

Illinois Lottery Specialty Ticket Task Force Meeting Minutes

Thursday, October 31, 2024, 11:00am CDT

555 W. Monroe St., Chicago, IL 60661

VIA WEBEX AND IN PERSON MEETING ATTENDANCE

Task Force Members:

- Harold Mays, Member, in person
- Diana Sheehan, Member, (n/a)
- Sara Barnett, Member, in person
- Sen. Mattie Hunter, Co-Chair, in person
- Sen. Bill Cunningham, Member, via Webex
- Sen. Donald DeWitte, Member, (n/a)
- Sen. Sally Turner, Member, via Webex
- Rep. Dan Swanson, Member, via Webex
- Rep. Eva-Dina Delgado, Co-Chair, via Webex
- Rep. Elizabeth 'Lisa' Hernandez, Member, via Webex
- Rep. Norine Hammond, Member, via Webex

Lottery Staff:

- Scott Gillard, Chief of Staff, in person
- Meghan Powers, Communications Director, in person
- Amber Chappell, Chief Financial Officer, in person
- Mason McDaniel, Legislative Liaison, via Webex
- Nora Iniguez, Lottery Secretary, in person
- Cornell Wilson, General Counsel, via Webex

Allwyn-North America Staff:

- Lorell Lynch-Public Affairs Director, in person

Other Attendees:

- n/a

CALL TO ORDER/ROLL CALL

Task Force Member Harold Mays, welcomes everyone that is in attendance both in person and via Webex. The meeting is called to order at 11:20am, roll was taken, with two members absent. Quorum was achieved but not required. Members and Lottery/Allwyn staff in attendance introduced themselves.

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PUBLIC COMMENT

No public comment.

OLD BUSINESS

Being the first of four meetings, no minutes were approved at this meeting.

Legislative Overview – Director Mays

Background on the New Joint Specialty Ticket

- The passage of [SB1508](#), in July 2023, created a single joint specialty scratch-off ticket for the Illinois Lottery for use until 12/31/2026 unless extended in legislation.
- Purpose was to install guard rails, consolidate the existing program by launching one ticket all causes would share while expanding the portfolio of causes to include UNCF and the DREAM fund and capping the total at 10. Any new causes added in the future would be part of the joint ticket program and have a sunset date.
- The Department launched “\$200,000 BINGO TRIPLER” on January 2, 2024. The \$5 BINGO game remains in market year-round and the proceeds of the game support the following causes: Ticket for the Cure; Veterans; Quality of Life; Multiple Sclerosis; Special Olympics; State Police; Homelessness Prevention; Alzheimer’s Awareness; United Negro College Fund (UNCF); and DREAM. It is a higher priced ticket that offers much larger prizes and greater appeal to players.
- Starting July 1, 2024 (Fiscal Year 2025), the proceeds of joint special instant scratch-off game “\$200,000 BINGO TRIPLER” were split equally amongst all 10 causes until the cause sunsets in the Lottery Law or the joint ticket sunsets. There will be no additional single cause tickets launched.

Goals of the Task Force

- The Task Force was created to study aspects of the new joint ticket and make recommendations to the Governor and General Assembly via a report that is due by January 1, 2025. The Task Force is required to meet a minimum of 4 times.
- The report should include the task force’s findings and recommendations on:
 - 1) maximizing revenue for the State and special causes;
 - 2) whether to expand the program to additional causes;
 - 3) establishing criteria for special causes;
 - 4) impact on revenue of the joint specialty ticket;
 - 5) other issues related to joint specialty ticket

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Questions and Comments:

Task Force Member Sen. Mattie Hunter, provides background on the program and scratch-off tickets. Hunter explained how constituents approached her over efforts to raise money for breast cancer. Illinois became first state to create a cause driven Lottery ticket.

Task Force Member Rep. Swanson, asks when can new causes be introduced? Veteran’s proceeds are down, he’s disappointed in these revenues. Harold Mays responded that only 2 of the 10 causes in the program have sunset dates and those sunsets can be extended through the legislative process. We are at our max until those 2 causes expire in 2025 and 2026.

Task Force Member Rep. Hammond, asks for sunset clarification? Harold Mays notes the joint scratch-off program shall be discontinued on January 1, 2027, unless extended through legislation and the recommendation of the task force.

Task Force Member Sen. Cunningham, asks about compared revenues, Sen. Turner was also curious about revenues comparatively. Harold Mays replied, sales info to be addressed later in the presentation.

Finance Update – Amber Chappell

- During FY24, the Bingo Tripler game was utilized for the joint ticket starting in the second of the year. Existing cause tickets were launched in accordance with their previous schedule prior to H2 FY24 and were added to the joint ticket as shown. As of July 2024 all causes are funded by the joint ticket.

| Cause | Fund | Start Date | Fiscal Year | Fiscal Year Quarter | Joint Ticket # of Causes |
|-------------------------|------|------------|-------------|---------------------|--------------------------|
| Special Olympics | 0073 | 1/1/2024 | FY24 | 3rd | 4 |
| Multiple Sclerosis | 0429 | 1/1/2024 | FY24 | 3rd | 4 |
| UNCF | 0486 | 1/1/2024 | FY24 | 3rd | 4 |
| DREAM | 0487 | 1/1/2024 | FY24 | 3rd | 4 |
| State Police | 0335 | 4/1/2024 | FY24 | 4th | 7 |
| Quality of Life | 0437 | 4/1/2024 | FY24 | 4th | 7 |
| Homelessness Prevention | 0889 | 4/1/2024 | FY24 | 4th | 7 |
| Alzheimer’s Awareness | 0020 | 7/1/2024 | FY25 | 1st | 10 |
| Ticket for the Cure | 0208 | 7/1/2024 | FY25 | 1st | 10 |
| Veterans | 0236 | 7/1/2024 | FY25 | 1st | 10 |

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- Below includes the average yearly proceeds generated by cause over the past 5 years. As of FY25, all causes are being funded by the Joint Ticket and have received approximately \$232 thousand each during the 1st quarter.

| Cause | Effective Date | End Date | Avg Yearly Proceeds* FY20 thru FY24 | Previous Launch Month |
|-------------------------|----------------|------------|--|--------------------------|
| Veterans | 1/1/2006 | N/A | \$ 1,347,332 | November |
| Ticket for the Cure | 1/1/2006 | 12/31/2026 | \$ 648,727 | October |
| Quality of Life | 7/1/2007 | 12/31/2025 | \$ 959,612 | June |
| Multiple Sclerosis | 7/1/2008 | N/A | \$ 1,092,407 | March |
| Special Olympics | 7/1/2014 | N/A | \$ 1,181,142 | February |
| State Police | 1/1/2019 | N/A | \$ 1,155,879 | May |
| Homelessness Prevention | 7/1/2019 | N/A | \$ 1,291,715 | June |
| Alzheimer's Awareness | 1/1/2020 | N/A | \$ 1,117,298 | September |
| UNCF | 1/1/2024 | N/A | \$ 780,834 | N/A |
| DREAM | 1/1/2024 | N/A | \$ 780,834 | N/A |

*Average proceeds FY20 thru FY24 for all causes except Alzheimer's, UNCF, and DREAM. Alzheimer's is a 4-year average. UNCF and DREAM is 1-year of proceeds.

Questions and Comments:

Task Force Member Sara Barnett, asks where there is ample data about performance yet. Amber Chappell said previous individual tickets were a different price point and different launch months, seasonality also impacted sales for each cause. We only have 1 quarter of sales for the joint ticket with all 10 causes on it to assess performance so far. Harold Mays provided additional clarification on revenues.

Task Force Member Sen. Cunningham, asks for clarification on revenues. Harold Mays explains the data included is the five-year yearly average revenue per cause. Each cause was provided ~\$230k in the first quarter of FY25 from the joint ticket which would net close to \$1 million/cause by the end of the year, which is very similar to the total proceeds generated by the program in FY24 and more than generated in FY23. However, the new proceeds for each cause varies compared to their 5-year average, with some causes receiving more and some receiving less than before based on the even distribution of proceeds. The addition of two new causes in FY24 has also impacted the distribution. As a whole program, the joint ticket is keeping up with past performance thus far.

Task Force Member Rep. Dan Swanson, states he is surprised by lower revenues to Veteran's, ~\$419k loss, disappointed in this.

Advertising & Marketing – Lorell Lynch

- Lorell explained the “always-on” approach explained to members. The ticket is now sold and marketed throughout the year. Lorell explained how toolkits are distributed that causes can use to promote. Causes can experience an uplift during their cause month. We engage with each cause to maximize profits through media partnerships spotlighting various grantees, digital print/radio to highlight causes daily along with key events in communities. This ensures exposure for each individual cause.

Questions and Comments:

Task Force Member Sara Barnett, how active is each cause in promoting/advertising? Lorell Lynch answered some are more active than others, all get a toolkit but only 3-4 utilize the assets in the toolkit.

Task Force Member Rep. Hammond, asks what is the incentive to use the toolkit if each cause receives the same revenue at the end of the day? Lorell Lynch said that more revenue brought in will benefit the causes overall. Harold Mays said each cause has different reasons for accessing the toolkit; the Department wants to ensure the causes are provided materials that support the ticket and drive sales, can increase awareness dramatically.

Next Steps – Director Harold Mays, four meetings, report due date.

Task Force Member Sen. Hunter, explains the task force can submit a preliminary report by January 1, 2025 and explain our late start to the GA. Task Force Member Sen. Cunningham noted that a prelim report would be sufficient. The deadline was established to allow the GA to submit legislation if required. Members concurred with this statement and agreed to a preliminary report.

Task Force Member Harold Mays, provided further context on timing; If changes to the program are required as a result of this work, legislation would need to be passed no later than the end of FY26 to give the Department time to implement the change prior to the expiration of the joint ticket program. The room agrees that waiting for additional financial data would be helpful in making any determinations. Using FY25 as the window of analysis and review of performance.

*****Task Force members agreed on Preliminary Report by January, final report by end of FY25*****

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Task Force Member Sen. Cunningham, wants full picture of revenue, the task force would benefit from waiting for a more wholesome picture of revenue, deadline could be extended if necessary.

Task Force Member Rep. Delgado, need to maintain urgency - keep foot on the gas!

Closing Remarks – Harold Mays

The next task force meeting scheduled for November 18, 10:00am – 11:00am, Webex.
Goal for meeting two...nail down what will be included in the preliminary report.

ADJORNMENT

With all business concluded, motion to adjourn at 12:10pm. **Motion approved, meeting one complete.**

Respectfully submitted by,

Mason McDaniel, Legislative Liaison