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Debbs Potts Oregon State Lottery Commission Building

500 Airport Road SE
Salem, OR 97301

**OREGON STATE LOTTERY COMMISSION MEETING
OCT. 31, 2025**

Lottery Commission: Marty Ramirez, chair
Charlie Conrad
Jennifer Geller
Jeff Weller

Director: Mike Wells

Chair Ramirez called the Oct. 31, 2025, Oregon State Lottery Commission meeting to order and stated for the record that the commissioners are attending the meeting via a web meeting, and a quorum of commissioners is present.

Commissioners present at roll call: Commissioners Conrad, Geller, Weller, and Chair Ramirez.

A. PUBLIC COMMENT

Chair Ramirez stated that members of the public had the opportunity to provide written public comments and confirmed with the clerk that no public comment was received.

B. DIRECTOR'S REPORT

Presenter: Mike Wells, director

Follow-up from the Sept. 26, 2025, OSL Commission meeting, Exhibit 1

Lottery news

Director Wells reported that the Senate confirmed Gov. Kotek's recommendation to reappoint Chair Ramirez to the Commission. The Senate also confirmed Phil Dodd to fill the law enforcement seat on the Commission, effective Jan. 1, 2026. Dodd brings 27 years of experience with Oregon State Police, including 20 years in the gaming division.

Wells highlighted Oregon Lottery's sponsorship of the Oregon Teacher of the Year program and recognized Sally Golden of Springfield Public Schools, who received a \$10,000 award. Golden leads a Community Transition Program, which was also awarded \$5,000 through this program.

Lottery sponsored the Oregon Women Veterans Conference in Bend last month. Staff members and veterans Sarah Kuykendall and Angela Rich represented the agency. Since 2016, Lottery funding has contributed more than \$184 million to veteran services.

Wells addressed statewide general fund budget concerns and a \$109 million Lottery revenue forecast reduction for the 2025–27 biennium. While Lottery is not a general fund agency, Lottery’s beneficiaries will be affected by any budget reductions made. Wells explained that Lottery completed a budget reduction exercise and outlined a 5.3 percent reduction in controllable spending, including travel cuts, holding non-essential position vacancies, contract renegotiations, and reprioritizing work. Wells noted that the savings will help manage the forecasted decline in revenue and may allow additional transfer to the state to help beneficiaries through administrative savings. Wells thanked key staff for their budget review efforts.

FY 26 Strategic Plan quarterly update

Wells provided an update on the FY26 strategic plan’s SMART goals for the first quarter of FY26, including:

- Financial Sustainability: four pilot projects launched under the Lottery Product Profitability Action Plan, including enhanced prize structures and auto-ordering for Scratch-It ticket distribution.
- Security and Technology: nine of 11 Year 2 IT projects initiated; portfolio review underway for cost savings.
- Team: psychological safety campaign rolled out; Leadership Pipeline principles advanced.
- Lottery Community: community engagement strategies progressed; Safer Play program earned four industry awards.

These updates can also be found on Lottery’s website.

Rulemaking

Wells noted that later in today’s meeting, draft rules addressing bulk purchasing and courier services that were proposed in July will be considered for approval. Wells thanked everyone that submitted comments during the extensive public rulemaking process, adding that Lottery has carefully reviewed all comments and recommendations, and have incorporated many of them in the final rules being presented for approval.

Wells noted that these changes may reduce revenue but align with constitutional requirements for fairness, integrity, and security. Recognition was given to Rules and Policy Analyst Kris Skaro for her professionalism and transparency throughout the process.

Winner Stories

Wells reminded the Commission that under House Bill 3115, winners remain anonymous. Recent highlights include:

- A winner from Canby claimed a \$50,000 Powerball win.
- An Albany player won \$56,030.40 on an 8-spot Keno draw.
- A Redmond sports bettor collected \$22,550 from a \$50 nine-leg same-game parlay.

C. MINUTES OF THE PREVIOUS MEETING, Exhibit 2

Presenter: Marty Ramirez, chair

The Commission reviewed the draft Sept. 26, 2025, Oregon State Lottery Commission meeting minutes, which were circulated in advance of the meeting. There were no recommended changes.

Chair Ramirez called for a motion.

Commissioner Geller moved to approve the Sept. 26, 2025, meeting minutes.

Commissioner Weller seconded.

Motion passed unanimously by roll call vote.

D. FINANCIAL REPORT, Exhibits 3-6

Presenter: Karl Strauss, controller

Financial statements, July, August, September 2025

Strauss shared a summary of Lottery's financial health and provided an overview of the first quarter financial statements, including revenue, expenses and variances in the operating statement, and the services and supplies supplemental schedule.

Strauss highlighted the following statistics:

- \$234 million was transferred to the state as of September, with an additional \$222 million being transferred in October
- Expenses as a percentage of gross sales were approximately 3.6 percent
- Net revenue for the first quarter was \$356 million, which was \$5.2 million above the September forecast and \$2 million higher than last year. This is attributed to a \$1.8 billion jackpot in September.
 - Traditional lottery products generated \$51 million of net revenue
 - Video Lottery revenue was \$288 million
 - Sports betting net revenue was \$16 million
- Net profit was \$211 million, which was 4.3 percent or \$8.7 million above the amount budgeted.
- Commissioner Conrad inquired about tracking the budget reductions and Strauss confirmed the reductions will be tracked and reported as budget savings.

Chair Ramirez called for a motion.

Commissioner Conrad moved to approve the financial statements. Commissioner Geller seconded.

Motion passed unanimously by roll call vote.

E. RULEMAKING

Presenters: Kris Skaro, rules and policy analyst

Courier Services, Exhibit 7

OAR 177-040-0053 and OAR 177-046-0100

Skaro reminded the Commission that in July, Lottery proposed rule changes to establish a regulatory framework for retailers working with courier services. The rules require retailers to notify the Lottery and ensure couriers comply with key provisions, including prohibiting sales to minors and people outside of Oregon, securely storing tickets held on behalf of customers, and protecting customer data.

Skaro provided an overview of the rulemaking process and reported that nine individuals submitted public comments. In response to the feedback, Lottery revised the rules to improve clarity while maintaining the original intent: ensuring compliance with national draw game rules and providing basic consumer protections for players using courier services.

- Commissioner Geller inquired about the removal of a liability insurance requirement. Skaro explained the change was due to a lack of clarity on insurance standards and noted that other states often do not require it. Protections remain through indemnification and liability clauses.
- Commissioner Conrad asked whether omitting insurance requirements could pose legal risks. Skaro responded that Oregon does not license couriers directly and enforces compliance through retailers, making the omission appropriate.
- Chair Ramirez asked about geolocation enforcement and Skaro explained that couriers must use third party tested geolocation technology annually. Retailers are responsible for ensuring compliance, and the Lottery may review test results.

Chair Ramirez called for a motion.

Commissioner Weller moved to adopt OAR 177-040-0053 and amend OAR 177-046-0100, as presented in the meeting materials, effective Jan. 1, 2026. Commissioner Geller seconded.

Motion passed unanimously by roll call vote.

Bulk Ticket Purchases, Exhibit 8

OAR 177-046-0020 and OAR 177-046-0090

Skaro shared that in July, Lottery proposed rule changes to prohibit bulk ticket purchases and reported that the public rulemaking process was completed. Five individuals provided public comments, and in response to the feedback and further analysis, the Lottery revised the proposed rules. The final recommendations include:

- Limit Scratch-it ticket purchases to no more than 50,000 tickets in the same Scratch-it ticket game.
- Limit draw game purchases to no more than 3% of all possible number combinations, which is designed to deter bulk purchasing without requiring future rule changes if game matrices change.

- Define “acting in concert” to clarify what coordinated purchasing activities are prohibited by the rule.
- Allow Lottery to deny prize payment if a ticket was obtained in violation of any laws or rules that apply to the Lottery.

Chair Ramirez called for a motion.

Commissioner Conrad moved to amend OAR 177-046-0020 and OAR 177-046-0090, as presented in the meeting materials, effective Jan. 1, 2026. Commissioner Geller seconded. Motion passed unanimously by roll call vote.

F. STAFF UPDATES

Presenters: Jen Bagger, supervisor, retail channel product; Kerry Hemphill, manager, sports betting products; and Sar Richards, manager, video gaming products

Product performance quarterly update, FY26 Q1

Lottery products

Bagger presented the following highlights:

- Total revenue for Scratch-its was \$41.5 million, an increase of 6.5 percent year-over-year
- Scratch-it net revenue was \$12.3 million, a 5.2% increase year-over-year
 - The top five selling games were all priced at \$10 or higher, with the 40th anniversary ticket maintaining the top position for 32 consecutive weeks and generating over \$11.4 million in sales.
- Jackpot game revenue was driven by a \$1.8 billion Powerball jackpot in September, contributing to \$38.7 million in total revenue and \$19.3 million in net revenue, a 267% year-over-year increase.
 - Keno saw a modest 1.2% gain
 - Megabucks and Mega Millions declined by about 20%
 - Combined, these four games generated \$85.4 million in total revenue and \$38.3 million in net revenue, reflecting a 41.8% year-over-year increase.

Video Lottery

Richards provided a quarterly update on Video Lottery, reporting that revenue for the quarter was \$288 million, down 2.4% from the same period last year. Lottery has completed the removal of E20 terminals and is actively deploying new Sierra terminals, with 284 installed to date and an average of 33 installations per week. Sierra is currently the top-performing terminal, though it has been placed at high-performing locations.

Beaver State Bonus Bonanza, a recently launched game, is exceeding expectations, supported by a successful social media campaign. Additional games, including Mermaid Garden and Cash Eruption, have also been launched.

- Chair Ramirez asked about the effect of updated hardware and new games and Richards confirmed that without the hardware and content updates, revenue would likely be lower, emphasizing that new content drives player engagement and terminal performance.

Sports betting

Hemphill reported that the first quarter saw \$201.4 million in turnover with over 95,000 customers placing wagers. Baseball was the primary sport and accounted for 32 percent of total handle, and table tennis remained the third most popular sport, with turnover up 20 percent year-over-year and over \$2 million in gross gaming revenue.

Year-over-year growth included:

- The number of bets placed was up 14 percent.
- The turnover was up 10 percent.
- The number of unique active customers was up 14 percent.
- The number of new customers was 19,284, an increase of 8.9 percent.
- Gross gaming revenue declined 7 percent, primarily due to customer-favorable outcomes in two NFL games.

G. COMMISSIONER COMMUNICATIONS AND OTHER BUSINESS

No other business was shared.

Chair Ramirez stated that the next monthly commission meeting is scheduled on Nov. 21, 2025, and adjourned the meeting.

The Oregon State Lottery Commission approved these minutes on Nov. 21, 2025.

Alisa Zavala, Senior Executive Assistant
Lottery Director's Office

Approved by:

Commissioner Marty Ramirez, Chair
Oregon State Lottery Commission

OSL Commission meeting exhibits are available for one year on the [Oregon Lottery's website](#).