



Statewide Vision: An Arizona for everyone.

Agency Vision : Creating moments to dream, chances to win, and opportunities to give

Agency Mission: To support Arizona programs for the public benefit by maximizing net revenue in a responsible manner

Agency Description: The Arizona Lottery maximizes revenue through the sale of its products on behalf of Arizona taxpayers and in support of its beneficiaries as defined by statute. An advisory commission and agency head appointed by the Governor oversee operations, including product development and product sales through licensed retailers, providing players with entertaining, rewarding games of chance that make a difference in Arizona.

Resource Assumptions: Enter Full-time Employees (FTEs) and funding data by type (e.g. General fund (GF), appropriated funds (AF), non-appropriated funds (NAF), and federal funds (FED). <i>Include actuals for past year, approved for current year and estimate (Gov. Budget) for upcoming year.</i>	<u>FY</u>	<u>FTEs</u>	<u>GF</u>	<u>AF</u>	<u>NAF</u>	<u>FED</u>	<u>Total</u>
	24	98.8	\$0	\$188.8M	\$2,251.4M	\$0	\$2,440.2M
	25	98.8	\$0	\$201.7M	\$2,243.1M	\$0	\$2,444.8M
*Total reflects GF + AF + NAF. FED funding shown is broken out from NAF.	26	98.8	\$0	\$200.9M	\$1,812.6M	\$0	\$2,013.5M

Progress Summary:

Our proactive work to invest in our valued retailers, to drive growth across instant ticket products resulted in positive year over year sales across the entire scratchers category for the last 13 weeks of the fiscal year. The focus for this next year will be on prioritizing new revenue opportunities, developing implementation strategies and engaging with stakeholders. This will require continued investments in new gaming technologies and increases to marketing budget. The extension with the Central Gaming System Vendor was signed which includes an upgrade of the central gaming system which will provide a platform for future growth. FY26 focus will be on strengthening core products and developing new lottery game opportunities. Retailer stakeholder efforts for FY26 will be measuring the retailer impact score reflecting a wider range of positive outcomes. Developing Lottery contractor engagement survey and working on areas of opportunity identified in FY25 employee engagement survey will be the primary goals for FY26.



Arizona Lottery (LOA)

2025 -2029 Strategic Plan

#	Agency Five-Year Outcomes	Start Year	Linked to Gov. Priority Outcome?	Status / Progress
1	Grow annual revenue from digital platforms and innovative games from 0% to 10% of total revenue by June 2029.	2025	Improving Education	<ul style="list-style-type: none"> Last year our initiative was to complete the implementation of an upgraded digital player loyalty / CRM platform in order to improve player engagement and modernize for future growth. This was completed April 1, 2025. The upgraded platform will provide additional tools which will be utilized to increase player engagement.
2	Increase from \$276M to \$330M in annual beneficiary transfers by June 2029.	2024	Improving Education	<ul style="list-style-type: none"> Beneficiary transfers are a percentage of overall sales. In FY25 sales were \$1,403,405,280 and total beneficiary transfer will be calculated in Oct. 2025. Sales were impacted by the lack of high jackpots on the multistate draw games. Great efforts were accomplished to increase the instant ticket sales including installing Digital Menu Boards at retailers and the digital signage pilot program.
3	Demonstrate an annual increase in the percentage of retailers that improve their “retailer economic impact score” by June 2029.	2025	Affordable and Thriving Economy Investing in Local Communities	<ul style="list-style-type: none"> Last year our goal was to define the “retailer impact score”. This score will be based on the retailer satisfaction survey, the timeliness of new game activations, the facings growth and the number of retailer business reviews.
4	By June 2029, AZL will improve our employee engagement score by 10%.	2024		<ul style="list-style-type: none"> We had a 94% participation rate in our employee engagement survey with an average overall engagement score of 82% for FY 2025 which is 7% higher than the FY 2024 score of 75% bringing us within 3% of our 5 year target.



Outcome #	FY26 Annual Objectives	Objective Metrics	Annual Initiatives
<p>1 Grow annual revenue from digital platforms and innovative games from 0% to 10% of total revenue by June 2029</p>	<p>1.1 By end of June 2026, increase the player engagement rate in the digital player loyalty platform from average 20% to average 23%</p> <p>1.2 By the end of June 2026, complete the effort of establishing Lottery courier rules</p>	<p>1.1 Player engagement rate</p> <p>1.2 Percentage of Lottery courier rules established</p>	<p>1.1 Identify key stakeholders for Lottery innovation and develop community engagement plan.</p> <p>1.2 Create a regulatory format that provides clear operating guidelines for Lottery couriers.</p>
<p>2 Increase from \$276M to \$330M in annual beneficiary transfers by June 2029</p>	<p>2.1 Breakthrough: By June 2026 achieve a total sales revenue is \$1.4 B.</p>	<p>2.1 Total Lottery sales revenue</p>	<p>2.1 Increase visibility and awareness of Lottery products in key accounts via improved signage and merchandising and expand vending machine placements.</p>
<p>3 Demonstrate an annual increase in the percentage of retailers that improve their "retailer economic impact score" by June 2029</p>	<p>3.1 By end of June 2026, achieve retailer economic impact target score of 94%</p>	<p>3.1 Retailer economic impact score</p>	<p>3.1 Implement the new retailer economic impact score that incorporates the performance metrics of retailer satisfaction survey, new game activations, facings growth, and retailer business reviews.</p> <p>3.1 Implement improved ticket distribution security controls for independent retailers to reduce theft as part of the gaming system upgrade.</p>
<p>4 By June 2029, AZL will improve our employee engagement score by 10%</p>	<p>4.1 By June 2026, increase agency overall engagement score from 82% to 84%</p> <p>4.2 By June 2026 design and administer new vendor employee engagement survey</p>	<p>4.1 Agency overall engagement score 4.1 Talent Maximization Score</p> <p>4.2 Percentage of tasks completed on creating the vendor engagement survey</p>	<p>4.1 Identify areas for improvement in FY25 engagement survey results; develop action plan to raise FY26 score.</p> <p>4.1 Track employee retention rates and identify key drivers of regrettable attrition.</p> <p>4.2 Work with key Lottery vendors to develop vendor employee engagement survey to align with state engagement survey.</p>



Stakeholder Engagement Plan:

Internal: Internal stakeholder engagement at the Arizona Lottery takes place through several channels: Executive team planning sessions, monthly agency business review meetings, one-on-one and skip-level conversations between leaders and employees, monthly and quarterly sales meetings, employee town hall meetings, agency email communications and monthly Lottery Commission meetings. Feedback is solicited from all levels of the organization, including front-line employees, Lottery contractors, and vendor partners.

External: Engagement of external stakeholders also utilizes multiple channels to ensure collaboration covers the widest possible cross-section of our community.

Lottery players stakeholder engagement includes agency website, player loyalty platform, email communications, Winsider emails, & social media. Lottery retailers stakeholder engagement includes direct contact with Lottery Sales staff, surveys, business reviews, retailer newsletter, email communications, & retailer website portal.

Lottery beneficiaries engagement includes Gives Back marketing communications, Regular Beneficiary meetings, direct outreach, press releases Governor's office / Legislature stakeholder engagement via direct feedback during strategic planning and engagement through legislative liaison coordinated with Governor's Office & OSPB.

Tribal engagement via tribal meetings coordinated with Governor's Office.

Other Community partners engagement via Gives Back sponsorships, meetings with other state agencies, media engagement, email communications, agency website, & social media.

Communication Plan:

Internal: Internal communications and updates regarding strategic plan performance will take place on an ongoing basis. Once finalized, the strategic plan will be communicated with internal stakeholders using the same channels and forums that were used during the initial engagement process. This communication will occur throughout the year, with opportunities to adjust initiatives and tactics as necessary to achieve the annual objectives.

External: Communication of the Lottery's strategic plan will be integrated into recurring meetings and outreach with external stakeholders as they take place throughout the year. Communications will be tailored to the specific stakeholder groups based on feedback received during the engagement process, and will utilize channels deemed to be most effective. As results are achieved, agency wins will be submitted through the Governor's Office and reinforced through additional public messaging designed to increase awareness and impact.