

INTRODUCTION

The [Colorado Lottery](#) was created in 1983 to create new revenue through the responsible sale of Lottery games to support some of Colorado's greatest assets -- the outdoors and schools.

LOTTERY PILLARS

The Colorado Lottery's performance is guided by three principal areas of focus, or Pillars.

Revenue

Revenue drives conservation -- and funding to beneficiaries. The Lottery's core purpose is to create entertaining games for adults to grow revenue for the organization's proceeds partners that support a variety of outdoor, conservation, and recreation projects and schools. As Colorado grows, the Lottery must constantly improve and refine its strategies, games, access, and marketing to create the best possible experience for its diverse player base. To support its goal of growing Lottery sales revenue to \$1 billion, the organization is reimagining its future to better support its beneficiaries. A renewed focus on industry best practices has brought strategic changes to Scratch game design, production and inventory management, which has had a direct impact on sales. Colorado's Jackpot game received a much needed makeover. Relaunched in September 2019 as Colorado Lotto+, the new game offers better odds and more chances to win, resulting in 26% growth compared to the previous year's sales. Here is a [link](#) to the Lottery's most recent annual report that breaks down the numbers.

Responsibility

The mission of the Colorado Lottery is to maximize revenues for its proceeds recipients while demonstrating the highest level of integrity expected of a state agency. The two sides of that mission are linked forever, because increased revenue goals cannot be achieved without responsibility, integrity, and security. Lottery players and retailers expect the organization to operate with the highest level of responsibility in every aspect of operation. The safety of players is at the forefront of everyday decision-making. To make sure the Lottery follows global standards, it is engaged in the [World Lottery Association](#) Responsible Gaming certification program. This is a rigorous four-level program that requires a documented and progressive commitment to responsible gaming. By fiscal year 2022, the Lottery achieved Level 4, a level only seven other U.S. lotteries have reached. Enhanced training for staff and retailers, more research and stricter marketing guidelines are just a few of the program elements the Lottery is implementing.



Conservation

Helping more people understand where Lottery proceeds go helps create an appreciation for why the Lottery exists and helps build support for the organization among all Coloradans. But more than proceeds impacts, the Lottery is hands-on in its support of conservation in Colorado. The Lottery's annual "Runyon to the Res" clean-up event in Pueblo is just one of many activities that demonstrates how the organization doesn't just "talk-the-talk" when it comes to conservation, but also "walks-the-walk." The only lottery in the nation whose proceeds support the outdoors, the Lottery's conservation funding recently helped the state realize a brand new state park, Sweetwater Lake, Colorado's 43rd state park, made possible thanks to millions of dollars in Lottery funding.

By focusing on these three pillars, the Lottery continues to make the Colorado Lottery fun and entertaining for its players and a vital partner in conservation for its beneficiaries.

SELF-FUNDED REVENUE

An additional revenue source for the state, the Lottery is an enterprise, meaning it is 100% self-funded. While it receives no taxpayer revenue and no money from the State General Fund, it is a division of the [Colorado Department of Revenue](#). The Lottery is subject to Joint Budget Committee oversight with regard to its spending and an annual fiscal audit and results presented to the Legislative Audit Committee each year. The [Lottery Commission](#) provides additional oversight and governance of the Colorado Lottery by approving rules, guidelines and new games. The Senior Director of the Lottery is tasked with the day-to-day management of the Lottery and ensures it operates with integrity.

WHERE THE MONEY GOES

The sale of Lottery [products](#) funds all Lottery operations. And the Lottery spends every dollar it makes. The majority of Lottery revenue pays winners, with 63 cents of every dollar going back to players in the form of cash prizes. That translates to well over \$400 million going right back into the pockets of Lottery players every year.

There are over 3,000 Lottery [retailers](#), such as grocery and convenience stores, that count on Lottery funds. About 7.6 cents of every dollar goes back to those Colorado businesses as retailer commissions, reaching over \$60 million in FY22.



Lottery operations and beneficiaries are paid through the remaining budget, which is just over 30 cents of the remaining dollar of every Lottery sale. Two and a half cents of a dollar pays for developing and producing new Scratch tickets, equipment maintenance and technical support. Marketing accounts for about 2.2 cents per dollar, and overhead (salaries and infrastructure) is 1.9 cents of each dollar. This means that the Lottery's entire operations budget is just over 4% of its total revenue. That leaves approximately 23 - 25 cents of every Lottery dollar for its beneficiaries.

While the numbers vary slightly from year to year, this three-minute [video](#) breaks it down.

FUNDING THE GREAT OUTDOORS

The Lottery's net revenue is almost entirely dedicated to supporting the state's second-largest economic driver: Colorado's great outdoors. The Colorado Lottery is the only lottery in the world whose proceeds go primarily to benefit the outdoors, and it has generated over \$4 billion to help fund outdoor recreation, conservation and schools in Colorado.

[Great Outdoors Colorado](#) (GOCO) is the Lottery's largest beneficiary and receives 50% of proceeds dollars, approximately 10.1 cents of every Lottery dollar. In FY22, the Lottery gave GOCO \$73.1 million for outdoor projects last year.

[The Conservation Trust Fund](#) (CTF) receives the next largest amount of funding, 40% of proceeds dollars or approximately 9.8 cents of every dollar. CTF funds are distributed to local governments across the state on a per capita basis by the Department of Local Affairs (DOLA). In FY22, the Lottery gave CTF \$72.1 million.

[Colorado Parks and Wildlife](#) (CPW) receives the last 10% of proceeds, approximately 2.4 cents of every dollar. In FY22, the Lottery gave CPW \$18 million, plus additional funding for its Parks/Outdoors Recreation and Wildlife Cash Funds, each receiving \$3.1 million.

Spillover funds after the GOCO cap is met are divided between the Outdoor Equity Fund, two CPW cash funds, and [Building Excellent Schools Today](#) (BEST).

The Outdoor Equity Fund, which is managed by CPW, funds projects that expand access to the outdoors to underrepresented communities. In FY22 the Outdoor Equity Fund received \$1.5 million. BEST funds public school capital construction projects and received \$9.3 million in FY22.

Here's a [link](#) to proceeds funding to Lottery beneficiaries over the last ten years.

