

**LOUISIANA LOTTERY CORPORATION
BOARD OF DIRECTORS MEETING**

October 27, 2023

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

I. Attendance

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

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 September 9, 2023, Board Meeting. Director Brumfield **moved** to approve the September 9, 2023; Board Meeting Minutes and Director Shamburg **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

Rose began by welcoming the board and mentioning that construction has begun on a project to refresh the Lottery’s Headquarters building. Work on the project began earlier this month and should be finished in February 2024.

Ms. Hudson then told the board that she will be leaving Monday to attend the North American Association of State and Provincial Lotteries (NASPL) conference in Milwaukee.

Ms. Hudson informed the board that she and Lottery Senior Vice-President, Secretary/Treasurer Karen Fournet were recently on a call held by the Mega Millions Consortium to discuss upcoming changes to the game. The changes discussed include raising the ticket price from \$2 to

\$5, adjusting the matrix and increasing the number of Megaplier multipliers from 5X to 10X. The new \$5 tickets will automatically include the Megaplier feature and the odds of winning the jackpot will be lowered from 1 in 302 million to 1 in 280 million. It is anticipated that the changes will go into effect during the first quarter of fiscal year 2025. Ms. Hudson will keep the board informed as decisions are made.

Lastly, Ms. Hudson told the board that she recently attended the fall forum for the Louisiana Retailers Association whose members include many of the Lottery's large chain retailers. She said she went to deepen the Lottery's relationship with those companies to better facilitate future retailer initiatives.

The meeting was then turned over to Senior VP, Secretary/Treasurer Karen Fournet who began by analyzing total sales through the end of October for the last five fiscal years and demonstrated the tremendous growth the Lottery has experienced since before the pandemic. Sales are projected to end October at \$230 million, up \$17 million from the same time last year due to three jackpots worth over \$1 billion as well as strong instant ticket and daily numbers game sales. This year's results show a gain of \$80 million from pre-pandemic sales and represent the highest four-month fiscal year start in the 32-year history of the Lottery.

Mrs. Fournet then demonstrated the effect jackpot fatigue has on Powerball and Mega Millions sales. Since 2016, there have been nine jackpots worth \$1 billion or more, with seven of them occurring since 2021. Sales totals have not yet reached what they were during the first \$1 billion jackpot in 2016 due to players not getting excited about playing until the jackpot has reached much larger levels.

Mrs. Fournet said that going forward, this means we will need more \$1 billion jackpots in order to sustain current sales levels. General and administrative expenses through the end of September were running approximately \$500,000 under budget at \$5.2 million.

Lastly, Mrs. Fournet reported that transfers to the state treasury through the end of October are projected at \$73.1 million, which is \$13.7 million better than budget.

V. Other Business

The meeting was then turned over to Vice-Chairperson and Personnel Committee Chair Anna Jones who presented for approval a five-year extension to Ms. Hudson's employee contract due to the strong performance of the Lottery. Ms. Hudson is currently two and half years into her existing contract and the extension will go into effect after the current five-year term ends. Chairperson Gibbs asked for any public comments relative to this discussion. There being no public comments, **Director** Anna Jones made a **motion** to approve, and Director Brumfield **seconded** the motion. There being no objections, the motion was **approved** and passed.

Rose then thanked the board for their support and also thanked members Sean Wells and Anna Jones for their service as their terms are set to expire on Dec. 31, 2023.

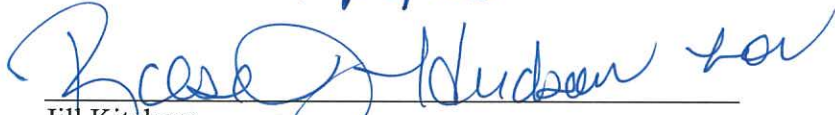
VII. Announcements

The next meeting of the Louisiana Lottery Board of Directors is scheduled for Wednesday, December 13, 2023, at the Louisiana Lottery Headquarters, 555 Laurel Street, Baton Rouge, LA 70801.

VIII. Adjournment

There being no further business, Chairperson Gibbs adjourned the meeting at 10:45 a.m.

Date Approved: 12/13/23



Jill Kitchens
Executive Administrative Assistant



Cynthia Hedge-Morrell
Secretary to the Board of Directors



Whalen Gibbs
Chairperson of the Board of Directors