

**Budget Hearing on the  
Fiscal Year 2025 Proposed Budget  
of the  
Office of Lottery and Gaming**

**Before the  
Committee on Business and Economic Development  
Council of the District of Columbia**

**The Honorable Kenyan R. McDuffie, Chairman**

**April 10, 2024, at 9:30 a.m.**



**Testimony of  
Frank Suarez, Executive Director  
Office of Lottery and Gaming  
Office of the Chief Financial Officer**

**Glen Lee, Chief Financial Officer  
Office of the Chief Financial Officer**

Good morning, Chairman McDuffie and members of the Committee on Business and Economic Development. I am Frank Suarez, Executive Director of the Office of Lottery and Gaming (OLG). Thank you for the opportunity to present testimony on OLG's proposed Fiscal Year 2025 budget. Joining me today are my colleagues Ridgely Bennett, Chief Counsel for OLG, Craig Lindsey, Agency Fiscal Officer, and Peter Alvarado, Director of Regulation and Oversight.

OLG's mission is "to responsibly maximize revenue generation for the District of Columbia through the sale of innovative lottery and sports wagering products while providing gaming regulation and oversight that upholds the highest standards of integrity and public trust." This mission emphasizes OLG's commitment to responsibly growing revenue for the District through both sales growth and expense management. Since its inception in 1982, OLG has transferred \$2.3 billion to the General Fund.

OLG's Fiscal Year 2025 gross funds operating budget is \$352 million, which supports 93 full-time equivalents (FTEs). This is \$2 million more than the Fiscal Year 2024 budget of \$350 million. OLG's budget reflects an increase of \$1.4 million across multiple programs to support costs associated with operational requirements. The budget also includes an increase of \$584,861 to align projected salary, step increase, fringe benefits costs, and other staffing needs across multiple programs.

Financial Operations accounts for the largest portion of OLG's budget, at \$274.1 million or 77.9%. Financial Operations includes prizing, commissions, transfers to the General Fund, and comprehensive financial management services to OLG.

Gaming Operations makes up 19.7% of the budget at \$69.2 million. This portion of OLG's

budget includes support services for lottery and sports wagering retailers and players so that they can benefit from the portfolio of gaming offered by OLG. Marketing, Trade Development (Sales Department and Licensing), Sports Wagering Regulation Oversight, Information Technology (Gaming), Draw Operations, Security, and Prize Claim Center Services are funded under Gaming Operations. Gaming Operations also supports OLG's regulatory responsibilities for privately-operated sportsbooks, games of skill, and charitable gaming operated by nonprofits.

The smallest portion of the budget is Agency Management at 2.4% or \$8.7 million. This funds administrative support and resources for OLG operations and programs.

As a sales and revenue-generating entity, OLG is an enterprise fund and relies on its revenue generation to determine its budget and deliver on its mission. OLG's efforts to increase revenue are continuously evolving as OLG's retailers and players still feel the impact of a diminished commuter base and sustained inflation. The ongoing lack of commuters, combined with the loss of flavored cigarette customers, has strained OLG retailers and led to retailer closings. OLG has experienced a significant decline in its retailer network, losing an estimated 49 retailer locations between Fiscal Year 2021 and Fiscal Year 2024 (as of December 31, 2023). Overcoming the impact of these obstacles remains an ongoing challenge for both OLG and its retailers.

Much of the innovation and optimization efforts implemented in 2024 will benefit OLG and its retailers in Fiscal Year 2025. This includes accepting debit cards at all DC Lottery self-service machines and launching the new DC Lottery mobile app that allows players to easily scan their printed tickets to check for winners while also allowing them to play iLottery games from almost anywhere in the District. Retailer recruitment has been revamped with new training for Sales Coordinators, new recruitment tools, and dedicated biweekly retailer recruitment periods. OLG has

also developed a new five-year strategic plan that will provide increased focus on high-impact revenue-generating initiatives and deliver a roadmap for continued growth.

OLG is on track to complete the transition to the FanDuel sports wagering platforms for both mobile/online and retail locations in Fiscal Year 2025. This will provide an array of benefits to the District that include a top-notch sports wagering experience from the country's number one sports wagering mobile app, significantly increased revenue that is guaranteed with a minimum of \$5 million in Fiscal Year 2025, and continued support of 64 small, local and minority-owned businesses in the District that rely on sports wagering to drive traffic into their locations and provide an additional revenue stream through sales commissions.

Privately-operated sports wagering is also expected to continue to grow. During Fiscal Year 2024, the Lottery's Regulation and Oversight Division has approved three new Class B licenses.

I am excited about the opportunities ahead and look forward to the continued, responsible growth of gaming revenue for the District. In closing, Chairman McDuffie, I would like to thank you, the Council, and the Mayor for your continued support of the Office of Lottery and Gaming and for this opportunity today. This concludes my testimony, and I am happy to answer any questions the Committee may have.