

Minutes for the Colorado Lottery Commission

Call to Order

A Commission Meeting for the Colorado Lottery was held via Zoom on Wednesday, June 11, 2025. Chairman Podolski presided over the meeting, which was called to order at 8:04 a.m.

Attendees

In attendance were the following:

Stan Podolski, Chairman	Lauren Back, Lottery
Bill Clayton, Vice Chairman	Mike Strasser, Lottery
Christian Reece, Commissioner	Nancy Bartosz, Lottery
Janelle Quick, Commissioner	Rachel Sanchez, Lottery
Tom Seaver, Senior Director	Scott Chavkin, Lottery
Adrian Varney, Lottery	Tennille Segura, Lottery
Amanda Quintana, Lottery	Terri Geier, Lottery
Angel Ramos, Lottery	Tiffany Ramsdell, Lottery
Brian Kohnlein, Lottery	Tom Campbell, Lottery
Bridget Rader, Lottery	Evan Monteith, Cactus
Cristi Gannon, Lottery	Madelaine Shipley, Cactus
Dave Aldag, Lottery	Christy Reeves, GOCO
Diana Padilla- Morales, Lottery	Dwayne Wilson, IGT
Gene Kim, Lottery	Torrey Samson, Attorney General's Office
Joseph Yoklavich, Lottery	Mark Basedow, Lotto.com
Jenna Cordova, Lottery	Mitch Homma, Amache Alliance
Kassie Gutierrez, Lottery	Scott Meiklejohn, Member of the Public
Kelia Busby, Lottery	

Introductions and Welcome

Chairman Podolski welcomed everyone. He noted that he, Vice Chair Clayton, Commissioner Reece, and Commissioner Quick were all in attendance. Chairman Podolski stated that everyone else in attendance would be noted on the official meeting minutes.

Public Comment

Chairman Podolski called for any public comment. There was no public comment.

SGEP Update

Mr. Campbell noted that both Ms. Cumiskey and Ms. Kiss were unable to attend, and he would be giving the SGEP update in their absence. He stated that in the last 30 days, four new applications have been submitted. The Scientific Games recruiting team is now focused on the liquor store trade style. He pulled retailer data: there are about 1,400 liquor stores in Colorado. Currently, the Lottery has 517 liquor stores licensed to sell lottery products. This accounts for about 17% of our retailer base and about 5.5% of Lottery sales.

Since 2023, they have added 200 additional licensed retailers selling Lottery products. Currently, the Lottery has 3,008 licensed retailers. The “3,000 retailer” barrier was finally broken this month. This fiscal year, we’ve added 97 additional retailers; Scientific Games recruited 44, and 53 were corporate chain locations. They are forecasting an additional 70 corporate chain locations in the next fiscal year.

The remaining three of the four 7-Elevens where they are testing the SciQ were installed at the end of May. They currently have nine 24-game units that will be placed in new Circle K and King Sooper locations. A total of 385 retailers are currently utilizing the SciQ units to sell lottery tickets.

Vice Chair Clayton commented that the efforts by Scientific Game recruiters seem to be working. Mr. Campbell noted that it is a difficult job, and it has been working well between SciGames' efforts and the corporate chain accounts, adding locations. He noted that Colorado is under-retailed, but between the efforts of the two, it is helping. He also stated that the recent bill the Governor Polis signed, which doesn't allow a grocery store with a pharmacy to have a full-service liquor store, should help the liquor trade.

Vice Chair Clayton asked if our being under-retailed is based on a national level. Mr. Campbell confirmed and stated that our retailer-to-player ratio is below average. Mr. Seaver elaborated on this with some statistics. Colorado has about one retailer for every 1,800 residents. The industry average is about one retailer for every 1,400-1,500 residents. He also noted that though the difference might not sound huge, however, we do feel those effects when there is a large jackpot run.

Starburst Awards Update

Ms. Varney presented a video for the 2025 Starburst winner, Julesburg School. She also shared a recap of their events from the past two months, including filming two videos, four Starburst Award presentations, and many events with key individuals.

Amache - Sand Creek Youth Ambassador Program Presentation

Mr. Homma of the Amache Alliance presented the work and exposure that the Amache Sand Creek Youth Ambassador Program does and how the Lottery helped the program to the Commission. Ms. Varney and Mr. Seaver also shared how impactful their visit to the site was and what an honor it is for the Lottery to contribute and recognize this foundation and their work to honor their history and culture.

Vice Chair Clayton asked how many individuals were involved, and Mr. Homma answered that about 34-35 people, including educators and parents, were involved. For just the youth ambassadors, 14 youth between the ages of 14 and 23 were involved. Vice Chair Clayton also asked where all the youth came from. Mr. Homma answered that some came from Denver and reservations in Oklahoma, Montana, and Wyoming.

Spotlight Segment: Jurassic World TV Spot

Ms. Back presented the Jurassic World scratch game advertising campaign, which will run later

in June. It is licensed in partnership with Scientific Games and features the iconic soundtrack. The second chance drawing is for a trip to Hawaii.

Vice Chair Clayton commented that he has received a lot of positive feedback about the Multiplier TV Spot.

Mr. Seaver commented that Scientific Games is getting more aggressive in developing the linked games, which adds value to the product for the consumer and helps with sales of these types of games.

Approval of Minutes

Chairman Podolski called for any updates to the May 8, 2025, Lottery Commission meeting minutes. Seeing none, Chairman Podolski called for any changes or comments to the presented minutes. Seeing none, Commissioner Quick motioned to approve the May meeting minutes, which Vice Chair Clayton seconded. The motion passed unanimously, 4-0.

Decision Items

Mr. Chavkin presented three Decision Items requiring Commission approval:

- Game 389, \$10 Bonus Multiplier Bingo with a \$250,000 top prize. This is anticipated to launch on September 15th.
- Game 406, \$5 Fiery 5s with a \$100,000 top prize. This will launch as needed based on inventory demands.
- Game 388, \$5 Orange Cash with a \$100,000 top prize. This is anticipated to launch on September 15th.

Commissioner Reece asked what benefit the Denver Broncos get in partnering with us for this game. Mr. Chavkin stated it was a standard licensing agreement where the Broncos get 2% of the revenue generated by this particular game. In addition to the 2%, they added a bonus where if sales reach a certain percentage within the first 12 weeks, additional money is available to the Broncos if we achieve that level of performance.

Chairman Podolski made a motion to approve the Decision Items as presented, which was seconded by Commissioner Quick. The motion passed unanimously, 4-0.

Approval of Scratch Game Guidelines

Mr. Chavkin presented the Scratch Game Guidelines as follows, noting that all games presented are eligible for the Monthly Second Chance Draw.

- Game 389 with a price point of \$10, with a payout of 71%, and overall odds of 1 in 3.37.
- Game 406 with a price point of \$5, a payout of 68.5%, and overall odds of 1 in 3.79.
- Game 388 with a price point of \$5, a payout of 68.5%, and overall odds of 1 in 3.45.

Chairman Podolski moved to approve the Scratch Game Guidelines as presented, which was seconded by Commissioner Reece. The motion passed unanimously, 4-0.

Scratch Game Performance

Mr. Chavkin reported that Scratch sales totaled just over \$52 million for May. Scratch sales are tracking roughly \$500,000 behind where we need to be to hit our goal of \$601 million for FY25. Mr. Chavkin is optimistic that we will hit that goal. Overall, scratch sales are tracking 2% higher than last year. This is excellent news considering several other lotteries are reporting that their scratch sales are down. He also noted that the \$5, \$10, and \$50 price points are all tracking ahead of the prior year's sales.

Mr. Chavkin noted that four new games were launched in May. The Multiplier family had games at the \$3, \$5, \$10, and \$20 price points, and all have been performing well.

Mr. Seaver noted that when he and Ms. Anderson started, the fiscal year that was about to end was a record year for overall sales of all products, at \$611 million. We are tracking to hit nearly \$600 million in scratch sales this fiscal year alone.

Jackpot Game Performance

Mr. Chavkin presented the Jackpot Game Performance, as Mr. Sisson was unable to attend the meeting. Mr. Chavkin reported that combined jackpot sales for May generated \$15.7 million. Collectively, jackpot sales are behind the annual forecast by approximately \$31.1 million and are behind last year's actual sales by roughly \$82.6 million. Sales for Powerball and Mega Millions combined are down \$33.2 million from the goal, and are behind last year's sales by slightly more than \$84 million.

Colorado Lotto Plus is tracking ahead of last year's totals by about \$4 million, and ahead of goal by about \$4.5 million, thanks to a \$12 million jackpot won in late April. Cash 5 is tracking behind its target by \$2.4 million. Lucky for Life is tracking behind its target by \$934,000. Pick 3 is tracking about \$477,000 behind its target of \$16 million.

Vice Chair Clayton asked if the benefactors keep track of where the lottery is and if they know they will be left out due to our deficit. Mr. Seaver answered that they have been letting them know, especially GOCO, for months. Everyone is aware, including the governor's office. He also noted that a silver lining is that the games that we can control—Colorado Lotto+ and scratch games—are doing well.

FY25 Projected Sales, Expenses, and Disbursements

Mr. Aldag is confident we will meet our scratch sales goal this year. However, the Jackpot is down quite a bit and we will not be hitting that goal. Powerball drives jackpot sales, and we are about \$35 million short of our goal for this game.

Mr. Aldag projects that we will be about \$3.8 to \$3.9 million short of the GOCO cap. He believes that we will be able to pick up a couple of hundred thousand dollars at year-end, which will help us out. He anticipates that we will be closer to \$3.5 million short of the GOCO cap by the end of the fiscal year.

Mr. Aldag has no concerns about expenditure levels. We should be well within our spending

authority on everything.

Mr. Aldag stated that we are looking at having FTEs of about 104.5 at the end of June, which will leave us four positions short. Only 3 of which are actively being recruited at the moment.

Chairman Podolski asked at what point Mr. Aldag will have calculations for FY25 regarding the beneficiary caps. Mr. Aldag answered that the FY26 GOCO cap is just short of \$88 million. Mr. Seaver added that for every \$100,000 that the GOCO cap goes up, we would need \$1 million in sales to keep even. He also noted that the negotiations for sales targets are very much a process, as forecasting sales is not the easiest thing to do. He said the governor's office will make revenue or proceeds a WIG (a Wildly Important Goal) this year.

Mr. Aldag also noted that our largest categories of expenditures (prize expenses, retailer commissions and bonuses, and vendor fees) are highly driven by the percentage of sales, which helps us out in situations like this fiscal year, when sales were down. Had we had a fixed cost structure in place, it could have been a much different situation for us than with our carefully crafted percentage structure currently in place.

Chairman Podolski mentions that the audit for the current year is underway. Commissioners are likely to be interviewed soon.

Director's Report

- **Amanda Quintana Elected to NCPG Board**

Ms. Quintana noted that one of her personal goals regarding player health was to help elevate the program further than the team had before her joining. She has been able to do this by being elected to the National Council on Problem Gambling board of directors. NCPG serves as a national advocate working to mitigate gambling-related harm. She is excited to serve in this capacity and to bring a lottery perspective to NCPG. She also revealed that she was the first lottery staffer on the NCPG board. Her term will be a 3-year term that will begin in July and run through June 2028. The NCPG board comprises 15 members, and she is one of three organizational representatives.

- **RGC Discovery Conference Recap**

Ms. Quintana also shared that she attended the Discovery conference hosted by the Responsible Gambling Council in Canada. She could see the innovations and work being done in Canada and worldwide. Canada is leading in the RG space, and it was exciting for her to pull from the work that they are doing since they have very similar structures to our culture and how gambling is viewed. Some key takeaways were: public health integrations, elevating lived experience, new pathways of communicating to players, and validation that Colorado is on the right track.

Mr. Seaver spoke on the importance of having Ms. Quintana on the NCPG board and how vital it is and will continue to be in the growth of our RG program.

- **Howard Building Move**

Mr. Kohnlein announced that, besides adding some monitors and a printer, the Howard building move is mostly complete. The first Anchor Day was held at Howard the previous Wednesday. Everyone liked the space and the view of downtown.

Claims and Security staff are still at the Pierce location and will be moved to the Regional Service Center, which is being built on the Auraria Campus.

Chairman Podolski asked about Howard's parking situation. Mr. Kohnlein answered that some staff will be able to get parking passes for the garage after they've received their badges. Others coming into Howard can park in the parking lots during business hours.

Vice Chair Clayton asked if there was security at the new building. Mr. Kohnlein stated that Howard has a nice and robust security system. Lottery employees have to be added to the Howard system. They also have a nice visitor system and door access system, as well as some security guards on staff. Mr. Clayton also asked if there was any security for the parking lot, which Mr. Kohnlein stated there was not.

- **New Lottery Commissioner**

Mr. Seaver announced that the governor has appointed Michael Shea to the lottery commission to fill the vacancy. Michael's term will start on July 1st and it will be a brand-new four-year term. Michael is in private practice in Denver. His practice centers around civil and criminal matters in state and federal courts. He has experience in state government, including serving as deputy legal counsel for Governor Bill Ritter and Governor John Hickenlooper, as an attorney in the AG's office, and as legislative liaison for the Office of Information Technology.

He noted that Commissioner Shea will attend the July virtual Commission Meeting and then in person for the August Commission Meeting.

- **Millionaire for Life Update**

Mr. Seaver noted that he serves as the product group chairman for the Millionaire for Life game. There are twenty-three states that currently sell Lucky for Life, and ten that sell Cash for Life. Both games are very similar, with a \$1,000 a week for life top prize and a secondary prize of \$25,000 a year. They have a small, loyal following, producing a relatively predictable amount of revenue. However, neither of the two games are very dynamic. They haven't grown or built robust player bases. With this said, about a year and a half ago, dialogue opened with other directors about creating a new game that would replace Lucky for Life and Cash for Life.

During the development process of this new game, consumer research was conducted. They gave players different game designs and value propositions to consider. At this point, 31 states have agreed to sell at the opening of the new game. These 31 states represent 190 million people, which is more than the current two games combined. In addition to the states already selling the current games, some new states that weren't selling either game have decided to join Millionaire for Life. This includes Texas and New Mexico.

The timing of these new games is important because we depend on the big jackpot games to drive revenue. The idea in portfolio management for products is to diversify your revenues so that you are not as dependent on one or, in our case, two games, to drive our revenue.

The game will have a life-changing prize that will be available daily. It's a daily game, sold and drawn 7 days a week, and no matter how many times it's won, the same top prize will be available. This will be a \$5 ticket. It will be drawn every day at 10:15 Central time by MUSL. Cut-off time will be 9:00 PM Central time. The matrix is 5 of 58 plus 1 of 5. The top prize is a million dollars a year for life, or a cash option would be about \$18 million lump sum. The lowest prize will be \$8. This game was designed intentionally not to have any break-even prizes. Overall odds are a little better than 1 in 5.8. There will be a liability limit. If five people hit the top combination, that top prize will become a pari-mutuel. However, the game was designed so that this does not happen often, if ever. The first drawing is expected to occur during the third week of February 2026.

Millionaire for Life was fast-tracked to get out into production and launch before another game, which is in the works and will launch in September. Many participating lotteries are anxious to have the additional revenue stream from Millionaire for Life, which was a driving factor for why the game was fast-tracked. All the system vendors are on board to get this game going and are working very closely with each of the lotteries they are associated with.

Mr. Seaver noted that the Colorado Lottery is still evaluating the NFL game and is unsure of our position.

- **Lottery Directors Conference Update**

Mr. Seaver attended the NASPL director's meeting in San Diego. It was a valuable time for them to talk freely about what was working and what was not working, as well as projects and programs that they see as having potential for the year ahead.

One topic that came up was the performance of Mega Millions. In the next commission meeting, Jay will provide an update on how the \$5 price point has worked thus far. Couriers and syndicate buying were also big topics. International sales have been ongoing conversations. Selling Powerball in Australia and the United Kingdom. Lobbying activity is also a conversation topic.

Overall, it was a valuable time to discuss important topics with other state lottery directors.

Commission Items

There were no commission items. Chairman Podolski reminded the attendees that the July Commission meeting would be held on July 9th.

Adjournment

Chairman Podolski requested a motion for adjournment. Commissioner Quick moved to adjourn the meeting, which Commissioner Reece seconded. The motion passed unanimously, 4:0. Chairman Podolski adjourned the meeting at 9:36 a.m.

Completed by: Jenna Cordova

Date of Approval