



## M E M O R A N D U M

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**Date:** June 24, 2021

**To:** California State Lottery Commission

**From:** Alva V. Johnson   
Director, California State Lottery

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Deputy Director, Operations Division

**Subject:** Item 9(d) – Vax to Win Reimbursement Agreement with the California Department of Public Health

### **ISSUE**

The California State Lottery (Lottery) is seeking reimbursement from the California Department of Public Health (CDPH) for costs associated with Lottery's administrative and technical support of the Vax for the Win prize drawings conducted on behalf of the Governor's Office.

### **BACKGROUND**

To increase COVID 19 vaccinations of California residents, the Governor's Office and CDPH kicked off an incentive program called Vax for the Win. As part of this program, newly vaccinated residents age 12 and up are eligible to receive \$50 gift cards after they have completed their vaccinations. In addition, all vaccinated residents age 12 and up, are eligible to win cash prizes during three separate drawings held on June 4th, 11th and 15th. CDPH has coined the drawings on June 4th and 11th "\$50,000 Fridays" where 15 individual winners at each drawing will receive \$50,000. In addition, at the drawing on June 15th, ten winners will be selected to win \$1.5 million each. The Lottery was asked to assist with the draws and to provide administrative and technical support as part of the

Vax to Win incentive program. The Lottery anticipates participation in the draws will include three to four events, conducted in both northern and southern California. Because the Lottery is assisting with the draws for these events, Lottery employees and their immediate family members are not eligible for any of the cash prizes.

## **DISCUSSION**

The Lottery Act precludes the Lottery from expending any funds that do not further the Lottery's purpose, which is to maximize supplemental funding for public education. All revenue generated through the sale of Lottery products must be allocated for prizes, given to public education, or used in the operation and administration of the Lottery's business. As such, the Lottery cannot expend Lottery revenue or resources to administer the Vax for the Win draw services without receiving reimbursement for the costs incurred.

The California Department of Finance, on behalf of CDPH, will transfer \$500,000.00 to the Lottery to reimburse for draw services and related expenses to help administer the Vax for the Win incentive program through an Interagency Agreement. Specifically, Lottery will provide Lottery draw machines and equipment, draw procedures, subject matter experts, draw auditing, audio and video support, event hosting, and support which includes provision of headquarters' facility space, equipment, supplies, print materials, transport, and other staff resources as needed.

The Lottery and CDPH have entered into an Interagency Agreement for a contract term of June 14, 2021 through September 3, 2021. The maximum contract amount will be \$500,000.00. The Lottery will invoice CDPH for all administrative expenses incurred in connection with the Vax for the Win program and will include sufficient detail to substantiate reimbursement. CDPH will issue payment to the Lottery based on the agreed-upon contract payment terms.

## **RECOMMENDATION**

The Lottery recommends the California State Lottery Commission approve an Interagency Agreement with CDPH for \$500,00.00 to reimburse the Lottery for incurred costs relating to draw services for the Vax for the Win incentive program.