



# TENNESSEE EDUCATION LOTTERY CORPORATION

FISCAL YEAR 2016 | JULY 1, 2015–JUNE 30, 2016 | HIGHLIGHTS FROM A RECORD YEAR

## Message from the President & CEO and the Board Chair



Rebecca Paul Hargrove  
President and CEO



Susan Lanigan  
Chair of the Board of Directors

It is with great pride that we present an overview of the Tennessee Education Lottery Corporation's (TEL) Fiscal Year 2016, an extraordinary 12-month period that shattered records and produced an all-time high for sales and proceeds for education. The year's contribution of \$394 Million to TEL-funded education programs is a record increase of 13.3% over last year, bringing the total raised for education to more than \$3.8 Billion.

A new record was set for the number of Lottery-funded awards, as well. Academic Year 2015–2016 saw an increase of 15% in the number of scholarships and grants awarded, from 105,345 to 121,135. We are proud of our entire team, and we remain committed to the strategies that have led to 12 consecutive years of sales growth.

## Education

Since the first awards were given in the fall of 2004, Lottery-funded programs have grown to include 12 different scholarships and grants for Tennessee students seeking higher education, including Tennessee Promise, HOPE Scholarships and Wilder-Naifeh grants.

Lottery monies are also used to fund after-school programs and an energy-efficient schools initiative.

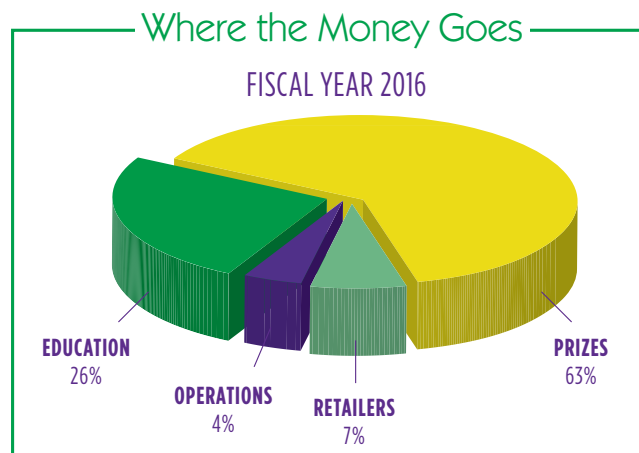
- FY16 contribution: \$394 Million — a record increase of 13.3% over the previous year.
- Total education funding since inception: More than \$3.8 Billion.

## Education Beneficiaries

- \$324.1 Million was awarded to 121,135 students in Academic Year 2015–16, including 24,671 students in dual enrollment classes.
- Total number of student awards since inception: More than one million.

More than \$13 Million in Lottery funds was used to fund 73 K-12 after-school programs that served 17,311 students throughout Tennessee.

*SOURCE: Tennessee Student Assistance Corporation, Tennessee Department of Education Extended Learning Programs*



## Equal Business Opportunity

The TEL is committed to a diverse and inclusive workplace, including the active engagement and participation of the minority business community. Strategies to achieve this goal include:

- **TEL Advisory Council on Business Participation** – A group of representatives from each of Tennessee's three grand divisions that provides insight and helps guide economic development and education strategies for minority-owned businesses.
- **Wanda Young Wilson Summer Internship Program** – An annual 10-week paid internship program that offers professional corporate training and work experience for students attending Historically Black Colleges & Universities.
- **TEL Workforce Diversity** – The Lottery's workforce continues to represent an impressive level of diversity. Of the cumulative total of 162 TEL employees during Fiscal Year 2016, 54% were women; 46% were men; 48% were minority; and 52% were non-minority.
- **Equal Business Opportunity Program** – The Lottery and its major procurement vendors continued to maximize minority business participation during Fiscal Year 2016 as follows:

Buntin – 19% or \$1,213,933.80

IGT – 24% or \$4,523,112.50

Scientific Games – 18% or \$2,060,954.67

TEL – 14% or \$280,179.06



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## Board of Directors

By statute, a seven-member Board of Directors, appointed by the Governor and confirmed by the General Assembly, provides governance and sets overall policy.



**Susan Lanigan**  
Chair



**Craig Powers**  
Vice Chair



**William Carver**



**Roy Harmon, Jr.**



**Cordia Harrington**



**Pearl Shaw**



**Tom White**

## Management

The FY16 TEL Team included 162 dedicated professionals working throughout the following divisions:



**Executive: Rebecca Hargrove**  
President and Chief Executive Officer

The President and CEO oversees all daily operations, develops a broad vision for the Corporation, and ensures the Lottery achieves its mission of maximizing revenues for education. This division also includes:

Corporate Affairs: Internal and external communications. Legislative/government affairs.

Internal Controls: Reports directly to the Board of Directors. Ensures adequate internal controls are in place to ensure integrity and accountability in TEL operations.



**Legal: Wanda Young Wilson**  
Chief Operating Officer and General Counsel

Human Resources, Legal Services, Security,  
Retailer Contract Administration, Corporate Services,  
Equal Business Opportunity Program, Procurement



**Advertising and Marketing: Lou Ann Russell**  
Executive Vice President

Advertising, Events and Sponsorships,  
Retail and Digital Marketing



**Sales: Sidney Chambers**  
Executive Vice President

Sales, Retailer Sales and Services, Corporate Accounts,  
Warehouse Management and Distribution, District Offices



**Finance and Information Systems: Andy Davis**  
Chief Financial and Information Systems Officer

Accounting, Prize Payments, Retailer Receivables,  
Purchasing, Fleet Management, Gaming Systems and Drawings,  
Software Services, Quality Assurance



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## Prizes

During Fiscal Year 2016, Tennessee Lottery players won more than \$1.657 Billion in prizes, including two *Powerball* jackpots:

- A family from Munford, Tenn., won \$528.8 Million on Jan. 13, 2016, a third of the world record-breaking jackpot of nearly \$1.6 Billion.
- A player in Antioch won a \$144.1 Million jackpot on Nov. 4, 2015.

Also during the year:

- 20 winning tickets were sold worth \$1 Million or more.

Total prizes won from all games since inception: More than \$10.1 Billion.

## Retailers

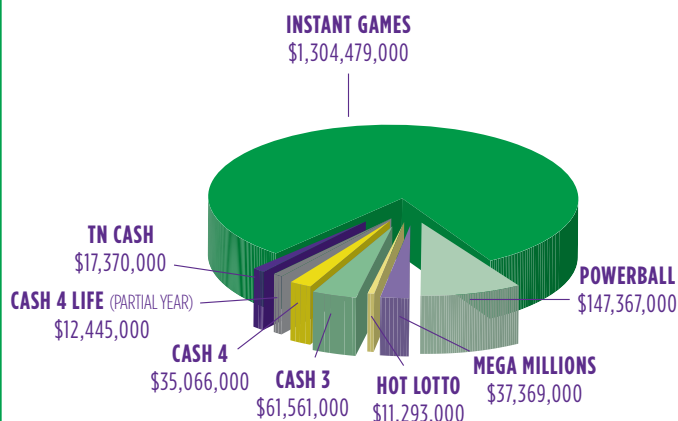
The TEL's network of more than 5,000 retailers throughout the state is the primary conduit between the Corporation and Lottery players.

- During Fiscal Year 2016, 5,038 retailers earned more than \$106 Million in retailer commissions and incentives.
- Total earned since inception: Nearly \$979 Million.

**The TEL Retailer Advisory Board**, a diverse group that represents a variety of trade styles, continued to provide valuable feedback and insight to help recruit and maintain a dynamic retailer network.

## Sales

- Instant games continued to be the most popular with players, and instant sales increased to \$1.304 Billion, 6.88% higher than the previous year.
- Fueled by a world-record *Powerball* jackpot, drawing-style game sales set a record of \$322.8 Million, 7.6% higher than the prior year.
- Total gross sales for FY16: \$1.626 Billion, an increase of 10.2% over FY15.
- Total sales since inception: More than \$15 Billion.



## Responsible Gaming



The Tennessee Lottery is committed to responsible gaming practices and has been awarded a prestigious *Level 3 Responsible Gaming Certification* from the World Lottery Association.

The TEL's Responsible Gaming Committee develops and manages a comprehensive plan to ensure responsible gaming practices are incorporated in marketing, game design, retailer strategies, player education, and stakeholder and industry engagement.

## Contact Us:

For more information, visit [tnlottery.com](http://tnlottery.com) or call 615-324-6500.

Follow us on Facebook, Twitter & Instagram.