

Review of the Florida Lottery: 2025

Report 26-01

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OPPAGA

Office of Program Policy Analysis and Government Accountability

Review of the Florida Lottery: 2025

EXECUTIVE SUMMARY

Transfers to the Educational Enhancement Trust Fund decreased in Fiscal Year 2024-25 to \$2.2 billion, \$225.5 million less than the prior fiscal year. According to Florida Department of the Lottery (Florida Lottery) officials, this decrease in transfers is due to a decline in draw game sales resulting from a lack of large jackpots. The department continues to outperform the legislative performance standard for its operating expense rate, which is the third lowest in the nation.

SCOPE

As directed by the Legislature, OPPAGA examined the Florida Department of the Lottery and assessed options to enhance its earning capability and improve its efficiency.^{1,2}

In the last fiscal year, the department continued to take steps to increase revenue, including changing the product mix and increasing the number of locations with in-lane QUICKTICKET sales. The department also offered several promotions to increase player engagement, completed its first year of a new program to recognize and reward high-producing sales representatives, and conducted several player surveys to gauge interest in new games and new ways to enhance player satisfaction.

Other state lotteries offer additional games and product distribution methods that the Florida Lottery does not. Adding more new games, expanding product distribution methods, and increasing the retailer network could enhance lottery revenues. However, each of these options has associated advantages and disadvantages and may have implications related to the Gaming Compact Between the Seminole Tribe of Florida and the State of Florida.

The Florida Lottery implemented several operational initiatives over the past year, including investigating unauthorized activity and shutting down an online lottery courier, implementing responsible gaming initiatives, and upgrading its retailer management software tool. The department is also under contract to launch a new mobile prize payment system feature in late 2027 or early 2028; the system will enhance convenience for lottery customers by allowing players to redeem winning tickets through the lottery mobile app.

¹ Section 24.123, F.S., requires an annual financial audit of the department, which is to include recommendations to enhance the Florida Lottery's earning capability and department efficiency. The Joint Legislative Auditing Committee directed OPPAGA to assess revenue enhancement and efficiency and the Auditor General to conduct the financial audit.

² Prior OPPAGA reports that identify revenue enhancement and operational efficiency options for the department are available on OPPAGA's [website](#).

BACKGROUND

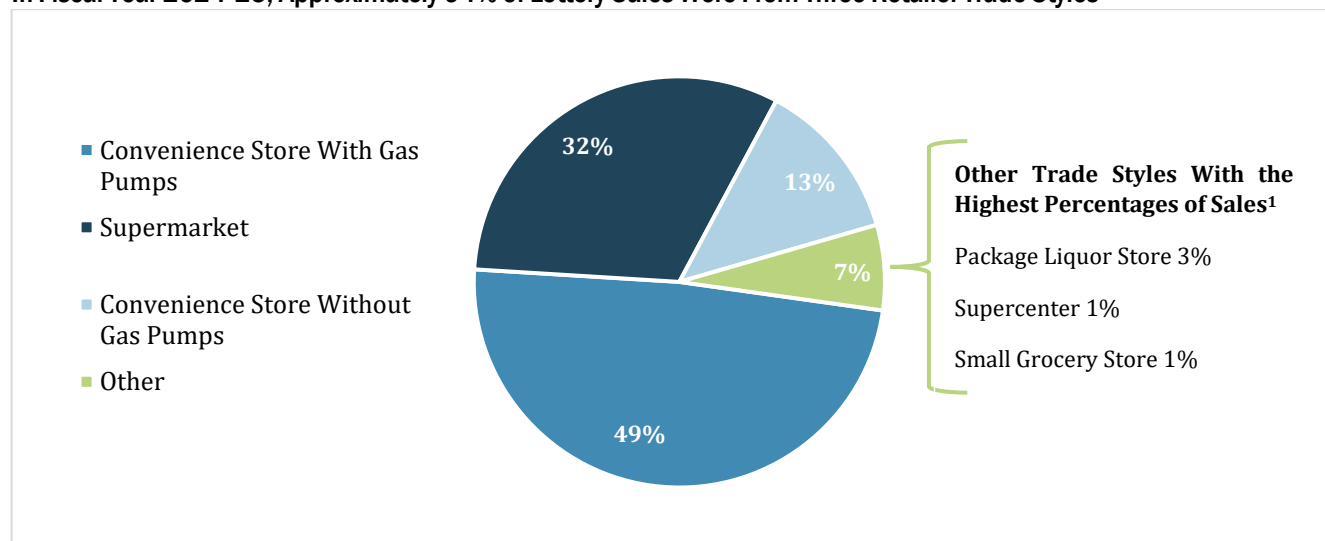
The Florida Department of the Lottery (Florida Lottery) generates funds for education by selling draw and scratch-off games.³ Draw games, also known as terminal games, allow players to select from a range of numbers on a playslip. Draw game tickets are printed by terminals from a contracted retailer for a drawing at a later time. Scratch-off games, also known as instant games, are tickets with removable coverings that players scratch off to instantly determine if they won.

In Fiscal Year 2024-25, prizes totaled \$6.2 billion and retailer commissions totaled \$556.2 million.⁴ Total ticket sales for this period were \$9.1 billion. Florida ranked first among U.S. lotteries in total sales and seventh in per capita sales for Fiscal Year 2024-25. Per s. 24.121, *Florida Statutes*, each year a percentage of revenue from lottery ticket sales is transferred to the Educational Enhancement Trust Fund (EETF) for the benefit of public education. The Florida Lottery is self-supporting and receives no state general revenue funds.⁵ For Fiscal Year 2024-25, the Legislature appropriated \$234.3 million from lottery sales revenue and authorized 437 positions for department operations.

OPPAGA's analysis of Florida Lottery sales data revealed that 14,639 unique retailers with 42 different business types or trade styles sold lottery products in Fiscal Year 2024-25. During this period, 94% of all sales were by retailers of three trade styles: convenience stores with gas pumps, convenience stores without gas pumps, and supermarkets. Other trade styles—such as package liquor stores, supercenters, and small grocery stores—accounted for 7% of sales. (See Exhibit 1.)

Exhibit 1

In Fiscal Year 2024-25, Approximately 94% of Lottery Sales Were From Three Retailer Trade Styles



¹ The remaining 2% included establishments such as newsstands, gift shops, and truck stops that each comprised less than 1% of all lottery retailers.

Note: Percentages do not sum to 100% due to rounding.

Source: Florida Department of the Lottery.

Players can engage with the Florida Lottery online and on a mobile app. Players can create an account online or download the Florida Lottery mobile app to check winning numbers and jackpots. With the mobile app, players can also scan tickets to determine if the tickets are winners, create digital playslips

³ To sell products, the Florida Lottery contracts with retailers across the state, including supermarkets, convenience stores, and gas stations.

⁴ The department pays retailers a sales commission on the purchase price of draw and scratch-off game tickets sold, which is 6% for Fiscal Year 2025-26. Retailers can also earn bonus commissions and promotional prizes that are awarded by the Florida Lottery in retailer promotions.

⁵ Section [24.121](#), *F.S.*

(i.e., pre-selected numbers for games) that are scanned by retailers when purchasing games, and locate lottery retailers. Florida Lottery players can also join the Flamingo Followers program, which provides players information about upcoming bonus play drawings and promotions.

Since its inception, the Florida Department of the Lottery has outsourced some functions. The department allocated approximately \$167.9 million (or 71.6%) of its Fiscal Year 2025-26 legislative appropriation to produce, advertise, and sell draw and scratch-off games through several vendor contracts.⁶

- A contract with Scientific Games International, Inc., to print, market, and distribute scratch-off game tickets was entered into on September 30, 2019. The contract is scheduled to expire on March 31, 2027. In Fiscal Year 2024-25, the department executed two amendments related to game activations and special ticket options, and it renewed the contract from April 1, 2027, through March 31, 2030. The department may elect to renew the contract for additional periods not to exceed seven years.
- A contract with PP+K, Inc., for general market advertising services and multilingual services, including those in Spanish, was entered into on September 29, 2016. Following the expiration of the initial contract on October 31, 2021, the department could elect to renew the contract for additional periods not to exceed five years. The contract was renewed for a final time from November 1, 2025, through June 30, 2026. The department has issued a request for quotes to procure a vendor for similar advertising services, and department officials aim to select a vendor and finalize a contract so that the new vendor can begin providing services July 1, 2026.
- A contract with IGT Global Solutions Corporation to provide a terminal-based gaming system was entered into on March 20, 2018; IGT currently operates as Brightstar Global Solutions Corporation, doing business as Brightstar Lottery. The gaming system includes computer systems and retailer terminals, vending machines, telecommunications, and technical support services. The contract expires on April 14, 2032. The department may elect to renew the contract for two additional periods not to exceed three years each.

REVENUE AND OPERATING EXPENSES

In Fiscal Year 2024-25, Florida Lottery ticket sales decreased by \$284.6 million (or 3%) and transfers to the Educational Enhancement Trust Fund did not meet the legislative standard.⁷ During the same period, the department's operating expense rate was lower than the legislative standard.

Florida Lottery ticket sales decreased during the last fiscal year. In Fiscal Year 2024-25, overall sales decreased to \$9.1 billion compared to the prior year's sales of \$9.4 billion (a decrease of \$284.6 million, or 3%). Scratch-off game sales increased by \$217.7 million to \$6.8 billion, while draw game sales decreased by \$502.3 million to \$2.3 billion.

Florida Lottery transfers to the EETF also decreased in Fiscal Year 2024-25 compared to the prior year. Transfers for Fiscal Year 2024-25 were \$2.162 billion, which is \$225.5 million (or 9%) less than the prior fiscal year. (See Exhibit 2.) Department officials reported that the decrease in ticket sales and EETF transfers was due to a lack of large draw game jackpots that ultimately impacted ticket sales. The

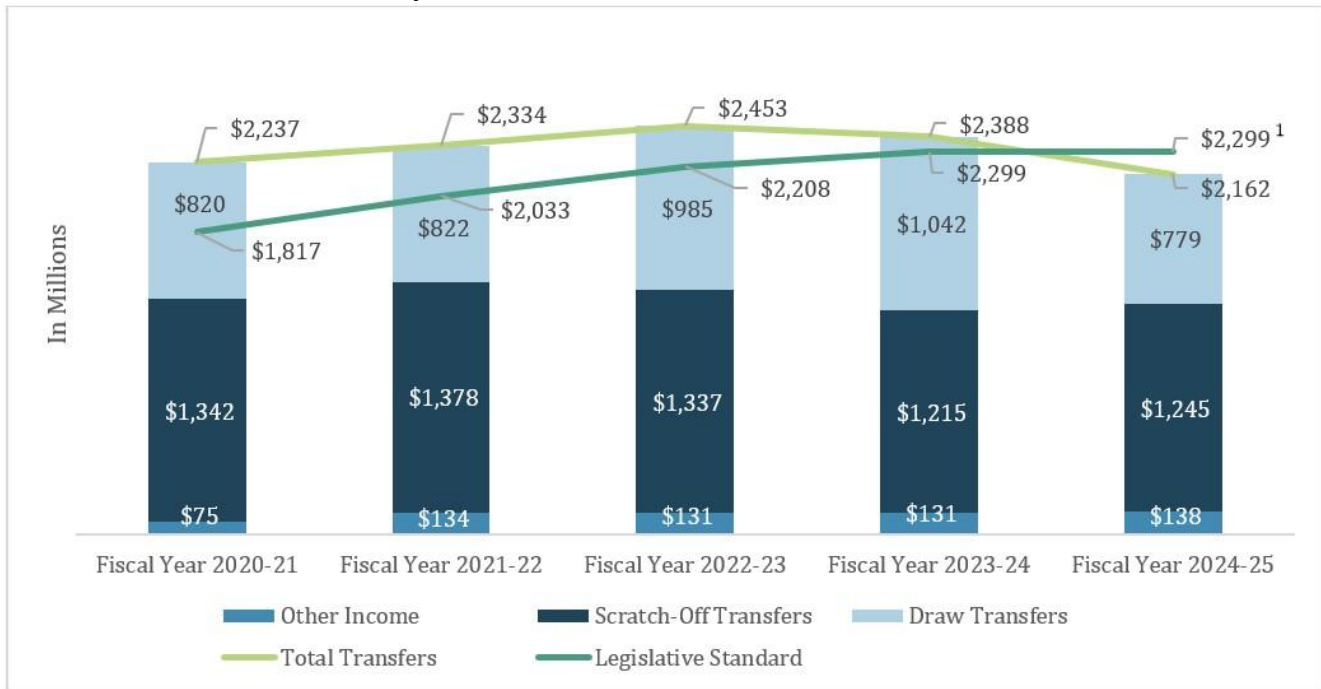
⁶ Of the \$167.9 million, approximately \$128.1 million was allocated to produce draw and scratch-off games, and approximately \$39.7 million was allocated for advertising.

⁷ All sales, revenue, and transfer figures are based on unaudited data from the department.

transfer rate for draw games is about twice the rate for scratch-off games.⁸ Total transfers to the EETF for Fiscal Year 2024-25 were below the approved legislative performance standard of \$2.3 billion.⁹

Exhibit 2

In Fiscal Year 2024-25, Total Lottery Transfers to the Educational Enhancement Trust Fund Decreased



¹ The \$2.299 billion legislative standard for transfers to the Educational Enhancement Trust Fund is the approved standard for Fiscal Year 2023-24 that remained in effect for Fiscal Year 2024-25. According to department officials, in Fiscal Year 2023-24, the department requested that the legislative standard for Fiscal Year 2024-25 be changed to \$2.264 billion.

Note: Fiscal Year 2024-25 figures are based on unaudited sales data.

Source: Florida Department of the Lottery.

The Florida Lottery's operating expenses have consistently been lower than the legislative performance standard. The department continues to keep expenses as a percentage of revenue below the legislative performance standard and low relative to other states. For example, in Fiscal Year 2024-25, the Florida Lottery's expense rate was 8.32%, which was under the legislative standard of 9.52%. (See Exhibit 3.) Furthermore, compared to other U.S. lotteries, the Florida Lottery had the third lowest operating expense rate in Fiscal Year 2024-25, behind Tennessee and Rhode Island.¹⁰

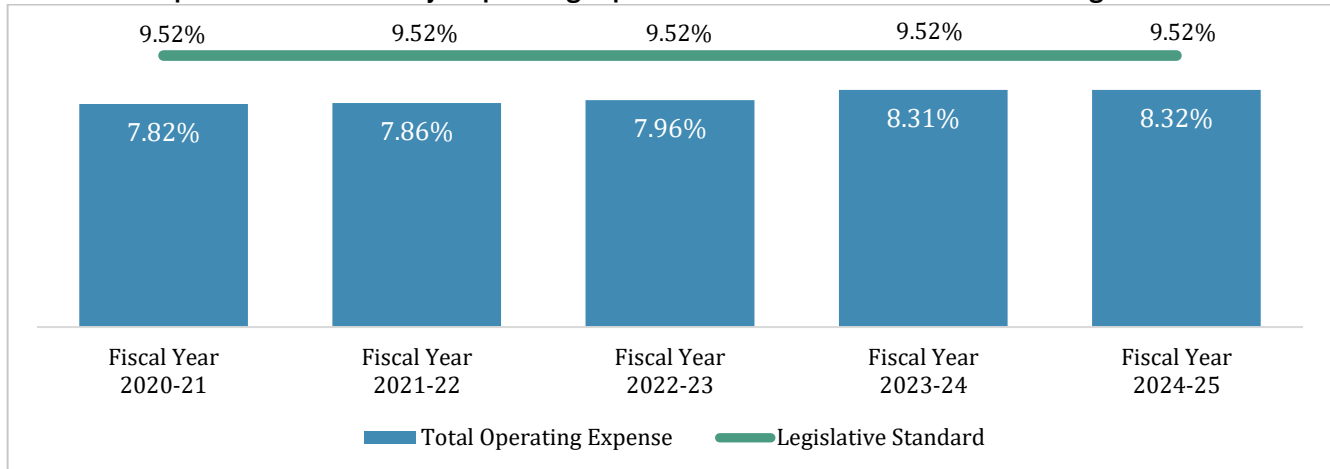
⁸ In Fiscal Year 2024-25, an average of 34% of sales for draw games was transferred to the EETF, compared to an average of 18% for scratch-off games.

⁹ The Florida Lottery's legislatively approved performance standards are reported in *Florida Lottery Long-Range Program Plan Fiscal Years 2024-25 through 2028-29*, September 29, 2023, which remains in effect.

¹⁰ The Florida Lottery's ranking is based on the latest fiscal year data available from La Fleur's 2024 World Lottery Almanac. Operating expense rates include administrative expenses.

Exhibit 3

The Florida Department of the Lottery's Operating Expense Rate Continues to Be Below the Legislative Standard



Source: Florida Department of the Lottery.

REVENUE ENHANCEMENT

During Fiscal Year 2024-25, the Florida Department of the Lottery continued to take steps to increase sales and transfers to the Educational Enhancement Trust Fund. For example, the department introduced new games, modified existing games, and surveyed players to identify potential service improvements. To further increase sales and transfers, the Florida Lottery could introduce additional games and ticket sales methods or increase the retailer network. However, some of these options could represent an expansion of legalized gambling and produce negative social costs.^{11,12} In addition, if the Florida Lottery implemented a new game or product distribution option, it would need to consider the potential impact on the revenue sharing terms of the Gaming Compact Between the Seminole Tribe of Florida and the State of Florida (gaming compact).

Fiscal impact estimates of new game and distribution options assume that the new options would be available on July 1, 2026.¹³ These estimates also assume that Florida's

sales experience would be similar to that of other U.S. lotteries. However, Florida's sales experience may differ depending on a variety of factors, including how the Florida Lottery implements the option. The revenue estimates also assume that some of the sales from new games or product distribution options would be the result of shifts from existing game sales. If any of these game options were implemented, further study of the sales shift would be needed. In addition, further analysis of these changes may be needed to identify potential impacts on the revenue sharing terms of the gaming compact.

Steps Taken to Increase Sales
<ul style="list-style-type: none">• Changed product mix• Made retailer upgrades to increase player convenience• Implemented promotions to increase player engagement• Completed first year of new sales representative performance reward plan

¹¹ For more information on negative social costs, see *Lottery Profits Flat; Increasing Retailer Outlets Is Critical to Increasing Sales*, OPPAGA Report 10-16, January 2010; and Abbott, M. W. "The Changing Epidemiology of Gambling Disorder and Gambling-Related Harm: Public Health Implications." *Public Health* 184 (July 2020): 41–45. <https://doi.org/10.1016/j.puhe.2020.04.003>.

¹² Fiscal impact estimates presented in this report do not account for negative social costs and shifts of other taxable economic activity.

¹³ Unless otherwise noted, all estimates in this report were calculated using projected Fiscal Year 2026-27 transfer rates based on Fiscal Year 2026-27 projected ticket sales from the August 2025 Revenue Estimating Conference. Transfers to the EETF resulting from implementing new game or product distribution options may differ based on the transfer rates at the time of implementation.

The department has taken several steps to increase sales

The Florida Lottery introduced new games, modified existing games, and surveyed players to identify ways to improve services

Since July 1, 2024, the Florida Lottery has launched several new scratch-off ticket games. In Fiscal Year 2024-25, the department introduced 38 new scratch-off games, with an average ticket price of \$8. Department officials also reported that the Florida Lottery is in the process of releasing approximately 40 new scratch-off games for Fiscal Year 2025-26. Examples include the games described below.

- In August 2025, the Florida Lottery introduced CASH BLOWOUT, a \$50 scratch-off ticket game with 100 top prizes of \$500,000. The department estimates the game will generate up to \$1.4 billion in sales revenue if all tickets are purchased.
- In December 2025, the Florida Lottery introduced LOTERIA, a \$3 scratch-off ticket game with six top prizes of \$150,000. The department estimates LOTERIA will generate up to \$81.1 million in sales revenue if all tickets are purchased.
- In April 2026, the Florida Lottery plans to introduce \$2,000,000 FORTUNE, a \$10 scratch-off ticket game with a top prize of \$5.0 million. The department estimates the game will generate up to \$160.8 million in sales revenue if all tickets are purchased.

The Florida Lottery also changed its draw game offerings in Fiscal Year 2024-25. During the review period, the department updated its JACKPOT COMBO and two GROUPER draw game sampler options.^{14,15} The JACKPOT COMBO sampler price increased from \$6 to \$9 to account for the MEGA MILLIONS ticket price increase, and the GROUPER and SUPER GROUPER sampler draw game offerings were changed to include different draw game tickets. In addition, there were notable changes to two multi-state draw games in Fiscal Year 2024-25—MEGA MILLIONS and CASH4LIFE.^{16,17} Specifically, the MEGA MILLIONS game operator increased the ticket price from \$2 to \$5 on April 8, 2025, resulting in a \$72.9 million decrease in year-over-year sales. According to Florida Lottery officials, the change in ticket price resulted in a significant reduction in sales transactions. There also was a lack of large jackpots following the price increase, which contributed to the decreased sales. In addition, department officials reported an industry-wide decision to discontinue the multi-state draw game CASH4LIFE effective February 22, 2026. To compensate for the expected \$30.0 million in lost revenue, the Florida Lottery will temporarily offer MILLIONAIRE RAFFLE while it develops a Florida-specific game comparable to CASH4LIFE.¹⁸

During the review period, the Florida Lottery surveyed players to evaluate different aspects of its product distribution practices. In a December 2024 IPSOS survey, the department asked players

¹⁴ The JACKPOT COMBO sampler option is a package play deal. Players can purchase POWERBALL, FLORIDA LOTTO, and MEGA MILLIONS tickets in a single transaction.

¹⁵ The GROUPER and SUPER GROUPER sampler options are discount play deals. The GROUPER option allows players to purchase \$6 worth of draw tickets for \$5, and the SUPER GROUPER option allows players to purchase \$12 worth of draw tickets for \$10.

¹⁶ To play MEGA MILLIONS, players select five numbers from 1 through 70 plus a mega ball number from 1 through 24 and mark those selections on a play slip. Based on the number of matching numbers, players can win cash prizes that vary with the multiplier drawn.

¹⁷ To play CASH4LIFE, players select five numbers from 1 through 60 plus a cash ball number from 1 through 4 and mark those selections on a play slip. Based on the number of matching numbers, players can win \$1,000 a week or \$1,000 a day for life; players can choose a one-time cash payment or scheduled annual payments.

¹⁸ To play the previously offered version of MILLIONAIRE RAFFLE, players purchased a ticket with a unique identifier and were entered into the next available drawing. Selected players could win a range of cash prizes. The raffle was capped at a specific number of ticket sales and operated for a set number of weekly draw periods.

about their satisfaction with lottery vending machines and ways to improve the service experience. Player responses showed a balance between using vending machines and retail clerks for purchases and suggested several vending machine enhancements, including improving the user-interface and introducing card payment options. According to Florida Lottery officials, the department does not currently plan to add card payment options to its vending machines due to the need for statutory authorization, cost of related machine upgrades, and management of card processing fees.

The Florida Lottery upgraded retailer point-of-sale materials and maintained in-lane sales efforts

In Fiscal Year 2024-25, the department secured corporate authorizations for the placement of new point-of-sale advertisement items in major convenience store chain partners, including 7-Eleven, Circle K, and RaceTrac. Examples of approved advertisement items include window signs, digital jackpot signs, and debit acceptance point-of-sale signage. These new advertisements are intended to increase promotion awareness and game category visibility. The department has also begun to integrate QR codes into point-of-sale signage. The QR code directs players to the Florida Lottery's website to learn about new games and limited-time bonus play opportunities. Florida Lottery officials reported that this integration will increase player awareness of promotions and likely reduce the volume of printed player education materials.

During Fiscal Year 2024-25, the department maintained a QUICKTICKET product presence across 472 Southeastern Grocers (SEG) supermarket and liquor stores.¹⁹ QUICKTICKET allows customers to purchase POWERBALL and MEGA MILLIONS tickets in checkout lanes at select Florida Lottery retail locations by scanning the tickets like other grocery items. When scanned, tickets are activated and players are entered in the next available drawing. SEG stores with QUICKTICKET experienced a 41% decrease in sales from Fiscal Years 2023-24 to 2024-25, which is commensurate with the 41% decrease in POWERBALL and MEGA MILLIONS sales for the same period. Florida Lottery officials reported that the number of retailers offering QUICKTICKET decreased in the last fiscal year due to 94 Winn-Dixie stores being acquired by Aldi, which does not offer Lottery products. While there have been previous attempts to expand partnerships to other retailers, Florida Lottery officials reported that several factors have prevented the growth of in-lane QUICKTICKET sales, including retailer willingness to invest in the necessary point-of-sale activation technology enhancements that allow retailers to sell lottery products without a lottery-dedicated terminal.²⁰ Department officials reported that no retailers have added in-lane QUICKTICKET sales in the last fiscal year.

Recent promotional activities increased player engagement and sales

The Florida Lottery offered seven bonus play promotions during Fiscal Year 2024-25. Bonus play promotions allow players to use eligible tickets to enter additional drawings at no extra cost using the Florida Lottery's bonus play website or mobile app. During the seven promotions, over 47 million tickets were entered into the Florida Lottery's website or app. The Florida Lottery's most popular bonus play was the \$2.0 million GOLD RUSH MULTIPLIER, which was available from January 2025 to April 2025, with \$91.3 million in sales.²¹ The department plans to implement at least four bonus play promotions in Fiscal Year 2025-26.

¹⁹ SEG includes the Winn-Dixie and Harvey's supermarket chains.

²⁰ The Florida Lottery has offered QUICKTICKET in-lane sales to Publix, Sedano's, BJ's Wholesale Club, and other chain partners.

²¹ GOLD RUSH MULTIPLIER was a limited-time bonus play where players could enter their non-winning GOLD RUSH MULTIPLIER and SILVER STREAK scratch-off tickets through the Florida Lottery's website or mobile app for a chance to win up to \$50,000 during three drawings.

The department also plans to implement six in-store promotions during Fiscal Year 2025-26. For example, the instant win WINSday promotion ran from August to September 2025, and players who purchased a daily draw PICK game on Wednesdays during the promotion could randomly win \$5 in the form of cash prize coupons.²² During the promotion, there was a 2.8% increase in PICK game ticket sales on Wednesdays, with over \$14.0 million in sales. In addition, the Florida Lottery’s \$500 Raffle promotion ran from September to October 2025, and players received a free raffle ticket with a \$10 or more single draw ticket purchase of select draw games. During the promotion, there was \$220.0 million in sales, a 5.7% increase compared to a similar promotion during the same period the prior year.

According to Florida Lottery officials, the department’s promotions have been shown to drive lottery purchases and increased spending.²³ However, while lottery sales for targeted games increased during promotional periods, the department could not determine the degree to which the promotional campaigns contributed to the increases.

After one year of implementation, the Florida Lottery’s sales performance reward plan has produced a positive return on investment

In Fiscal Year 2024-25, the Florida Lottery fully implemented its Sales Performance Reward Plan (SPRP), which encourages lottery sales representatives to exceed average statewide scratch-off sales by achieving a 1% to 5% sales overgrowth rate relative to the state average growth rate. Sales representatives can also receive additional rewards for new game activations, retailer recruitment efforts, and effective management of float inventory.^{24,25} Sales representatives can receive a maximum of \$5,000 in annual rewards. (See Exhibit 4.)

Exhibit 4

The Florida Department of the Lottery’s Sales Performance Reward Plan Allows Sales Representatives to Earn up to \$5,000 Additional Income Each Fiscal Year

Achievement	Reward
Exceeding Statewide Scratch-Off Growth Rate	
1% to 1.99%	\$1,000
2% to 2.99%	\$2,000
3% to 3.99%	\$3,000
4% to 4.99%	\$4,000
5% or more	\$5,000
100% Scratch-Off Game Activations¹	\$150 per launch
Submission of Qualifying Independent Retailer Applications	\$75 per approved application
Maintaining an Average Float Percentage of Less Than 5%²	\$500 per fiscal year

¹ To qualify for this reward, 100% of retailers in a sales representative’s area of responsibility must have new packs of scratch-off tickets activated, meaning tickets are available for purchase by players by close of business on the first Tuesday following the new scratch-off game’s release.

² To qualify for this reward, a sales representative must have an average float percentage—the percentage of outstanding scratch-off ticket packs that have been sold by a retailer but have not been marked as sold in the Florida Lottery’s reporting system—of less than 5% for the fiscal year.

Source: Florida Department of the Lottery

²² A cash prize coupon was printed with some purchased tickets during the promotion. The coupon could be redeemed for cash independently of the ticket’s winning status.

²³ The Florida Lottery conducted research on promotions in May 2023 and found that 79% of players reported that promotions led them to purchase a ticket and 45% of players reported that promotions encouraged them to play more. In addition, the Florida Lottery’s July 2025 survey for the For Life Bonus Play promotion found that 30% to 43% of respondents reported purchasing qualifying games specifically to enter the promotion.

²⁴ Additional rewards are available only if the highest maximum amount of \$5,000 is not achieved.

²⁵ Float inventory is the number of outstanding scratch-off ticket packs that have been sold by a retailer but have not been marked as sold in the Florida Lottery’s reporting system.

After one year of implementation, the SPRP has led to \$233,779 in bonuses being awarded to 111 sales representatives. Based on the \$217.7 million increase in year-over-year scratch-off game sales, Florida Lottery officials reported that the SPRP’s return on investment for Fiscal Year 2024-25 was \$972 in increased sales for every \$1 bonus awarded to sales representatives. According to department officials, the SPRP’s positive outcomes are demonstrated by new game activations, retailer recruitment numbers, and float reductions.

- Following the first scratch-off game launch in Fiscal Year 2024-25, 28 of the Florida Lottery’s 119 sales representatives achieved 100% game activations. At the end of the fiscal year, 87 sales representatives achieved 100% game activations—a 211% increase in activations.
- Independent retailer applications increased by 21% year-over-year. Florida Lottery officials speculate that this can be partially attributed to a 40% increase in sales representative cold calls during the same period.
- Approximately 62% of Florida Lottery sales routes maintained a float rate below 5% for the fiscal year.

Implementing additional strategies could further increase lottery sales but may be prohibited by the Gaming Compact

The Florida Lottery could increase sales in a variety of ways, including by increasing the retailer network and offering additional games and product distribution methods such as internet sales and game subscriptions. However, each of these options has associated advantages and disadvantages. Furthermore, Florida could lose revenue by implementing an option prohibited by the Gaming Compact Between the Seminole Tribe of Florida and the State of Florida. (See Appendices A and B for more information on additional games and product distribution options along with advantages and disadvantages of each option.)

Potential Strategies to Increase Sales
<ul style="list-style-type: none">• Increase the retailer network• Add more games• Allow internet sales• Add game subscriptions

Retailer network expansion could increase market penetration and enhance sales

In Fiscal Year 2023-24, the top two southeast U.S. lotteries ranked by per capita sales—Georgia and South Carolina—had an average of 1,270 residents per retailer.^{26,27} During that period, the Florida Lottery averaged 1,720 residents per retailer. Georgia and South Carolina had higher per capita sales (\$449 and \$435, respectively) than Florida (\$403). Adding 4,823 new retailers to Florida’s network would bring Florida’s market penetration in line with these two states and could generate about \$84.4 million annually in additional transfers to the EETF. A more modest growth of 200 retailers would generate about \$3.5 million annually in transfers.²⁸ Increasing the retailer network remains a priority included in the Florida Lottery’s long-range program plan for Fiscal Years 2024-25 through 2028-29.

²⁶ The ranking of U.S. lotteries is based on the latest fiscal year data available from *La Fleur’s 2025 World Lottery Almanac*.
²⁷ OPPAGA analyzed data for seven southeastern states with lotteries—Georgia, Kentucky, Mississippi, North Carolina, South Carolina, Virginia, and West Virginia. The analysis compared the Florida Lottery’s per capita sales to all seven lotteries. Tennessee, another southeastern state with a lottery, was excluded from the analysis due to insufficient information.
²⁸ OPPAGA estimated potential transfer revenues from an increased retailer network by assuming that the new retailers would achieve at least the average weekly net sales that new retailers achieved in Fiscal Year 2024-25; that all new retailer terminals would be active for a full year; and that 20% of sales would shift from existing retailers.

According to Florida Lottery officials, partnering with new retailer corporations is a significant priority in the department's goal of increasing the retailer network.

To maintain and increase sales, the Florida Lottery could add new games

As the Florida Lottery retires games that have peaked in popularity and are in a period of declining sales, the Legislature and the department could consider adding one or more new games. OPPAGA identified other states that had games, such as All or Nothing and Daily Keno, that are not currently available in Florida.²⁹ While adding new games could increase lottery sales revenues, each new game option has potential drawbacks. For example, according to OPPAGA's analysis, adding All or Nothing to the Florida Lottery's game selection could generate approximately \$14.4 million in transfers to education during the first full year of implementation.³⁰ However, a potential disadvantage of All or Nothing is that like all games, it has a limited life cycle after which sales decline.

Internet sales would enable players to purchase tickets using computers or mobile devices

OPPAGA identified 14 U.S. lotteries offering products over the internet, which allows players to use a personal computer or mobile device as a player-activated terminal to purchase lottery products without having to visit a retailer.³¹ The online product mix that these lotteries offered included tickets for draw games, instant games, and both draw and instant games. U.S. lotteries that sell products over the internet require age verification and geolocation services to ensure players are within the state when making a lottery purchase. Based on other states' experiences, OPPAGA estimated that the potential revenue from implementing internet sales in Florida is approximately \$34.0 million to \$731.6 million per year in additional recurring transfers to education depending on whether only draw games, only instant games, or both draw and instant games are offered.^{32,33}

Offering lottery products over the internet would require statutory revisions. Florida law currently restricts the use of player-activated terminals without the oversight of a retailer and does not authorize the use of credit cards or other instruments issued by specified financial institutions and retailers for lottery purchases without buying \$20 worth of other goods.³⁴ In addition, Florida must comply with any federal laws regarding the interstate sale of lottery tickets and consider implications related to the gaming compact.

²⁹ OPPAGA identified two U.S. lotteries that offered All or Nothing—Texas and Wisconsin—and three U.S. lotteries that offered Daily Keno—Indiana, Michigan, and Washington.

³⁰ All or Nothing is a game where, for \$2, players can select 10 to 12 numbers from up to 24 numbers and win the top prize by matching all numbers drawn or by matching none of the numbers drawn.

³¹ The 14 lotteries identified are located in Connecticut, the District of Columbia, Georgia, Illinois, Kentucky, Michigan, New Hampshire, New York, North Carolina, North Dakota, Pennsylvania, Rhode Island, Virginia, and West Virginia.

³² OPPAGA estimated potential transfers from implementing internet sales using available sales data from 11 U.S. lotteries that offered internet sales in Fiscal Year 2023-24—the District of Columbia, Georgia, Illinois, Kentucky, Michigan, New Hampshire, North Carolina, North Dakota, Pennsylvania, Rhode Island, and Virginia. The analysis excluded New York because the lottery only sold draw game subscriptions online, Connecticut because sales information was unavailable, and West Virginia because the lottery did not have internet sales during Fiscal Year 2023-24. The estimate assumes a transfer rate to the EETF of 37.54% for draw-only internet sales and 74.60% for instant internet gross gaming revenue and also assumes that 5% of sales would shift from existing games.

³³ The estimate does not account for credit card swipe fees. If the Florida Lottery assumed the swipe fees, this would reduce the EETF transfer amount. Alternatively, the Florida Lottery could require the player to pay for the swipe fees.

³⁴ Section [24.105\(9\)\(a\)3](#), *F.S.*, restricts the use of player-activated machines without the assistance of a retailer, and s. [24.118\(1\)](#), *F.S.*, requires the purchase of no less than \$20 of other goods and services to use a credit card or other instrument issued by specified financial institutions and retailers to purchase lottery products.

Online game subscriptions could increase sales and improve convenience for players

Lottery game subscription services enable players to purchase draw games and receive payouts through an online portal or mobile app for a set subscription period. Players can have the option to use self-selected or automatically generated Quick Pick numbers during a subscription, and prize payments under \$600 can be credited to a player’s online account. Three states currently offer online lottery game subscription services.³⁵ For example, the New York Lottery allows players to subscribe to three draw games using a set selection of numbers through the lottery’s online subscription center. Subscription periods vary from two weeks to one year, and players can purchase multiple subscriptions for the same game or a single subscription for each game offered.³⁶ Prizes of less than \$600 are credited to the player’s account, and prizes greater than \$600 are paid via a physical check sent through the mail.

While the Florida Lottery does not currently plan to develop a subscription service, department officials reported that such a service could be provided through a secure website or mobile app. In a 2025 IPSOS player survey conducted on behalf of the Florida Lottery, 50% of respondents were somewhat or very interested in trying an online game subscription service.³⁷ Eighty-three percent of respondents expressed a preference for a six- to eight-week subscription period for scratch-off games, and 82% expressed a preference for the same subscription period for draw games.³⁸ Florida Lottery officials reported that further exploration, stakeholder input, and official approval processes are necessary before developing online game subscriptions in Florida.

OPERATIONS

The department has implemented several operational initiatives

During Fiscal Year 2024-25, the Florida Lottery’s Division of Security conducted numerous investigations of unauthorized activity that resulted in six arrests and the termination of four retailer contracts; the division also shut down an illegal online courier. In addition, the department continued its responsible gaming efforts and upgraded its retailer management software tool. Florida Lottery officials reported that the launch of a new prize payment system feature that will be offered

through the mobile app has been postponed to late 2027 or early 2028 to allow the department to continue working with the vendor to ensure that the system meets Florida’s standards and needs.

Operational Activities
<ul style="list-style-type: none">• Identified potential unauthorized activity and shut down an illegal online lottery courier• Continued responsible gaming efforts• Upgraded the retailer management software tool• Expects to launch a mobile prize payment system feature in late 2027 or early 2028

³⁵ Maryland, New York, and North Dakota are the three states with online lottery game subscription services. The New Hampshire Lottery previously operated a subscription service but phased it out in Fiscal Year 2024. The Vermont Lottery is in the process of implementing a subscription service.

³⁶ It should be noted that some credit card companies do not allow credit cards to be used to purchase lottery subscriptions because such purchases may be considered cash advances.

³⁷ The survey sample size was 1,025.

³⁸ The survey sample size was 510 for scratch-off subscriptions and 878 for draw game subscriptions.

The Division of Security completed 286 claims investigations during Fiscal Year 2024-25 and shut down an unauthorized courier service during the same period

The Division of Security completed nearly 300 claims investigations during the review period.

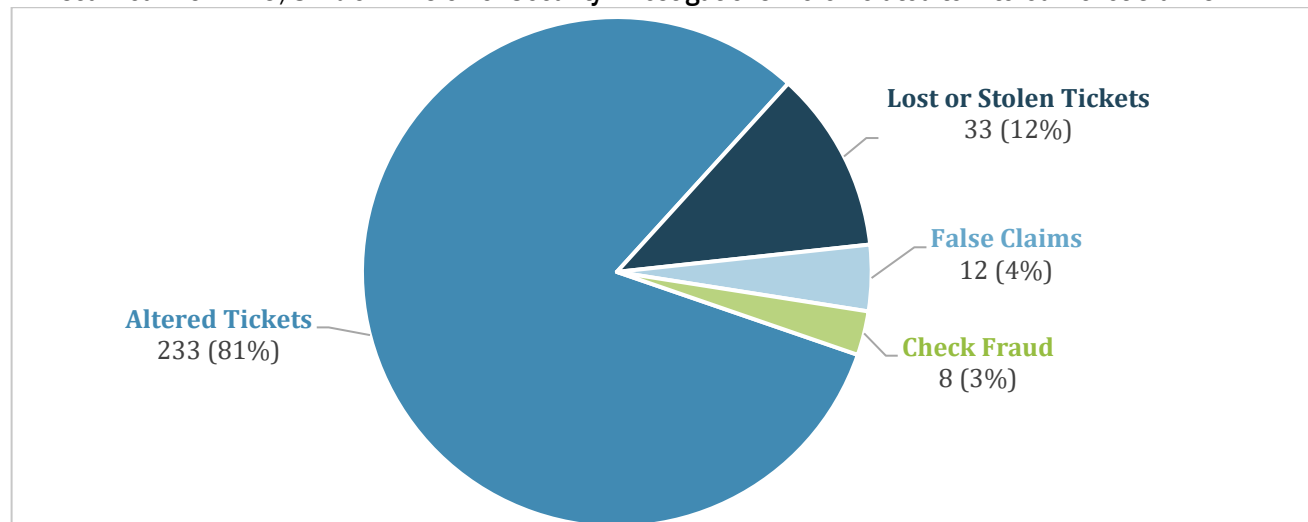
The division is a state law enforcement agency created to protect the integrity of the Florida Lottery and ensure compliance with Ch. 24, *Florida Statutes*. The division is responsible for protecting Florida Lottery facilities and operations and responding to calls for service related to fraud and other questionable activity affecting the integrity of the Florida Lottery. The division also conducts background investigations of lottery retailers and criminal investigations of lottery retailers and players. The division employs 31 full-time staff and 10 part-time other personal services employees and operates nine district offices across the state, including its headquarters in Tallahassee.³⁹

The Florida Lottery identifies potential unauthorized activities in several ways. The department regularly conducts compliance investigations and retailer inspections. In Fiscal Year 2024-25, the Division of Security completed 52 compliance investigations and 2,025 retailer inspections.^{40,41} The Florida Lottery also processes retailer and player complaints and sales representative observations. These sources are supplemented by Florida Lottery data analytics and partnerships with local law enforcement agencies. Following the receipt of a complaint, the information is forwarded to a lottery special agent who conducts an initial investigation to determine if the complaint has merit or is unfounded. If the complaint has merit, the agent investigates further.

In Fiscal Year 2024-25, the division conducted 286 investigations, with 233 stemming from altered ticket claims, 33 from lost or stolen ticket claims, 12 from false claims, and 8 from check fraud claims. (See Exhibit 5.) Division investigations led to the request of eight arrest warrants, eight arrests, four retailer terminations, and one retailer suspension.⁴²

Exhibit 5

In Fiscal Year 2024-25, 81% of Division of Security Investigations Were Related to Altered Ticket Claims



Source: Florida Department of the Lottery.

³⁹ The district offices are in Casselberry, Fort Myers, Gainesville, Jacksonville, Miami Lakes, Pensacola, Tallahassee, Tampa, and West Palm Beach. The Tallahassee district office is in the Florida Lottery headquarters building.

⁴⁰ During those 52 compliance operations, division staff visited 874 locations across 57 counties.

⁴¹ During those 2,025 retailer inspections, division staff visited locations across 67 counties.

⁴² Of the eight arrest warrants requested, seven were issued, and one was denied. Two of the eight arrests were made by a law enforcement agency other than the Florida Lottery.

In Fiscal Year 2024-25, the Florida Lottery began the procurement process for a new records and case management system. The new system will replace the division's current process of manually tracking complaints and investigations. Florida Lottery officials reported that the department's procurement office has temporarily withdrawn its request for proposals for the new system following repeat requests for clarification from prospective vendors. Officials released a new invitation to bid at the end of 2025 and aim to have the new system operational by the end of Fiscal Year 2025-26.

In December 2024, the Division of Security discovered an illegal online courier service and ceased its operations. A lottery courier service purchases tickets on behalf of players, typically through a website or mobile application. Florida Lottery officials reported that the department does not authorize the sale of lottery tickets through partnerships with or through the operation of courier services. The department's Division of Security seeks to identify such services through routine monitoring and enforcement efforts. In December 2024, the division shut down the operations of The Lotter, an online courier service that was partnering with a lottery retailer acting as an intermediary for the purchase of lottery tickets. According to the department, players should not use unauthorized third-party services to buy lottery tickets because it is illegal and poses significant risks, including fraud, misrepresentation, and potential loss of winnings.

Other states have also addressed concerns about lottery courier services. For example, California and Texas have recently taken steps to prohibit lottery couriers. In 2024, the California State Lottery allowed app-based and online lottery ticket resellers and courier services to operate unregulated in the state, and players could use the services at their own risk. However, following a California Attorney General opinion prohibiting lottery couriers, the California Lottery issued a directive to all lottery retailers stating that using couriers poses risks to players and the lottery due to the lack of any standardized regulations, governmental oversight, or external controls. According to the opinion, any retailer that knowingly participates in or facilitates California Lottery ticket sales to online couriers may be subject to contract termination, anyone who buys tickets through such a service is not eligible to win, and no retailer bonuses will be paid if the winning ticket was sold through an online courier.

Similarly, in February 2025, the Texas Lottery Commission issued a policy statement to advise the public that it was exercising its discretionary authority under state law to prohibit lottery courier services. This policy change was based on concerns that courier services could circumvent state law and commission rules, including prohibitions on playing lottery games by telephone, selling game tickets at prices greater than those established by the commission, selling lottery tickets to persons under age 18, and claiming lottery prizes by fraud. In June 2025, the Texas Legislature passed legislation making courier services illegal.

During Fiscal Year 2024-25, the department continued player education and responsible gaming efforts

Some available research suggests that lottery products are linked to problematic gambling behaviors and a range of resulting negative outcomes. According to a 2025 Florida Council on Compulsive Gambling report, approximately 30% of gambling helpline callers reported lottery games as their

primary or secondary gambling addiction.⁴³ Florida Lottery officials reported that during Fiscal Year 2024-25, the department continued its responsible gaming and training initiatives but did not seek recertification of its gaming verification program.

Florida Lottery officials reported that the department continued its responsible gaming initiatives during Fiscal Year 2024-25. For example, in October 2024, the It's Good Fun campaign used social media posts, press releases, radio spots, and billboards to encourage responsible play and emphasize the Florida Lottery's relationship with education. In addition, in November 2024, the department participated in the annual Gift Responsibly campaign in partnership with the National Council on Problem Gambling (NCPG). The campaign consisted of press releases, retailer training about the risks of youth gambling, the release of responsible play social media posts from an NCPG-generated list of topics, and a combination of digital and traditional media advertisements about responsible play. In March 2025, the department participated in Problem Gambling Awareness Month, an outreach campaign in partnership with the North American Association of State and Provincial Lotteries (NASPL). The Florida Lottery participates in this campaign annually through a combination of social media posts, a press release, online advertisements, responsible play vending machine animations, and digital billboards.

The Florida Lottery requires department employees and retailers to complete mandatory responsible gaming training sessions. According to department officials, new employees are required to complete a responsible gaming training, and all employees are required to complete an annual refresher course on the topic. Employee training material emphasizes knowledge of problem gambling behaviors and the role of retailers in promoting responsible play efforts. In addition, lottery retailers must complete responsible play trainings as part of the department's Responsible Play Program. Trainings are administered onsite by a department vendor and lottery sales representatives and are also available online. The department's retailer training material emphasizes the importance of preventing underage gambling and the role of retailers in providing basic resources to players exhibiting problematic gambling behaviors.

According to Florida Lottery officials, the department has been contracting with IPSOS since 2019 to assess the public's awareness of the department's responsible play campaigns.⁴⁴ According to IPSOS surveys, public awareness of new responsible play campaigns has increased from 28% in 2019 to 42% in 2025. Department staff reported using this information to inform future responsible gaming benchmarks and messaging.

The department did not recertify the Florida Lottery's Responsible Gaming Verification Program. Last year, Florida Lottery officials reported to OPPAGA that the department intended to seek recertification of its Responsible Gaming Verification (RGV) program from the North American Association of State and Provincial Lotteries. The RGV program is designed to help certified lotteries plan and implement effective responsible gambling policies. However, department officials reported that the recertification process would have required the department to make significant operational changes, including creating a separate Responsible Gaming Office. According to Florida Lottery officials, the requirement to have a separate office and designated staff to oversee responsible gaming

⁴³ In Fiscal Year 2022-23, 10% of callers to the Florida Council on Compulsive Gambling helpline reported that the Florida Lottery was their primary gambling problem, and another 20% described the Lottery as a secondary problem. Of those callers who reported the lottery as their primary gambling problem, 67% reported scratch-off tickets as their primary form of problem gambling, and 26% reported scratch-off tickets and draw games as their primary form of problem gambling. The council notes that these results likely underestimate lottery-driven problem gambling behaviors in part because Lottery games are generally not perceived as a form of gambling, meaning a caller may not view the lottery as a source of problem gambling because it does not count as gambling.

⁴⁴ IPSOS does not measure or track the effectiveness of the Florida Lottery's Responsible Play campaigns.

efforts would require significant operational changes that would detract from the department's core function to sell tickets and pay prizes.⁴⁵ While the department did not seek RGV recertification and does not plan to at this time, the Florida Lottery is still a member of NASPL and maintains a basic membership with the National Council on Problem Gambling. The NASPL annual membership fee is \$25,000, and the NCPG annual membership fee is \$2,500. Both memberships grant the department access to responsible gaming resources. For example, NASPL membership provides the Florida Lottery with responsible play toolkits and training resources. NCPG membership grants the department access to responsible gaming resources, webinars, and a media toolkit that the department uses for its Gift Responsibly Campaign.

The department upgraded its retailer management software tools and delayed the launch of a new claims and payment feature in the mobile app

During Fiscal Year 2024-25, the department upgraded its retailer management software tools.

For example, the Florida Lottery improved its mobile and desktop-based sales force automation tool, Sales Wizard. The tool is used by lottery sales representatives during retailer site visits and hosts retailer-specific information such as retailer profiles, sales figures, and ticket inventories. Sales representatives can access dynamic routing information through Sales Wizard and receive sales-related notifications; dynamic routing information allows sales representatives to schedule retailer visits when product inventory is low rather than during set intervals. Recent enhancements include updates to the Sales Wizard mobile app, user interface updates, and improved inventory and retailer management tools.

The department also launched a vendor-supported quick service portal, Retailer Smart Bot. The portal assists retailers and sales representatives with supply ordering, answers questions regarding gaming terminals, and provides troubleshooting assistance for the terminals through AI-powered and live agent chat functions. The Pensacola district pilot program was launched in April 2025 and was expanded statewide in October 2025. In addition, the Retailer Wizard platform was updated in January 2026 to streamline how retailers access sales data and lottery business information through the platform. Retailer Wizard is a retailer sales platform that provides retailers with management resources to maximize sales growth.

Florida Lottery officials delayed launch of the department's new claims and prize payment system. The department is in the process of replacing its current legacy prize payment system, Fortune. This multi-phase initiative includes adding mobile prize payment functionality to the Florida Lottery's mobile app. The mobile prize payment feature is intended to make the player experience more convenient by allowing players to use the mobile app to scan winning tickets and receive prize payments between \$600 and \$4,999 without visiting a lottery retailer or a department regional office. To redeem a winning ticket through the mobile app, a player will be required to create an account by scanning their driver's license or manually entering personal information such as name, address, and date of birth. Florida Lottery officials reported that the new claims and payment system will use Zelle, which is a service that allows players to receive payments directly into bank or credit union savings or checking accounts.⁴⁶

⁴⁵ According to Florida Lottery officials, the department would also need authorization and funding for the additional staff positions for a Responsible Gaming Office.

⁴⁶ Zelle is currently available in over 2,300 banking and credit union apps.

According to officials at Brightstar Lottery, the department's vendor that is developing the new claims and payment system, the system's security strategy is based on lottery and IT industry best practices and will fully comply with Florida's computer crime laws including the cybersecurity standards outlined in Ch. 60GG-2, *Florida Administrative Code*.⁴⁷ In addition, Brightstar Lottery will provide a detailed security plan that will meet the Florida Lottery's security requirements, including

- transaction protection ensuring that transactions cannot be tampered with;
- audit checks for appropriate use and identifying errors;
- detection of anomalous conditions that may indicate operational problems or fraud attempts, which will be immediately reported to the Florida Lottery for investigation; and
- secure onsite and offsite storage of critical files, software, and backup data.

While Florida Lottery officials previously reported a claims and payment system launch date of July 2024 and then April 2025, the current estimate is July 2026 or later. Department staff estimate that the mobile prize payment feature will launch 13 to 18 months following the launch of the system, potentially making mobile prize payments available sometime between August 2027 and January 2028. Staff cited the Florida Lottery's unique business requirements, which required modifications beyond the baseline product provided by Brightstar Lottery, as contributing to continued delays. Unlike other lotteries that use claims and prize payment systems solely as a payment mechanism, Florida plans to combine prize payment with administrative functions such as audit reporting within a single system. According to department staff, expanding the claims and prize payment system beyond its typical use has required additional design, configuration, and testing, which has contributed to delays in implementation.

AGENCY RESPONSE

In accordance with the provisions of s. 11.51(2), *Florida Statutes*, OPPAGA submitted a draft of this report to the Acting Secretary of the Florida Department of the Lottery for review and response. The acting secretary's written response is in Appendix C.

⁴⁷ Brightstar Lottery, previously known as International Game Technology PLC, currently contracts with 26 U.S. lotteries.

APPENDIX A

Lottery Game Options

New games that attract new players could increase Florida Department of the Lottery revenues and result in an overall increase in state education funding, but some games could be considered an expansion of legal gambling.⁴⁸ If these new games were considered for implementation in Florida, further analysis would be necessary to determine the potential impact on revenue sharing terms of the Gaming Compact Between the Seminole Tribe of Florida and the State of Florida.

Exhibit A-1 lists new game options, the options' advantages and disadvantages, and estimated revenues where OPPAGA was able to develop reasonable estimates. Some of the sales from new games would be the result of sales shifts from existing games; the estimates include a component to address an estimated sales shift.⁴⁹ Annual revenue estimates assumed full implementation by July 1, 2026. Unless otherwise noted, all estimates use projected Fiscal Year 2026-27 Educational Enhancement Trust Fund (EETF) transfer rates based on projected Fiscal Year 2026-27 ticket sales from the August 2025 Revenue Estimating Conference. Transfer rates differ based on game type—draw games have different transfer rates compared to scratch-off games. Additionally, estimated revenues are based on the implementation of each option individually. If multiple options were to be implemented concurrently, the fiscal impact of each would likely be smaller due to shifts in sales from one game to another. Some new games could generate sizeable revenue, such as Fast Keno, but those games could increase the negative social costs of gambling because a rapid-play style may result in more problem gambling behaviors among players.

In addition, implementing any new games with a higher prize payout would require an analysis of the Lottery Revenue Bond rate floor, because transfers to the EETF need to meet or exceed the transfer rates specified in the bond covenants. Transfers that occur following the implementation of a new game option or options may differ based on the transfer rates at the time of implementation. Actual transfers in Florida may differ from projected estimates because of changes in player behavior driven by factors such as the mix of available games and games available in other states. Sales shifts that occur following the implementation of a new game option or options may differ from estimates due to variable market factors and the health of competing game options.

⁴⁸ Per s. [24.121\(2\)](#), *F.S.*, the Legislature established the EETF, a trust fund that includes net proceeds from the Florida Lottery, to fund programs within the state's public education systems, including the Florida Bright Futures Scholarship Program.

⁴⁹ A sales shift, alternatively referred to as cannibalization, describes the decrease in sales of a given product through demand absorption due to the release of a new product. Sales shifts can occur at the individual product and product category level. OPPAGA used sales shift estimates provided by the Florida Lottery for the lottery products and product categories identified in Exhibit A-1. Should any of the proposed game options be implemented, further study of potential sales shifts would be required.

Exhibit A-1

New Games Could Increase Revenues to Education But May Be Considered an Expansion of Gambling

Option	Advantages	Disadvantages
All or Nothing		
For \$2, players select 11 or 12 numbers from 22 to 24 numbers and win the top prize by matching all numbers drawn or by matching none of the numbers drawn; drawings are held multiple times per day. ¹	<ul style="list-style-type: none"> • Could generate approximately \$14.4 million in transfers to education during the first full year of implementation² 	<ul style="list-style-type: none"> • May have a limited life cycle after which sales decline due to a sales shift
Daily Keno		
Players choose up to 10 numbers from a panel of 80 numbers and win by matching 10 of their choices to up to 22 numbers drawn by the central computer at the Florida Department of the Lottery (Florida Lottery) headquarters. There are 1 to 10 number variations of the game where players can win by matching fewer numbers. ³	<ul style="list-style-type: none"> • Could generate approximately \$6.6 million per year in additional recurring transfers to education⁴ 	<ul style="list-style-type: none"> • May have a limited life cycle after which sales decline due to a sales shift
Fast Keno		
<p>Players choose up to 10 numbers from a panel of 80 numbers and win by matching their choices to 20 numbers drawn by the central computer at the Florida Lottery headquarters; it may be played frequently (e.g., every four minutes); players watch a monitor at a retailer location to determine if they have won or the player may leave the premises and check the Florida Lottery's website or mobile app for the winning numbers.⁵</p> <p>Implementing this option may require legislative budget approval for additional gaming system equipment and legislative action to modify the requirements for a drawing to be public and witnessed by an accountant and for the drawing equipment to be inspected before and after each drawing, given that electronic drawings could occur every four minutes. (s. 24.105(9)(d), F.S.)</p>	<ul style="list-style-type: none"> • Could generate approximately \$59.782 million per year in additional recurring transfers to education⁶ • Performs well in social settings; some U.S. lotteries also offer Keno-to-Go at traditional lottery retailer sites whereby players purchase tickets, leave the premises, and check the lottery website or return to the retailer site to determine if they have won • Could help the Florida Lottery recruit new retailers in social venues, such as restaurants and bars 	<ul style="list-style-type: none"> • May contribute to problem gambling behaviors due to its rapid-play style • Has a higher prize payout than traditional draw games, which could decrease the funds available for transfers to education • Sales gains are dependent on the game outcompeting higher energy alternatives like sports betting and casinos
Monitor Games		
<p>Computer animated games, such as simulated horse racing, roulette, and bingo, that are played on in-store monitors similar to how Fast Keno is played.</p> <p>Implementing this option may require legislative budget approval for additional gaming system equipment and legislative action to modify the requirements for a drawing to be public, witnessed by an accountant, and for the drawing equipment to be inspected before and after each drawing, given that electronic drawings could occur frequently. (s. 24.105(9)(d), F.S.)</p>	<ul style="list-style-type: none"> • Could generate approximately \$13.2 million per year in additional recurring transfers to education⁸ • Allows the Florida Lottery to recruit new retailers in social venues, such as restaurants and bars 	<ul style="list-style-type: none"> • May contribute to problem gambling behaviors due to its rapid-play style

Option	Advantages	Disadvantages
Progressive Jackpot Fast Play		
Players choose the play amount of \$1, \$2, \$5, \$10, or \$20 for an instant play, instant win ticket that prints from the terminal and can be played immediately to determine if the ticket is a winner; game sales feed into a jackpot prize that increases until it is won. The winner's portion of the jackpot is dependent on how much they chose for the play amount. ⁹	<ul style="list-style-type: none"> • Could generate approximately \$17.1 million per year in additional recurring transfers to education¹⁰ • The excitement of a progressive jackpot serves as a sales driver • A progressive jackpot offers a higher proportion of the jackpot to players who play a higher dollar amount 	<ul style="list-style-type: none"> • Strong participation to drive sales and grow the jackpot is necessary for success • Communication of jackpot levels to players is dependent upon timely updates from the gaming system and any technological failures could erode player confidence and participation

¹ OPPAGA identified two U.S. lotteries that offer an All or Nothing game—Texas and Wisconsin.

² OPPAGA estimated a range of potential All or Nothing transfer revenue (\$13.6 million to \$15.2 million, with a median of \$14.4 million) based on the per capita sales in the two states that offer All or Nothing, which was applied to Florida's estimated population for 2026. The analysis assumes a draw game transfer rate to the Educational Enhancement Trust Fund (EETF) of 37.54% based on the August 2025 Revenue Estimating Conference projected transfers for Fiscal Year 2026-27 and that 10% of the sales would be shifted from existing game sales. Note that the transfer rate does not account for potential fees and administrative expenses.

³ OPPAGA identified three U.S. lotteries that offer Daily Keno—Indiana, Michigan, and Washington.

⁴ OPPAGA estimated a range of potential Daily Keno transfer revenue (\$6.0 million to \$18.0 million, with a median of \$6.6 million) based on the per capita sales in the three states that offer Daily Keno, which was applied to Florida's estimated population for 2026. The estimate assumes a draw game transfer rate to the EETF of 37.54% based on the August 2025 Revenue Estimating Conference projected transfers for Fiscal Year 2026-27 and that 5% of the sales would be shifted from existing game sales. Note that the transfer rate does not account for potential fees and administrative expenses.

⁵ OPPAGA identified 23 U.S. lotteries that offer Fast Keno—California, Connecticut, Delaware, the District of Columbia, Georgia, Kansas, Kentucky, Maryland, Massachusetts, Michigan, Missouri, New Hampshire, New York, North Carolina, Ohio, Oregon, Pennsylvania, Rhode Island, Tennessee, Virginia, West Virginia, Wyoming, and the U.S. Virgin Islands.

⁶ OPPAGA estimated a range of potential Fast Keno transfer revenue (\$7.5 million to \$822.6 million, with a median of \$59.7 million) based on the per capita sales in 21 states, plus the District of Columbia, that offer Fast Keno, which was applied to Florida's estimated population for 2026. The U.S. Virgin Islands were excluded from the analysis due to insufficient information. The estimate assumes an approximate transfer rate to the EETF of 22%, approximately 9% of which would be administrative costs. The estimate also assumes that 10% of sales would be shifted from existing game sales. Note that should this option be implemented, further study of potential EETF transfer rates would be required.

⁷ OPPAGA identified seven U.S. lotteries that offered monitor games that produced revenue in 2024—the District of Columbia, Kansas, Maryland, Massachusetts, Ohio, Pennsylvania, and Rhode Island.

⁸ OPPAGA estimated a range of potential monitor game transfer revenue (\$4.4 million to \$235.9 million, with a median of \$13.2 million) based on the per capita sales in the six states, plus the District of Columbia, that had monitor game revenue in 2024, which was applied to Florida's estimated population for 2026. The estimate assumes an approximate transfer rate to the EETF of 22%, approximately 9% of which would be administrative costs. The estimate also assumes that 10% of sales would be shifted from existing game sales. Note that should this option be implemented, further study of potential EETF transfer rates would be required.

⁹ OPPAGA identified 27 U.S. lotteries that offer one or more progressive jackpot fast play games—Arizona, Arkansas, Connecticut, the District of Columbia, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Michigan, Minnesota, Montana, New Hampshire, New Jersey, New Mexico, North Carolina, Ohio, Oklahoma, Pennsylvania, Vermont, Virginia, and Wisconsin.

¹⁰ OPPAGA estimated a range of potential progressive jackpot fast play game transfer revenue (\$2.1 million to \$25.5.26 million, with a median of \$17.1 million) based on the per capita sales in 11 states that offer fast play progressive games, which was applied to Florida's estimated population for 2026. Due to insufficient data, OPPAGA excluded Arizona, Arkansas, Connecticut, the District of Columbia, Georgia, Illinois, Iowa, Kansas, Maine, Maryland, New Hampshire, New Mexico, Ohio, Oklahoma, Vermont, and Virginia. The estimate assumes a scratch-off game transfer rate to the EETF of 17.47% based on the August 2025 Revenue Estimating Conference projected transfers for Fiscal Year 2026-27 and that 10% of the sales would be shifted from existing game sales. Note that the EETF transfer rate does not account for potential fees and administrative expenses.

Source: OPPAGA analysis of lottery industry and Florida Department of the Lottery information.

APPENDIX B

Product Distribution Options

Making lottery products more accessible and convenient for players by expanding product distribution could increase revenues to education, but some options could be considered an expansion of gambling. If these additional product distribution options were considered for implementation in Florida, further analysis would be necessary to determine the potential impact on revenue sharing terms of the Gaming Compact Between the Seminole Tribe of Florida and the State of Florida.

Exhibit B-1 lists product distribution options that could increase Florida Department of the Lottery sales and education transfers, advantages and disadvantages of each option, and potential revenue increases where OPPAGA was able to develop reasonable estimates. The estimates are based on implementation of individual options; if multiple options were implemented concurrently, the fiscal impact of each would likely be smaller due to shifts in sales from one point of sale to another.⁵⁰ Actual transfers in Florida may differ from the estimates due to factors such as population demographics, the mix of games available, lottery games available in neighboring states, the percentage of sales revenue used for prize payouts, and the retailer commission rate. Unless otherwise noted, all estimates use the projected Fiscal Year 2026-27 Educational Enhancement Trust Fund transfer rates based on projected Fiscal Year 2026-27 ticket sales from the August 2025 Revenue Estimating Conference, which differ based on game type (i.e., draw or scratch). Transfers resulting from the implementation of new product distribution options may differ based on the transfer rates at the time of implementation. Annual revenue estimates assume full implementation by July 1, 2026. However, some options would likely require additional time to implement.

Exhibit B-1
Expanding Product Distribution Could Increase Revenues to Education But May Be Considered an Expansion of Gambling

Option	Advantages	Disadvantages
Increase Retailer Network		
<p>This option would add additional corporate and independent Florida Department of the Lottery (Florida Lottery) retailers in both traditional locations, such as convenience and grocery stores, and non-traditional locations, such as drug stores, discount stores, bars, and restaurants.</p> <p>This option may require legislative budget approval for more terminals, depending on the extent of growth.</p>	<ul style="list-style-type: none">• Adding 200 new retailers could generate approximately \$3.5 million per year in additional recurring transfers to education¹• Florida has been below average in the number of terminal retailers per capita compared to other successful lottery states; increasing its retailer network could improve per capita sales• Could increase product distribution and awareness, making products available to new players	<ul style="list-style-type: none">• The non-traditional Florida Lottery business model may require the development of different products, compensation frameworks, and distribution strategies• May require additional department staff to service new retailer accounts

⁵⁰ If any of these options were implemented, further study of the sales shift would be needed.

Option	Advantages	Disadvantages
Internet Sales		
<p>This option would authorize intrastate internet sales of Florida Lottery products and allow players to purchase individual draw or instant games, and/or subscribe to game drawings in advance for a set period of time (e.g., two weeks, one year) on the Florida Lottery website and mobile app; for prizes under a specified amount (e.g., \$600), players would receive automatic credit or the Florida Lottery would mail them a check.</p> <p>Implementing this option would require statutory changes to allow player-activated terminals (s. 24.105, F.S.).</p> <p>Unless payment is limited to bank account transfers, implementing this option would also require amending statutes that require a purchase of \$20 of other goods and services to use a credit card or other instrument issued by a financial institution or retailer to purchase Florida Lottery products (s. 24.118, F.S.).</p> <p>Implementing this option would also require legislative budget approval for enhanced systems and technology.</p>	<ul style="list-style-type: none"> • Adding internet sales could generate approximately \$34.0 million to \$731.6 million per year in additional recurring transfers to education depending on whether only draw games or both draw and instant games are offered, respectively; the median transfer estimate for offering both instant and draw games online is \$376.2 million, while the median transfer estimate is \$106.6 million for offering only draw games online and \$222.1 million for offering only instant games^{2,3} • Florida Lottery would receive revenues from subscription sales in advance of drawings • Would provide more convenience to players who prefer to purchase their Florida Lottery products from their personal computer or mobile device • Key benefits for consumers would include no missed draws, no waiting in lines, and ease of claiming prizes • In 2021, a unanimous panel of the U.S. Court of Appeals for the First Circuit agreed with a 2011 U.S. Department of Justice opinion concluding that the Wire Act only prohibits the interstate transmission of bets or wagers on sporting events and does not apply to state internet lotteries 	<ul style="list-style-type: none"> • Must comply with federal laws that require state regulations to include age and location verification to reasonably block access to minors and persons located outside the state • Current Florida Lottery retailers may oppose this option due to concerns that the retailers would lose lottery sales commissions and revenues from sales of other in-store products, as players would no longer need to visit a retailer to make a lottery purchase • Game changes after subscription tickets are purchased would require communication with players and possibly a replacement ticket • Could reduce unclaimed prize funds, as prizes may be automatically credited to players, which would decrease the transfers to the Educational Enhancement Trust Fund⁴

¹ OPPAGA estimated potential transfers from increasing the retailer network by assuming that the 200 retailers would achieve at least the average weekly net sales new independent retailers achieved in Fiscal Year 2024-25. The estimate also assumes that all 200 terminals would be active for a full year and that 20% of sales would shift from existing retailers.

² OPPAGA estimated potential transfers from implementing internet sales using available sales data from 11 U.S. lotteries that offered internet sales in Fiscal Year 2023-24—the District of Columbia, Georgia, Illinois, Kentucky, Michigan, New Hampshire, North Carolina, North Dakota, Pennsylvania, Rhode Island, and Virginia. The analysis excluded three states that sell lottery games online: New York, because the state only sells draw game subscriptions online; West Virginia, because the state did not have internet sales for Fiscal Year 2023-24; and Connecticut, because the state's internet draw sales data was unavailable. The estimate assumes a transfer rate to the Educational Enhancement Trust Fund (EETF) of 37.54% for draw-only internet sales, which is the forecasted Fiscal Year 2026-27 draw transfer rate in Florida; a transfer rate of 74.60% for instant internet gross gaming revenue, which is based on analysis from the 2024 OPPAGA report; and that 5% of sales would shift from existing distribution options.

³ Actual transfer amounts to the EETF could differ from the estimates based on prize payout rates, bank card swipe fees, vendor fees, and operational costs.

⁴ Section [24.115\(2\), F.S.](#), requires that 80% of the amount of unclaimed prizes is transferred to the EETF and the remaining 20% is added to a pool from which future prizes are to be awarded or used for special prize promotions, such as second chance games.

Source: OPPAGA analysis of lottery industry and Florida Department of the Lottery information.

APPENDIX C

Agency Response

RON DESANTIS
Governor



REGINALD D. DIXON
Acting Secretary

January 29, 2026

Kara Collins-Gomez, Coordinator
Office of Program Policy Analysis and Government Accountability
111 West Madison Street
Tallahassee, Florida 32399-1475

Dear Coordinator Collins-Gomez:

Thank you for the opportunity to formally respond to your office's report: "Review of the Florida Lottery, 2025." The Department of the Lottery (Lottery or department) sincerely appreciates the diligent efforts of your staff in conducting a comprehensive review of our performance in recent fiscal years. We appreciate your team's efforts in supporting our commitment to innovative and strategic initiatives that maximize funding for education.

Over the course of several months, the Lottery collaborated closely with your staff to provide the most accurate, detailed, and complete information needed for the report. We remained engaged throughout the process, answering follow-up questions and clarifying information as necessary. This collaborative approach underscores the professionalism and partnership demonstrated by your team, and we commend their efforts. The Lottery is confident that the resulting report will serve as a valuable resource as we continue our work.

Some of the findings we would like to highlight include:

- **"The Lottery continued to take steps to increase sales and transfers to the Educational Enhancement Trust Fund"**
 - In total, the Lottery has contributed over \$49.51 billion to the EETF since 1988. The Lottery has also helped over 1 million students receive the Bright Futures Scholarship since 1997.
 - For the 5th consecutive fiscal year, the Lottery has transferred more than \$2 billion to the EETF. Additionally, this is the 23rd consecutive fiscal year, the Lottery transferred more than \$1 billion to the EETF.
- **"The department continues to outperform the legislative performance standard for its operating expense rate, which is the third lowest in the nation."**
 - As noted in the report, the Florida Lottery has the third lowest operating expense rate in Fiscal Year 2024-25 among all state lotteries.

These positive findings reflect the hard work and dedication of the Lottery staff, along with the strong leadership of Governor DeSantis and the Legislature. We are grateful for OPPAGA's thorough and thoughtful review of the Lottery and look forward to continuing our collaboration in the future.

Respectfully,

A handwritten signature in blue ink, appearing to read "Reginald D. Dixon".

Reginald D. Dixon
Acting Secretary

cc: Reginald D. Dixon, Acting Secretary
Andy Mompeller, Inspector General



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OPPAGA supports the Florida Legislature by providing data, evaluative research, and objective analyses that assist legislative budget and policy deliberations. This project was conducted in accordance with applicable evaluation standards. Copies of this report in print or alternate accessible format may be obtained by telephone (850/488-0021), in person, or by mail (Claude Pepper Building, Room 312, 111 W. Madison St., Tallahassee, FL 32399-1475).

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Kara Collins-Gomez, OPPAGA Coordinator