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Debbs Potts Oregon State Lottery Commission Building

500 Airport Road SE
Salem, OR 97301

**OREGON STATE LOTTERY COMMISSION MEETING
April 26, 2024**

Lottery Commission: MardiLyn Saathoff, chair
Maulin Patel
Marty Ramirez
Jeff Weller
Julie Wilcox

Director: Mike Wells

Chair Saathoff called the April 26, 2024, Oregon State Lottery Commission meeting to order and stated for the record that the commissioners are attending today's meeting via a web meeting, Commissioner Patel is excused, and a quorum of commissioners is present.

Commissioners present at roll call: Commissioners Ramirez, Weller, Wilcox, and Chair Saathoff.

A. PUBLIC COMMENT

Chair Saathoff stated that members of the public had the opportunity to provide written public comment and confirmed with the clerk that no written public comments were received.

B. DIRECTOR'S REPORT

Presenter: Mike Wells, director

Powerball

Director Wells shared that on April 7, the \$1.3 billion Powerball jackpot ticket was sold in Portland, noting that this is the largest jackpot win for Oregon and the fourth largest Powerball jackpot in history. Lottery hosted a news conference at the location that sold the winning ticket, Plaid Pantry in NE Portland, and will be sharing more about the winner of the prize soon. In addition to the prize that will be paid to the winner, this Plaid Pantry location will receive a selling bonus of \$100,000.

Thanks to the increased sales from the run-up of the Powerball jackpot which began on Jan. 2, Lottery will transfer \$7.6 million back to the state and the state economist expects taxes collected on the win to influence the next kicker rebate.

Director Wells thanked all of the staff who have been supporting the activities related to this win, specifically Player Services and Finance and Accounting staff who worked through the prize payment details; the marketing team who supported several media events; and a special thank you to Melanie Mesaros, Matt Shelby and the communications team who handled all of the media inquiries, planned and led press events and lottery communications with the winner.

Lottery news

Lottery recently hosted a team from Washington Lottery to share best practices on topics such as merchandising, winner awareness and other retail strategies, including Washington's "Department of Imagination" store which opened in Spokane and serves as a retail store and a claim center. A group of Oregon Lottery staff is planning to head to Washington later in 2025 to visit the "Department of Imagination" and continue the conversation and collaboration.

Sales

Director Wells reported that staff will be providing a quarterly sales report later in the meeting.

Winners – Director Wells shared stories about the following winners:

- Leslie C. won \$1 million playing Raffle.
- Kelly W. of Bend won \$73,449.10 playing Keno.
- Karen C. of Portland won \$10,000 Win for Life.

C. MINUTES OF THE PREVIOUS MEETING, Exhibit 1

Presenter: MardiLyn Saathoff, chair

The Commission reviewed the March 27, 2024, Oregon State Lottery Commission meeting draft minutes, which were circulated in advance of the meeting. There were no recommended changes.

Chair Saathoff called for a motion.

Commissioner Wilcox moved that the minutes of the March 27, 2024, Oregon State Lottery Commission meeting be approved as final, as presented today. Commissioner Weller seconded the motion.

The motion passed by a 4-0 quorum vote, with Commissioners Ramirez, Weller, Wilcox, and Chair Saathoff voting aye.

D. FINANCIAL REPORT, Exhibit 2

Presenter: Monique Fawver, manager, financial reporting

Financial statements, March 2024

Fawver provided an overview of the financial statements and described expenses and variances in the operating statement, services and supplies supplemental schedule, balance sheet, capital outlay and the business modernization program budget.

- Chair Saathoff asked about the underspending in professional services and Fawver replied that there are several contributing factors, including contracting that is taking longer than anticipated and a shift in strategy and priorities.
- Commissioner Weller thanked the accounting team for the detailed information that is provided.

Chair Saathoff called for a motion.

Commissioner Weller moved that the Oregon State Lottery financial statements for the month ended March 31, 2024, be approved for the record as presented today.

Commissioner Wilcox seconded the motion.

The motion passed by a 4-0 quorum vote, with Commissioners Ramirez, Weller, Wilcox, and Chair Saathoff voting aye.

E. ALTERNATIVE DISCLOSURE REQUEST: BP PRODUCTS NORTH AMERICA, INC., Exhibit 3

Presenter: Mike Wells, director

Director Wells reminded the Commission that OAR 177-040-0001(4) authorizes an alternative disclosure process for large public companies, multi-state retail chains, or entities owned by a federally recognized tribe seeking traditional contracts with the Oregon Lottery. Director Wells reported that BP Products North America, Inc. meets the requirements laid out in the rule allowing the Commission to authorize an alternative disclosure process and is seeking approval to proceed with this process.

- Chair Saathoff noted that when the Commission adopted this rule, it was intended to remove barriers that kept some larger corporate entities from applying and asked if the rule has helped with these issues. Director Wells replied that it has helped and shared that one of the concerns for these larger corporate entities are the financial disclosures that are required for key individuals. This rule has streamlined the process while providing certainty that these are stable organizations that will be good business partners.

Chair Saathoff called for a motion.

Commissioner Ramirez moved that the Oregon State Lottery Commission approve the alternative disclosure process, waiving the personal disclosure requirements for BP Products North America, Inc., as presented today. Commissioner Wilcox seconded the motion.

The motion passed by a 4-0 quorum vote, with Commissioners Ramirez, Weller, Wilcox, and Chair Saathoff voting aye.

F. STAFF UPDATES

Presenters: Jen Bagger, supervisor, retail channel products; Sar Richards, manager, video gaming products; and Kerry Hemphill, sports betting products manager

Lottery products

Bagger provided a quarterly update on Scratch-its, Keno, and Jackpot games including:

- Scratch-it sales for the quarter were \$38.5 million, up 3.7 percent year-over-year. Year-to-date sales were \$121.5 million, up two percent year-over-year. Bagger noted that much of the state experienced a severe winter storm in January that extended over a 12-day period in some areas that resulted in widespread power outages, business closures and delivery delays impacting retailers. The estimated impact is \$760,000, which contributed to lower sales than forecasted.
 - The Sky High Crossword Scratch-it launched on March 19 and is the first \$20 crossword game. It is performing well and is on trend to be the best \$20 game of all time.
- Keno sales for the quarter were \$26.8 million, up 2.6 percent year-over-year. Year-to-date sales were \$80.7 million, down 1.5 percent year-over-year. The estimated impact of the January winter storm is approximately \$335,000 or 1.2 percent.
- Jackpot sales were up with higher jackpot levels contributing to the increase in sales and transfers. Quarterly sales were \$40.8 million, a year-over-year increase of 4.7 percent. Year-to-date sales were \$152.8 million, up 13.7 percent year-over-year. The estimated impact of the January winter storm is approximately \$345,000 or 1.9 percent.
 - Powerball sales for the quarter were up seven percent year-over-year.
 - Mega Millions sales for the quarter were down one percent year-over-year.
 - Oregon's Game Megabucks was up 11.9 percent year-over-year.
 - Bagger shared the top jackpots for each game.
 - Raffle sold out on March 8, five days early.

- Commissioner Wilcox shared that she is excited to see the media surrounding the Powerball winner and thanked the staff.
- Commissioner Weller shared that Oregon having this big win has been an experience for Lottery staff and added that staff has handled it well.

Video Lottery

Richards provided a quarterly update on Video Lottery, noting that sales were down 7.3 percent for the quarter, but only down .1 percent to forecast for the year-to-date which is attributed to new game launches and terminal replacements. Richards added that the winter storm in January negatively affected sales.

Richards reported that the fourth quarter should see an increase in sales due to tax season and the kicker. The Monopoly game was released this month and is seeing strong sales.

Sports betting

Hemphill shared that the third quarter saw solid year-over-year growth but experienced a small drop in volume compared to the previous quarter. This is expected due to football winding down at the end of February. There was a 29 percent increase in unique active players this quarter, which provided increases in all significant categories and is driving product growth. New registrations were primarily driven by NFL.

Year-over-year growth included:

- The number of bets placed was up 36 percent, about 7.8 million bets placed.
- The turnover was up 36 percent, with a total of over \$206 million.
- Gross Gaming Revenue was up 49 percent, with a total of \$25.4 million for the quarter.

Hemphill shared that the top sport this quarter was football (NFL), basketball (NBA), and table tennis. Super Bowl was the big event this quarter with over 62,000 players placing over 424,000 wagers.

The fourth quarter will offer major league baseball, basketball playoffs and finals and hockey playoffs and Stanley Cup finals.

- Commissioner Ramirez asked when Lottery expects to see registrations even out and Hemphill reported that Lottery originally anticipated that it would take three to five years to start cresting but reported that Lottery is tracking this and has not seen any signs of it slowing down.
- Commissioner Ramirez asked where new players are coming from geographically and Hemphill replied that while players can be from anywhere to register, they must be physically within Oregon to place a wager.
- Chair Saathoff asked if revenues from sports betting are exceeding traditional products and Hemphill is unsure and will provide this information to the Commission after she has a chance to gather the information.
 - *Note: After the meeting, the Commission was informed that the sports betting total revenue is exceeding total revenue of traditional products, but due to the sports betting product being a much higher payout game, net revenues for sports betting are less than traditional products.*

G. COMMISSIONER COMMUNICATIONS AND OTHER BUSINESS

No other business was shared.

Chair Saathoff stated that the next monthly commission meeting and work session is scheduled on May 31, 2024, and adjourned the meeting.

The Oregon State Lottery Commission approved these minutes on May 31, 2024.

Alisa Zavala, Senior Executive Assistant
Lottery Director's Office

Approved by:

Commissioner MardiLyn Saathoff, Chair
Oregon State Lottery Commission

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OSL Commission meeting exhibits are available for one year on the [Oregon Lottery's website](#).