

NEW YORK STATE GAMING COMMISSION

Division of Lottery Annual Plan

Fiscal Year 2022-2023



**Gaming
Commission**

December 30, 2021

New York State Gaming Commission

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In accordance with Article 34 §1615 of the Tax Law, the following is the New York State Gaming Commission’s Fiscal Year 2022-2023 Annual Plan for Traditional Lottery Games and Video Lottery Gaming. The plan outlines projected Lottery sales, marketing initiatives and associated expenditures, and the use of available prize reserves. The chart below depicts the projections for Fiscal Year 2022-2023:

FY22-23 (amounts in millions)	Total Projected	Q1 (Apr-Jun)		Q2 (Jul-Sep)		Q3 (Oct-Dec)		Q4 (Jan-Mar)		Total YTD Actual	Total % of Projected
		Actual	% of Projected	Actual	% of Projected	Actual	% of Projected	Actual	% of Projected		
Traditional Lottery Game Sales	\$ 8,650.2									\$ -	0.0%
Video Lottery Gaming Net Win	\$ 2,212.7									\$ -	0.0%
Combined Sales & Net Win	\$ 10,862.9									\$ -	0.0%
Traditional Lottery Advertising and Promotions	\$ 92.0									\$ -	0.0%
Traditional Lottery Game Lapsed/Reserve Prize Awards	\$ 62.2									\$ -	0.0%
Video Lottery Gaming Lapsed Prize Awards	\$ 1.8									\$ -	0.0%
Combined Prize Awards (Lapsed/Reserves)	\$ 64.0									\$ -	0.0%

Note – Sales and expenses are reported on a cash basis. Actual advertising or promotion expenditures may not correlate to the timing of the advertising/promotion run date. Actual spending of Video Lottery Gaming Marketing may include allowances carried forward from the prior year.

TRADITIONAL LOTTERY GAME ADVERTISING AND PROMOTIONS FISCAL YEAR 2022-2023 PLAN

SCRATCH GAMES

- Twelve new Scratch-off Game launches are planned this fiscal year. Each launch will be supported with in-store advertising, digital and social media.
- Specific Scratch-off Games will be supported with advertising throughout the year:
 - \$1,000,000 Lucky Dog (Q1) – Integrated marketing campaign and second chance promotion
 - Fast Family (Q1-Q2) – Primarily digital campaign and second chance promotion
 - September Scratch-off Game (Q2-Q3) – Integrated marketing campaign and second chance promotion
 - Holiday Season Scratch-off Games (Q3) – Integrated marketing campaign and second chance promotion
 - TBD Scratch-off Game (Q4) – Integrated marketing campaign and second chance promotion

DRAW GAMES

- The following draw games will be supported with promotions and advertising:
 - Quick Draw or Daily Games (Q1)
 - Quick Draw or Daily Games (Q2)
 - Quick Draw or Daily Games (Q3)
 - Quick Draw or Daily Games (Q4)

- Powerball and Mega Millions jackpots will be supported with permanent billboards and out of home placements as well as high-jackpot advertising throughout the year.

EVENTS, SPONSORSHIPS AND PROMOTIONS

- Sponsorships and corporate partnerships will continue throughout the fiscal year. Lottery will have a presence at the New York State Fair and Erie County State Fair.

VIDEO LOTTERY GAMING

In accordance with Article 1 of Racing, Pari-Mutuel Wagering and Breeding Law, Article 34 §1612 of the Tax Law and 9 NYCRR, §5116 of the regulations, the Division of Lottery reviews, approves and monitors Video Lottery Gaming marketing and promotions plans. The results of Video Lottery Gaming marketing and promotional efforts are not included in this report as Video Lottery Gaming facilities develop, measure and administer these programs.

FISCAL YEAR 2022-2023 SCRATCH-OFF GAMES

	Price Point	64.25/74.25%		Price Point	64.25/74.25%
April 5, 2022			November 1, 2022		
777 MULTIPLIER	\$2	64.25%	Holiday Season TBD	\$2	64.25%
\$60,000 DIAMONDS/RUBIES	\$3	64.25%	Holiday Season TBD	\$5	64.25%
\$1,000,000 LUCKY DOG	\$5	64.25%	Holiday Season TBD	\$10	64.25%
ELECTRIC 10X	\$10	64.25%	December 6, 2022		
May 3, 2022			TBD	\$1	64.25%
LUCKY 75	\$1	64.25%	TBD	\$5	64.25%
POWERSPOT	\$5	64.25%	January 3, 2023		
\$100 OR \$200!	\$20	64.25%	Multiplier	\$1	64.25%
June 7, 2022			Multiplier	\$2	64.25%
FAST \$100!	\$2	64.25%	Multiplier	\$5	64.25%
FAST \$250!	\$5	64.25%	Multiplier	\$10	64.25%
FAST \$500!	\$10	64.25%	February 7, 2023		
July 5, 2022			TBD	\$3	64.25%
FAST \$50!	\$1	64.25%	TBD	\$5	64.25%
TBD	\$5	64.25%	Multiplier	\$20	74.25%
TBD	\$20	74.25%	March 7, 2023		
August 2, 2022			TBD	\$2	64.25%
TBD	\$2	64.25%	TBD	\$5	64.25%
TBD	\$5	64.25%	TBD	\$30	74.25%
TBD	\$10	64.25%		Price Point	64.25/74.25%
September 6, 2022			In-Market Continuously		
TBD	\$1	64.25%	Instant Take5	\$1	64.25%
TBD	\$5	64.25%	Loose Change	\$1	64.25%
TBD	\$30	74.25%	Win for Life	\$2	64.25%
October 4, 2022			Cashword	\$2	64.25%
TBD	\$3	64.25%	Cashword Doubler	\$2	64.25%
TBD	\$5	64.25%	Double Triple Cashword	\$5	64.25%
TBD	\$20	64.25%	Set For Life	\$10	74.25%
<p><i>Note – Launch schedule, games and price points are subject to change due to unexpected shifts in consumer demand and prizes claimed.</i></p>					

ANNUAL ADVERTISING AND PROMOTIONS PLAN

Attachment 1 (Traditional Lottery Game Advertising and Promotions Plan Fiscal Year 2022-2023 Projected) outlines the Division of Lottery Fiscal Year 2022-2023 Traditional Game advertising and promotions plan and includes total projected expense for the fiscal year. Promotions are conducted to attract new players, cross-promote games and encourage visits to retail. Funds from lapsed prizes play a critical role in the Lottery's marketing efforts as shown in this attachment.

PRIZE RESERVES & LAPSED PRIZES

The Commission's general rule is that game reserves earned will be used for the applicable game. Exceptions to this general rule are the following pairs of games whose reserves are commingled for the support of the pair's two games: NUMBERS & Win4 and Quick Draw & Pick 10.

Attachment 2 (Analysis of Reserve Balances) provides projected reserve balances by game including net change and ending balance for the next fiscal year. All reserves combined are projected to have a balance of \$321.7 million at April 1, 2022. During the fiscal year, the combined reserves are projected to increase by approximately \$44.4 million to reach a balance of \$366.1 million at March 31, 2023. The ending balance is sufficient to meet the needs of all reserves at March 31, 2023 and is heavily subject to prize liabilities of those games that are designed with fixed prize payouts.

Attachment 3 (Lapsed Prize Fund Projection) provides beginning balance and projected use of lapsed unclaimed prize funds for the next fiscal year. Starting the fiscal year with a projected balance of \$109.5 million, the Lapsed Prize Fund will add \$120.1 million in lapsed prizes and related income while \$60.0 million of lapsed prizes will be used to support games and promotions as well as unexpected liabilities in those games designed with fixed payouts. In addition, \$60.1 million is projected to be transferred to the Lottery Education Fund leaving an available balance of \$109.5 million on March 31, 2023.

Advertising & Promotions Plan Fiscal Year 2022-2023	Projected Expense	Actual Cost Incurred
ADVERTISING EXPENSE		
Draw Games		
Powerball New Year's Rockin' Eve / September 2022 - October 2022	\$ 50,000	\$ -
Q1-Q4 Quick Draw / Daily Games Quarterly Promotions	\$ 6,900,000	\$ -
Scratch-off Games		
Q1 \$1,000,000 Lucky Dog (April 2022 - May 2022)	\$ 6,600,000	\$ -
Q1-Q2 Fast Family Games (June 2022 - July 2022)	\$ 470,000	\$ -
Q2-Q3 TBD Theme (September 2022 - October 2022)	\$ 7,000,000	\$ -
Q3 Holiday Season Games (November 2022 - December 2022)	\$ 7,000,000	\$ -
Q4 TBD Theme (January 2023 - March 2023)	\$ 9,000,000	\$ -
Digital Marketing (Website, Mobile Apps, Social, Engagement, Promotions)	\$ 11,315,000	\$ -
Retail Advertising and Support	\$ 2,975,000	\$ -
Annual Initiatives	\$ 25,390,000	\$ -
Agency Fees	\$ 15,300,000	\$ -
Total Advertising Expense	\$ 92,000,000	\$ -

Advertising & Promotions Plan Fiscal Year 2022 - 2023 (Lapsed & Prize Reserves)	Projected Usage
LAPSED PRIZES PLANNED USAGE	
Draw Game Promotions / April 1, 2022 - March 31, 2023:	
Q1 Quick Draw or Daily Games Promotion	\$3,000,000
Q2 Quick Draw or Daily Games Promotion	\$3,000,000
Q3 Quick Draw or Daily Games Promotion	\$2,000,000
Powerball New Year's Rockin' Eve / September 2022 - October 2022	\$60,000
Q4 Quick Draw or Daily Games Promotion	\$2,000,000
Collect 'n Win Weekly and Monthly Digital Promotions / April 1, 2022 - March 31, 2023:	
Second Chance / Instant Win Prizes	\$400,000
Montly or Quarterly Prizes	\$250,000
Scratch-off Game Promotions / April 1, 2022 - March 31, 2023:	
Cash4Life Coupon w/ Win \$1,000 A Week for Llife Scratch-Off / April 2022 - March 2023	\$1,500,000
Q1 \$1,000,000 Lucky Dog Second Chance	\$1,500,000
Q1-Q2 Fast Family Second Chance	\$250,000
Scratch-off Game Support	\$35,000,000
Digital Promotions / April 1, 2022 - March 31, 2023:	
Coupons and Prizes (Scratch-off Games, Draw Games, Player Acquisition and Retention)	\$6,440,000
Events & Sponsorships / April 1, 2022 - March 31, 2023:	
Regional & Corporate Promotions (New York State Fair & Erie County Fair)	\$300,000
Sponsorship Promotions	\$500,000
Contingency / April 1, 2022 - March 31, 2023:	
Contingency	\$2,000,000
Total Lapsed	\$58,200,000
PRIZE RESERVE PLANNED USAGE	
NUMBERS/Win4 Increased Payout (Booster Ball)	\$4,000,000

ANALYSIS OF RESERVE BALANCES
4/1/22 – 3/31/23 (Projected)

	Balance 4/1/22	Revenue In	Revenue Out	Projected Net Change	Ending Balance 3/31/23
Lapsed Prize Reserve Fund	\$100,861,882	\$94,550,000	\$95,050,000	(\$500,000)	\$100,361,882
VGM Lapsed Prize Reserve Fund	\$8,668,479	\$2,300,000	\$1,800,000	\$500,000	\$9,168,479
Win For Life Reserve Fund	\$4,870,215	\$0	\$0	\$0	\$4,870,215
Lotto Reserve Fund	\$0	\$23,480,000	\$23,480,000	\$0	\$0
Numbers/Win 4 Reserve Fund	\$147,884,266	977,900,000	931,605,160	\$46,294,840	\$194,179,106
Quick Draw/Pick 10 Reserve Fund	\$3,139,973	\$502,720,000	\$505,142,200	(\$2,422,200)	\$717,773
Take 5 Reserve Fund	\$3,914,016	\$117,400,000	\$116,695,600	\$704,400	\$4,618,416
Mega Millions Reserve Fund	\$453,247	\$0	\$0	\$0	\$453,247
Powerball Reserve Fund	\$31,939,334	\$0	\$0	\$0	\$31,939,334
Cash 4 Life Reserve Fund	\$0	\$79,035,000	\$76,450,000	\$2,585,000	\$2,585,000
Instant Reserve Fund	\$19,979,302	3,297,999,150	3,300,804,620	(\$2,805,470)	\$17,173,832
TOTAL RESERVES	\$321,710,714	\$5,095,384,150	\$5,051,027,580	\$44,356,570	\$366,067,284

LAPSED PRIZE FUND PROJECTION FISCAL YEAR 2022-2023

	<u>Projected</u>
Beginning Balance as of April 1, 2022	109,530,361
 <u>Sources</u>	
Draw Games	49,200,000
Instant Games	68,250,000
Video Lottery Gaming	<u>2,300,000</u>
Total Lapsed Prizes	119,750,000
Interest	<u>350,000</u>
Total Sources	120,100,000
 <u>Uses</u>	
Coupons: Digital	6,440,000
Instant Game support and contingency for excess payouts of Fixed Prize Games	2,000,000
IG Promos, agent reimbursements, manual checks	38,250,000
Draw Game Promotions	10,060,000
Collect 'n Win promotion	650,000
Corporate promotion	300,000
Regional promotion	500,000
Video Lottery Promotions:	
Resorts World Casino	300,000
Batavia Downs Gaming	200,000
Hamburg Gaming	200,000
Finger Lakes Gaming and Racetrack	200,000
Saratoga Casino Hotel	200,000
Vernon Downs Casino	200,000
Empire City at Yonkers	300,000
Jake's 58 Hotel and Casino	<u>200,000</u>
Total Uses	<u>60,000,000</u>
 Transfer to Education	 <u>60,100,000</u>
Ending Balance as of March 31, 2023	<u>109,530,361</u>