair. In addition, the commission members may elect a Vice-Chair. The Chair and/or Vice-Chair may serve more than one term. The term of office will be Fiscal Year 17 (July 1, 2016 through June 30, 2017).

The Commission is requested to take this action at the meeting.

New Business Item #2
Instant Scratch Game Profiles
Report to Arizona Lottery Commission
June 17, 2016

This report has been provided to the Lottery Commission regarding instant scratch 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 are new instant scratch game profiles: *Letter to Santa* #1075, *Dear Santa* #1076, *Frosty Crossword* #1077, *Money Tree* #1078, *Holiday Riches* #1079, *\$200 Million Cash Explosion*® #1080, *Spin 3* #1082, *Frogger*® #1086, and *Arizona Cardinals* #1087.

Letter to Santa #1075. This \$1 game has a top prize of \$500 and will be printed at a quantity of approximately 2.1 million tickets.

Dear Santa #1076. This \$2 game has a top prize of \$10,000 and will be printed at a quantity of approximately 1.5 million tickets.

Frosty Crossword #1077. This \$3 game has a top prize of \$20,000 and will be printed at a quantity of approximately 1.5 million tickets.

Money Tree #1078. This \$5 game has a top prize of \$50,000 and will be printed at a quantity of approximately 1.4 million tickets.

Holiday Riches #1079. This \$10 game has a top prize of \$100,000 and will be printed at a quantity of approximately 1 million tickets.

\$200 Million Cash Explosion® #1080. This \$20 game has a top prize of a \$2,500,000 30-year annuity or a one-time cash payment of \$1,250,000. This game will be printed at a quantity of approximately 13.2 million tickets.

Spin 3 #1082. This \$2 game has a top prize of \$10,000 and will be printed at a quantity of approximately 1.4 million tickets.

Frogger® #1086. This \$3 game has a top prize of \$20,000 and will be printed at a quantity of approximately 1.6 million tickets.

Arizona Cardinals #1087. This \$5 game has a top prize of \$50,000 and will be printed at a quantity of approximately 1.9 million tickets.

Attachments (Commissioners only)

New Business Item #3
Article 5, Procurements
Arizona Lottery Commission
June 17, 2016

This report has been provided to the Commission regarding amendments to Article 5 of the Arizona Administrative Code relating to Lottery procurements. The Lottery received an exemption from the current rule moratorium imposed by the Governor in order to proceed with these changes. The Commission is requested to approve the amendments and authorize the Executive Director to adopt the amendments for Article 5, Procurements.

The Lottery's Procurement rules prescribe the policies and procedures for procurements relating to the design and operation of the Lottery or the purchase of Lottery equipment, tickets, and related materials. The amendments are primarily administrative in nature to conform to state procurement rule changes. Changes have also been made where necessary to clarify existing language and procedures.

The proposed changes for Article 5 were filed with the Secretary of State and published in the Arizona Administrative Register on May 13, 2016.

The attached rule package contains the Notice of Proposed Rulemaking. The preamble includes the statutory authority for the rule amendments, an explanation of the rules, and the preliminary economic, small business and consumer impact of the proposed rules. The text of the amended rules follows the preamble.

The Commission will vote on whether to authorize the Director to adopt the rules at the Commission meeting. After approval, staff will file the rules with the Governor's Regulatory Review Council for final review and approval.

Attachments (Commissioners only)