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SUPPORTING TEXAS EDUCATION  
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## **TEXAS LOTTERY SAVES STATE \$65 MILLION WITH LOTTERY OPERATOR CONTRACT EXTENSIONS**

Current contract with IGT extended to 2026

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(AUSTIN) – The Texas Lottery Commission’s five member board unanimously approved three 2-year extensions to its existing nine-year contract with lottery operator, International Game Technology (IGT). The new contract renewal terms are expected to save the state \$65 million over the extension period and increase revenue to the Foundation School Fund. The six-year extension period will begin Sept. 1, 2020 and continue through Aug. 31, 2026.

“This is good government and a testament to the Lottery’s strong contract monitoring and compliance work,” said J. Winston Krause, chairman of the Texas Lottery Commission. “The contract extensions position us to continue to produce record revenue for Texas education and veterans while being smart, responsible stewards of state funds.”

The Texas Lottery experienced extraordinary growth in fiscal year 2016, achieving a record \$5.067 billion in sales which resulted in \$1.373 billion to the Foundation School Fund and \$14.7 million to the Fund for Veterans’ Assistance, the largest contributions to both lottery beneficiaries. It was the 13<sup>th</sup> consecutive year the Texas Lottery provided more than \$1 billion in revenue for Texas. In addition to record-breaking sales, the Texas Lottery’s careful spending kept administrative costs to just 4.4 percent of FY 16 sales, one of the lowest administrative expenditure rates in the country and the lowest in Texas Lottery history.

IGT will continue to be compensated under the current rate of 2.2099 percent of lottery sales through the end of the initial contract period ending on Aug. 31, 2020. The compensation rate will decrease with each contract extension.

<u>Contract Extension Dates</u>	<u>Percentage of Lottery Sales</u>
Sept. 1, 2020 – Aug. 31, 2022	2.0773 percent
Sept. 1, 2022 – Aug. 31, 2024	2.0331 percent
Sept. 1, 2024 – Aug. 31, 2026	1.9889 percent

(more)

IGT has provided lottery operator services to the Texas Lottery since the Lottery's inception in 1992. The Texas Lottery's current contract with IGT was executed in 2010 and has resulted in annual savings of more than \$20 million. The contract was the culmination of a three-year process in which competitive bids were submitted from three of the world's major lottery operator service providers.

"We appreciate the outstanding job IGT has performed as the lottery operator for the state of Texas," said Krause. "IGT shares our passion for innovation and our pursuit to provide the citizens of Texas with the best entertainment experience available through our products," said Krause.

Consistent with the Texas Lottery's commitment to a fair and transparent procurement process, all lottery operator procurement and contract documents, with the exception of those involving proprietary information and lottery security, have been posted to the Texas Lottery website at [www.txlottery.org](http://www.txlottery.org).

#### About the Texas Lottery

Beginning with the first ticket sold in 1992, the Texas Lottery has generated \$25 billion in revenue for the state and distributed \$50 billion in prizes to lottery players. Since 1997, the Texas Lottery has contributed \$19 billion to the Foundation School Fund, which supports public education in Texas. As authorized by the Texas Legislature, certain Texas Lottery revenues benefit state programs including the Fund for Veterans' Assistance. Since the first veterans' themed scratch ticket game was launched in 2009, the Texas Lottery has contributed more than \$68 million for programs supporting Texas veterans.

The Texas Lottery provides several entertaining games for lottery players including Powerball<sup>®</sup>, Mega Millions<sup>®</sup>, Lotto Texas<sup>®</sup>, All or Nothing<sup>™</sup>, Texas Two Step<sup>®</sup>, Pick 3<sup>™</sup>, Daily 4<sup>™</sup>, Cash Five<sup>®</sup>, Texas Triple Chance<sup>™</sup> and scratch ticket games. For more information visit us on Facebook, Twitter, Instagram, YouTube or at [www.txlottery.org](http://www.txlottery.org).

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