

Illinois Lottery Special Instant Scratch-Off Task Force Meeting 4 | Minutes

Monday, February 10, 2025, 11:00am CDT

Meeting Held via Webex

Task Force Members:

- Dir. Harold Mays, Member, via Webex
- Diana Sheehan, Member, via Webex
- Sara Barnett, Member, via Webex
- Sen. Mattie Hunter, Co-Chair, via Webex
- Sen. Bill Cunningham, Member, via Webex
- Sen. Donald DeWitte, Member (absent)
- Sen. Sally Turner, Member, via Webex (Renee Martin, COS)
- Rep. Dan Swanson, Member, via Webex
- Rep. Eva-Dina Delgado, Co-Chair
- Rep. Elizabeth 'Lisa' Hernandez, Member
- Rep. Norine Hammond, Member, via Webex

Lottery Staff:

- Scott Gillard, Chief of Staff, via Webex
- Amber Chappell, Chief Financial Officer, via Webex
- Mason McDaniel, Legislative Liaison, via Webex
- Cornell Wilson, General Counsel, via Webex

Allwyn North America Staff:

- Lorell Lynch-Director Public Affairs Community Outreach and Events, via Webex

Other Attendees:

- Kathy Gilroy, member of public, via Webex
- Dave Olsen, Alzheimer's Association, via Webex

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CALL TO ORDER/ROLL CALL

Task Force Member Dir. Mays, welcomes everyone that is in attendance. The meeting is called to order at 11:05am, roll was taken, quorum was achieved but not required. Members and Lottery/Allwyn staff in attendance introduced themselves.

PUBLIC COMMENT

Dave Olsen, President - Alzheimer's Association, Illinois Chapter

"The Alzheimer's Association appreciates our relationship with the Lottery and the specialty ticket. While somewhat concerned with revenues as a non-profit, we are happy about recent revenue reports. We hope we will continue seeing increases and that funding continues to be stable. We do appreciate the continued efforts of the task force and Lottery staff to ensure meeting the needs of all important causes".

OLD BUSINESS

Approval of Minutes

Task Force Member Dir. Mays seeks to approve minutes from Meeting #4, members concur, previous minutes approved.

NEW BUSINESS

Goal of Meeting 4 | Discuss/Review the Presentation – Task Force Member Harold Mays

Task Force Member Dir. Mays, provided a quick program status update and performance update. **Lottery CFO, Amber Chappell**, provided financial background and details, explained total proceeds since program inception and noted when each cause was added to the joint ticket.

Task Force Member Sen. Hunter asks, are the State Police a recipient? **Task Force Member Dir. Mays to clarify**, yes it's three parts. **Lorell Lynch, Allwyn adds**, the three are CPD, State Police, Illinois Police Committee Fund (on board since 2019).

Task Force Member Dir. Mays, sharing with you all a high-level timeline of today and where we hope to be in FY26. We do have several things to discuss going forward including scheduling monthly meetings to continue task force efforts to establish our approach in the future. Per the legislation, there are several factors to be considered/discussed. Such as, program size and program administration (cause selection and sunsets). The current law caps the program at 10, two tickets will expire soon, and any new causes must have sunset dates.

Task Force Member Dir. Mays asks, should any cause have permanent funding? The program now carries eight causes without sunset dates, Breast Cancer, and Quality of Life (HIV) will sunset.

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Task Force Member Dir. Mays, provides additional clarity to members regarding which causes will sunset and which do not.

Task Force Member, Rep. Delgado replies, so the options are, we have the two open spots as revolving to create opportunities for new causes, possibly have causes apply. Or rotating all causes off? **Task Force Member Dir. Mays**, yes - those are the options.

Task Force Member Sen. Hunter adds, she prefers to not roll off the highest revenue generators.

Task Force Member Dir. Mays replies, everyone now makes the same amount, variances don't exist like they did in the past, everyone is getting about the same in FY25.

Task Force Member Rep. Swanson asks, we have eight causes that are permanent, can we clarify what does permanent mean? **Task Force Member Dir. Mays responds**, for us, permanent means no sunset, so it would maintain forever.

Task Force Member Rep. Hammond, back to Sen. Hunter's question, I think we can look at sales and performance to clearly identify the highest performers, is that correct, Harold? **Task Force Member Dir. Mays replies**, all causes receive equal shares so there are no advantages at this point. **Task Force Member Dir. Mays**, referenced previous PowerPoint slides to further answer Task Force Member Hammond's question. **Task Force Member Rep. Delgado observes**, all causes seem to be close. **Task Force Member Rep. Swanson asks**, for clarification, are these over 12 months? **Task Force Member Dir. Mays**, yes that's correct, added additional context regarding the DREAM and UNCF averages included in the chart.

Task Force Member Rep. Hernandez, wanted to make two points, the two new tickets, DREAM and UNCF, not necessarily a reason for inactivity. Unless we know who is buying tickets for what cause, it's hard to tell if it's increasing the level of purchase. Other question, would it require legislation should we want to revolve a cause or make them not permanent? **Task Force Member Dir. Mays replies**, yes it would.

Task Force Member Sen. Cunningham adds, we should take into consideration, the General Assembly at the time these programs were created. GA gave eight causes no sunsets. This indicates the GA did so with expectations they remain permanent, others have sunsets. Without debating which are most valuable, we should maintain those current sunsets. I recommend that we focus on the two expiring causes and create revolving spots. This would be most fair due to the legal structure in place. We might wrestle with determining the best process of handling new causes. Another potential solution would be to create a committee that vets and takes recommendations, not an easy process either, or allow the Lottery to do this internally and make recommendations to the GA, this could be less chaotic. **Task Force Member Dir. Mays adds**, your point takes us into the next slide; we are seeing this now and expect a few more new specialty tickets to be introduced this year. If we could table this topic momentarily and dive into the administrative aspects of the program.

Task Force Member Dir. Mays asks members, is everyone ok with what was explained regarding current sunsets, and the '8 permanent and 2 floaters' concept and recommendation? **Task Force Member Hernandez asks**, for those causes that will sunset, has there been discussions to allow them to be part of another round or does being in the program once omit you from trying again? **Task Force Member Dir. Mays replies**, there is nothing in place restricting sunset causes from

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submitting new legislation to extend their sunset, they would be treated like any other new cause trying to enter the program.

Task Force Member Rep. Hammond asks, without creating additional work, it would be interesting to consider, if we move forward, what are the other sources of funding that these causes have? If a new cause wants into the program, but they receive significant funding from other areas, would it be better allocated to another cause? **Task Force Member Sen. Hunter**, I believe Ticket for the Cure is a very popular ticket, all of these causes are important, or it would not have passed. Not in support of capping at 10, knowing there are other charities that are waiting. **Task Force Member Dir. Mays adds**, you led us into a great point which is program size, it made sense to have guardrails around the program. Ten was a good number for the Department to right-size the program with the funding source utilized and from an administration standpoint. The Department believes 10 is the right number but wants feedback from the task force.

Task Force Member Rep. Delgado adds, there will always be a deserving cause. I like the idea of Cunningham's idea, focusing on the two spots with sunsets, consider having an administrative process/program to vet two new causes.

Task Force Member Rep. Swanson asks, are there any guardrails or parameters where the money stays in Illinois? Is money going out of state? How much does each cause stay in Illinois? Is there a way to determine this? **Task Force Member Dir. Mays replies**, yes but would like to investigate that before fully responding, we will confirm for all the causes. **Task Force Member Rep. Hernandez shares**, yes for DREAM fund. The money is designated for Illinois students. **Task Force Member Sen. Hunter adds**, same with Ticket for the Cure. Money goes to various Illinois based hospitals and local not-for-profits. UNCF also requires the money to be utilized in Illinois. **Task Force Member Dir. Mays clarifies**, there is no general mandate restricting the use of proceeds for IL specific initiatives but it's something we can include just to be certain money is staying in Illinois.

Task Force Member Dir. Mays asks members, is 10 still a good number? **Task Force Member Sen. Hunter**, believes it should be 12. **Task Force Member Rep. Delgado**, any other thoughts, members? **Task Force Member Rep. Swanson adds**, I'm agreeable for growth. **Task Force Member Sen. Cunningham clarifies**, so make the 10 permanent and make two revolving or non-permanent? **Task Force Member Sen. Hunter replies**, yes exactly. **Task Force Members all agree**.

Task Force Member Dir. Mays adds context for members, when we previously added two causes, the dynamics changed, and everyone received less. Under the current funding source of roughly \$10M/yr, if we increase to 12, causes will receive even less than they do now. **Task Force Member Rep Delgado**, that was my next question, Harold, do you think we would see an impact to the total received for all causes? **Task Force Member Dir. Mays replies**, yes if we maintain the current funding source. Increasing the program size would force us to reconsider a new funding source. **Task Force Member Sen. Hunter asks**, what could a different funding source be? **Task Force Member Dir. Mays replies**, a bigger more expensive ticket could potentially drive more proceeds, could be an option. **Task Force Member Sen. Hunter asks**, how much is the ticket now? **Task Force Member Dir. Mays replies**, \$5.

Task Force Member Rep. Delgado asks, would the two new causes be rotating? **Task Force Member Dir. Mays replies**, the two new causes would be rotating. Uncertain how the permanent causes would feel with less revenue. Depending on the ticket, the current ticket is bringing about

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\$10M per year. The next price point is the \$10 ticket, also with a different type of player at this higher price point.

Task Force Member Sen. Cunningham suggest, we could consider having the 10 permanent causes receive a certain share, two rotating get a lesser share, if we want to maintain the same funding source. Does the Lottery have projections of the \$5 ticket over the next few years? **Task Force Member Dir. Mays replies**, difficult but the approach we took was to use a core game as they are the most consistent, could vary some but not much. **Task Force Member Sen. Cunningham**, so for core tickets, are they close to the rate of inflation? **Task Force Member Dir. Mays**, we will get back to you on that. The general answer is we expect core games to sell consistently and revenue would be consistent despite economic variables.

Next Steps – All Task Force Members

Task Force Member Dir. Harold Mays notes, legislation is still required to operate any differently from current law, legislation is also required to change sunsets.

Task Force Member Rep. Hammond adds, in support of expanding the program to 12 causes while keeping the same ticket price point of \$5, agrees this is a sweet spot.

Task Force Member Sheehan adds, if we expand to 12, we might want to explore some new causes that could bring in new consumers. Can we research any new causes that are sizeable enough to bring new audiences and new consumers. **Task Force Member Dir. Mays replies**, will add this to the conversation around administration and cause selection, will table this for the next meeting.

*****Subsequent Task Force meetings have been scheduled for March 10 at 8:30am, May 5 at 9am, April 7 at 9am, June 16 at 9am, July 7 at 9am.***

Closing Remarks – Task Force Member Dir. Harold Mays

- The Department will attempt to gather more information regarding causes with expiration dates approaching, to better understand their plan for extension or renewal as well as funding option for a 12-cause program.
- The Task Force is interested in expanding the program from 10 to 12 causes, by removing the sunset dates on two existing causes and adding 2 floating spots for new causes.
- The Task Force is interested in keeping the \$5 price point while possibly funding a 12-cause program with a different source for more revenue
- More robust discussion is needed around program administration and selection of new causes.

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ADJORNMENT

With all business concluded, motion to adjourn at 12:08pm. **Motion approved, meeting four complete.**

Respectfully submitted by,
Mason McDaniel, Legislative Liaison