

**SOUTH CAROLINA EDUCATION LOTTERY  
BOARD OF COMMISSIONERS MEETING MINUTES  
December 3, 2025  
10:00 a.m.**

The Board of Commissioners of the South Carolina Education Lottery (SCEL) met on Wednesday, December 3, 2025, at 1333 Main Street, Columbia, South Carolina, First Floor Conference Room, with the following members, representing a quorum, participating:

Sam Litchfield, Chairman  
Dr. Edward Keith, Vice-Chair  
Keith Munson, Secretary/Treasurer  
Billy Newsome

Jay Young  
Dr. Vareva Evans-Harris (via phone)  
Francie Austin  
Jack Osteen

**Call to Order**

The Chairman called the meeting to order at 10:08 a.m. and welcomed guests.

**Introduction of Newly Appointed Board Members**

The Chairman introduced Ms. Francie Austin of Charleston and Mr. Jack Osteen of Sumter as the Board's newest members.

**Approval of Minutes**

On motion of Commissioner Munson, seconded by Commissioner Newsome, the Board approved the minutes of its August 6, 2025, meeting, unanimously.

**Action Items**

**a. Nomination and Election of Board Officers for 2026**

The Chairman asked for nominations of officers other than those currently serving, and after receiving none, Commissioner Newsome moved to close the nominations and elect the current slate of officers for another one-year term in accordance with *S.C. Code Ann.* § 59-150-40(G) and the by-laws. Commissioner Young seconded the motion, which the Board passed unanimously, electing the officers as follows:

Sam Litchfield, Chairman  
Dr. Edward Keith, Vice Chairman  
Keith Munson, Secretary/Treasurer

**b. Audit Committee Meeting Report – December 2, 2025 - Adoption of the 2026 Audit Plan**

Commissioner Keith stated that while the Audit Committee minutes are self-explanatory, Ms. Brittany Davis, Chief Audit Executive, would elaborate on the items in the report. Ms. Davis discussed the 2026 Audit Plan including the Audit Committee Charter, and the Internal Audit Charter. After her presentation, on motion of Commissioner Keith, the Board unanimously approved the 2026 Audit Plan.

### **c. Quarterly Advertising and Marketing Review**

The Chairman recognized Ms. Ammie Smith, Chief Product Officer and Mr. Josh Whiteside, Chief Marketing Officer, who collectively discussed radio, television, internet, and digital billboard advertisements for the following campaigns: Cash Pop, Holiday, and Better U. Also, Ms. Smith and Mr. Whiteside reviewed materials for general advertising, PIDs, and miscellaneous items.

At the conclusion of the presentation, the Chairman stated, without objection, that the Board's consensus is that the advertising presented did not and does not target with the intent to exploit specific ethnic groups or economic classes of people, and that the content is accurate, and is not misleading.

### **d. Consideration of Board Policy on Instant Ticket Vending Machines**

The Chairman recognized Ms. Dolly Garfield, Chief Executive Officer, and Ms. Ammie Smith to discuss Board Policy on Instant Ticket Vending Machines (ITVMs). Ms. Garfield, after introducing Ms. Anne Huffman, Chief Financial Officer, requested the Board's position on amending state law to allow ITVMs. Among her reasons for the request, Ms. Garfield noted that South Carolina is one of two states (Nebraska) that do not allow ITVMs. Furthermore, the Legislative Audit Council (LAC) has recommended SCEL's use of the machines. Also, Ms. Garfield noted that the South Carolina Convenience & Petroleum Marketers Association plans to seek legislative approval for vending machine use.

Ms. Smith discussed statistics, innovations in self-service technology, and shifting consumer expectations that have permanently altered the retail landscape, making self-service not just another payment option but, in many cases, the preferred method of purchasing products at retail. In a recent study, when asked specifically about lottery play, 62% of respondents indicated that they prefer to buy lottery tickets from a kiosk rather than from a store clerk. The U.S. lottery market appears to be listening – from 2018 to 2023, the number of self-service lottery terminals increased by 29% in the U.S., or roughly 5.3% annually.

Ms. Huffman noted that SCEL conservatively estimated its ITVM return on investment based on 500 units at \$20K per unit for a total initial investment of \$10M. Next, she stated that SCEL considered four groups of retailers using these ITVMs: middle 50% and then upper 50%, 60% and 70%. After considering these various scenarios, she stated the lowest impact scenario would be a 6.7% weekly sales lift among 500 units in the middle 50% of retailers which would mean a 38-week payback period, or 9.5 months. The higher impact scenario would be a 10% sales lift for 500 units in the top 70% of retailers, which would mean a 14.3-week payback period, or 3.6 months. In any event, within a 52-week period, the ITVMs would pay for themselves and contribute approximately an additional \$6.5M to education. Her conclusion is that although ITVMs is an investment, the opportunity cost of not offering this self-service option is forfeiting sales to consumers who are not going to purchase from a clerk and limit SCEL's ability to establish a footprint in retail where self-service is the only feasible option. ITVMs would help with expansion into those stores, increasing foot traffic and revenues, and contributing more to education.

After discussion, Commissioner Newsom moved that the Board adopt a policy that the law be amended to allow ITVMs in South Carolina. Commissioner Keith seconded the motion, which the Board passed unanimously.

## **Reports**

### **a. Debit Card and Financial Update**

The Chairman recognized Ms. Huffman for the debit card and financial updates. Addressing debit cards, Ms. Huffman noted that Proviso 3.8 in FY25-26 State Budget (Debit Card Proviso) allows for debit card acceptance this fiscal year. She noted that the legislature will need to renew the proviso annually unless it passes a Bill. She noted that when trying to analyze debit sales, the best information SCEL has at this time is which retailers are accepting debit card payments and how those retailers are performing YTD versus those that are not accepting debit card payments. Currently SCEL has 4034 retailers and 2199 of those accept debit cards (54%) for lottery purchases. Retailers accepting debit cards are up 23% over last year. Those who do not accept debit cards are up 15%. Based on these results, SCEL concludes that retailers accepting debit cards are up an additional 8% overall. To determine the impact of just debit cards, SCEL isolated the additional 8% increase to focus only on the debit card accepting retailers and the increase they see above non-debit card accepting retailers. When looking at just the 8% increase YTD, it translates to approximately an additional \$35.2M in revenues and \$8.4M in Transfer Value YTD. Ms. Huffman noted that early data has some limitations, and SCEL will continue to focus on the accuracy to provide the best analysis possible of debit card impact. However, the current data leads staff to believe that SCEL is reaching new players, especially during Jackpot Runs.

### **Financial Update**

Addressing SCEL's financial update, Ms. Huffman noted that during the first four months of FY 2026, Transfers increased from \$189.3M to \$215.1M, an increase of \$25.8M (13.7%). Overall Game Revenues increased \$98.5M to \$835.3M (13.4%). Scratch-Off and Terminal games are performing well across SCEL's portfolio. During the four-month period there was a \$1.8 billion Powerball Jackpot Run and a \$750+ million Mega Millions Jackpot Run. In the same period last year, there was one \$800 million Mega Millions Jackpot Run but no runs near or above \$1 billion. Additionally, beginning on July 1, 2025, Lottery players could begin using debit cards to play the Lottery at certain participating retailers because of the Debit Card Proviso.

Scratch-Off Game Revenues were up, except for \$2 and \$5 Scratch-Off Ticket Revenues, which were down slightly. Total Scratch-Off Game Revenues increased by \$57.9M (11.4%) to \$565.6M. Revenues associated with \$1 and \$3 Scratch-Off Tickets increased \$0.1M and \$2.7M (1.0% and 15.6%), respectively. Additionally, \$10 Scratch-Off Ticket Revenues were up \$9.3M (3.4%) and \$20 Scratch-Off Ticket Revenues were up \$48.6M (42.2%). Otherwise, \$2 Scratch-Off Ticket Revenues remained steady with a decrease of less than one percent and \$5 Scratch-Off Tickets decreased \$2.8M (3.8%). SCEL has made strategic adjustments to game launches, top prizes, and ticket quantities in all price points in hopes of reversing previous downward trends. Additionally, the Debit Card Proviso provides a way to reach new players by offering a new way to pay. We continue to look for opportunities to attract new players and promote lottery growth.

The overall Game Margin on Scratch-Off Game Revenues increased \$11.3M from \$133.5M to \$144.8M (8.5%). The overall Game Margin percentage on Scratch-Off Games decreased to 25.6% compared to 26.3% during the same period last year. This decline is largely attributed to the fact that \$20 Scratch-Off Tickets made up a larger portion of Scratch-Off Game Revenues this year and payouts of roughly 80% compared to 75% on \$10 Scratch-Off Tickets. Scratch-Off prize expense increased \$46.6M (12.5%), which is mainly attributable to an increase in \$20 Scratch-Off Ticket revenue of \$48.6M (42%). With a roughly 80% prize payout, the coordinating increase on \$20 prize expense is \$37.5M (41%).

Terminal Game Revenues were \$269.7M, an increase of \$40.7M (17.8%). The increase was due to a \$1.8 billion Powerball Jackpot Run as well as Pick 3, Pick 4, and Cash Pop performing well.

Pick 3 Revenues were up \$2.6M (2.8%) through the first four months of FY 2026. Pick 3 Game Margin increased \$3.4M (6.7%). Pick 3 Game Margin percentage increased from 54.9% to 57.0%. Pick 4 Revenues were up \$3.7M (7.2%). Pick 4 Game Margin increased \$2.3M (7.1%) due to increased Revenues. Pick 4 Game Margin percentage remained steady at 61.9%. Pick 3 and Pick 4 Game Margin percentage vary over the short-term depending on the timing of “trips” and “quads,” which result in large liabilities for SCEL. During the four-month period ending October 2025, there were no “trips” or “quads”. In the same period during the prior year, “trip 0s” resulted in a liability of \$1.9 for a single draw. Therefore, the reasons for the increased margins on Pick 3 are favorable statistical variation and increased Revenues.

Palmetto Cash 5 Revenues decreased \$0.1M (0.9%). Palmetto Cash 5 Game Margin was up \$0.3M (7.0%). Palmetto Cash 5 is settling a bit after a period of substantial growth, following the launch of the Rolling Jackpot in March 2024. Powerball Revenue was up \$31.6 (116.4%) due to a \$1.8 billion Jackpot that ended September 6, 2025, and resulted in the largest retailer sweep in the history of SCEL. This jackpot run lasted 42 draws and generated \$46.8M in sales and \$20.1M in Transfer Value. There was no comparable run during this period last year. Mega Millions Revenue was down \$0.2M (1.0%) in response to the April 2025 game changes, which increased the ticket price from \$2 to \$5 and revamped certain game features. Across all jurisdictions, it has taken some time for the public to embrace the new game change, but the recent Jackpot Run that began July 1, 2025, helped the game significantly and ended November 14, 2025, after 40 draws with a Jackpot of \$980M. These games have historically been very dependent on jackpot runs to achieve increased Revenue performance, however SCEL does not plan for jackpot runs of this magnitude in the Financial Plan.

Cash Pop Revenue increased \$3.0M (13.0%) over prior year through October. Cash Pop Game Margin increased \$0.6M (8.0%). Cash Pop Game Margin percentage decreased 1.5% from 34.3% to 32.8%. Both the increase in Cash Pop Revenue and the increase in Cash Pop Game Margin are due to the addition of the Cash Pop Bonus promotion that launched on September 28, 2025. The overall Game Margin percentage on Terminal Games was 52.9% compared to 53.0% during the same period last year.

### **Other Revenues and Game Costs**

Other Revenues, which consist primarily of license and telephone fees, were \$1.2M in the first four months of FY 2026 and FY 2025. Other Direct Game Costs were \$9.8M during the period

compared to \$8.4M in FY 2025. This increase is a result of the purchase and installation of the new SciQ dispensers in 400 retail locations.

### **Advertising and G&A Expenses**

Advertising Expense was \$4.4M in FY 2026 and \$3.9M in FY 2025, an increase of \$.5M (15.1%). This increase is attributed to anticipated increases in advertising production and distribution expenses. G&A Expenses (the primary component of which is employee compensation) were \$6.8M in FY 2026 and \$6.1M in FY 2025. The \$0.7M (11.8%) increase is related to increased salaries and employee benefits (\$0.4), as well as small increases in depreciation, special event promotions, insurance, maintenance and repairs, and auditing costs. This increase is as anticipated as the cost of goods and services has grown in recent years.

### **Net Income**

Net Income increased \$23.0M (12.4%) to \$208.5M compared to \$185.5M. The increase in Net Income is attributed to increases in both Scratch-Off and Terminal Game Revenues.

### **Actual FY 2026 Results Compared to the FY 2026 Financial Plan**

To date, actual financial results are above plan for both scratch-off and terminal games. Game Revenues were \$835.3M compared to Plan of \$723.7M. The positive variance in Scratch-Off Game Revenues is a result of all Scratch-Off Games performing above Plan except for \$5 Scratch-Off Tickets. Revenues associated with \$1 and \$2 Scratch-Off Tickets were \$0.7M (2.9%) above Plan, while \$3 Scratch-Off Ticket Revenue was \$4.9M (32.4%) over Plan. Additionally, \$10 and \$20 Scratch-Off Ticket Revenue were above Plan by \$8.7M (3.1%) and \$56.8M (53.2%), respectively. Finally, \$5 Scratch-Off Ticket Revenue was \$3.4M (4.6%) below Plan. Total Scratch-Off Ticket Revenues were \$67.7M (13.6%) above the planned amounts presented in the May 2025 SCCEL board meeting. Scratch-Off Ticket Revenues are above Plan for several reasons, including a conservative estimate set in May 2025, a new core \$20 Scratch-Off Ticket, the Debit Card Proviso, and adjustments to launches and ticket quantities that better fit our player base.

All Terminal Game Revenues exceeded Plan, except for Mega Millions. Pick 3 performed \$7.7M (8.8%) above Plan and Pick 4 performed \$6.1M (12.2%) above Plan. Palmetto Cash 5 also performed \$1.1M (9.1%) above Plan. Powerball was \$26.7M (83.4%) above Plan. Mega Millions performed \$2.4M (10.5%) below Plan. Cash Pop performed \$4.7M (21.6%) above Plan.

As a result of the higher than planned Game Revenues, Gross Profit (Revenues less Prize Expense, Commissions, and other game-related costs) was \$220M compared to the planned amount of \$176.7M for a positive variance of \$43.3M (24.5%).

In aggregate, Operating Expenses were \$0.1M (1.1%) under Plan. Advertising Expense was \$4.4M compared to planned amount of \$4.1M, a variance of \$0.3M (9.4%). Other Operating Expenses (“G&A”) were \$0.5M (7.0%) under Plan. SCCEL expects most of the variances will normalize to planned annual amounts as the year progresses. As a result of the aforementioned factors, Net Income for the four months that ended October 31, 2025, was \$208.5M compared to Plan of \$165.1M, a positive variance of \$43.4M (26.3%).

**c. Executive Director Report**

Next, the Chairman recognized Ms. Garfield to present her report. Ms. Garfield began her report by updating the Board on the Glassmeyer Freedom of Information Act (FOIA) litigation, specifically cases involving his third and fourth FOIA requests. She noted that oral arguments for the third lawsuit against SCEL would be heard by the South Carolina Court of Appeals on December 16, 2025. She also noted that the court dismissed his fourth lawsuit against SCEL and no appeal was pursued.

Next, Ms. Garfield addressed the Cash Pop vendor error that resulted in 212 erroneous tickets. She stated that SCEL has offered refunds involving those tickets and has received very little feedback.

Ms. Garfield stated that she recently attended a Multi-State Lottery Association (MUSL) meeting in Nashville, TN. At that meeting she learned that the Powerball international sales effort which had been delayed while navigating various regulatory requirements in England and Australia, has recently been revived and sales could begin sometime in 2026. In addition, Powerball has entered into a 2-year partnership with the Professional Pickleball Association (PPA) and the Professional Disc Golf Association.

Ms. Garfield reminded the Board that SCEL is entering its procurement season regarding major items such as its scratch-off game and central gaming systems. She also noted that SCEL should issue its Mobile App Request for Proposal (RFP) in early 2026.

Next, Ms. Garfield recognized Claire Jones, Chief Human Resources Officer, to introduce new employees. Ms. Jones introduced Christian Nance, Lottery Sales Representative (Midlands), Amanda Saari, Lottery Sales Representative (Upstate), Chris White, Lottery Sales Representative (Coastal), Cynthia Beard and Devin Dixon, both Claims Center Support Specialist, Fhallen Milligan, Licensing Specialist, and Kaela Fabian, Business Intelligence Analyst. Ms. Jones also announced the January 2026 SCEL lunch celebration for 24 years of service.

**Other Business**

The Chairman asked the Board to communicate with staff about any preferred meeting dates and to let him know if there are any preferred committee assignments. There being no other business, the Chairman declared the meeting adjourned at 12:08 p.m.

/s  
\_\_\_\_\_  
Sam Litchfield, Chairman

/s  
\_\_\_\_\_  
Keith Munson, Secretary

As required by *S.C. Code Ann.* § 30-4-80, SCEL posted notification for this meeting at its administrative offices, 1333 Main Street in Columbia. As provided in the Board Bylaws, SCEL also posted the meeting notice and agenda on its website ([sceducationlottery.com](http://sceducationlottery.com)), and sent emails pursuant to requests made by individuals, media outlets, and other organizations. These notifications included a link providing the time, date, place, and agenda of the meeting.