

Revenue Estimating Conference

Executive Summary for Lottery Ticket Sales and the EETF

December 3, 2020

The Revenue Estimating Conference reviewed Lottery sales and transfers on December 3, 2020. At the end of November, collective ticket sales were \$424.1 million above the estimate. A significant part of the gain (nearly 92 percent) was related to heightened sales of Scratch-Off tickets believed to have been substituted for other purchases that were not made during the Coronavirus pandemic. After taking account of all components, the transfer due to the Educational Enhancement Trust Fund (EETF) was \$87.7 million greater than expected for this period.

The Conference increased the overall sales forecast by \$493.6 million in Fiscal Year 2020-21 based on the expectation that the pandemic-induced activity will continue throughout the remainder of the year. With the widespread distribution of a vaccine in Fiscal Year 2021-22, sales are projected to decline -3.8 percent or \$310.0 million from the prior year. In each of the subsequent fiscal years, the forecast was increased by an annual average of \$377.5 million, a combined result of retaining some of the increased sales activity and generally returning to pre-pandemic growth rates. The final expected transfers to the EETF were increased by \$45.3 million in Fiscal Year 2020-21 and \$28.3 million in Fiscal Year 2021-22.

- Scratch-Off sales were running \$388.5 million above estimate through the end of November. The Conference made a substantial upward adjustment in Fiscal Year 2020-21, adding \$407.7 million in sales. In Fiscal Year 2021-22, the prior forecast was increased by \$250 million. Fast Play, as of November, was below estimate by \$0.1 million, an amount deemed too small to warrant a change to the forecast.
- Recognizing the \$15 million loss from the estimate through the end of November, the Conference downwardly adjusted Powerball sales in the first two years of the forecast. Sales estimates were decreased by \$31.5 million in Fiscal Year 2020-21 and by \$27.3 million in Fiscal Year 2021-22, with a return to the July forecast in the subsequent years.
- After a game change, Lotto was running \$11.9 million above the estimate through the end of November, prompting the Conference to increase sales by \$62.5 million in the first year and by a gradually declining amount thereafter. Cash 4 Life came in \$1.7 million above estimate, however, the Conference essentially maintained the current forecast as the more recent sales activity was close to estimate.
- Fantasy 5 sales came in \$7.6 million over estimate through the end of November. The Conference increased the forecast by \$13.2 million in Fiscal Year 2020-21 and \$12.3 million in Fiscal Year 2021-22. Jackpot Triple Play was \$1.9 million over estimate, leading the Conference to increase its forecast by \$2.3 million in each year.
- After posting an \$8.1 million loss from the estimate through the end of November, the Conference reduced Mega Millions by \$13.0 million in Fiscal Year 2020-21 and by \$13.5 million in Fiscal Year 2021-22, before returning to the prior forecast in the subsequent years. Moving in the opposite direction, the Pick Games performed strongly and collectively came in above estimate by \$35.9 million. The Conference increased the forecast by \$52.4 million in Fiscal Year 2020-21 and then increased each of the subsequent years by an average of \$61.4 million.

Additional details of the forecast and other changes are shown in the following table.

Summary of All Games				
		July 2020	December 2020	Difference
Scratch-off	2020-21	5835.5	6243.2	407.7
	2021-22	5653.2	5903.2	250.0
	2022-23	5732.4	5985.9	253.5
	2023-24	5806.9	6063.7	256.8
	2024-25	5882.4	6142.5	260.1
	2025-26	5953.0	6216.2	263.3
Powerball	2020-21	304.5	273.0	-31.5
	2021-22	332.3	305.0	-27.3
	2022-23	337.0	337.0	0.0
	2023-24	341.5	341.5	0.0
	2024-25	345.9	345.9	0.0
	2025-26	351.8	351.8	0.0
Mega Millions	2020-21	209.0	196.1	-13.0
	2021-22	225.9	212.5	-13.5
	2022-23	228.8	228.8	0.0
	2023-24	231.8	231.8	0.0
	2024-25	234.6	234.6	0.0
	2025-26	237.4	237.4	0.0
Lotto	2020-21	206.0	268.5	62.5
	2021-22	203.9	258.3	54.4
	2022-23	201.9	250.8	48.9
	2023-24	199.8	243.0	43.2
	2024-25	197.8	238.6	40.8
	2025-26	195.9	235.0	39.2
Jackpot Triple Play	2020-21	47.9	50.2	2.3
	2021-22	47.9	50.2	2.3
	2022-23	47.9	50.2	2.3
	2023-24	47.9	50.2	2.3
	2024-25	47.9	50.2	2.3
	2025-26	47.9	50.2	2.3
Fantasy 5	2020-21	232.8	246.0	13.2
	2021-22	224.5	236.8	12.3
	2022-23	224.1	236.8	12.7
	2023-24	224.1	236.8	12.7
	2024-25	224.1	236.8	12.7
	2025-26	224.1	236.8	12.7
Pick Games	2020-21	750.1	802.5	52.4
	2021-22	742.3	802.5	60.1
	2022-23	749.8	810.5	60.7
	2023-24	757.3	818.6	61.4
	2024-25	764.8	826.8	62.0
	2025-26	772.5	835.1	62.6
Cash 4 Life	2020-21	62.7	62.7	0.0
	2021-22	63.6	63.6	0.0
	2022-23	64.6	64.6	0.0
	2023-24	65.5	65.5	0.0
	2024-25	66.5	66.5	0.0
	2025-26	69.9	67.5	-2.4
Fast Play	2020-21	19.9	19.9	0.0
	2021-22	20.0	20.0	0.0
	2022-23	20.1	20.1	0.0
	2023-24	20.3	20.3	0.0
	2024-25	20.4	20.4	0.0
	2025-26	20.6	20.6	0.0
TOTAL	2020-21	7668.4	8162.0	493.6
	2021-22	7513.7	7852.0	338.4
	2022-23	7606.5	7984.7	378.2
	2023-24	7695.2	8071.4	376.3
	2024-25	7784.5	8162.4	377.9
	2025-26	7873.0	8250.7	377.7
Distribution to EEIF from Lottery Receipts	2020-21	1875.5	1920.8	45.3
	2021-22	1866.0	1894.3	28.3
	2022-23	1886.1	1929.8	43.7
	2023-24	1936.0	1977.5	41.5
	2024-25	1929.7	1970.1	40.4
	2025-26	1956.6	1991.3	34.7