



Presentation of Draft Fiscal Year 2024-25 Budget

Presentation to
California State Lottery Commission
May 23, 2024



FISCAL YEAR 2024-25

DRAFT BUDGET

(Dollars in Thousands)



	FY 2023-24 Year-End Estimate	% of Sales	FY 2024-25 Draft Budget	% of Sales	Difference
SALES:					
Scratchers	\$6,536,000	70.1 %	\$6,560,000	74.3 %	\$24,000
Multi-State Games	1,667,000	17.9 %	1,175,000	13.3 %	(492,000)
SuperLotto Plus	264,000	2.8 %	240,000	2.7 %	(24,000)
Hot Spot	424,800	4.6 %	438,000	5.0 %	13,200
Daily Games	429,200	4.6 %	417,000	4.7 %	(12,200)
TOTAL, ESTIMATED SALES	\$9,321,000		\$8,830,000		(\$491,000)
PRIZE EXPENSE:					
Scratchers	\$4,738,600	72.5 %	\$4,723,200	72.0 %	(\$15,400)
Multi-State Games	823,292	49.4 %	587,500	50.0 %	(235,792)
SuperLotto Plus	120,571	45.7 %	120,000	50.0 %	(571)
Hot Spot	270,255	63.6 %	278,349	63.6 %	8,094
Daily Games	212,723	49.6 %	207,975	49.9 %	(4,748)
2nd Chance	9,100		9,100		0
Prize Expense Savings	(78,642)		(78,930)		(288)
TOTAL, PRIZE EXPENSE	\$6,095,900	65.4 %	\$5,847,194	66.2 %	(\$248,706)
NET SALES AFTER PRIZE EXPENSE	\$3,225,100		\$2,982,806		(\$242,294)
ADMINISTRATIVE EXPENSES:					
Retailer Compensation:					
Commission	\$547,536	5.9 %	\$508,493	5.8 %	(\$39,043)
Cashing Bonus	53,236	0.6 %	51,391	0.6 %	(1,845)
Special Handling	34,745	0.4 %	35,946	0.4 %	1,201
Incentives	6,493	0.1 %	4,000	0.0 %	(2,493)
Gaming Costs:					
Gaming Contract (IGT)	128,185	1.4 %	120,460	1.4 %	(7,725)
Retailer Administrative and Gaming Fees	(21,822)		(22,655)		(833)
Scratchers Ticket, Delivery and Support Costs	48,656	0.5 %	50,190	0.6 %	1,534
TOTAL, RETAILER & GAMING COSTS	\$797,028	8.6 %	\$747,825	8.5 %	(\$49,203)
Operating Costs:					
Personal Services	\$135,461	1.5 %	\$144,118	1.6 %	\$8,657
Marketing Program	114,804	1.2 %	100,642	1.1 %	(14,161)
Contractual Services	21,621	0.2 %	35,967	0.4 %	14,346
Depreciation	14,651	0.2 %	12,843	0.1 %	(1,808)
Operating Expense	24,824	0.3 %	24,961	0.3 %	137
Reserve for Insurable Risk	0	0.0 %	5,000	0.1 %	5,000
Administrative Spending Reserve	0	0.0 %	76,543	0.9 %	76,543
Subtotal, Operating Costs	\$311,361	3.3 %	\$400,075	4.5 %	\$88,714
TOTAL, ADMINISTRATIVE EXPENSES	\$1,108,389	11.9 %	\$1,147,900	13.0 %	\$39,511
CONTRIBUTION TO EDUCATION	\$2,116,712		\$1,834,906		(\$281,806)
Unclaimed Prizes	77,309		35,000		(42,309)
Interest Income	69,332		60,000		(9,332)
TOTAL AVAILABLE FOR EDUCATION	\$2,263,353		\$1,929,906		(\$333,447)
TOTAL CONTRIBUTION TO EDUCATION WITH RESERVES	\$2,263,353		\$2,011,449		(\$251,904)

*Numbers may not add due to rounding.

Draft Fiscal Year 2024-25 Budget



Sales

	FY 2023-24		FY 2024-25		
	Year-End	% of	Draft	% of	
	Estimate	Sales	Budget	Sales	Difference
SALES:					
Scratchers	\$6,536,000	70.1 %	\$6,560,000	74.3 %	\$24,000
Multi-State Games	1,667,000	17.9 %	1,175,000	13.3 %	(492,000)
SuperLotto Plus	264,000	2.8 %	240,000	2.7 %	(24,000)
Hot Spot	424,800	4.6 %	438,000	5.0 %	13,200
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TOTAL, ESTIMATED SALES	\$9,321,000		\$8,830,000		(\$491,000)

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Prize Expense

	FY 2023-24 Year-End Estimate	Prize Payout %	FY 2024-25 Draft Budget	Prize Payout %	Difference
PRIZE EXPENSE:					
Scratchers	\$4,738,600	72.5 %	\$4,723,200	72.0 %	(\$15,400)
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TOTAL, PRIZE EXPENSE	\$6,095,900	65.4 %	\$5,847,194	66.2 %	(\$248,706)
NET SALES AFTER PRIZE EXPENSE	\$3,225,100		\$2,982,806		(\$242,294)

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Administrative Expense - Retailer and Gaming Costs

ADMINISTRATIVE EXPENSES:	FY 2023-24 Year-End Estimate	% of Sales	FY 2024-25 Draft Budget	% of Sales	Difference
Retailer Compensation:					
Commission	\$547,536	5.9 %	\$508,493	5.8 %	(\$39,043)
Cashing Bonus	53,236	0.6 %	51,391	0.6 %	(1,845)
Special Handling	34,745	0.4 %	35,946	0.4 %	1,201
Incentives	6,493	0.1 %	4,000	0.0 %	(2,493)
Subtotal, Retailer Compensation	\$642,009		\$599,830		(\$42,180)
Gaming Costs:					
Gaming Contract (IGT)	128,185	1.4 %	120,460	1.4 %	(7,725)
Retailer Administrative and Gaming Fees	(21,822)		(22,655)		(833)
Scratchers Ticket, Delivery and Support Costs	48,656	0.5 %	50,190	0.6 %	1,534
Subtotal, Gaming Costs	\$155,019		\$147,995		(\$7,024)
TOTAL, RETAILER & GAMING COSTS	\$797,028	8.6 %	\$747,825	8.5 %	(\$49,203)

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Administrative Expense - Operating Costs

	FY 2023-24 Year-End Estimate	% of Sales	FY 2024-25 Draft Budget	% of Sales	Difference
Operating Costs:					
Personal Services	\$135,461	1.5 %	\$144,118	1.6 %	\$8,657
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Operating Expense	24,824	0.3 %	24,961	0.3 %	137
<i>Reserve for Insurable Risk</i>	0	0.0 %	5,000	0.1 %	5,000
<i>Administrative Spending Reserve</i>	0	0.0 %	76,543	0.9 %	76,543
Subtotal, Operating Costs	\$311,361	3.3 %	\$400,075	4.5 %	\$88,714
TOTAL, ADMINISTRATIVE EXPENSES	\$1,108,389	11.9 %	\$1,147,900	13.0 %	\$39,511

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Contribution to Education

	FY 2023-24 Year-End Estimate	FY 2024-25 Draft Budget	Difference
CONTRIBUTION TO EDUCATION	\$2,116,712	\$1,834,906	(\$281,806)
Unclaimed Prizes	77,309	35,000	(42,309)
Interest Income	69,332	60,000	(9,332)
TOTAL AVAILABLE FOR EDUCATION	\$2,263,353	\$1,929,906	(\$333,447)
TOTAL CONTRIBUTION TO EDUCATION WITH RESERVES	\$2,263,353	\$2,011,449	(\$251,904)

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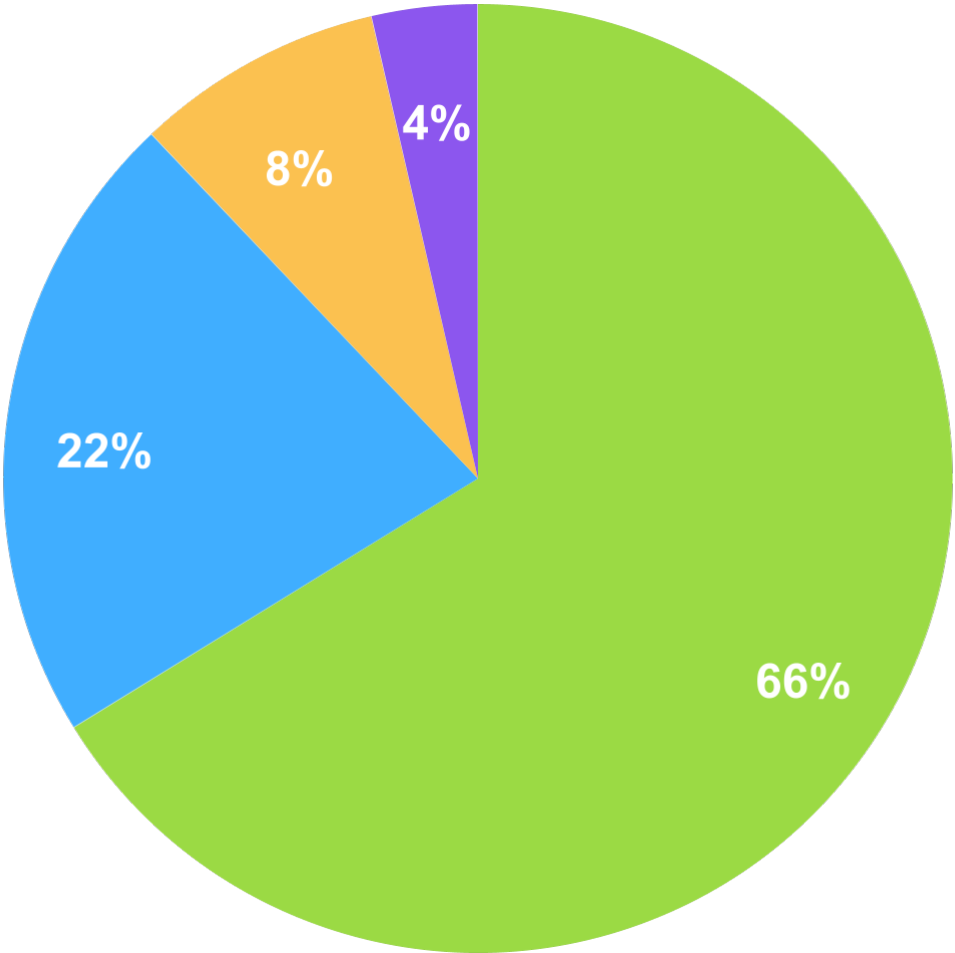
Budget to Budget Comparison

	FY 2023-24 Approved Budget	FY 2024-25 Draft Budget	Difference
TOTAL, ESTIMATED SALES	\$8,700,000	\$8,830,000	\$130,000
<i>TOTAL CONTRIBUTION TO EDUCATION WITH RESERVES</i>	<i>\$1,862,569</i>	<i>\$2,011,449</i>	<i>\$148,880</i>

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Breakout of Lottery Sales Revenue



- Prizes
- Allocation of Sales to Education 1/
- Retailer Compensation and Gaming Costs
- Other Administrative Expense 2/

1/ Prior to unclaimed prizes and interest earnings; assumes both reserves remain unspent
2/ Assumes both reserves remain unspent

