
FISCAL UPDATE Article

Fiscal Services Division

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IOWA LOTTERY BOARD MEETING — SEPTEMBER 2022

Meeting. The Iowa Lottery Board met on September 27, 2022, at the Iowa Lottery headquarters in Clive and via teleconference.

Chief Executive Officer (CEO) Update. Matt Strawn, Iowa Lottery CEO, reported that Lottery sales and proceeds are off to a strong start in FY 2023, exceeding both budget projections for FY 2023 and FY 2022 actuals to date. Mr. Strawn attributed this increase to July's Mega Millions jackpot that rose to greater than \$1.0 billion before winning numbers were drawn on July 29, 2022. According to a July 30, 2022, [news release](#) by the Iowa Lottery, Iowans bought more than \$5.6 million in Mega Millions tickets for the final drawing on July 29, 2022, and the average purchase per ticket was approximately \$7.

Finance Update. Total FY 2022 gross sales were approximately \$432.7 million, a 16.6% increase compared to budgeted FY 2022 and a 4.4% decrease compared to FY 2021. The current five-year average for gross sales is approximately \$387.7 million. Total FY 2022 proceeds were approximately \$98.0 million, a 33.3% increase compared to budgeted FY 2022 and a 3.7% decrease compared to FY 2021. The five-year average for total proceeds is approximately \$88.8 million. Behind only FY 2021, FY 2022 was the Lottery's second highest year on record.

For FY 2023 through August, gross sales totaled approximately \$77.9 million, a 31.9% increase compared to budgeted FY 2023 and a 10.3% increase compared to the same time period in FY 2022. The current five-year average for gross sales through August is approximately \$63.9 million. As noted in the CEO update section, this increase in FY 2023 is largely attributed to the large increase in Mega Millions sales in the month of July. When isolating the two months of July and August, July 2022 had a 27.1% increase in sales compared to July 2021, while August 2022 had a 6.1% decrease in sales compared to August 2021. Scratch ticket sales alone, which represent the largest portion of total Lottery sales, totaled approximately \$44.8 million through August, which is a 9.8% decrease compared to the same time period in FY 2022.

Total FY 2023 proceeds through August were \$16.5 million, a 35.0% increase compared to budgeted FY 2023 and an 8.0% increase compared to the same time period in FY 2022.

FY 2024 Budget. The Board approved the Iowa Lottery FY 2024 proposed budget, which includes a 0.5% increase in revenue, expenses, and proceeds compared to the FY 2023 approved budget.

Key Personnel. The Board approved the hiring for the Lottery's Director of Advertising and Marketing position pending completion of a background investigation.

Contracts. The Board approved a new contract for draw services that will allow the Lottery to conduct its draws independently. The Board also approved three contract extensions for scratch ticket printing.

The next Lottery Board meeting is scheduled for December 6, 2022, at 10:30 am.

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