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Kim Reynolds · Governor
Chris Cournoyer · Lt. Governor
Matthew N. Strawn · Chief Executive Officer

AGENDA

IOWA LOTTERY COMMISSION

June 24, 2025

10:30 am

Dial In: 515-206-9299

(No PIN # is required to join the call)

- I. Call to Order
 - A. Approval of Agenda
 - B. Approval of Minutes from March 25, 2025 Commission Meeting
- II. CEO Report
- III. Quarterly Reports
 - A. Revenue (Sales and Marketing)
 - B. External Relations
 - C. Security
 - D. Finance
- IV. FY 2026 Budget Overview
- V. Administrative Rules Updates*
- VI. Election of Officers*
- VII. Tentative FY 2026 Commission Meeting Dates
 - A. September 29, 2025**
 - B. December 16, 2025
 - C. March 25, 2026
 - D. June 24, 2026
- VIII. Other Business
- IX. Adjournment

** Commission Action Required*

*** Date Confirmed*

If you require the assistance of auxiliary aids or services to participate in or attend the meeting because of a disability please call our ADA coordinator at 515-725-7864, or if you are hearing impaired, call Relay TTY at 1-800-735-2942.

MINUTES

IOWA LOTTERY COMMISSION

March 25, 2025

10:30 a.m.

The Iowa Lottery Commission convened at 10:30 a.m. at Lottery's main office in Clive; Commission Chair Dana Wingert presiding.

Commission Members Present:

Dana Wingert, Josh Cook, Katie New, Mick Connealy

Commission Members Present on Teleconference:

Mary Rathje

Staff Participating:

Mary Mosiman, Director; Matt Strawn, Lottery CEO; Jon Roth, CRO; Mary Neubauer, External Relations and Social Responsibility; Steve Waymire, Security; Hale Strasser, IT Systems; Steve French, CFO; Deb Bassett, Commission Secretary

Others Present:

Zach Waldmeier, Dept. of Revenue; Mitch Stone, Scientific Games

Others Present on Teleconference:

Dar Danielson, Radio Iowa; Heather Hackbarth, Dept. of Management; Tracy Cohen, Scientific Games

CALL TO ORDER

Wingert called the meeting to order at 10:30 a.m. and roll was taken. There was a quorum. Wingert announced the meeting would be held via teleconference in accordance with Iowa Code section 21.8.

Cook moved to conduct the meeting via teleconference. New seconded. Motion carried unanimously.

APPROVAL OF AGENDA

Conneally moved to approve the agenda for the meeting. Cook seconded. Motion carried unanimously.

APPROVAL OF MINUTES

Rathje moved to approve the December 18, 2024 Commission meeting minutes. New seconded. Motion carried unanimously.

DIRECTOR'S REMARKS

Mosiman informed the Commission that both chambers of the legislature passed a bill prohibiting Department of Revenue employees from playing lottery games and anticipates the Governor will sign the bill. Once the Governor signs the bill, IDR will launch a plan to communicate and collect the necessary information from all IDR employees not currently on the prohibited player list by July 1, 2025.

CEO REPORT

Strawn gave a CEO report. Following three solid months of sales in December - February, the lottery continues to outpace budget projections for FY25 sales and proceeds. Through February, total FY25 lottery sales of \$291,913,031 are ahead of budget projections by 7.88%. Through February, total FY25 proceeds of \$60,235,419 are ahead of budget projections by 18.69%. And, through February, total FY25 lottery operating expenses of \$9,514,782 are below budget projections by 8.8%.

Performance of lottery product categories remains a mixed bag through the first 8 months of the fiscal year. Compared to last year's actual sales through the same time period:

- InstaPlay sales are up by 14.13%
- Pull Tab sales are up by 21.43%
- Lotto America sales are up by 20.19%
- Mega Millions sales are down by 21.31%
- Powerball sales are down by 53.92%
- Scratch ticket sales are down by 4.32%

As the final quarter of the fiscal year approaches, these product sales trends will likely continue. The greatest variable of the last quarter will be the performance of the national jackpot games of Powerball and Mega Millions, whose sales performance will be largely determined by the size of the grand prize jackpots. Historically, scratch ticket sales performance is more closely tied to consumer sentiment and broader external economic conditions.

To illustrate the broader challenges facing lottery, which is a discretionary, entertainment product, during a recent quarterly earnings call, one chief executive of a retailer with a very significant Iowa presence noted "More discretionary items ... is where we see a little bit of softness." This is consistent with public earnings reports from leading national retailers that store traffic is down to start the calendar year. This also tracks with national research from Ipsos that found the number of Americans who say they are comfortable with their personal economic situation has dropped 14 percentage points since late last year. While another leading national consumer sentiment research report showed that consumer sentiment across all demographic groups has slumped to its lowest level in over two years. Although Iowa is not immune to these trends, it's anticipated the Iowa Lottery will continue to meet and slightly exceed its projected revenue targets, both sales and proceeds, for FY25.

Strawn also provided a few operational updates. In addition to the lottery game play prohibition on all IDR employees passed by both chambers earlier this year, two additional items proposed by the Lottery Division are also focused on safeguarding the public's trust in the Iowa Lottery.

The first relates to the Lottery's ability to keep sensitive game and ticket inventory data confidential. The proposed change would not impact the public availability of lottery game rules, overall game odds, and prizes remaining to be won for each game in the market. It simply ensures the Lottery's ability to prevent the potential manipulation of lottery games by third-parties accessing detailed game and ticket inventory data. Mary Neubauer has worked for over two years on this issue.

The second relates to the Lottery's relationship with state and local law enforcement officials and/or prosecutors by giving the Lottery's security investigators the necessary flexibility to work with the most appropriate agency when there are suspected violations of Iowa Code 99G related to lottery retailers or products. Thank you to Steve Waymire and his team for being trusted partners of law enforcement in bringing lottery perpetrators to justice.

The other update relates to positioning the Iowa Lottery for the future. The lottery's current scratch ticket printing contracts are set to expire at the end of the calendar year. As such, the lottery has been working with the Department of Revenue and the Department of Management to prepare a request for proposals to provide lottery scratch tickets and related services for the future. This public, competitive bidding process is now underway. Jon Roth is to be commended for his work over the last two years to educate others involved in this process.

Strawn concluded his remarks by thanking the entire Iowa Lottery team.

QUARTERLY REPORTS

Revenue (Sales and Marketing):

Roth gave a Revenue report. Fiscal year 2025 sales continue to be lower due to lower jackpots for Powerball and Mega Millions. Through February, revenues are just shy of \$292 million, a decrease of 11.9% from FY24.

In the lotto category, thus far in FY25, Powerball sales of \$25.3 million have experienced a decrease of 53.9% vs. FY24, and Mega Millions with sales of \$21.5 million has experienced a 21.3% decrease vs. FY24. As noted in previous Commission meetings, with the lower cost margin on these games, the decreases in sales this fiscal year also have a significant impact in decreasing proceeds.

In the scratch ticket category, sales have experienced a decrease of 4.3% through the end of February for FY25. However, as noted in December, we are seeing continued improvement.

As noted during the December Commission meeting, with sales facing challenges on all fronts, the Iowa Lottery has been focused on working on offerings and with retailers to positively impact sales:

Holiday Scratch-Tickets: Holiday scratch-tickets are outpacing FY24 by 13.1%.

Self-Serve Kiosks: New state of the art self-kiosks were installed in the market late last year. In February alone, sales through self-serve kiosks increased by 34% over the prior year with a significant portion of that due to the new machines.

InstaPlay: With the implementation of all new InstaPlay games now complete, there are positive sales results in FY25. In September, at the start of the game updates, InstaPlay sales of \$6.1 million were down 7.8% through the end of the month. As of the end of February, sales of \$19.4 million were up by 14.1% fiscal YTD.

Pull-Tab: Pull-Tab sales continue to be strong with sales of \$10 million; a 21.4% increase through February.

Mega Millions: The lottery has been developing and implementing the components for the launch of the updated Mega Millions game on April 5th.

External Relations:

Neubauer gave an External Relations report. Each March, the Iowa Lottery participates in Problem Gambling Awareness Month. The 2025 campaign featured two public service announcements featuring a gambling treatment counselor and someone going through gambling addiction treatment. The videos were recorded, edited, and produced in-house by the External Relations team.

The revamp of the Mega Millions game will go live on April 5, 2025. The jackpot in the revamped game will start at \$50 million, there will be bigger prizes at all 9 of the game's prize levels, and the multiplier will be built into all plays. The ticket price will increase to \$5 per play.

Security:

Waymire gave a Security report. The security team has conducted 55 retailer inspections in the 3rd quarter and 502 inspections YTD.

Finance:

French gave a Finance report. Through February, YTD sales are at \$291.9 million. The YTD sales are ahead of budget by \$1.6 million. YTD sales are behind sales for the same period last year by \$39.3 million, largely impacted by the jackpots in Powerball as well as Mega Millions which both exceeded \$1 Billion last year.

Through February, YTD proceeds are at \$60.2 million. The YTD proceeds are more than budgeted by \$9.5 million. YTD proceeds are behind proceeds for the same period last year by \$13.7 million, again largely impacted by the \$1 Billion jackpot runs in Powerball last July and October and Mega Millions last August.

Through February, YTD prize expense is at \$188.3 million. The YTD prize expense is ahead of budget by \$17.7 million. YTD prize expense is behind prizes for the same period last year by \$22.8 million.

YTD operating expenses through February remain under budget at \$928K.

EASY PLAY PRESENTATION:

Neubauer provided details about the March 12th debut of lottery-ticket sales in the checkout lane at Fareway Stores. The new innovative Easy Play option allows quick-pick tickets in Powerball and Mega Millions to be printed from the cash register at checkout. Fareway customers can buy the tickets at any checkout lane staffed by a cashier. Prior to this, lottery tickets could only be purchased at a lottery terminal or self-service kiosk in a retail location.

GAME RULES UPDATES DUE TO ADMINISTRATIVE RULES REVISIONS:

Roth requested the Commission approve game rules updates to several games in accordance with the administrative rules revisions approved at the December Commission meeting. The game rules updates are for Powerball, Mega Millions, Lotto America, Lucky for Life, Pick 3, and Pick 4.

Cook moved to approve the game rules updates for Powerball, Mega Millions, Lotto America, Lucky for Life, Pick 3, and Pick 4. New seconded. Motion carried unanimously.

NEXT COMMISSION MEETING:

Wingert stated that the next Commission meeting is scheduled for Tuesday, June 24, 2025 at 10:30 am at the Lottery's office in Clive.

ADJOURNMENT

Cook moved to adjourn. Rathje seconded. Motion carried unanimously.

Meeting adjourned at 11:38 a.m.



Iowa Lottery - Security Division
Quarterly Activity Summary
3/19/2025 to 6/17/2025

Incident Type	Incident Report	71
	Case Report	18

Contact Reasons	Burglary	3
	Contest Draw	7
	Employee Theft	4
	Fraud/Forgery	4
	Missing Packs/Tickets	4
	Missing Tickets - Shipping	1
	Other	5
	Player Assist	9
	Promotional Draw	3
	Quality Control Tickets	7
	Region Assist	2
	Retailer Assist	1
	Theft	11
	Ticket Re-construction	8
	Validations	20

Retailer Inspections	Quarter	140
	Year to date	642

IOWA LOTTERY
Statement of Revenues, Expenses and Changes in Net Position
For the Nine Months Ending Monday, March 31, 2025

	Month ended 3/31/2025	Month ended 3/31/2024	Year-to-date 3/31/2025	Year-to-date 3/31/2024
Operating revenues:				
Scratch ticket sales	\$24,373,505.00	\$25,609,261.00	\$219,163,477.00	\$229,195,494.00
InstaPlay sales	3,037,476.00	2,779,623.00	22,417,336.00	19,760,695.00
Pick 3 sales	820,640.50	825,642.50	6,861,521.00	6,797,911.00
Powerball sales	4,238,648.00	8,438,733.00	29,507,375.50	63,273,287.00
Mega Millions Sales	1,476,878.00	5,692,595.00	22,992,338.00	33,035,635.00
Pick 4 sales	507,757.50	531,165.50	4,314,175.00	4,408,625.00
Lucky for Life sales	719,904.00	726,746.00	6,230,444.00	6,460,116.00
Lotto America sales	926,489.00	546,324.00	6,509,682.00	5,191,738.00
Pull-tab sales	1,237,465.99	1,328,402.01	11,255,444.93	9,578,493.24
Application fees	350.00	325.00	4,100.00	4,375.00
Other	671.60	1,564.95	66,484.26	6,629.66
Total operating revenues	37,339,785.59	46,480,381.96	329,322,377.69	377,712,998.90
Operating expenses:				
Scratch ticket prizes	17,279,730.00	17,689,612.00	149,826,850.20	158,795,773.81
InstaPlay prizes	2,249,524.08	2,137,370.63	16,195,612.41	14,296,649.25
Pick 3 prizes	606,482.80	495,385.50	4,353,852.70	4,078,746.60
Powerball prizes	1,747,784.11	4,249,686.80	14,459,134.43	31,657,618.65
Mega Millions prizes	738,439.00	2,846,297.50	11,535,900.85	16,517,817.50
Pick 4 prizes	304,654.50	318,699.30	2,588,505.00	2,645,175.00
Lucky for Life prizes	427,864.13	431,930.63	3,702,970.94	3,839,473.10
Lotto America prizes	463,244.50	273,162.00	3,222,547.60	2,595,869.00
Pull-tab prizes	773,928.84	830,761.25	7,052,737.96	5,991,519.54
Advertising/publicity	636,414.91	792,090.44	6,497,487.79	8,888,302.47
Retailer compensation expense	2,413,245.31	3,044,116.74	21,422,805.06	24,661,689.03
Ticket expense	232,676.96	272,985.34	2,572,569.89	2,402,335.15
Vendor compensation expense	594,173.27	746,770.17	5,374,069.14	6,064,616.08
Salary and benefits	850,408.52	836,465.66	7,978,841.21	7,818,662.70
Travel	22,237.34	27,100.38	224,795.39	196,779.23
Supplies	2,880.97	6,935.43	57,913.34	52,058.95
Printing	1,416.20	-	4,214.88	2,410.89
Postage	267.50	247.32	6,814.88	6,693.11
Communications	16,645.51	16,092.67	151,229.94	162,166.78
Rentals	8,620.33	8,557.52	81,123.10	78,754.75
Utilities	7,844.93	7,158.09	79,664.15	78,676.47
Professional fees	7,055.53	7,401.00	69,455.06	73,801.90
Vending machine maintenance	52,044.23	26,006.40	331,673.51	230,369.18
Outside services and repairs	52,693.20	129,747.67	1,251,432.47	1,111,212.48
Data processing	16,163.07	11,556.23	98,756.05	104,340.08
Equipment	35,371.66	4,000.50	535,259.21	158,023.78
Reimbursement to other state agencies	154,599.87	34,897.26	330,798.46	313,847.05
Depreciation	73,363.14	40,043.62	507,386.95	364,580.12
Amortization	45,884.70	45,884.70	412,962.30	412,962.30
MUSL/Lotto administrative expense	7,605.30	11,626.88	73,003.68	102,346.25
Debit card fees	32,794.44	27,652.89	228,084.17	196,571.60
Other	6,393.21	5,721.15	159,585.16	45,490.40
Total operating expenses	29,862,452.06	35,375,963.67	261,388,037.88	293,945,333.20
Operating income	7,477,333.53	11,104,418.29	67,934,339.81	83,767,665.70
Non-operating revenue (expenses):				
Proceeds to state causes	(7,704,841.14)	(11,182,156.25)	(67,940,258.74)	(85,163,171.63)
Interest income	106,714.12	102,797.09	785,720.51	1,016,781.95
Interest expense	(1,718.18)	(2,239.43)	(17,433.53)	(22,329.33)
Capital Contributions	-	-	203,250.00	-
Gain (Loss) on disposal of capital assets	-	-	3,250.00	30,735.00
Net non-operating revenues (expenses)	(7,599,845.20)	(11,081,598.59)	(66,965,471.76)	(84,137,984.01)
Change in net position	(122,511.67)	22,819.70	968,868.05	(370,318.31)
Net position beginning of period	10,412,273.28	6,515,696.44	9,320,893.56	6,908,834.45
Net position end of period	10,289,761.61	6,538,516.14	10,289,761.61	6,538,516.14

IOWA LOTTERY
Statement of Revenues, Expenses and Changes in Net Position
For the Ten Months Ending Wednesday, April 30, 2025

	Month ended 4/30/2025	Month ended 4/30/2024	Year-to-date 4/30/2025	Year-to-date 4/30/2024
Operating revenues:				
Scratch ticket sales	\$23,513,236.00	\$24,570,927.00	\$242,676,713.00	\$253,766,421.00
InstaPlay sales	3,374,149.00	2,514,387.00	25,791,485.00	22,275,082.00
Pick 3 sales	803,277.00	773,937.50	7,664,798.00	7,571,848.50
Powerball sales	2,724,782.00	7,767,499.50	32,232,157.50	71,040,786.50
Mega Millions Sales	1,461,684.00	2,077,799.00	24,454,022.00	35,113,434.00
Pick 4 sales	492,214.50	509,629.50	4,806,389.50	4,918,254.50
Lucky for Life sales	707,354.00	720,682.00	6,937,798.00	7,180,798.00
Lotto America sales	932,266.00	523,070.00	7,441,948.00	5,714,808.00
Pull-tab sales	1,339,446.49	1,280,936.43	12,594,891.42	10,859,429.67
Application fees	875.00	375.00	4,975.00	4,750.00
Other	3,594.11	1,199.33	70,078.37	7,828.99
Total operating revenues	35,352,878.10	40,740,442.26	364,675,255.79	418,453,441.16
Operating expenses:				
Scratch ticket prizes	16,352,038.30	17,269,796.50	166,178,888.50	176,065,570.31
InstaPlay prizes	2,351,178.16	1,745,710.31	18,546,790.57	16,042,359.56
Pick 3 prizes	536,060.00	464,362.50	4,889,912.70	4,543,109.10
Powerball prizes	1,738,965.05	3,881,415.74	16,198,099.48	35,539,034.39
Mega Millions prizes	736,672.04	1,038,899.50	12,272,572.89	17,556,717.00
Pick 4 prizes	295,328.70	305,777.70	2,883,833.70	2,950,952.70
Lucky for Life prizes	420,405.23	408,996.29	4,123,376.17	4,248,469.39
Lotto America prizes	466,133.00	261,535.00	3,688,680.60	2,857,404.00
Pull-tab prizes	838,933.37	800,227.11	7,891,671.33	6,791,746.65
Advertising/publicity	699,459.08	854,107.18	7,196,946.87	9,742,409.65
Retailer compensation expense	2,297,392.21	2,628,501.55	23,720,197.27	27,290,190.58
Ticket expense	203,992.77	278,389.17	2,776,562.66	2,680,724.32
Vendor compensation expense	579,044.89	656,355.07	5,953,114.03	6,720,971.15
Salary and benefits	904,496.82	857,261.60	8,883,338.03	8,675,924.30
Travel	22,244.54	26,624.63	247,039.93	223,403.86
Supplies	7,616.13	5,723.25	65,529.47	57,782.20
Printing	167.38	225.00	4,382.26	2,635.89
Postage	350.60	281.17	7,165.48	6,974.28
Communications	16,513.88	15,932.81	167,743.82	178,099.59
Rentals	8,478.10	10,325.72	89,601.20	89,080.47
Utilities	4,604.22	7,272.53	84,268.37	85,949.00
Professional fees	52,192.50	102,205.00	121,647.56	176,006.90
Vending machine maintenance	52,044.25	26,006.40	383,717.76	256,375.58
Outside services and repairs	423,883.71	157,567.98	1,675,316.18	1,268,780.46
Data processing	10,168.53	15,742.53	108,924.58	120,082.61
Equipment	70,178.99	17,870.33	605,438.20	175,894.11
Reimbursement to other state agencies	37,831.80	59,200.24	368,630.26	373,047.29
Depreciation	73,722.83	39,952.27	581,109.78	404,532.39
Amortization	45,884.70	45,884.70	458,847.00	458,847.00
MUSL/Lotto administrative expense	(15,210.59)	10,807.11	57,793.09	113,153.36
Debit card fees	30,090.53	22,313.93	258,174.70	218,885.53
Other	6,705.56	5,599.07	166,290.72	51,089.47
Total operating expenses	29,267,567.28	32,020,869.89	290,655,605.16	325,966,203.09
Operating income	6,085,310.82	8,719,572.37	74,019,650.63	92,487,238.07
Non-operating revenue (expenses):				
Proceeds to state causes	(6,232,796.34)	(9,081,442.16)	(74,173,055.08)	(94,244,613.79)
Interest income	70,280.20	66,577.51	856,000.71	1,083,359.46
Interest expense	(1,675.91)	(2,197.67)	(19,109.44)	(24,527.00)
Capital Contributions	-	-	203,250.00	-
Gain (Loss) on disposal of capital assets	-	-	3,250.00	30,735.00
Net non-operating revenues (expenses)	(6,164,192.05)	(9,017,062.32)	(73,129,663.81)	(93,155,046.33)
Change in net position	(78,881.23)	(297,489.95)	889,986.82	(667,808.26)
Net position beginning of period	10,289,761.61	6,538,516.14	9,320,893.56	6,908,834.45
Net position end of period	10,210,880.38	6,241,026.19	10,210,880.38	6,241,026.19

IOWA LOTTERY
Statement of Revenues, Expenses and Changes in Net Position
For the Eleven Months Ending Saturday, May 31, 2025

	Month ended 5/31/2025	Month ended 5/31/2024	Year-to-date 5/31/2025	Year-to-date 5/31/2024
Operating revenues:				
Scratch ticket sales	\$ 24,793,964.00	\$ 25,559,667.00	\$ 267,470,677.00	\$ 279,326,088.00
InstaPlay sales	3,000,403.00	3,532,863.00	28,791,888.00	25,807,945.00
Pick 3 sales	785,965.00	779,214.50	8,450,763.00	8,351,063.00
Powerball sales	2,799,673.50	3,091,569.00	35,031,831.00	74,132,355.50
Mega Millions Sales	1,585,825.00	2,552,344.00	26,039,847.00	37,665,778.00
Pick 4 sales	512,587.00	518,505.00	5,318,976.50	5,436,759.50
Lucky for Life sales	718,940.00	711,396.00	7,656,738.00	7,892,194.00
Lotto America sales	943,528.00	481,864.00	8,385,476.00	6,196,672.00
Pull-tab sales	1,245,641.00	1,217,535.46	13,840,532.42	12,076,965.13
Application fees	525.00	625.00	5,500.00	5,375.00
Other	727.58	2,011.85	70,805.95	9,840.84
Total operating revenues	36,387,779.08	38,447,594.81	401,063,034.87	456,901,035.97
Operating expenses:				
Scratch ticket prizes	16,844,906.08	16,930,852.00	183,023,794.58	192,996,422.31
InstaPlay prizes	2,300,675.79	2,596,177.46	20,847,466.36	18,638,537.02
Pick 3 prizes	471,579.00	467,528.70	5,361,491.70	5,010,637.80
Powerball prizes	1,389,091.98	1,558,518.80	17,587,191.46	37,097,553.19
Mega Millions prizes	792,912.50	1,276,172.00	13,065,485.39	18,832,889.00
Pick 4 prizes	307,552.20	423,414.20	3,191,385.90	3,374,366.90
Lucky for Life prizes	427,291.19	422,807.55	4,550,667.36	4,671,276.94
Lotto America prizes	471,764.00	240,932.00	4,160,444.60	3,098,336.00
Pull-tab prizes	777,565.51	760,782.62	8,669,236.84	7,552,529.27
Advertising/publicity	599,766.29	920,360.72	7,796,713.16	10,662,770.37
Retailer compensation expense	2,345,472.61	2,502,600.95	26,065,669.88	29,792,791.53
Ticket expense	380,449.24	278,966.75	3,157,011.90	2,959,691.07
Vendor compensation expense	1,039,456.99	613,863.57	6,992,571.02	7,334,834.72
Salary and benefits	848,937.50	831,639.16	9,732,275.53	9,507,563.46
Travel	33,530.41	21,969.91	280,570.34	245,373.77
Supplies	10,908.53	41,910.66	76,438.00	99,692.86
Printing	27.50	55.00	4,409.76	2,690.89
Postage	389.27	320.38	7,554.75	7,294.66
Communications	16,317.64	16,748.78	184,061.46	194,848.37
Rentals	8,667.97	8,623.08	98,269.17	97,703.55
Utilities	5,213.82	5,823.48	89,482.19	91,772.48
Professional fees	24,143.00	34,787.69	145,790.56	210,794.59
Vending machine maintenance	52,998.24	26,006.40	436,716.00	282,381.98
Outside services and repairs	209,699.77	133,836.86	1,885,015.95	1,402,617.32
Data processing	10,005.38	7,370.34	118,929.96	127,452.95
Equipment	40,142.27	67,960.56	645,580.47	243,854.67
Reimbursement to other state agencies	39,622.66	33,567.62	408,252.92	406,614.91
Depreciation	73,961.46	39,311.63	655,071.24	443,844.02
Amortization	45,884.70	45,884.70	504,731.70	504,731.70
MUSL/Lotto administrative expense	29,850.65	9,380.83	87,643.74	122,534.19
Debit card fees	31,021.21	20,336.25	289,195.91	239,221.78
Other	158,442.71	5,273.07	324,733.43	56,362.54
Total operating expenses	29,788,248.07	30,343,783.72	320,443,853.23	356,309,986.81
Operating income	6,599,531.01	8,103,811.09	80,619,181.64	100,591,049.16
Non-operating revenue (expenses):				
Proceeds to state causes	(6,890,293.04)	(7,462,046.63)	(81,063,348.12)	(101,706,660.42)
Interest income	113,925.75	176,144.66	969,926.46	1,259,504.12
Interest expense	(1,633.58)	(2,155.87)	(20,743.02)	(26,682.87)
Capital Contributions	-	-	203,250.00	-
Gain (Loss) on disposal of capital assets	-	-	3,250.00	30,735.00
Net non-operating revenues (expenses)	(6,778,000.87)	(7,288,057.84)	(79,907,664.68)	(100,443,104.17)
Change in net position	(178,469.86)	815,753.25	711,516.96	147,944.99
Net position beginning of period	10,210,880.38	6,241,026.19	9,320,893.56	6,908,834.45
Net position end of period	10,032,410.52	7,056,779.44	10,032,410.52	7,056,779.44

IOWA LOTTERY
PERFORMANCE MEASURES
FY 2025
May 31, 2025

MONTH		JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
Gross Sales	Budget FY 2025	33,294,292	33,131,492	29,528,175	35,096,767	31,776,182	34,717,957	40,096,418	32,955,206	38,531,320	35,722,834	38,471,119	34,363,238
	Actual '25	34,251,832	35,238,989	33,121,327	34,879,157	35,595,520	43,944,615	40,285,123	34,596,468	37,338,764	35,348,409	36,386,527	-
Prize Expense	Budget FY 2025	20,990,585	20,811,061	18,829,824	21,865,948	20,231,064	21,962,495	24,985,431	20,990,768	24,326,007	22,988,379	24,508,156	21,900,108
	Actual '25	22,234,304	22,923,267	21,670,189	23,025,223	22,563,902	29,061,640	24,771,871	22,096,064	24,591,652	23,735,714	23,783,338	-
Operating Expenses	Budget FY 2025	1,339,307	1,315,397	1,257,890	1,334,920	1,253,756	1,312,808	1,371,523	1,257,337	1,308,465	1,291,577	1,359,530	1,337,869
	Actual '25	1,332,681	1,184,983	1,101,129	1,147,144	1,095,886	1,224,700	1,275,352	1,152,907	1,270,806	1,547,652	1,409,498	-
Total Proceeds	Budget FY 2025	6,928,110	5,720,132	5,364,280	6,856,663	5,912,764	5,185,374	8,038,398	6,744,334	6,011,026	6,771,090	7,370,696	6,142,912
	Actual '25	6,629,199	5,017,168	6,340,353	6,998,824	8,204,277	8,632,425	10,374,207	8,038,966	7,704,841	6,232,796	6,890,293	-
YEAR TO DATE													
Gross Sales	Budget FY 2025	33,294,292	66,425,784	95,953,959	131,050,726	162,826,908	197,544,865	237,641,283	270,596,489	309,127,809	344,850,643	383,321,762	417,685,000
	Actual '25	34,251,832	69,490,821	102,612,148	137,491,305	173,086,825	217,031,440	257,316,563	291,913,031	329,251,795	364,600,204	400,986,731	-
Prize Expense	Budget FY 2025	20,990,585	41,801,646	60,631,470	82,497,418	102,728,482	124,690,977	149,676,408	170,667,176	194,993,183	217,981,562	242,489,718	264,389,826
	Actual '25	22,234,304	45,157,571	66,827,760	89,852,983	112,416,885	141,478,525	166,250,396	188,346,460	212,938,112	236,673,826	260,457,164	-
Operating Expenses	Budget FY 2025	1,339,307	2,654,704	3,912,594	5,247,514	6,501,270	7,814,078	9,185,601	10,442,938	11,751,403	13,042,980	14,402,510	15,740,379
	Actual '25	1,332,681	2,517,664	3,618,793	4,765,937	5,861,823	7,086,523	8,361,875	9,514,782	10,785,588	12,333,240	13,742,738	-
Total Proceeds	Budget FY 2025	6,928,110	12,648,242	18,012,522	24,869,185	30,781,949	35,967,323	44,005,721	50,750,055	56,761,081	63,532,171	70,902,867	77,045,779
	Actual '25	6,629,199	11,646,367	17,986,720	24,985,544	33,189,821	41,822,246	52,196,453	60,235,419	67,940,260	74,173,056	81,063,349	-

	Current Month	Year to Date
Prize Payout - Budget	63.71%	63.26%
Prize Payout - Actual	65.36%	64.95%
Sales - Actual increase (decrease) vs. Budget		4.61%
Proceeds - Actual increase (decrease) vs. Budget		14.33%

IOWA LOTTERY
PERFORMANCE MEASURES
FY 2025

May 31, 2025		JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
MONTH													
Gross Sales	Budget FY 2025	33,294,292	33,131,492	29,528,175	35,096,767	31,776,182	34,717,957	40,096,418	32,955,206	38,531,320	35,722,834	38,471,119	34,363,238
	5-year av.	38,478,055	35,156,671	33,617,696	36,862,933	36,686,715	37,487,209	43,679,417	33,799,737	38,134,271	38,018,612	38,367,013	35,436,376
	Actual '24	49,622,689	45,383,189	38,382,065	44,439,178	36,700,677	41,692,825	39,224,564	35,778,315	46,478,492	40,738,868	38,444,958	32,995,294
	Actual '25	34,251,832	35,238,989	33,121,327	34,879,157	35,595,520	43,944,615	40,285,123	34,596,468	37,338,764	35,348,409	36,386,527	-
Prize Expense	Budget FY 2025	20,990,585	20,811,061	18,829,824	21,865,948	20,231,064	21,962,495	24,985,431	20,990,768	24,326,007	22,988,379	24,508,156	21,900,108
	5-year av.	24,025,247	22,387,492	21,336,167	23,523,457	22,411,540	25,215,600	26,787,270	21,005,325	24,853,948	24,527,985	24,667,051	22,704,975
	Actual '24	31,264,114	27,582,044	24,938,776	29,349,141	22,441,971	28,011,239	24,925,757	22,632,696	29,272,906	26,176,721	24,677,185	21,295,203
	Actual '25	22,234,304	22,923,267	21,670,189	23,025,223	22,563,902	29,061,640	24,771,871	22,096,064	24,591,652	23,735,714	23,783,338	
Operating Expenses	Budget FY 2025	1,339,307	1,315,397	1,257,890	1,334,920	1,253,756	1,312,808	1,371,523	1,257,337	1,308,465	1,291,577	1,359,530	1,337,869
	5-year av.	1,071,772	1,130,423	1,117,142	1,128,681	1,113,312	1,083,346	1,142,167	1,059,105	1,152,775	1,120,156	1,136,239	972,361
	Actual '24	1,108,707	1,176,130	1,075,057	1,102,678	1,116,711	1,038,117	1,180,069	1,066,066	1,073,230	1,221,112	1,137,805	641,039
	Actual '25	1,332,681	1,184,983	1,101,129	1,147,144	1,095,886	1,224,700	1,275,352	1,152,907	1,270,806	1,547,652	1,409,498	-
Total Proceeds	Budget FY 2025	6,928,110	5,720,132	5,364,280	6,856,663	5,912,764	5,185,374	8,038,398	6,744,334	6,011,026	6,771,090	7,370,696	6,142,912
	5-year av.	9,164,175	7,203,935	7,561,299	8,439,148	9,050,985	7,037,999	11,063,867	8,034,347	7,927,917	8,396,649	8,197,242	7,176,161
	Actual '24	11,582,796	11,022,157	8,226,480	9,363,309	9,222,202	7,663,694	8,763,927	8,136,451	11,182,156	9,081,442	7,462,047	4,915,347
	Actual '25	6,629,199	5,017,168	6,340,353	6,998,824	8,204,277	8,632,425	10,374,207	8,038,966	7,704,841	6,232,796	6,890,293	

YEAR TO DATE

Gross Sales	Budget FY 2025	33,294,292	66,425,784	95,953,959	131,050,726	162,826,908	197,544,865	237,641,283	270,596,489	309,127,809	344,850,643	383,321,762	417,685,000
	5-year av.	38,478,055	73,634,726	107,252,422	144,115,355	180,802,070	218,289,279	261,968,696	295,768,433	333,902,704	371,921,316	410,288,329	445,724,705
	Actual '24	49,622,689	95,005,878	133,387,943	177,827,121	214,527,798	256,220,623	295,445,187	331,223,502	377,701,994	418,440,862	456,885,820	489,881,114
	Actual '25	34,251,832	69,490,821	102,612,148	137,491,305	173,086,825	217,031,440	257,316,563	291,913,031	329,251,795	364,600,204	400,986,731	-
Prize Expense	Budget FY 2025	20,990,585	41,801,646	60,631,470	82,497,418	102,728,482	124,690,977	149,676,408	170,667,176	194,993,183	217,981,562	242,489,718	264,389,826
	5-year av.	24,025,247	46,412,739	67,748,906	91,272,363	113,683,903	138,899,503	165,686,773	186,692,098	211,546,046	236,074,031	260,741,082	283,446,057
	Actual '24	31,264,114	58,846,158	83,784,934	113,134,075	135,576,046	163,587,285	188,513,042	211,145,738	240,418,644	266,595,365	291,272,550	312,567,753
	Actual '25	22,234,304	45,157,571	66,827,760	89,852,983	112,416,885	141,478,525	166,250,396	188,346,460	212,938,112	236,673,826	260,457,164	
Operating Expenses	Budget FY 2025	1,339,307	2,654,704	3,912,594	5,247,514	6,501,270	7,814,078	9,185,601	10,442,938	11,751,403	13,042,980	14,402,510	15,740,379
	5-year av.	1,071,772	2,202,195	3,319,337	4,448,018	5,561,330	6,644,676	7,786,843	8,845,948	9,998,723	11,118,879	12,255,118	13,227,479
	Actual '24	1,108,707	2,284,837	3,359,894	4,462,572	5,579,283	6,617,400	7,797,469	8,863,535	9,936,765	11,157,877	12,295,682	12,936,721
	Actual '25	1,332,681	2,517,664	3,618,793	4,765,937	5,861,823	7,086,523	8,361,875	9,514,782	10,785,588	12,333,240	13,742,738	-
Total Proceeds	Budget FY 2025	6,928,110	12,648,242	18,012,522	24,869,185	30,781,949	35,967,323	44,005,721	50,750,055	56,761,081	63,532,171	70,902,867	77,045,779
	5-year av.	9,164,175	16,368,110	23,929,409	32,368,557	41,419,542	48,457,541	59,521,408	67,555,755	75,483,672	83,880,321	92,077,563	99,253,724
	Actual '24	11,582,796	22,604,953	30,831,433	40,194,742	49,416,944	57,080,638	65,844,565	73,981,016	85,163,172	94,244,614	101,706,661	106,622,008
	Actual '25	6,629,199	11,646,367	17,986,720	24,985,544	33,189,821	41,822,246	52,196,453	60,235,419	67,940,260	74,173,056	81,063,349	-

	Current Month	Year to Date
Prize Payout - Budget	63.71%	63.26%
Prize Payout - 5-Year Average	64.29%	63.55%
Prize Payout - Actual	65.36%	64.95%
Sales - Actual increase (decrease) vs. 5-Year Average		(2.27%)
Proceeds - Actual increase (decrease) vs. 5-Year Average		(11.96%)
Sales - Actual increase (decrease) vs. Budget		4.61%
Proceeds - Actual increase (decrease) vs. Budget		14.33%

Budget For Lottery Fund

	FY 2024 Actual	FY 2025 Spending Plan	FY 2026 Department Request	FY 2026 Spending Plan
<u>Resources</u>				
Lottery sales	\$ 489,881,114	\$ 417,685,000	\$ 417,985,000	\$ 435,070,275
Interest income	1,353,191	500,000	500,000	500,000
Application fees	5,550	5,000	5,000	5,000
Other	10,842	5,000	5,000	23,500
Total Resources	491,250,697	418,195,000	418,495,000	435,598,775
<u>Expenses and Change in Net Assets</u>				
Prizes	312,567,751	264,389,826	264,389,826	280,345,678
Retailer compensation	31,936,417	27,985,896	27,985,896	29,150,708
Advertising production and media purchases	11,427,959	16,707,400	16,707,400	17,402,811
Retailer Lottery system/Terminal Communications	8,259,912	9,186,996	9,486,996	9,285,548
Scratch/Pull-tab ticket expense	3,359,834	4,734,400	4,739,400	3,785,000
Vending machines & maintenance/Ticket dispensers	424,181	571,120	571,120	891,120
Courier delivery of instant tickets	1,305,793	1,360,000	1,360,000	1,360,000
Lottery operating expense	12,936,721	15,580,379	15,580,379	17,667,046
Interest Expense	28,797	35,000	35,000	35,000
Increase (decrease) in net assets	2,381,324	598,204	598,204	324,018
Total Expenses and Change in Net Assets	384,628,689	341,149,221	341,454,221	360,246,929
<u>Proceeds</u>				
Proceeds Transfer to Veterans Trust Fund	2,500,000	2,500,000	2,500,000	2,500,000
Proceeds Transfer to Public Safety Survivor Benefit Fund	100,000	100,000	100,000	100,000
Proceeds Transfer to Department of Corrections Survivor Benefits Fund	100,000	100,000	100,000	100,000
Proceeds Transfer to General Fund	103,922,008	74,345,779	74,345,779	72,651,846
Total Proceeds Transfers	106,622,008	77,045,779	77,045,779	75,351,846
Total Expenses and Proceeds	491,250,697	418,195,000	418,500,000	435,598,775

M E M O R A N D U M

DATE: June 24, 2025

SUBJECT: Rulemaking Dedicated to Modernization Rollout 5 Implementation

TO: Iowa Lottery Commission

FROM: Iowa Department of Revenue Legal Services

This memorandum provides a draft, timeline, and request to proceed to file a rulemaking dedicated to Modernization Rollout 5.

B A C K G R O U N D

Because the Lottery Commission is charged by statute to “[a]dopt policies and procedures and promulgate administrative rules pursuant to chapter 17A relating to the management and operation of the Iowa lottery,” and because the Department has many agency procedure rules related to management of the lottery, the Lottery Commission must review any agency procedure rules that include alcohol and lottery to the extent those rules are now also related to lottery management.

The Department is undergoing its final year of Modernization Rollout 5 to include lottery and alcohol matters into its IMPACT and GovConnectIowa systems. One of the modernization initiatives includes adding lottery and alcohol appeal filings and rule changes are necessary in order to ensure the public is aware. The rulemaking draft itself is provided below, in addition to a timeline that is subject to change. The draft changes include strikethroughs and underlines to indicate what is proposed to be removed or added. It is ideal to try and get the effective date of the amended rules as close to the Rollout Go-Live date as possible, which at this time is scheduled for November 12, 2025.

T I M E L I N E

DATE	ACTION
July 2, 2025	Regulatory Analysis filed with IGOV for pre-clearance.
July 23, 2025	Regulatory Analysis published in the Iowa Administrative Bulletin. Public comment period begins.

August 12, 2025	Regulatory Analysis public hearing to receive oral comment. Regulatory Analysis public comment period ends.
August 13, 2025	Notice of Intended Action filed with IGOV for pre-clearance.
September 3, 2025	Notice of Intended Action published in the Iowa Administrative Bulletin. Public comment period begins.
September 23, 2025	Public hearing to receive oral comment. Public comment period closes.
October 8- 10, 2025	Adoption Window: Iowa Lottery Commission must meet to adopt.
October 29, 2025	Adopted rules published in the Iowa Administrative Bulletin.
December 3, 2025	Updated rules become effective.

PROPOSED RULEMAKING DRAFT

ITEM 1. Amend rule 701–6.4(99G,123,17A) as follows:

701—6.4(99G,123,17A) Requests for a contested case proceeding.

6.4(1) Any person claiming an entitlement to a contested case proceeding shall file a written request within the time specified by the particular rules or statutes governing the subject matter or, in the absence of such law, the time specified in the agency action in question.

6.4(2) The request for a contested case proceeding should state the name and address of the requester, identify the specific agency action that is disputed and, where the requester is represented by a lawyer, identify the provisions of law or precedent requiring or authorizing the holding of a contested case proceeding in the particular circumstances involved, and include a short and plain statement of the issues of material fact in dispute.

6.4(3) A person may submit their request for a contested case proceeding using one of the methods described in Iowa Administrative Code subrule 701–7.3(1).

ITEM 2. Amend rule 701–7.3(17A) as follows:

701—7.3(17A,99G,123,421-454)How to submit an appeal, petition or related documents; service. Appeals, petitions, and other documents governed by this chapter may be filed electronically, by mail, or in person, in accordance with the limits described below. The headquarters of the department in the Hoover State Office

Building in Des Moines, Iowa, will generally be open between the hours of 8 a.m. and 4:30 p.m. daily, except Saturdays, Sundays, and holidays as defined in Iowa Code section 421.9A.

7.3(1) Ways to submit an appeal, petition, or related document. Unless otherwise specified in another rule in this chapter, a person may submit an appeal, petition, related document, or document filed during an appeal or pending petition:

a. By submitting through GovConnectIowa. As of November 12, ~~2024~~2025, GovConnectIowa is available for filing appeals, petitions for declaratory order, petitions for rulemaking, and petitions for rule waiver for all matters before the department. ~~petitions for declaratory order, petitions for rulemaking, and petitions for rule waiver, for all tax types as well as for lottery and alcohol matters but is only available for filing appeals for the following tax types: sales, use, E911, withholding, motor vehicle fee for new registration, vehicle lease, cigarette, tobacco products, alternative nicotine, vapor device, vapor products, drug stamp, utility replacement, central assessments, statewide property, motor fuel, hotel/motel, local option sales, automobile rental, water service exercise, individual income, fiduciary income, corporation income, S corporation income, partnership income, composite, franchise, inheritance, moneys and credits, and tax credits and distributions associated with these tax types.~~

b. By email to idrhearings@iowa.gov.

c. By mail to Legal Services and Appeals Division, Iowa Department of Revenue, P.O. Box 14457, Des Moines, Iowa 50306-3457.

d. By hand delivery to the department's customer service desk in the Hoover State Office Building, First Floor, 1305 East Walnut Street, Des Moines, Iowa 50319, during regular business hours.