

**LOUISIANA LOTTERY CORPORATION
BOARD OF DIRECTORS' MEETING**

December 18, 2024

Director Whalen Gibbs called the meeting to order at 10:00 a.m. in the Board of Directors Conference Room located at the Louisiana Lottery Headquarters, 555 Laurel Street, Baton Rouge, LA 70801.

I. Attendance

- A. Members Present:** Chairperson: Whalen Gibbs; Directors: Sheridan Shamburg, Anna Jones, TomEd Brumfield, Carmen Jones, Dan "Blade" Morrish, Cynthia Hedge-Morrell, Gail McKay, and Louisiana Deputy State Treasurer Rachel Kincade.
- B. Members Absent:** Director: Mickey Parenton
- C. Staff Present:** President/CEO, Rose Hudson, Senior Vice President/Secretary/Treasurer, Karen Fournet, Senior Vice President/General Counsel, John Carruth

II. Pledge of Allegiance

Chairperson Whalen Gibbs asked Rose Hudson to lead the Board of Directors and all attendees in our Pledge of Allegiance.

III. Approval of the Minutes of Prior Board Meeting

Chairperson Gibbs began by asking if anyone had any questions or corrections to the minutes of the November 1, 2024, Board Meeting. Director A. Jones **moved** to approve November 1, 2024, Board Meeting Minutes and Director Brumfield **seconded** the motion. There being no objection, the minutes were **approved**. The meeting was then turned over to President Rose Hudson for the President's Report.

IV. President's Report

Ms. Hudson informed the board of her participation in a technology innovation panel at the National Council of Legislators from Gaming States (NCLGS) conference held in New Orleans. Ms. Hudson shared information about the trailblazing projects with Lazlo (cloud-based in-lane ticket delivery), Vinformatix (data analytics on scratch-off prize structures) and Civix (real-time sales/data app for sales reps). She stated there was a great amount of interest in iGaming and iLottery among legislative participants. Ms. Hudson then mentioned she attended a legislative hearing on these items the same week and expects related legislation to be brought forward during the 2025 session in the spring.

Ms. Hudson informed the board she also participated in a meeting with the State Attorney General's office in the Governor's office with a lottery courier company regarding efforts to push services across jurisdictions. These couriers offer their services as alternatives to iLottery; they sell tickets online, set up shops inside a local in-state retailer printing tickets for their digital customers and deliver them a digital copy for an extra fee. Ms. Hudson said she concurs with state officials' opinions that these business operations would be considered illegal under our statutes that prohibit online sales and selling lottery tickets for more than their face value, there are also security concerns regarding safeguarding ownership of original tickets, which are required to claim large prizes.

Ms. Hudson informed the Board about the Lottery special events sponsorship efforts and encouraged board members to forward any "asks" to her for evaluation and consideration.

The Meeting was then turned over to Senior Vice President/Secretary/Treasurer Karen Fournet.

Mrs. Fournet began by analyzing total sales through the end of December for the last five fiscal years. Sales are projected to reach \$287.9 million by the end of December, down \$47.7 million from last fiscal year. Mrs. Fournet stated that 85% of the decline is attributed to lower sales of the Lottery's jackpot games at \$58 million as jackpot fatigue and economic pressures continue to impact sales. Mrs. Fournet compared jackpots during the same time last fiscal year, there were three billion-dollar and this fiscal year to date there have been no jackpots over a billion. Mrs. Fournet said the current \$825 million Mega Millions jackpot could roll into the \$1 billion range and bring in an additional \$1 million to \$3 million depending upon how long it rolls.

Mrs. Fournet stated that overall instant-win game sales are down \$2 million from last year for the same period, this is mostly due to Fast Play sales. This May, the Lottery plans to launch new games to reinvigorate the product line's offering. Mrs. Fournet mentioned the daily numbers game sales are slightly lower than last year but trending steady.

Mrs. Fournet presented a monthly fiscal year comparison of scratch-off sales that demonstrates the Lottery is closing the gap from the beginning of the fiscal year, as December sales of \$29.2 million are equal to 2023's performance. Mrs. Fournet said that the Lottery is continuing to use data analytics to optimize its prize structures by price point to maximize sales. Instant-win games make up 56.6% of the Lottery's total games sales. She emphasized that due to their payout being higher than draw-style games, it is important for the Lottery to balance the mix.

Mrs. Fournet compared the Lottery's major product lines and their actual fiscal year 2025 sales to budget for the six months ending Dec. 31, 2024. Mrs. Fournet mentioned the jackpot game product line shows a significant \$14.7 Million below budget, while sales of the Lottery's

instant-win games are \$1.7 million below budget, and daily numbers games are \$3.4 million below budget, resulting in a total shortfall of \$19.8 million compared to the budget.

Mrs. Fournet reviewed the general and administrative expenses through the end of October stating that expenses were better than budget by \$700,000.

Mrs. Fournet concluded her presentation with the transfers to the state treasury through the end of December projected at \$86.8 million, which is \$10 million less than budget. She was optimistic the gap would be closed with the occurrence of larger jackpots and stronger scratch-off sales in the remaining half of the fiscal year.

V. Other Business

Mrs. Hudson thanked Cynthia Hedge-Morrell for her service on the board. Her term ends December 31,2024. She also invited all board members to the Finance Committee meeting on February 18, 2025, when the 2026 fiscal year budget will be considered.


VI. Announcements

The next meeting of the Louisiana Lottery Board of Directors is scheduled for Friday February 28, 2025, at the Louisiana Lottery Headquarters, 555 Laurel Street, Baton Rouge, LA 70801. The Finance Committee meeting is set for February 18,2025.

VII. Adjournment

There being no further business, Chairperson Gibbs adjourned the meeting at 10:30 a.m.

Date Approved: 2/28/25



Adene Schroeder
Executive Administrative Assistant



Dan "Blade" Morrish
Secretary to the Board of Directors



Mickey Parenton
Chairman of the Board of Directors