

Oregon Parks and Recreation Commission

June 14, 2023

Agenda Item: 4a

Information

Public Comment Allowed: Yes

Topic: Lottery - Budget Update

Presented by: Rebecca Jasso, Financial Services Director

The May 2023 Lottery forecast was released on May 17, 2023 and reflects a decrease in Lottery Fund revenue for the Department of \$(244,923) for the current biennium. The Department's 2021-23 Legislatively Adopted Budget (LAB) was built on a Lottery Fund M76 transfer revenue forecast of \$123,859,554, since then the forecast has increased by \$12,272,360 for the 2021-23 biennium. The table below reflects the change in the Lottery Fund revenue forecast for the 2021-23 and 2023-25 biennia.

Forecast Date	2021-23		2023-25	
	Forecast	Change from Prior Forecast	Forecast	Change from Prior Forecast
COS 2021	\$ 123,859,554		\$ 131,901,148	
September 2021 Forecast (8-25-2021)	\$ 127,497,376	\$ 3,637,822	\$ 132,844,336	\$ 943,188
December 2021 Forecast (11-17-2021)	\$ 129,180,409	\$ 1,683,033	\$ 133,486,986	\$ 642,650
March 2022 Forecast (2-9-2022)	\$ 130,192,971	\$ 1,012,562	\$ 133,723,579	\$ 236,592
June 2022 Forecast (5-18-2022)	\$ 133,885,374	\$ 3,692,403	\$ 136,119,213	\$ 2,395,635
September 2022 Forecast (8-31-2022)	\$ 134,384,497	\$ 499,124	\$ 134,667,325	\$ (1,451,888)
December 2022 Forecast (11-16-2022)	\$ 135,145,500	\$ 761,003	\$ 133,412,109	\$ (1,255,216)
March 2023 Forecast (2-22-2023)	\$ 136,376,837	\$ 1,231,337	\$ 136,136,629	\$ 2,724,520
May 2023 Forecast (5-17-2023)	\$ 136,131,915	\$ (244,923)	\$ 137,474,576	\$ 1,337,946
Total Cumulative Change (since 2021 COS)	\$ 12,272,360		\$ 5,573,428	

The current 2021-23 biennium revenue has decreased slightly, just over \$200k (-0.18%) compared to the previous forecast. In all future biennia the Lottery revenues forecasted have been raised relative to the previous forecast, between 0.6%-1.0%.

Total available lottery resources in the upcoming 2023-25 biennium had the largest increase over the previous forecast of just over \$1.3M or 1.0%.

Information provided by the Office of Economic Analysis indicate that overall lottery sales have tracked the previous forecast well. When combined with a modest upward revision to the economic outlook, the lottery forecast is raised slightly.

2021-23 finishes as a record-setting biennium for lottery sales and earnings, far outpacing anything seen in history and 9.9 percent higher than our office’s forecast made before the budget period began. The fundamental reason why is due to strong household finances and consumer spending, especially when factoring in pent-up demand following the public health restrictions and shutdowns early in the pandemic. Overall, this strength is expected to hold in the years ahead.

Cumulative Balances 12 Percent Measure 76 Requirement- AY23 Update					150% of TOTAL TRFs AY11
					122,185,455
Measure 76 says that when the Lottery amount exceeds 150% of the transfer in 2009-11, the Local Government Grant Program (LGGP) share goes from 12% to 25%. 2009-11 was \$81,456,970 so 150% is \$122,185,455					
AY:	2017	2019	2021	2023	Grand Total
Transfers Total:	(94,299,764)	(109,964,205)	(93,647,594)	(119,111,101)	(417,022,664)
Variance (remaining to exceed 150%):	27,885,691	12,221,250	28,537,861	3,074,354	

Prior Action by Commission: An update on the 2023-25 Governor’s Recommended Budget was provided at the February 2023 meeting. A brief update was provided at the April 2023 meeting. No budget actions were required by the Commission during these meetings.

Action Requested: None.

Attachments: None.

Prepared by: Cathy Blackwell, Sr. Fiscal Analyst
 Rachael Hostetler, Revenue Fiscal Analyst