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TRANSCRIPT OF PROCEEDINGS

CALIFORNIA STATE LOTTERY COMMISSION
COMMISSION MEETING

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Sacramento, California 95811

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<u>Description</u>	<u>I N D E X</u>	<u>Page</u>
1. Call to Order		4
2. Pledge of Allegiance		4
3. Roll Call of Commissioners		4
4. Consider Approval of the Agenda		4
5. Approval of the Minutes of the September 19, 2023 Commission Meeting		5
6. DIRECTOR'S REPORT:		
a. Director's Comments		6
b. Audit Committee Update		12
c. Mission, Vision, Values, The Journey to Launch		18
7. CONSENT CALENDAR		29
8. ACTION ITEMS		
a. Scientific Games LLC Instant Ticket Printing Contract Extension		29
b. Pollard Banknote Limited Instant Ticket Printing Contract Extension		33
c. IGT Global Solutions Corporation Instant Ticket Printing Contract Extension		36
d. Workiva Wdesk Software Subscription Extension		41
e. Workstation Enterprise Refresh Plan		43
f. Epicor - Lottery Financial System Contract Renewal		47
g. Uniformed Security Guard Services Contract		N/A
9. Commissioner General Discussion		53
10. Scheduling Next Meetings: January 25, March 21, May 23, June 27, September 26, and November 21, 2024		53
11. Public Discussion		53
12. Adjournment		53

Thursday, November 9, 2023

Sacramento, California

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CHAIR AHERN: Good morning, everyone. We'll call our Lottery meeting to order, and we'll start with the Pledge of Allegiance, so if you could please stand?

(The Pledge of Allegiance was recited.)

CHAIR AHERN: Thank you very much. To get started, will the Secretary please call the roll?

MS. TOPETE: Commissioner Mills?

COMMISSIONER MILLS: Present.

MS. TOPETE: Commissioner Alvidrez?

COMMISSIONER ALVIDREZ: Here.

MS. TOPETE: Commissioner Garrison-Engbrecht?
Commissioner Rasouli?

COMMISSIONER RASOULI: Here.

MS. TOPETE: Chairman Ahern?

CHAIR AHERN: Here. We'll go on to Item #4. Notified that staff request the Action Item #8g, Uniformed Security Guard Services Contract be removed from the agenda and tabled for a future meeting. Do any of the Commissioners have any additional changes to today's agenda in any respect? Hearing none, do I hear a motion to adopt the amended agenda?

COMMISSIONER MILLS: Motion to adopt the agenda.

CHAIR AHERN: We have a motion; is there a second?

COMMISSIONER ALVIDREZ: Second.

CHAIR AHERN: We have a motion and a second. Will the Secretary please call the roll?

MS. TOPETE: Commissioner Mills?

COMMISSIONER MILLS: Yes.

MS. TOPETE: Commissioner Alvidrez?

COMMISSIONER ALVIDREZ: Yes.

MS. TOPETE: Commissioner Rasouli?

COMMISSIONER RASOULI: Yes.

MS. TOPETE: Chairman Ahern?

CHAIR AHERN: Yes. Next item on the agenda is Item #5, Approval of the Minutes. Do any Commissioners have any corrections to the Minutes they'd like to bring up? Okay, hearing none, do hear a motion to approve the minutes of the September 19th, 2023, Commission Meeting?

COMMISSIONER ALVIDREZ: Move to approve.

CHAIR AHERN: We've got a motion; is there a second?

COMMISSIONER RASOULI: Second.

CHAIR AHERN: Motion and a second; will the Secretary please call the roll?

MS. TOPETE: Commissioner Mills?

COMMISSIONER MILLS: Yes.

MS. TOPETE: Commissioner Alvidrez?

COMMISSIONER ALVIDREZ: Yes.

MS. TOPETE: Commissioner Rasouli?

COMMISSIONER RASOULI: Yes.

MS. TOPETE: Chairman Ahern?

CHAIR AHERN: Yes. All right. That's been approved. Next, we'll move on to Informational Items. We want Alva. I think we should have some walk-up music for him.

DIRECTOR JOHNSON: Good morning, Mr. Chairman and Commissioners.

CHAIR AHERN: Good morning.

DIRECTOR JOHNSON: I'm happy to be before you today.

CHAIR AHERN: Fantastic day.

DIRECTOR JOHNSON: I am happy to share that sales through the first 18 weeks of this fiscal year are over \$3 billion. This marks the fastest the California Lottery has reached the \$3 billion threshold in its history. With total Lottery sales at this level, we are pacing well over goal by 18 percent and exceed last year's sales by more than \$285 million. Scratchers are also hitting records, as cumulative sales are already over \$2 billion, the earliest reach in a fiscal year. The portfolio of Scratchers games is holding strong, as we continue our Scratchers' repositioning efforts

through broadening our game mix and evolving our "A Little Play Can Make Your Day" advertising campaign. However, the big buzz this year continues to be our multi-state games. Between Powerball and Mega Millions, we have had nine draws offering players jackpots of \$1 billion or higher. Most recently, Powerball rolled to \$1.75 billion in October, and one lucky ticket was sold at a small business here in Frazier Park, California. From that sequence alone, which started in July, almost \$120 million was raised for California schools. Both Mega Millions and Powerball are significantly above goal, and Powerball is outpacing last year's sales as well. As players try their luck to win billions from the multi-state games, they also have tried our own in-state game, SuperLotto Plus. Sales for this game are nearing \$100 million and are exceeding expectations for this year. Hot Spot and our Daily Games each have sold roughly \$135 million so far this year and are meeting their respective goals. The Daily Games have had a slightly slower start than last fiscal year due to smaller grand prizes offered for Daily Derby, but Hot Spot continues to trend upward year over year, setting records of its own for the start of this fiscal year.

Strong sales continue to mean strong contributions to our beneficiary, Public Education. Through September, the estimated funds for Education are significantly

exceeding our goal by 38 percent. This is even better than our sales performance due to the strong jackpot games, which have better profit margins. These estimates mark the strongest start to a fiscal year in Lottery history, exceeding our prior first-quarter record by \$90 million.

Switching gears, it is common at this time of year for us to share how the national lottery industry performed in the prior fiscal year. Specifically, at this time, we are presenting Fiscal Year 2022-23 sales of traditional Lottery products. These figures exclude revenue from video lottery terminals. With unaudited total sales over \$9.2 billion, California will remain the state with the second-highest sales in the United States. The top four states have remained the same for three years in a row, and the only change in the top 10 this year was Georgia, flipping places with Massachusetts.

Here are some other highlights from the Fiscal Year 2022-23 Industry Update. California continued to have the highest sales for Powerball, and we had the second-highest in-state Lotto sales with our SuperLotto Plus game. California moved back up to the highest-selling state for Mega Millions; in fact, we surpassed the second-highest selling state, Florida, by more than \$250 million. Our strong Scratchers sales of over \$6.5 billion last fiscal year came in at number three in the country. Most of the

top-selling states, including us, saw year-over-year losses in sales last fiscal year, but Texas and Florida experienced slightly smaller dips than our four percent due to successes at their \$50-plus price points, leading them to take the top two ranks.

Our annual per capita sales of \$236 per person was ranked 25th place, just below the median, which was \$255. This was the same rank we've had the past two fiscal years. And lastly, our estimated contributions to Education continue to be the third-highest in the nation, with \$2.24 billion. New York's figure of more than \$3.6 billion includes funds going to their beneficiary from video lottery terminals. So, that's the reason why I led all U.S. lotteries. Florida estimates more than \$2.4 billion in contributions to their beneficiary last year.

This concludes our report, and we can answer any questions at this time. I want to again thank our Business Planning and Research Team, who have prepared these remarks.

CHAIR AHERN: All right, thank you very much.

COMMISSIONER MILLS: May I ask a question?

CHAIR AHERN: Go ahead.

COMMISSIONER MILLS: Thank you. Thank you, Chair. Thank you, Director Johnson, for that report. It's really remarkable results. I have a couple of questions. One, so I remember the budget that was passed for the Lottery was a

little bit conservative and wasn't totally in compliance with all of our rules and regulations. With these results, do we now anticipate that our actual results will be in full compliance with all the rules and regulations?

DIRECTOR JOHNSON: Well, we prepare the budget each year, making our best and most reasonable and conservative estimate of sales projections, in accordance with California law and Lottery regulations. It's too early to say at this time whether we're going to hit it this fiscal year, but I would say that we're on a good track.

COMMISSIONER MILLS: That's great. And then do we have any insight into -- these jackpots have been huge, and it's really remarkable -- do we have any insight into what's causing the large jackpots which are driving the sales? It's becoming less of an anomaly and more of, like, the norm, it feels like.

DIRECTOR JOHNSON: Well, you know, there certainly has been a lot of commentary about the large number of large jackpots and the fact that California keeps winning them. I get no small amount of grief from other lottery directors in other states, and I just say, hey, Golden State, you know? But we have more Lottery players than most states, and our sales reflect that. But more to your question, I think there's still a lot of speculation as to why we keep seeing these very large jackpots. There have

been recent changes over the last 10 years that have changed the odds somewhat here and there. Lottery is an evolving industry. I think nationwide, lotteries try to provide an attractive product that can motivate sales in a responsible way, and some of the changes have had the effect of having the jackpots roll again and again and again and retire at higher levels, but that tends to be the rising tide that lifts all boats. People gain greater interest in Lottery and our variety of products, and it ultimately drives sales which benefit our beneficiaries.

COMMISSIONER MILLS: Great, thank you.

DIRECTOR JOHNSON: Thanks.

CHAIR AHERN: Well, we weren't always one, two, or three in the world of lottery, and I'd like to bring up the fact that your staff, years ago, brought in the multi-state games, which added to our success, which, then again, adds to the contribution to Education, so thank you to all your hardworking people who made that happen.

DIRECTOR JOHNSON: Thank you, Mr. Chairman. Certainly, the Lottery's 1,000 employees work together as a team to achieve our goals, whether they're out in the field doing sales or working with our 23,000 retailers or working here at Headquarters. We have a tremendously hardworking team, and we are very proud of the work that we do.

CHAIR AHERN: Very proud of you, too.

DIRECTOR JOHNSON: Thank you.

CHAIR AHERN: Okay, Item #6b, the Audit Committee Update. Commissioner Mills?

COMMISSIONER MILLS: Awesome. Thank you, Chair Ahern. So, I am happy to provide the report from the Audit Committee as Chair of the Audit Committee, and first I want to recognize my fellow Audit Committee Member, who is not with us here today, but I want to recognize Commissioner Garrison-Engbrecht and express my appreciation for his partnership in this work. So, I'll start by just reminding us all of the purpose of the Audit Committee. So, the Audit Committee was established to assist the Lottery in fulfilling its oversight responsibility relating to the integrity of the Lottery's system of internal controls, the performance of the audit function, and compliance with laws and regulations. You all want to join this. It's actually very exciting. I also want to say a special thank you to Sara and her team; Sara leads the Internal Audit function, and they really do an amazing job, and they do make it very interesting and really rewarding work to serve on the Committee.

So, I'm going to just give you a little description of what we've been up to over the last year or so. So, our Audit Committee Charter, which defines our roles and responsibilities, includes an annual requirement

that we report out significant audit findings and that we also report on the overall performance and the structure of internal audits to the Commission, so that's what I'm doing today.

So, first of all, as it relates to audit findings, although there are audit findings -- pretty much every time we go out and we do an audit, we find something, and it's really in the spirit of continuous improvement and continuous evolution, right, of the organization. And so, while there were findings that were discussed and resolved throughout the year, there were none that were really deemed significant enough to raise up to report out to the Commission. So, I'm really happy to report that, that all of the findings are really more about in the spirit of continuous improvement and policy and procedure enhancements, so that's a really great thing to be able to report.

So, we meet quarterly, and so, we just met. Our last meeting was actually just a few weeks ago. Some of the things that we've done: Every year, we are required to review our Audit Committee Charter and the charter that relates to the Internal Audit function at the Lottery. So, we've reviewed both of those, and that again outlines the roles and responsibilities between what is the Audit Committee responsible for versus what staff in the

Department are responsible for, so we've all reviewed and approved that.

The Internal Audit Group puts together a plan every year. They do a Risk Assessment across the organization and then develop a plan for the internal audits over the next 12 months. So, that was reviewed with the Audit Committee, and we approved that and agreed on that as well. Every quarter, Sara and her team bring forward the Corrective Action Plans, and the results against those Corrective Action Plans on these process improvements, so we look at those every quarter.

One of the things that I think I mentioned last time that I'm really excited about, and I think has really worked really well, is that we implemented -- we call it an escalation process that -- one of the things that we found when we re-established the Audit Committee was that a lot of the findings that were around continuous improvement, when the Internal Audit Group finds these areas, they'll sit down with the teams, and they'll agree on this is what we think we need to do, and then they'll agree on a timeline. And what we were finding, a year or so ago, is that some of those timelines were slipping, right? Because these weren't, like, huge, significant, dealbreaker findings, but these were about continuous improvement. And so, what we were seeing is that they weren't really getting the

attention maybe that they needed, or they were just taking maybe a little bit longer than we anticipated. So, we put a process in place to just get more information about that. And so, it's a process that allows departments to come and talk with us about what's going on in their department. If a finding is taking longer than we all anticipated it to take, we'd all like to know a little bit more about that. And it allows that conversation, right? It allows the analysis to be, like, well, is this the right answer? Like, are we correcting the finding in the right way, or do we need to make adjustments? And we're able to talk and all get on the same page with how to move forward and get to the best answer. So, that's been working incredibly well, and what we've found is that our open findings have come down significantly, and so it saves time for everybody. It saves time for everybody, and we don't have to talk about it every quarter, and we're able to actually implement improvements that work and that make sense and that can be implemented in a timely manner. So, we're looking at those types of metrics in talking about not only the findings but how the findings have been closed out and what improvements have been made.

A couple of other things: So, the Internal Audit Department here at the Lottery is also subject to their own review, so they are subject to a peer review that happens

every five years. So, one thing I'm happy to report is that -- and they have their own findings, right? Even Internal Audit has places where they can improve, and so all the findings from the 2019 Peer Review Report have been closed out and resolved, and so we're ready for our next one, which will occur in 2024, and to get ready for that, Sara and her team have performed their own self-assessment, so they've gone through their own Quality Assurance Improvement Program Review. So, they've done their own assessment to try to get ready for their peers to come in and assess them. So, excited to see what comes out of that, and we'll hear more about that next year when that review is completed.

So, I want to conclude. A lot of times, Internal Audit, you think about Internal Audit as the team that's going to go out there and find everything that's wrong, right? And for me, I think Internal Audit is really, yes, you're going to find things that need to be improved and maybe things that are wrong, but really, it's about continuous improvement, and it's about value-add. And so, I just want to take a moment to just recognize the value-add that the Internal Audit Team brings to this organization in strengthening policy, strengthening processes, increasing our controls, managing and reducing risk, but beyond that, a lot of these reviews result in enhanced business processes. They're creating efficiencies in operations and lowering

costs and just overall increasing risk awareness across the organization, which I think is really important. And I'm going to conclude with one story. I loved this story that Sara shared with us in one of the meetings. And Sara talked about the process, about when they're getting ready to do an internal audit with a group, they will sit down with the group and say, okay, this is what we're looking at. Here are the things that we'll be reviewing, and then they'll open the floor and say, is there anything else? Is there anything else you think that we should be looking at? And I think I'm going to pick on Nick. I think it was Nick. She said Nick and their team were, like, you know, there are a couple other things that are happening in our department that we just -- we think we could do better. We think we could raise the bar on our controls. Could you look at that, too? And I thought, that is so cool. Like, what a partnership of -- this isn't the Internal Audit police coming in, and you're trying to hide everything; it was, like, no, no, no, can you please look at this other thing as well and help us improve? And I just thought that was a real testament to how this organization is really embracing this important role within the organization. We're a multi-billion-dollar organization, and it's important that we be really, really good stewards of these funds because at the end of the day, we want as many funds as possible to go

towards Education, and I think this function of Internal Audit helps us rest assured that we are a well-run organization, and that every dollar possible is going towards an efficient operation and to support Education in California. So, that concludes my presentation, and I'm happy to answer any questions.

CHAIR AHERN: All right, thank you. Any questions? Unless there are any comments? I'd like to thank you for all your work and dedication to help us out in the world of auditing, and, you know, it's like housecleaning. If you're going to go clean a house, you're going to find you've got to do some work, so it's nice that you're doing such thorough work for us. Thank you.

COMMISSIONER MILLS: Thank you.

CHAIR AHERN: All right, Item #6c, Mission, Vision, Values and the Journey to Launch, and I think we have the two presenters. Chris?

DEPUTY DIRECTOR FERNANDEZ: Good morning, Chair Ahern and Commissioners.

CHAIR AHERN: Good morning.

DEPUTY DIRECTOR FERNANDEZ: We are extremely happy to be here with you this morning to present an overview of the launch of Lottery's Mission, Vision, and Values, or MVV, as we call it. We will be providing an overview of our Journey to Launch and the launch itself.

While there were unforeseen circumstances that slowed down Lottery movement to MVV over the last three years, including the pandemic and the lack of Human Resources staff who could devote the time necessary for this critical initiative, there were many things that were happening behind the scenes that paved the way for the successful rollout of MVV in September. Ultimately, we believe MVV has been and continues to be a critical initiative for the Lottery and is a huge deal. Our mission is compelling, our vision is aspirational, and our formalized core values that were shaped by all of us at the Lottery positively impact our culture and employee engagement. Having the written and formalized MVV provides clarity for our employees, reinforces the mission, and is constructive for our recruitment and retention efforts.

Now, let me tell you how we got here. The MVV Journey to Launch this past September began in 2019 when Director Johnson started the conversation regarding the importance of a value-based culture, and the Executive Management Team wholeheartedly took up his call to action. In 2020, Lottery rolled out our Employee Engagement Survey, where over 75 percent of Lottery employees' population responded. This is a very high rate of participation. It was critical that our employee population be involved in formalizing our core values. Responses from the Engagement

Survey became the building blocks for the MVV Initiative. Employees were able to choose from 30 different values, and after analysis of responses, six top values were identified. Employees from across the organization and in various classifications volunteered to participate in focus groups, so it could be determined what those six core values looked like. What was everyone's perception of these values? Focus group facilitators were able to drill down further in a second set of focus groups to finalize specific definitions for each core value. In 2021, leaders were presented with survey analyses showing areas where each division can make improvements, and subsequently, initiatives were formulated to improve communication, culture, and engagement. With senior leadership help, the Mission Statement was updated to include the ethics we abide by and contains enhanced language regarding the responsible sale of entertaining Lottery products. We also created Lottery's Vision Statement, as we did not have a Vision Statement previously. Meanwhile, we were working behind the scenes to create graphics for posters, digital assets, and office supplies we call val-usables, and banners highlighting Mission, Vision, and our Core Values, spelling out the definition of each of our core values.

Let me go through our updated Mission, Vision, and Values Statements. Our previous mission was factual but

needed gravitas. "The California Lottery's mission is to maximize supplemental funding for our State's public schools." The updated mission relays our commitment and creates an emotional connection: "We generate supplemental funding for public education from elementary schools to universities. With honesty and integrity, we build a better tomorrow for students in our communities through the responsible sale of entertaining Lottery products." Our new Vision Statement states our aspiration: "To generate funds for California schools, we strive to achieve consistent growth, world-class innovation, unmatched customer service, and the highest ethical standards." Here is our Core Values Statement: "The Lottery values its team members, retail partners, consumers, and education stakeholders. We are committed to these core values to meet our mission and achieve our vision."

I will go through the following six values definitions that volunteers in the focus groups helped create.

Teamwork: "We are a team. We show up for each other. We collaborate to achieve amazing things. We are passionate about what we do and take pride in our accomplishments."

Respect: "We care how our actions impact others. All perspectives are valued and deserving of

acknowledgement.”

Diversity, Equity, and Inclusion: “We are a workplace which promotes diversity, equity and inclusion. We strive to create a community where differences are welcomed, and where everyone can succeed. We work for progress through diverse recruitment, equitable treatment, and inclusivity.”

Integrity: “We endeavor to operate in a principled and ethical manner. We honor our commitments to the people we serve and to each other. We do the right thing.”

Transparency: “We are public servants. We communicate openly and honestly because knowledge empowers people to make informed decisions and earns the public’s trust.”

Accountability: “We make sound decisions based on our collective experience and judgment. We are each responsible for our actions, and we use outcomes as a learning opportunity. We own it.”

In 2022, work continued on initiatives that were created from the survey responses to improve communication throughout the Lottery. This includes our “Clued In” monthly newsletter, talking about what’s going on at the Lottery, and a new monthly Spotlight Series sharing presentations from various divisions so staff across the Lottery have a better idea of how things work here. This

also includes our monthly Supervisor's Forum, a collaborative place where managers and supervisors can gather to ask questions and learn from one another, reminders to Lottery staff of the importance of informal recognition, and to our change management training that over 92 percent of Lottery staff have completed.

In 2023, with Commission approval, the Culture and Engagement Manager position was approved, posted, and Shauna Pompei was hired to champion MVV and develop ongoing efforts and strategies to promote employee engagement and a positive workplace culture.

This has been our journey to the MVV launch. Let me turn this over to Shauna Pompei, our Culture and Engagement Manager, so she can share information on the rollout and what's next.

CHAIR AHERN: Thank you, Chris.

MANAGER POMPEI: Good morning, Chair Ahern and Commissioners.

CHAIR AHERN: Good morning.

MANAGER POMPEI: I'm happy to be here this morning. Let me share a quick overview of our MVV Launch and some future steps to continue to make MVV meaningful, memorable, and manageable. The second week of September was the formal MVV Launch. This included four days of events promoting MVV, with an email alert to staff each morning.

The kickoff video from Director Johnson was emailed to all staff on Tuesday, where he explains the purpose and the importance of Mission, Vision, and Values. Wednesday, we shared the MVV Introduction video, filmed in various Lottery locations. Donna Cordova hosts the video and takes us all through the updated mission, new vision, and formal core values and their meanings. Thursday, we distributed the office supplies called "val-usables." Using these are our daily MVV reminders, which can help us make informed workplace decisions, taking our core values into consideration. We also shared our new MVV Click Internet Pages. These include the MVV page with the Introduction video, the Core Values page, which defines our values, and our Resources page, which includes the videos from our Director and Chief Deputy Director that were shared during Launch Week. And Friday closed the Launch Week with an uplifting video from our Chief Deputy Director Chima, reiterating the Director's messaging and thanking the Lottery team for their hard work and their commitment to public education.

Making sure the MVV is front and center, this slide shows posters that have been installed in HQ and all field offices and the val-usables, which have been provided to Lottery staff and now have been shared with you today. You may have seen the banners showing each core value

hanging in the lobby, plus we have wallpapers and screen-savers in colorful graphics, and employees can download as a reminder of the MVV.

What's next? Our leadership will continue to walk the talk. During Launch Week, I received several emails from managers celebrating that the MVV was finally real, and I continue to hear positive feedback about MVV. In fact, yesterday, I received a message and a photo from a manager saying they love the MVV Program, so that did my heart good. We'll be incorporating MVV into job postings and Duty Statements and include MVV in our New Employee Orientation trainings and onboarding efforts from Day One. A work group will be created to help determine what our MVV Recognition Program should look like. Best practices are being worked on to ensure managers and supervisors incorporate MVV discussions into staff meetings, as well as employee development conversations, and MVV will be a part of the Lottery Business Planning processes as well. We will be creating another work group to focus on ideas to reinforce MVV and keep it on everyone's dashboard. Plus, the anonymous 2023 Employee Engagement Survey will be launched soon. Responses will be analyzed, and presentations will be offered to our leadership, managers and staff in 2024. And we'll continue to measure how MVV is doing by launching quick poll surveys as needed and committing to administering

the Employee Engagement Survey every two years to assess how the Lottery is progressing with our MVV.

So, let me end our presentation by saying this: The Lottery's MVV tells our story and strengthens our culture. It defines what the Lottery stands for and where we're going and why we exist. Our MVV is non-negotiable. This is what we commit to and promise to reinforce to keep it alive. It's our north star. And keeping MVV in our sights in everything we do will ultimately result in continued success in achieving the Lottery's mission to provide supplemental funds that impact students of all ages attending California public schools and colleges. Thank you so much. Do you have any questions for us?

CHAIR AHERN: Commissioners, any questions?

COMMISSIONER ALVIDREZ: I have a couple of comments.

CHAIR AHERN: Go ahead.

COMMISSIONER ALVIDREZ: Just a couple of comments. I want to thank you both so very much and just the entire team for finally launching this five-year program. I know that it has not been without its hiccups and bumps -- some internal, some external -- but I'm delighted to see that this is finally implemented. I think that MVV kind of starts at the top, right? It starts with your Director, and I think that your Director really models

those six top values, and that permeates all throughout the organization. I know that it's a little bit sometimes like re-directing the Titanic, but I have appreciated watching the way he moves, which affects the way you move, and I think that that goes a long way in helping the organization accomplish its mission, right? I also want to say a few words about the Engagement Survey. I know that we talked about it in the Brief. I am thrilled with the numbers of the Engagement Survey. I am looking forward to seeing consistent, frequent surveys, because I think that those are also critical in, really, just kind of keeping a finger on the pulse of the overall morale of the organization, and it helps get ahead of any potential issues. So, again, thank you so much for this work, and I'm just kind of excited to be a part of it.

MANAGER POMPEI: Thank you very much.

CHAIR AHERN: Go ahead.

COMMISSIONER MILLS: Chair Ahern, I want to echo my colleague's comments here, too. I'm super-excited about this work and to see it come to fruition and really inspired. It's really well done. So, bravo, kudos. I remember Director Johnson and I came on about the same time, and I remember this was one of your biggest priorities when you came in was culture here at the Lottery, and so I know this has been a long time coming, and there's been a lot of

forces that have -- there was a little pandemic along the way that kind of slowed things down a little bit, but you stayed focused, and you kept pushing it forward, and just kudos to you for not letting this fall to the wayside with all of the other things that the Lottery has going on. This is important, and I, too, am super-excited about the Employee Survey and to see -- you know, we did a baseline one -- two or three years ago -- I don't remember -- we'll do one now, like, right when this is coming out, and I just can't wait to see that improvement, like, the impact that this effort will make on overall culture and employee happiness, right? We spend more time at work than we spend anywhere in our lives; it should be a great place to be, and I think really being intentional about how we treat each other and how we show up when we come to work is really, really important. So, well done, and I can't wait to continue to hear more about the impact of this program, and welcome aboard.

MANAGER POMPEI: Thank you very much.

CHAIR AHERN: Very well done. The person who's responsible for the graphics also did a fantastic job as well.

MANAGER POMPEI: Amazing.

CHAIR AHERN: Appreciate that as well.

MANAGER POMPEI: Thank you.

CHAIR AHERN: Alva, I can see the pride in your smile. Nice. Wonderful.

DIRECTOR JOHNSON: Thank you.

CHAIR AHERN: Okay. We'll move on to Item #7, which is the Consent Calendar, but there are no items under Consent, so we can proceed to the Action Items. We'll start with #8a, which is the Scientific Games LLC Instant Ticket Printing Contract Extension, and Sharon Allen. Good morning, Sharon.

DEPUTY DIRECTOR ALLEN: Hi, good morning. I'm here to present the first three items regarding Scratchers printing services, so I'm going to do a little bit of an overview and go to each item. There are currently only three vendors in the world that provide the comprehensive, highly specialized printing services that can meet the quality, volume, and security requirements of the Lottery -- Scientific Games, Pollard Banknote, and IGT Global Solutions -- and the Lottery has contracts with each of them. After a competitive RFP process, these three contracts were first awarded by the Commission in 2013, with an initial term of six years, with options to extend for one three-year term and three one-year terms. In 2019, the Commission approved three-year extensions for each contract, and then in 2022, last year, the Commission exercised the first one-year extension to bring the contract expiration date to November

30th of this year. All three vendors are strategic business partners and have helped the Lottery nearly double Scratchers sales from approximately \$3.3 billion in Fiscal Year 2014 to over \$6.5 billion in the last fiscal year. With the contract set to expire this month, we are here today to request approval to extend all three contracts for one year, as well as to add funds in two of the contracts. This will ensure uninterrupted Scratchers sales and also save valuable staff resources and expenses associated with issuing an RFP. I'd be happy to answer any other general questions, or I can go straight into Item #8a, the Scientific Games. Good.

CHAIR AHERN: Do you want to take #8a separately?

DEPUTY DIRECTOR ALLEN: Yes. No, I'll go into #8a and talk specifically about Scientific Games unless there are any questions.

CHAIR AHERN: Please.

DEPUTY DIRECTOR ALLEN: Okay. As the primary vendor, Scientific Games, or SG, is responsible for printing the majority of Scratchers and has additional responsibility, such as providing onsite staff and extended marketing support. SG is a valuable business partner in providing unique and innovative products and up-to-date trends and expertise. They provide some of the Lottery's top-selling games, including Monopoly and Loteria. The

current authorized expenditure is \$224 million. Through the end of last month, approximately \$20.3 million is remaining. To allow for sufficient funding through the current and proposed extension, an increase in the expenditure authority of \$22.6 million is needed. Lottery staff recommends that the Commission approve an extension of Scientific Games Printing Contract for one year and an increase of expenditure authority. The new contract would expire November 30th, 2024, and have a maximum contract expenditure amount of \$24.6 million. I'd be happy to answer any questions regarding Item #8a.

CHAIR AHERN: Any Commissioners have any questions or comments on Action Item #8a? Go ahead.

COMMISSIONER MILLS: Thank you for that presentation. These are large contracts, right? I was wondering if you could talk a little bit about the pricing in this one-year extension. Was the pricing set in the original contract and carries over?

DEPUTY DIRECTOR ALLEN: All of the contract terms and pricing remain the same for this contract and then the other two -- no changes.

COMMISSIONER MILLS: Okay. And then, so we're in the second one-year extension. There's one more one-year extension after this, so can you talk a little bit about -- are you in the RFP process, and do you anticipate -- what

does that look like? And then do we expect any significant price increases into the future as a result of coming to the end of this particular contract term?

DEPUTY DIRECTOR ALLEN: We're in development on the RFP, have been doing industry research and market research, and are striving to release the RFP in advance -- I think the schedule is early next year, pending everything working out, or at some point next year, and not exercise the one-year extension as of right now, but we continue to evaluate our business needs. These contracts were awarded in 2013, and so we would anticipate the cost of business increasing, but we really won't know until the bids come in, and we see what the cost structures are.

COMMISSIONER MILLS: Is that one of the things you'll take into consideration as to whether to extend one more year or enter into new --

DEPUTY DIRECTOR ALLEN: Absolutely. We're kind of looking at both parallel tracks right now, too, so we can either go with the RFP or go with another extension. It's just too early right now, but we are looking at both tracks.

COMMISSIONER MILLS: Perfect, thank you.

CHAIR AHERN: Any other questions from the Commissioners? All right. Does any member of the public want to address the Commission at this time regarding Action Item #8a? Hearing none, is there a motion to approve Action

Item #8a?

COMMISSIONER MILLS: I'll move to approve.

CHAIR AHERN: We have a motion; is there a second?

COMMISSIONER RASOULI: Second.

CHAIR AHERN: We have a motion and a second; will the Secretary please call the roll?

MS. TOPETE: Commissioner Mills?

COMMISSIONER MILLS: Yes.

MS. TOPETE: Commissioner Alvidrez?

COMMISSIONER ALVIDREZ: Yes.

MS. TOPETE: Commissioner Rasouli?

COMMISSIONER RASOULI: Yes.

MS. TOPETE: Chairman Ahern?

CHAIR AHERN: Yes. All right, your motion passes, but don't go anywhere. You're -- for #8b; #8b is the Pollard Banknote Limited Instant Ticket Printing Contract Extension.

DEPUTY DIRECTOR ALLEN: All right. As a secondary Scratchers printing vendor, Pollard has also proven to be an important business partner that has helped the Lottery achieve record sales by providing exceptional products as well as strategic insights on industry trends. The current maximum authorized contract expenditure is \$112.8 million. At the end of last month, approximately

\$17.3 million of funding is available for the extended term. To allow for sufficient funding, an increase of \$3.8 million is recommended. Lottery Staff recommends that the Commission approve an extension of Pollard's printing contract for one year and an increase of expenditure authority. The new contract will go through November 30th, 2024, and have a maximum authorized contract expenditure amount of \$116.6 million. I'd be happy to answer any questions on Pollard.

CHAIR AHERN: (Overlapping) limited businesses that can provide this type of work for the Lottery.

DEPUTY DIRECTOR ALLEN: Correct.

CHAIR AHERN: And I imagine their security and their issues dealing with all their complexities are difficult to fund, so.

DEPUTY DIRECTOR ALLEN: Absolutely, very complex and secure, and all three meet those requirements.

CHAIR AHERN: Good. Okay, do any Commissioners have any questions or comments regarding Action Item #8b?

COMMISSIONER MILLS: I just have one question. Thank you, Sharon. Is there anything different in the pricing in this contract that we should know about?

DEPUTY DIRECTOR ALLEN: The pricing is the same as it's been. No changes in the extension.

COMMISSIONER MILLS: Okay. Great. Is that going

to be the same for the next one, too, so I don't have to ask a question?

DEPUTY DIRECTOR ALLEN: Yes, absolutely. They're all the same. There are no changes in any of the terms in terms of the pricing or cost.

COMMISSIONER MILLS: Okay, great. Thank you.

DEPUTY DIRECTOR ALLEN: Sorry for not making that clear.

CHAIR AHERN: Any other questions? Okay, does any member of the public want to address the Commission at this time regarding Action Item #8b? Hearing none, do I hear a motion to approve Action Item #8b, the Pollard Banknote Limited Instant Ticket Printing Contract Extension?

COMMISSIONER MILLS: I'll move to approve.

CHAIR AHERN: We have a motion; is there a second?

COMMISSIONER RASOULI: Second.

CHAIR AHERN: We have a motion and a second; will the Secretary please call the roll?

MS. TOPETE: Commissioner Mills?

COMMISSIONER MILLS: Yes.

MS. TOPETE: Commissioner Alvidrez?

COMMISSIONER ALVIDREZ: Yes.

MS. TOPETE: Commissioner Rasouli?

COMMISSIONER RASOULI: Yes.

MS. TOPETE: Chairman Ahern?

CHAIR AHERN: Yes. All right. Item #8b passes; we'll move on to Action Item #8c. This is the IGT Global Solutions Corporation Instant Ticket Printing Contract Extension. Is there a Sharon Allen?

DEPUTY DIRECTOR ALLEN: All right. Like the other secondary vendor, IGT also plays an integral part in the Lottery's overall success with Scratchers sales and has also proven to be a responsive partner. With approximately \$14 million of funding remaining, staff estimates it will be sufficient for the one-year extension. We recommend that the Commission approve an extension of IGT's Instant Ticket Printing Contract for one year to November 30th of 2024, and the maximum contract expenditure amount will remain at \$25 million, and I'd be happy to answer any additional questions on this one.

CHAIR AHERN: All right. Any questions from the Commission? Yes, please.

COMMISSIONER MILLS: I have two questions, and they're really about all three of these together, and I wonder, Sharon, just for educational purposes for the Commissioners, for us and for me, can you talk a little bit about, like, how these three contracts work together and how you know which one to use for what? Like, how does that work?

DEPUTY DIRECTOR ALLEN: Sure. Sci Games is the primary contract, so a majority of games are with them, but each has unique games and unique features, whether that's exclusive licensed properties or specialties that they excel at. It also depends on the schedule. California is a big state. We order a lot of games. Can they fit a game within our schedule? The Scratchers Product Team works with all three. The three vendors and partners are really business partners and pitch games: Like, here's our latest game; here's our offering, and with 53 games a year that we release, we look at how we can provide the best mix that will maximize sales and also reach a variety of customers and different player types because not all players like the same type of games. So, we have a wide variety of games, and each vendor plays an important role because they don't all offer the same thing. Same product type, but different game themes, different features and opportunities, and so by having access to all three, we can really build a very strong, the best of the best plan for California.

COMMISSIONER MILLS: Great, thank you. That's super-helpful. The second question is around -- we've talked about these are, like, the only vendors in the world who do this work, right? So, as we're thinking about the RFP process and entering into new contracts, what are the strategies that we're putting in place to ensure that we're

getting the best price, knowing that these are the vendors, right?

DEPUTY DIRECTOR ALLEN: Right.

COMMISSIONER MILLS: So, how do we make sure that we're really getting the best prices, best value for the California Lottery?

DEPUTY DIRECTOR ALLEN: We're early in the development part of the RFP process, but one thing that we are doing that is really key is looking across the Lottery industry and understanding what other states are doing, talking to our colleagues in other jurisdictions, and being able to build an RFP in a competitive package that can yield the best pricing for us. So, I think we'll have more to answer that question as we get a little bit further down in the development process, but we're always looking for the best price, you know, overall best value for the Lottery in terms of quality, service, security -- all of those factors will become important as we get further into the process and develop that RFP.

COMMISSIONER MILLS: Wonderful, thank you.

CHAIR AHERN: I'm just curious on the logistics of we have 26,000 vendors that help us sell these --

DEPUTY DIRECTOR ALLEN: Oh, the Retail Department? 23,000, give or take.

CHAIR AHERN: -- and so, logistically, how do

these three vendors provide printing materials to the Lottery? Do they deliver to specific sites, and then the Lottery team ships them out?

DEPUTY DIRECTOR ALLEN: The three vendors trust them to our two distribution centers, one in the North, and one in the South, and each month, we release new games, and those are shipped to every retailer from the Northern Distribution Center, so each retailer will get an initial supply of those new games. And then, on an ongoing basis, when they need to be replenished or get additional games, those get sent out from either the Northern Distribution or the Southern Distribution Center.

CHAIR AHERN: So, the vendor is responsible for getting it to our distribution center?

DEPUTY DIRECTOR ALLEN: Correct.

CHAIR AHERN: Okay. Just curious. I understand it's a big state with a lot of --

DEPUTY DIRECTOR ALLEN: Absolutely, and you're welcome to come over to the Northern Distribution Center. Some of the other Commissioners have done that tour, and any time. Let us know, Chairman.

CHAIR AHERN: Okay. Do any Commissioners have any questions regarding Action Item #8c? Okay. Does any member of the public want to address the Commission at this time regarding Action Item #8c? Hearing none, do I have a

motion to approve the Action Item #8c, IGT Global Solutions Corporation Instant Ticket Printing Contract Extension?

COMMISSIONER MILLS: Move to approve.

CHAIR AHERN: We have the motion. Is there a second?

COMMISSIONER RASOULI: Second.

CHAIR AHERN: We have a motion and a second; will the Secretary please call the roll?

MS. TOPETE: Commissioner Mills?

COMMISSIONER MILLS: Yes.

MS. TOPETE: Commissioner Alvidrez?

COMMISSIONER ALVIDREZ: Yes.

MS. TOPETE: Commissioner Rasouli?

COMMISSIONER RASOULI: Yes.

MS. TOPETE: Chairman Ahern?

CHAIR AHERN: Yes. Sharon, thank you very much for those three presentations.

DEPUTY DIRECTOR ALLEN: Thank you very much.

CHAIR AHERN: Okay. Action Item #8d. Batting fourth in the lineup today is Nick. Good morning, Nick.

DEPUTY DIRECTOR BUCHEN: Good morning.

CHAIR AHERN: Are we going to talk about Workiva Wdesk --

DEPUTY DIRECTOR BUCHEN: Workiva WDesk, yes.

CHAIR AHERN: -- Software Subscription Extension?

DEPUTY DIRECTOR BUCHEN: Correct. All right.

CHAIR AHERN: I wonder who spell-checks the Wdesk. It's come up every time.

DEPUTY DIRECTOR BUCHEN: So, I'm requesting your approval to exercise the first of two one-year extensions for the Workiva Wdesk Software Subscription and to add \$155,864 to the agreement. So, Wdesk is a Cloud-based productivity platform that includes a word processor, spreadsheet applications, and presentation application that each link directly to our underlying financial data. The Lottery's Finance Division has used Wdesk for nearly eight years to produce financial reports such as our annual budget, the Annual Comprehensive Financial Report, Popular Annual Financial Report, and various associated reports and backup material. The Workiva Wdesk Platform has many benefits, including reducing the number of manual entries across the various financial reports by using data-linking, which results in greater efficiency in developing sustainable reports, and increases productivity, data accuracy, and integrity. It allows for immediate updates across several document types, using one data entry point, which reduces the time we spend double-checking documents, and it minimizes issues with formatting, rounding, and cross-footing, as well as other errors by enabling simultaneous collaborative controls. The request for

extension would enable us to continue to use the software subscription through December 28th, 2024, and would also allow us to incorporate an additional subscription feature that will further increase control, efficiency, and accuracy in developing our financial reports. This feature is known as Wdata, and it will connect the Lottery's financial system and Wdesk, allowing financial data to be shared between the two applications. This will automate processes and data workflows by retrieving data on a routine basis. By reducing manual entries of data from the financial system, Wdata will further improve data accuracy and reduce opportunities for error. In looking to procure this extension, the Lottery obtained two small business quotes for consideration, and Ablegov, Inc. had the lowest bid. I ask that the Commission approve the agreement extension with Ablegov, Inc., to renew the Workiva Wdesk Software Subscription. This would extend the term of the agreement from December 29th, 2023, through December 28th, 2024, and exercising the one-year extension would bring the total amount of the agreement to \$319,040. I'd be happy to answer any questions.

CHAIR AHERN: Do Commissioners have any questions regarding Action Item #8d? I don't have any questions, just a comment. Thank you for educating us during our briefing. I had no idea what cross-footing was and the software issues

that you come up with, so thank you very much. All right. Does any member of the public want to address the Commission at this time regarding Action Item #8d? Hearing none, do I hear a motion to approve Action Item #8d, Workiva WDesk Software Subscription Extension?

COMMISSIONER ALVIDREZ: Motion to approve.

CHAIR AHERN: We have a motion; is there a second?

COMMISSIONER RASOULI: Second.

CHAIR AHERN: A motion and a second. Will the Secretary please call the roll?

MS. TOPETE: Commissioner Mills?

COMMISSIONER MILLS: Yes.

MS. TOPETE: Commissioner Alvidrez?

COMMISSIONER ALVIDREZ: Yes.

MS. TOPETE: Commissioner Rasouli?

COMMISSIONER RASOULI: Yes.

MS. TOPETE: Chairman Ahern?

CHAIR AHERN: Yes. All right, thank you very much, Nick.

DEPUTY DIRECTOR BUCHEN: Thank you.

CHAIR AHERN: Great. Jennifer Chan? Jennifer, good morning. Action Item #8e, Workstation Enterprise Refresh Plan.

DEPUTY DIRECTOR CHAN: Good morning,

Commissioners. Item #8e is a request to refresh our desktops and new devices, such our desktops, laptops, and two-in-one devices as part of our Enterprise Refresh Plan, specifically related to workstations. As I presented in the last Commission meeting, we and ITSD are doing an Enterprise Refresh Plan to allow us to more proactively and strategically budget and plan for our purchases for our hardware and software but also to ensure that these devices don't reach end of life and create maintenance and operations problems as well as security risks. The Lottery has approximately 1,400 desktops and laptops currently in production. Earlier, in the last fiscal year, we implemented a phased approach, with the first phase replacing the most critical and oldest 300 devices. This next phase is beginning in this Fiscal Year 2023-2024, where we will refresh the next set of devices but also establish an annual rolling refresh schedule to ensure all the devices remain on schedule. To make this process more efficient for this three-year Refresh Schedule, this request is to approve a phased procurement approach for these desktops and laptops. To account for future price fluctuations throughout the three-year term, we have added a 10 percent contingency added to the overall amount. That is, if costs rise above the annual not-to-exceed cost, and the three-year 10 percent contingency is expended, we will seek Commission

approval again at that point in time. I should mention that the not-to-exceed costs account for not only the devices, but also the accessories, service support, and we've also factored in projecting for new-hire growth through the end of the Fiscal Year 2025-2026 budget cycle. Therefore, this is a request to approve the phased procurement approach for the Enterprise Refresh Plan specific to the workstations. The approval will expire at the end of Fiscal Year 2025-2026 on June 30th of 2026, and the maximum authorized expenditure is \$4,048, 990, and I can answer any questions you may have.

CHAIR AHERN: Any Commissioners have any questions at this time or (inaudible) comments? So, on this contract, is this who we're purchasing the tablets and computers from? Were you getting this at a State price --

DEPUTY DIRECTOR CHAN: Yes.

CHAIR AHERN: -- or are you using the same devices that other State entities use or only the Lottery uses?

DEPUTY DIRECTOR CHAN: So, we are actually choosing from a list of pre-approved devices that are on a mandatory State contract that's managed by the Department of General Services. So, what we typically do when we buy the devices is we leverage the power of the Statewide contracting process and the Statewide contracts, but we evaluate all the devices that will meet our needs on that

contract to determine which devices specifically meet our needs the best. So, we may have, for example, HP; another department may have Dell.

CHAIR AHERN: Okay.

DEPUTY DIRECTOR CHAN: We may have different models and versions.

CHAIR AHERN: Okay. So, the State vets them, then the Lottery vets them, then we decide which devices would be best for our personnel?

DEPUTY DIRECTOR CHAN: Correct.

CHAIR AHERN: Okay. Okay. And then thank you for the education on the length of time for the replacement of these devices as well. Any other questions, comments?

COMMISSIONER ALVIDREZ: A comment. I just want to say thank you so much for the Refresh Plan. I know that we talked about it at the previous meeting. You painted a very good picture of that rolling replacement schedule. These are very large contracts, so seeing you at the podium every Commission meeting with a request for approval of multi-million-dollar contracts and refreshments is very helpful in a broader context when we're able to see the two, three, five, seven-year cycle. So, thank you so much for that.

DEPUTY DIRECTOR CHAN: Thank you.

CHAIR AHERN: Great. Well, does any member of the public want to address the Commission at this time

regarding Action Item #8e? Hearing none, do I hear a motion to approve Action Item #8e, Workstation Enterprise Refresh Plan?

COMMISSIONER ALVIDREZ: Motion to approve.

CHAIR AHERN: We have a motion to approve; is there a second?

COMMISSIONER RASOULI: Second.

CHAIR AHERN: We have a motion and a second.

Will the Secretary please call the roll?

MS. TOPETE: Commissioner Mills?

COMMISSIONER MILLS: Yes.

MS. TOPETE: Commissioner Alvidrez?

COMMISSIONER ALVIDREZ: Yes.

MS. TOPETE: Commissioner Rasouli?

COMMISSIONER RASOULI: Yes.

MS. TOPETE: Chairman Ahern?

CHAIR AHERN: Yes. All right, now we'd like to call up Jennifer Chan for Action Item #8f, Epicor -- Lottery Financial System Contract Renewal.

DEPUTY DIRECTOR CHAN: Thank you. Item #8f is a request for approval to enter into a new contract for software support and hosting services for the Lottery's financial system with Epicor Software Corporation, also called Epicor. Epicor provides the Lottery's mission-critical financial system, which includes the core functions

of Accounts Payable and Receivable, Procurement Management and Tracking, Asset and Cash Management, and General Ledger Accounting and Business Reporting. The Lottery has utilized Epicor Software and Services to run its financial system since 1999. I should mention that the Epicor product is a proprietary system, which means that Epicor is the only provider of its services and support. There are no resellers for their system. In 2018, the Lottery made a business decision to enter into a contract with Epicor's upgrade from its 7.4 system to its Version 10 system, or E10 system. The project to do the upgrade started that same year, and the upgrade to the Version E10 system was completed in late 2022. The Cloud-based software hosting solution and support services will end in December of this year. Because that upgrade to E10 was completed late in 2022, the Lottery has not had sufficient time to complete a thorough market research effort to identify and implement a potential replacement for this financial system. Therefore, it's necessary for the Lottery to continue services with Epicor until we can ensure there are no disruptions to operations. That said, the Lottery has identified a need to implement an Enterprise Resource Planning Solution, or ERP Solution, which could wait till the replacement of Epicor in the future. This ERP project started last year. It's been slightly delayed due to some resource constraints, but it is

in flight right now, and we are currently working on this to determine, again, as I mentioned, if we find an alternative solution that will meet our needs to replace Epicor. Right now, based on current estimates, that analysis is scheduled to be completed sometime in 2027. So, for the purposes of this request, we are requesting approval for a new contract with Epicor for software hosting and services, which includes disaster recovery services. The maximum contract expenditure amount is \$1,429,748.64, with a four-year term beginning December 24th of 2023 and ending December 23rd of 2027. And I can answer any questions you may have.

CHAIR AHERN: Do any Commissioners have any questions or comments regarding Action Item #8f?

COMMISSIONER MILLS: I do.

CHAIR AHERN: Go ahead.

COMMISSIONER MILLS: Great. Hi, Jennifer. Thanks for that presentation. I have two questions. One, so we heard earlier from Nick about a different type of technology tool that we approved that seemed like it came up through Nick's shop, and then these technology tools coming up through your shop. I'm wondering if you could help us understand what's the deadline for -- and they all coming up through your shop when it comes to maybe the departments versus what comes up through your shop, and then how, if there's collaboration there or how IT is still involved,

even with things that are maybe managed, or it would be primarily by departments versus IT?

DEPUTY DIRECTOR CHAN: Sure. So, we will get IT procurements with the slight delineation being that if anything touches our network or systems, whether it's intervention by my ITSD staff, all of those procurements will run through my shop, just to make sure that there's no impact to our Lottery infrastructure, environment or security. Other IT procurements such as the one Nick presented earlier is something called a "software as a service" product, where there's little to no intervention by IT staff. So, in other words, the vendor implements a solution; it sits in the cloud. If they have any issues with the software or anything problematic, they reach out to the vendor service desk directly. My staff are not involved. That's not to say that we don't have eyes on other IT procurements such as that. We have an IT acquisition policy in place that requires any IT type of procurement to come through IT for review and approval, just to make sure that it meets our security requirements, make sure there's no potential impact to our existing environment, and that we don't foresee any downstream impacts to other systems. So, we do have an opportunity to review those items before they are released, but in those situations where it's primarily managed by the program, and

my shop is not involved, the program typically handles those procurements.

COMMISSIONER MILLS: Great, thank you -- super-helpful.

DEPUTY DIRECTOR CHAN: Sure.

COMMISSIONER MILLS: My second question or comment is around the plan to implement an ERP, and those can be huge projects, right, and very expensive, both from, I can imagine, when we get to 2027, and a contract comes in front of us, it's going to be a big contract, but then also thinking about all the human resources that go into planning for an ERP, choosing an ERP, implementing an ERP -- I mean, I'm super-happy that you guys are doing this work because I do think it is necessary, and it's part of our ongoing continuous improvement and efficiency of operations. I just wanted to request that you guys think about how to bring us along on your journey. I know 2027 feels like it's a million years away, but it'll be here before we know it, and I think as we work towards bringing things forward to us that will be of that magnitude, I think any education that you can do with us along the way about how you're thinking about it, how you're evaluating all the different systems that are going to be connected, the efficiencies that you think that -- the return on investment, you know, that you're estimating will come from this work -- I think that

will all be really helpful in informing us so that we can make an informed vote when we do approve an ultimate contract and just general education for us about the work you guys are doing to make sure this is a well-run, well-controlled, efficient organization.

DEPUTY DIRECTOR CHAN: Absolutely. That's a great request, and we'd be more than happy to bring the Commission along with overviews and presentations of our status.

COMMISSIONER MILLS: Awesome. Thank you.

DEPUTY DIRECTOR CHAN: Thank you.

CHAIR AHERN: Any other questions or comments regarding Action Item #8f? All right. Does any member of the public want to address the Commission at this time regarding Action Item #8f? Hearing none, do I hear a motion to approve Action Item 8f, Epicor -- Lottery Financial System Contract Renewal?

COMMISSIONER MILLS: I'll move to approve.

CHAIR AHERN: We have a motion; is there a second?

COMMISSIONER ALVIDREZ: Second.

CHAIR AHERN: We have a motion and a second; will the Secretary please call the roll?

MS. TOPETE: Commissioner Mills?

COMMISSIONER MILLS: Yes.

MS. TOPETE: Commissioner Alvidrez?

COMMISSIONER ALVIDREZ: Yes.

MS. TOPETE: Commissioner Rasouli?

COMMISSIONER RASOULI: Yes.

MS. TOPETE: Chairman Ahern?

CHAIR AHERN: Yes. I want to give some congratulations to the Audit, the Budget, the Finance and Contract Team to get it down to 64 cents also. Fantastic work.

DEPUTY DIRECTOR CHAN: Every penny counts.

CHAIR AHERN: Every penny. Okay. We'll move on to Action Item #8g, which is being tabled for a future meeting, as we stated earlier.

Going on to Agenda Item #9, Commissioner General Discussion. Do any Commissioners have anything they'd like to bring up at this time? Okay.

Item #10 is Scheduling Next Meetings. We've tentatively scheduled Commission Meetings for January 25th, March 21st, May 23rd, June 27th, September 26th, and November 21st, all in the great year 2024.

Item #11 is Public Discussion. Do we have anyone from the public who wants to address the Commission at this time?

Seeing none, we're up for Item #12, Adjournment, and I'll thank you very much for all your hard work and

great presentations today. Alva, thank you; we're very proud of your team, and thank you for the lovely parting gifts. And Sara, thank you very much for the caloric intake. We appreciate it. All right, we're adjourned.
(End of Recording)

(MEETING ADJOURNED)

