

Presentation of Proposed Fiscal Year 2025-26 Budget

Presentation to
California State Lottery Commission
May 13, 2025

FISCAL YEAR 2025-26

ANNUAL PLAN (Dollars in Thousands)

	EV 0004 05		FY 2025-26		
	FY 2024-25	0/ - 5		0/ -5	
calottery -	Year-End Estimate	% of Sales	Proposed Budget	% of Sales	Difference
SALES:	Lotimato	- Cuico	<u> </u>		Dilloronoo
Scratchers	\$6,908,444	76.5 %	\$6,820,000	74.9 %	(\$88,444)
Powerball	434,489	4.8 %	530,000	5.8 %	95,511
Mega Millions	603,114	6.7 %	650,000	7.1 %	46,886
SuperLotto Plus	236,700	2.6 %	240,000	2.6 %	3,300
Hot Spot	421,026	4.7 %	440,000	4.8 %	18,974
Fantasy 5	173,757	1.9 %	171,000	1.9 %	(2,757)
Daily 3	177,843	2.0 %	176,500	1.9 %	(1,343)
Daily 4	35,861	0.4 %	35,500	0.4 %	(361)
Daily Derby	36,474	0.4 %	37,000	0.4 %	`526
TOTAL, ESTIMATED SALES	\$9,027,707	_	\$9,100,000	_	\$72,293
		Prize Payout %		Prize Payout %	
PRIZE EXPENSE:	-		-		
Scratchers	\$4,946,446	71.6 %	\$4,883,120	71.6 %	(\$63,326)
Powerball	213,292	49.1 %	265,000	50.0 %	51,708
Mega Millions	299,491	49.7 %	325,000	50.0 %	25,509
SuperLotto Plus	99,572	42.1 %	120,000	50.0 %	20,428
Hot Spot	270,712	64.3 %	279,620	63.6 %	8,908
Daily Games	211,099	49.8 %	209,468	49.9 %	(1,631)
2nd Chance	9,100		9,100		0
Prize Expense Savings	(65,613)		(64,773)		840
TOTAL, PRIZE EXPENSE	\$5,984,098	66.3 %	\$6,026,534	66.2 %	\$42,436
NET SALES AFTER PRIZE EXPENSE	\$3,043,608	=	\$3,073,466	_	\$29,857
ADMINISTRATIVE EXPENSES:		% of		% of	
		Sales		Sales	
Retailer Compensation:	-	Sales	-	Sales	
Retailer Compensation: Commission	\$525,829	5.8 %	\$525,800	5.8 %	(29)
•	\$525,829 55,217		\$525,800 55,657		(29) 440
Commission		5.8 %	* * * * * * * * * * * * * * * * * * * *	5.8 %	
Commission Cashing Bonus	55,217	5.8 % 0.6 %	55,657	5.8 % 0.6 %	440
Commission Cashing Bonus Special Handling	55,217 31,389	5.8 % 0.6 % 0.3 %	55,657 31,523	5.8 % 0.6 % 0.3 %	440 134
Commission Cashing Bonus Special Handling Incentives	55,217 31,389	5.8 % 0.6 % 0.3 %	55,657 31,523	5.8 % 0.6 % 0.3 %	440 134
Commission Cashing Bonus Special Handling Incentives Gaming Costs:	55,217 31,389 4,950	5.8 % 0.6 % 0.3 % 0.1 %	55,657 31,523 4,000	5.8 % 0.6 % 0.3 % 0.0 %	440 134 (950)
Commission Cashing Bonus Special Handling Incentives Gaming Costs: Gaming Contract (IGT) Retailer Administrative and Gaming Fees Scratchers Ticket, Delivery, and Support Costs	55,217 31,389 4,950 125,252 (21,752) 57,890	5.8 % 0.6 % 0.3 % 0.1 % 1.4 %	55,657 31,523 4,000 126,625 (22,717) 53,372	5.8 % 0.6 % 0.3 % 0.0 % 1.4 %	440 134 (950) 1,373 (965) (4,518)
Commission Cashing Bonus Special Handling Incentives Gaming Costs: Gaming Contract (IGT) Retailer Administrative and Gaming Fees	55,217 31,389 4,950 125,252 (21,752)	5.8 % 0.6 % 0.3 % 0.1 %	55,657 31,523 4,000 126,625 (22,717)	5.8 % 0.6 % 0.3 % 0.0 %	440 134 (950) 1,373 (965)
Commission Cashing Bonus Special Handling Incentives Gaming Costs: Gaming Contract (IGT) Retailer Administrative and Gaming Fees Scratchers Ticket, Delivery, and Support Costs TOTAL, RETAILER & GAMING COSTS Operating Costs:	55,217 31,389 4,950 125,252 (21,752) 57,890 \$778,775	5.8 % 0.6 % 0.3 % 0.1 % 1.4 % 0.6 % 8.6 %	55,657 31,523 4,000 126,625 (22,717) 53,372 \$774,259	5.8 % 0.6 % 0.3 % 0.0 % 1.4 % 0.6 % 8.5 %	440 134 (950) 1,373 (965) (4,518) (\$4,515)
Commission Cashing Bonus Special Handling Incentives Gaming Costs: Gaming Contract (IGT) Retailer Administrative and Gaming Fees Scratchers Ticket, Delivery, and Support Costs TOTAL, RETAILER & GAMING COSTS	55,217 31,389 4,950 125,252 (21,752) 57,890	5.8 % 0.6 % 0.3 % 0.1 % 1.4 %	55,657 31,523 4,000 126,625 (22,717) 53,372	5.8 % 0.6 % 0.3 % 0.0 % 1.4 %	440 134 (950) 1,373 (965) (4,518)
Commission Cashing Bonus Special Handling Incentives Gaming Costs: Gaming Contract (IGT) Retailer Administrative and Gaming Fees Scratchers Ticket, Delivery, and Support Costs TOTAL, RETAILER & GAMING COSTS Operating Costs: Personal Services Marketing Budget Plan	55,217 31,389 4,950 125,252 (21,752) 57,890 \$778,775	5.8 % 0.6 % 0.3 % 0.1 % 1.4 % 0.6 % 8.6 % 1.5 % 1.1 %	\$5,657 31,523 4,000 126,625 (22,717) 53,372 \$774,259 \$142,952 90,000	5.8 % 0.6 % 0.3 % 0.0 % 1.4 % 0.6 % 8.5 %	440 134 (950) 1,373 (965) (4,518) (\$4,515) 9,001 (7,836)
Commission Cashing Bonus Special Handling Incentives Gaming Costs: Gaming Contract (IGT) Retailer Administrative and Gaming Fees Scratchers Ticket, Delivery, and Support Costs TOTAL, RETAILER & GAMING COSTS Operating Costs: Personal Services Marketing Budget Plan Contractual Services	\$5,217 31,389 4,950 125,252 (21,752) 57,890 \$778,775 \$133,951 97,836 28,530	5.8 % 0.6 % 0.3 % 0.1 % 1.4 % 0.6 % 8.6 % 1.5 % 1.1 % 0.3 %	\$142,952 90,000 \$142,952 90,000 \$5,662 \$142,952 90,000 35,362	5.8 % 0.6 % 0.3 % 0.0 % 1.4 % 0.6 % 8.5 % 1.6 % 1.2 % 0.4 %	440 134 (950) 1,373 (965) (4,518) (\$4,515) 9,001 (7,836) 6,832
Commission Cashing Bonus Special Handling Incentives Gaming Costs: Gaming Contract (IGT) Retailer Administrative and Gaming Fees Scratchers Ticket, Delivery, and Support Costs TOTAL, RETAILER & GAMING COSTS Operating Costs: Personal Services Marketing Budget Plan Contractual Services Depreciation	\$55,217 31,389 4,950 125,252 (21,752) 57,890 \$778,775 \$133,951 97,836 28,530 12,985	5.8 % 0.6 % 0.3 % 0.1 % 1.4 % 0.6 % 8.6 % 1.5 % 1.1 % 0.3 % 0.1 %	\$142,952 90,000 \$15,362 \$14,000 \$126,625 \$22,717) \$3,372 \$774,259	5.8 % 0.6 % 0.3 % 0.0 % 1.4 % 0.6 % 8.5 % 1.6 % 1.2 % 0.4 % 0.1 %	9,001 (7,836) 6,832 (1,453)
Commission Cashing Bonus Special Handling Incentives Gaming Costs: Gaming Contract (IGT) Retailer Administrative and Gaming Fees Scratchers Ticket, Delivery, and Support Costs TOTAL, RETAILER & GAMING COSTS Operating Costs: Personal Services Marketing Budget Plan Contractual Services Depreciation Operating Expense	\$5,217 31,389 4,950 125,252 (21,752) 57,890 \$778,775 \$133,951 97,836 28,530 12,985 26,669	5.8 % 0.6 % 0.3 % 0.1 % 1.4 % 0.6 % 8.6 % 1.5 % 1.1 % 0.3 % 0.1 % 0.3 %	\$5,657 31,523 4,000 126,625 (22,717) 53,372 \$774,259 \$142,952 90,000 35,362 11,532 28,894	5.8 % 0.6 % 0.3 % 0.0 % 1.4 % 8.5 % 1.6 % 1.2 % 0.4 % 0.1 % 0.3 %	440 134 (950) 1,373 (965) (4,518) (\$4,515) 9,001 (7,836) 6,832 (1,453) 2,225
Commission Cashing Bonus Special Handling Incentives Gaming Costs: Gaming Contract (IGT) Retailer Administrative and Gaming Fees Scratchers Ticket, Delivery, and Support Costs TOTAL, RETAILER & GAMING COSTS Operating Costs: Personal Services Marketing Budget Plan Contractual Services Depreciation Operating Expense Reserve for Insurable Risk	\$133,951 97,836 28,530 \$12,985 \$133,951 97,836 28,530 12,985 26,669 0	5.8 % 0.6 % 0.3 % 0.1 % 1.4 % 0.6 % 8.6 % 1.5 % 1.1 % 0.3 % 0.1 % 0.3 % 0.0 %	\$142,952 90,000 \$1532 \$14,000 \$126,625 \$22,717) \$3,372 \$774,259 \$142,952 90,000 35,362 11,532 28,894 5,000	5.8 % 0.6 % 0.3 % 0.0 % 1.4 % 0.6 % 8.5 % 1.6 % 1.2 % 0.4 % 0.1 % 0.3 % 0.1 %	950) 1,373 (965) (4,518) (\$4,515) 9,001 (7,836) 6,832 (1,453) 2,225 5,000
Commission Cashing Bonus Special Handling Incentives Gaming Costs: Gaming Contract (IGT) Retailer Administrative and Gaming Fees Scratchers Ticket, Delivery, and Support Costs TOTAL, RETAILER & GAMING COSTS Operating Costs: Personal Services Marketing Budget Plan Contractual Services Depreciation Operating Expense Reserve for Insurable Risk Administrative Spending Reserve	\$55,217 31,389 4,950 125,252 (21,752) 57,890 \$778,775 \$133,951 97,836 28,530 12,985 26,669 0	5.8 % 0.6 % 0.3 % 0.1 % 1.4 % 0.6 % 8.6 % 1.5 % 1.1 % 0.3 % 0.1 % 0.3 % 0.0 % 0.0 %	\$142,952 90,000 \$1,532 4,000 \$126,625 (22,717) 53,372 \$774,259 \$142,952 90,000 35,362 11,532 28,894 5,000 95,000	5.8 % 0.6 % 0.3 % 0.0 % 1.4 % 0.6 % 8.5 % 1.6 % 1.2 % 0.4 % 0.1 % 0.3 % 0.1 % 0.7 %	9,001 (7,836) 6,832 (1,453) 2,225 5,000 95,000
Commission Cashing Bonus Special Handling Incentives Gaming Costs: Gaming Contract (IGT) Retailer Administrative and Gaming Fees Scratchers Ticket, Delivery, and Support Costs TOTAL, RETAILER & GAMING COSTS Operating Costs: Personal Services Marketing Budget Plan Contractual Services Depreciation Operating Expense Reserve for Insurable Risk Administrative Spending Reserve Subtotal, Operating Costs	\$133,951 97,836 28,530 12,985 \$26,669 0 \$299,971	5.8 % 0.6 % 0.3 % 0.1 % 1.4 % 0.6 % 8.6 % 1.5 % 1.1 % 0.3 % 0.1 % 0.3 % 0.0 % 0.0 % 3.3 %	\$142,952 90,000 \$1,532 4,000 \$126,625 \$(22,717) \$3,372 \$774,259 \$142,952 90,000 35,362 11,532 28,894 5,000 95,000 \$408,741	5.8 % 0.6 % 0.3 % 0.0 % 1.4 % 0.6 % 8.5 % 1.6 % 0.4 % 0.1 % 0.3 % 0.1 % 0.7 % 4.5 %	9,001 (7,836) 6,832 (1,453) 2,225 5,000 \$108,770
Commission Cashing Bonus Special Handling Incentives Gaming Costs: Gaming Contract (IGT) Retailer Administrative and Gaming Fees Scratchers Ticket, Delivery, and Support Costs TOTAL, RETAILER & GAMING COSTS Operating Costs: Personal Services Marketing Budget Plan Contractual Services Depreciation Operating Expense Reserve for Insurable Risk Administrative Spending Reserve Subtotal, Operating Costs TOTAL, ADMINISTRATIVE EXPENSES	\$55,217 31,389 4,950 125,252 (21,752) 57,890 \$778,775 \$133,951 97,836 28,530 12,985 26,669 0	5.8 % 0.6 % 0.3 % 0.1 % 1.4 % 0.6 % 8.6 % 1.5 % 1.1 % 0.3 % 0.1 % 0.3 % 0.0 % 0.0 %	\$142,952 90,000 \$1,532 4,000 126,625 (22,717) 53,372 \$774,259 \$142,952 90,000 35,362 11,532 28,894 5,000 95,000 \$408,741 \$1,183,000	5.8 % 0.6 % 0.3 % 0.0 % 1.4 % 0.6 % 8.5 % 1.6 % 1.2 % 0.4 % 0.1 % 0.3 % 0.1 % 0.7 %	9,001 (7,836) 6,832 (1,453) 2,225 5,000 95,000
Commission Cashing Bonus Special Handling Incentives Gaming Costs: Gaming Contract (IGT) Retailer Administrative and Gaming Fees Scratchers Ticket, Delivery, and Support Costs TOTAL, RETAILER & GAMING COSTS Operating Costs: Personal Services Marketing Budget Plan Contractual Services Depreciation Operating Expense Reserve for Insurable Risk Administrative Spending Reserve Subtotal, Operating Costs TOTAL, ADMINISTRATIVE EXPENSES CONTRIBUTION TO EDUCATION	\$133,951 97,836 28,530 12,985 \$130,951 97,836 28,530 12,985 26,669 0 0 \$299,971 \$1,078,745	5.8 % 0.6 % 0.3 % 0.1 % 1.4 % 0.6 % 8.6 % 1.5 % 1.1 % 0.3 % 0.1 % 0.3 % 0.0 % 0.0 % 3.3 %	\$1,500 \$1,522 \$1,523 \$1,000 \$126,625 \$22,717) \$3,372 \$774,259 \$142,952 90,000 35,362 11,532 28,894 5,000 95,000 \$408,741 \$1,183,000 \$1,890,466	5.8 % 0.6 % 0.3 % 0.0 % 1.4 % 0.6 % 8.5 % 1.6 % 0.4 % 0.1 % 0.3 % 0.1 % 0.7 % 4.5 %	9.001 (7,836) 6,832 (1,453) 2,225 5,000 95,000 \$108,770 \$104,255 (\$74,397)
Commission Cashing Bonus Special Handling Incentives Gaming Costs: Gaming Contract (IGT) Retailer Administrative and Gaming Fees Scratchers Ticket, Delivery, and Support Costs TOTAL, RETAILER & GAMING COSTS Operating Costs: Personal Services Marketing Budget Plan Contractual Services Depreciation Operating Expense Reserve for Insurable Risk Administrative Spending Reserve Subtotal, Operating Costs TOTAL, ADMINISTRATIVE EXPENSES CONTRIBUTION TO EDUCATION Unclaimed Prizes	\$55,217 \$1,389 4,950 125,252 (21,752) 57,890 \$778,775 \$133,951 97,836 28,530 12,985 26,669 0 0 \$299,971 \$1,078,745 \$1,964,863 46,644	5.8 % 0.6 % 0.3 % 0.1 % 1.4 % 0.6 % 8.6 % 1.5 % 1.1 % 0.3 % 0.1 % 0.3 % 0.0 % 0.0 % 3.3 %	\$1,55,657 \$1,523 \$4,000 \$126,625 \$(22,717) \$53,372 \$774,259 \$142,952 \$90,000 \$5,362 \$11,532 \$28,894 \$5,000 \$5,000 \$408,741 \$1,183,000 \$1,890,466 \$35,000	5.8 % 0.6 % 0.3 % 0.0 % 1.4 % 0.6 % 8.5 % 1.6 % 0.4 % 0.1 % 0.3 % 0.1 % 0.7 % 4.5 %	9,001 (7,836) 6,832 (1,453) 2,225 5,000 \$108,770 \$104,255 (\$74,397) (11,644)
Commission Cashing Bonus Special Handling Incentives Gaming Costs: Gaming Contract (IGT) Retailer Administrative and Gaming Fees Scratchers Ticket, Delivery, and Support Costs TOTAL, RETAILER & GAMING COSTS Operating Costs: Personal Services Marketing Budget Plan Contractual Services Depreciation Operating Expense Reserve for Insurable Risk Administrative Spending Reserve Subtotal, Operating Costs TOTAL, ADMINISTRATIVE EXPENSES CONTRIBUTION TO EDUCATION Unclaimed Prizes Interest Income	\$133,951 97,836 28,530 12,985 \$133,951 97,836 28,530 12,985 26,669 0 \$1378,745 \$1,078,745	5.8 % 0.6 % 0.3 % 0.1 % 1.4 % 0.6 % 8.6 % 1.5 % 1.1 % 0.3 % 0.1 % 0.3 % 0.0 % 0.0 % 3.3 %	\$142,952 90,000 \$1,523 \$4,000 \$126,625 \$(22,717) \$3,372 \$774,259 \$142,952 90,000 35,362 \$11,532 28,894 \$000 \$5,000 \$408,741 \$1,183,000 \$1,890,466 35,000 \$0,000	5.8 % 0.6 % 0.3 % 0.0 % 1.4 % 0.6 % 8.5 % 1.6 % 0.4 % 0.1 % 0.3 % 0.1 % 0.7 % 4.5 %	440 134 (950) 1,373 (965) (4,518) (\$4,515) 9,001 (7,836) 6,832 (1,453) 2,225 5,000 95,000 \$108,770 \$104,255 (\$74,397) (11,644) 7,760
Commission Cashing Bonus Special Handling Incentives Gaming Costs: Gaming Contract (IGT) Retailer Administrative and Gaming Fees Scratchers Ticket, Delivery, and Support Costs TOTAL, RETAILER & GAMING COSTS Operating Costs: Personal Services Marketing Budget Plan Contractual Services Depreciation Operating Expense Reserve for Insurable Risk Administrative Spending Reserve Subtotal, Operating Costs TOTAL, ADMINISTRATIVE EXPENSES CONTRIBUTION TO EDUCATION Unclaimed Prizes Interest Income TOTAL AVAILABLE FOR EDUCATION	\$55,217 \$1,389 4,950 125,252 (21,752) 57,890 \$778,775 \$133,951 97,836 28,530 12,985 26,669 0 0 \$299,971 \$1,078,745 \$1,964,863 46,644	5.8 % 0.6 % 0.3 % 0.1 % 1.4 % 0.6 % 8.6 % 1.5 % 1.1 % 0.3 % 0.1 % 0.3 % 0.0 % 0.0 % 3.3 %	\$1,55,657 \$1,523 \$4,000 \$126,625 \$(22,717) \$53,372 \$774,259 \$142,952 \$90,000 \$5,362 \$11,532 \$28,894 \$5,000 \$5,000 \$408,741 \$1,183,000 \$1,890,466 \$35,000	5.8 % 0.6 % 0.3 % 0.0 % 1.4 % 0.6 % 8.5 % 1.6 % 0.4 % 0.1 % 0.3 % 0.1 % 0.7 % 4.5 %	9,001 (7,836) 6,832 (1,453) 2,225 5,000 \$108,770 \$104,255 (\$74,397) (11,644)
Commission Cashing Bonus Special Handling Incentives Gaming Costs: Gaming Contract (IGT) Retailer Administrative and Gaming Fees Scratchers Ticket, Delivery, and Support Costs TOTAL, RETAILER & GAMING COSTS Operating Costs: Personal Services Marketing Budget Plan Contractual Services Depreciation Operating Expense Reserve for Insurable Risk Administrative Spending Reserve Subtotal, Operating Costs TOTAL, ADMINISTRATIVE EXPENSES CONTRIBUTION TO EDUCATION Unclaimed Prizes Interest Income	\$133,951 97,836 28,530 12,985 \$133,951 97,836 28,530 12,985 26,669 0 \$1378,745 \$1,078,745	5.8 % 0.6 % 0.3 % 0.1 % 1.4 % 0.6 % 8.6 % 1.5 % 1.1 % 0.3 % 0.1 % 0.3 % 0.0 % 0.0 % 3.3 %	\$142,952 90,000 \$1,523 \$4,000 \$126,625 \$(22,717) \$3,372 \$774,259 \$142,952 90,000 35,362 \$11,532 28,894 \$000 \$5,000 \$408,741 \$1,183,000 \$1,890,466 35,000 \$0,000	5.8 % 0.6 % 0.3 % 0.0 % 1.4 % 0.6 % 8.5 % 1.6 % 0.4 % 0.1 % 0.3 % 0.1 % 0.7 % 4.5 %	9,001 (7,836) 6,832 (1,453) 2,225 5,000 \$108,770 \$104,255 (\$74,397) (11,644) 7,760

Proposed Fiscal Year 2025-26 Budget

*Dollars in thousands; numbers may not add due to rounding.



Sales

	FY 2024-25		FY 2025-26		
	Year-End	% of	Proposed	% of	
	Estimate	Sales	Budget	Sales	Difference
SALES:					
Scratchers	\$6,908,444	76.5 %	\$6,820,000	74.9 %	(\$88,444)
Powerball	434,489	4.8 %	530,000	5.8 %	95,511
Mega Millions	603,114	6.7 %	650,000	7.1 %	46,886
SuperLotto Plus	236,700	2.6 %	240,000	2.6 %	3,300
Hot Spot	421,026	4.7 %	440,000	4.8 %	18,974
Fantasy 5	173,757	1.9 %	171,000	1.9 %	(2,757)
Daily 3	177,843	2.0 %	176,500	1.9 %	(1,343)
Daily 4	35,861	0.4 %	35,500	0.4 %	(361)
Daily Derby	36,474	0.4 %	37,000	0.4 %	526
TOTAL, ESTIMATED SALES	\$9,027,707	_	\$9,100,000	_	\$72,293



^{*}Dollars in thousands; numbers may not add due to rounding.

Prize Expense

	FY 2024-25 Year-End Estimate	Prize Payout %	FY 2025-26 Proposed Budget	Prize Payout %	Difference
PRIZE EXPENSE:					
Scratchers	\$4,946,446	71.6 %	\$4,883,120	71.6 %	(\$63,326)
Powerball	213,292	49.1 %	265,000	50.0 %	51,708
Mega Millions	299,491	49.7 %	325,000	50.0 %	25,509
SuperLotto Plus	99,572	42.1 %	120,000	50.0 %	20,428
Hot Spot	270,712	64.3 %	279,620	63.6 %	8,908
Daily Games	211,099	49.8 %	209,468	49.9 %	(1,631)
2nd Chance	9,100		9,100		0
Prize Expense Savings	(65,613)		(64,773)		840
TOTAL, PRIZE EXPENSE	\$5,984,098	66.3 %	\$6,026,534	66.2 %	\$42,436
NET SALES AFTER PRIZE EXPENSE	\$3,043,608		\$3,073,466		\$29,857



^{*}Dollars in thousands; numbers may not add due to rounding.

Administrative Expense - Retailer and Gaming Costs

ADMINISTRATIVE EXPENSES:	FY 2024-25 Year-End Estimate	% of Sales	FY 2025-26 Proposed Budget	% of Sales	Difference
Retailer Compensation:					
Commission	\$525,829	5.8 %	\$525,800	5.8 %	(29)
Cashing Bonus	55,217	0.6 %	55,657	0.6 %	440
Special Handling	31,389	0.3 %	31,523	0.3 %	134
Incentives	4,950	0.1 %	4,000	0.0 %	(950)
Subtotal, Retailer Compensation	\$617,384		\$616,979	·	(\$405)
Gaming Costs:					
Gaming Contract (IGT)	125,252	1.4 %	126,625	1.4 %	1,373
Retailer Administrative and Gaming Fees	(21,752)		(22,717)		(965)
Scratchers Ticket, Delivery, and Support Costs	57,890	0.6 %	53,372	0.6 %	(4,518)
Subtotal, Gaming Costs	\$161,390		\$157,280	_	(\$4,110)
TOTAL, RETAILER & GAMING COSTS		8.6 %	\$774,259	8.5 %	(\$4,515)



^{*}Dollars in thousands; numbers may not add due to rounding.

Administrative Expense - Operating Costs

	FY 2024-25 Year-End Estimate	% of Sales	FY 2025-26 Proposed Budget	% of Sales	Difference
Operating Costs:					
Personal Services	\$133,951	1.5 %	\$142,952	1.6 %	\$9,001
Marketing Budget Plan	97,836	1.1 %	90,000	1.2 %	(7,836)
Contractual Services	28,530	0.3 %	35,362	0.4 %	6,832
Depreciation	12,985	0.1 %	11,532	0.1 %	(1,453)
Operating Expense	26,669	0.3 %	28,894	0.3 %	2,225
Reserve for Insurable Risk	0	0.0 %	5,000	0.1 %	5,000
Administrative Spending Reserve	0	0.0 %	95,000	0.7 %	95,000
Subtotal, Operating Costs	\$299,971	3.3 %	\$408,741	4.5 %	\$108,770
TOTAL, ADMINISTRATIVE EXPENSES	*************************************	11.9 %	\$1,183,000	13.0 %	\$104,255



^{*}Dollars in thousands; numbers may not add due to rounding.

Distribution of Administrative Expenses Fiscal Year 2025-26

Operating Costs 20.2%

Marketing Plan 8.3%

Game Operations 14.5%

Retailer Compensation 57.0%

*All assume both reserves remain unspent

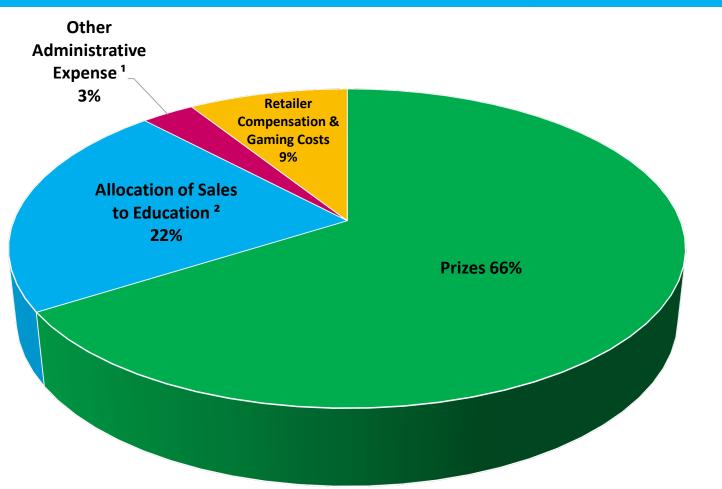
Contribution to Education

	FY 2024-25 Year-End Estimate	FY 2025-26 Proposed Budget	Difference
CONTRIBUTION TO EDUCATION	\$1,964,863	\$1,890,466	(\$74,397)
Unclaimed Prizes	46,644	35,000	(11,644)
Interest Income	42,240	50,000	7,760
TOTAL AVAILABLE FOR EDUCATION	\$2,053,746	\$1,975,466	(\$78,281)
TOTAL CONTRIBUTION TO EDUCATION WITH RESERVES	\$2,053,746	\$2,075,466	\$21,719



^{*}Dollars in thousands; numbers may not add due to rounding.

Breakout of Lottery Sales Revenue



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

AB 142 5-Year Average Provision

Fiscal Y	ear	Net Revenues Allocated to Public Education 1/	Previous 5-Yr Average Net Revenues	Amount Over (Under) Requirement
2010-11	2/	\$1,100,817		
2011-12		\$1,298,249		
2012-13		\$1,260,789		
2013-14		\$1,326,652		
2014-15		\$1,363,242		
2015-16	3/	\$1,559,669	\$1,269,950	\$289,719
2016-17		\$1,494,178	\$1,361,720	\$132,458
2017-18		\$1,656,055	\$1,400,906	\$255,149
2018-19		\$1,809,721	\$1,479,959	\$329,762
2019-20		\$1,425,155	\$1,576,573	(\$151,418)
2020-21		\$1,857,731	\$1,588,956	\$268,775
2021-22		\$2,015,049	\$1,648,568	\$366,481
2022-23		\$2,231,054	\$1,752,742	\$478,312
2023-24		\$2,158,169	\$1,867,742	\$290,427
2024-25	4/	\$1,964,863	\$1,937,432	\$27,431
2025-26	5/	\$1,990,466	\$2,045,373	(\$54,908)
*Dollars shov	vn in th	ousands		

Gov't Code Sec. 8880.4.5(d): ...in subsequent fiscal years, to ensure continued growth in lottery net revenues allocated to public education, the commission, when setting the percentage [of the total annual revenues to be allocated to the benefit of public education], shall ensure that net revenues allocated to public schools are at least as much as were allocated on average in the prior five fiscal years...

- 1/ Prior to interest, other income, and unclaimed prizes.
- 2/ 2010-11 was the first full fiscal year after AB 142 enactment (Ch 13, Stats of 2010 signed April 8, 2010).
- 3/ 2015-16 was the first full fiscal year following the five-year "test period."
- 4/ Estimated contribution to education to be presented to Commission on May 13, 2025.
- 5/ As reflected in the FY 2025-26 budget to be presented for Commission approval on May 13, 2025.

Sales and Contributions to Education

Sales and Contributions to Education Pre- and Post-AB 142 Implementation (dollars in billions)

