



COMPREHENSIVE ANNUAL BUDGET REPORT



**FISCAL YEAR
2025
2026**

California State Lottery

Committed to enhancing education and supporting local communities

Annual Fiscal Year Budget

For the Fiscal Year beginning July 1, 2025

Prepared by the Finance Division of the California Lottery

Table of Contents

INTRODUCTORY SECTION

| | |
|---|----|
| Letter of Introduction | 5 |
| About Us | 7 |
| Organizational Chart | 14 |
| Allocations for Budget Funding State Budget | 20 |
| Summary | 24 |
| Lottery Products | 27 |

BUDGETARY CONTROLS

| | |
|--|----|
| Financial Controls | 34 |
| Issues and Priorities | 37 |
| Strategic Goals and Strategies Capital | 41 |
| Assets Program | 51 |
| Financial Policies | 55 |
| Fund and Reporting Requirements Debt | 56 |
| Authority and Current Practice Budget | 58 |
| Process | 61 |

FINANCIAL SECTION

| | |
|----------------------|-----|
| Financial Schedules | 81 |
| Performance Measures | 225 |

BUDGET TOOLS

| | |
|--------------------------|-----|
| Out-of-State Travel Plan | 232 |
| Account Codes | 239 |

STATISTICAL SECTION

| | |
|--------------------------------|-----|
| Financial and Demographic Data | 246 |
|--------------------------------|-----|

RESOURCES

| | |
|--------------------|-----|
| Glossary | 269 |
| Location & Contact | 272 |

Introductory Section



Letter of Introduction

The California State Lottery is pleased to provide this Annual 2025-2026 Fiscal Year Budget for the year beginning July 1, 2025 approved on May 13, 2025 and a revised budget delivered to the Lottery Commission on November 20, 2025. Transitioning from a longstanding practice of base budgeting, the California Lottery adopted zero-based budgeting (ZBB) starting with the FY 2019-20 budget cycle. We have continued this approach for developing spending plans from the ground up to produce more granular budgets and improved transparency for the budgeting process.

Zero-basing enables the allocation of resources to where they are most effective and best align with strategic priorities. Although the Lottery Act caps the Lottery's administrative expenses at 13 percent of total sales revenue each year, current regulations and contractual agreements require that roughly 9 percent of annual sales revenue be used to pay for retailer compensation and gaming costs. Additionally, salary and benefit costs for the Lottery's employees currently account for approximately 1.5 percent of annual sales revenue; this leaves only roughly 2.5 percent of total sales revenue each year to cover all of the Lottery's other operating expenses (marketing, equipment, contracts, etc.). The ZBB process better assures more effective, mission-focused, utilization of limited funds.

The Budgets Unit's software technology implementation of Workiva's productivity platform was instrumental in the successful transformation to the more robust ZBB approach, enabling the team to provide additional support in managing the Lottery's limited funding resources through organizational efforts such as streamlining employee position numbers, incorporating additional features and budgeting tools into the Lottery's upgraded financial accounting system, and working more closely with the Fiscal Systems unit to ensure the systems function properly and that various financial reports include appropriate underlying data and best meet the Lottery's needs. The result of these changes is a systematic approach for collection and management of information and chart of accounts administration that improves Lottery teams' ability to harvest data for analysis and support a new era of forecasting beyond development of the fiscal year budget.

Finally, the ZBB approach requires more upfront planning on the part of each division and greater scrutinization by the Budgets team for each element of the divisional budgets. The successful adoption of these critical elements can be attributed to the Lottery's change management effort and renewed focus for mission, vision, and values to support the heightened levels of communication and engagement needed to yield more cost-effective ways for us to achieve business objectives and better orient our culture towards cost-benefit analysis to maximize supplemental funding to education now and into the future.

For an in-depth understanding of our budgetary process and the strategic allocation of funds, we invite you to review the accompanying detailed report.

Fiscal Year Budget 2025-26

The California State Lottery (Lottery) has presented to the California State Lottery Commission (Commission) its proposed budget for Fiscal Year (FY) 2025-26, as per the Lottery's policy. The budget outlines sales goals reflective of operational strategies, includes estimated operational expenses, and displays the resulting and anticipated contributions to public education.

The proposed budget sets a sales goal of \$9.55 billion, which is unchanged from the previous fiscal year, estimates contributions of \$2.11 billion to public education and marks the second time the Lottery has projected over \$2 billion for education. Although sales came in lower than budgeted in the prior year (primarily due to lower jackpot levels in the multi-state games) steady sales in the remaining games comprising the Lottery's gaming portfolio suggest this recurring sales level is achievable with a return to average jackpot levels and added support provided by products with new price-points e.g., \$25 and \$40 Scratchers® tickets and the new \$5 Mega Millions® ticket offering.

The budget also details expenses, including an estimated \$6.3 billion for prize expenses, which also is unchanged from the previous fiscal year's budget. The prize payout rate is optimized within a 65 to 67 percent range to ensure maximum funding for education. Administrative expenses, capped at 13.0 percent of sales revenues, excluding reserves, are anticipated to amount to \$1.16 billion to provide for operational needs including strategic investments for the FY 2025-26 Business Plan. The budget includes a \$5.0 million reserve for insurable risks and a \$76.2 million administrative spending reserve, which provides financial flexibility. Any unspent reserve funding amounts are transferred directly to public education.

Approximately two-thirds of Lottery's fiscal year budget funding for administrative expenses is allocated to fixed costs (compensation for Lottery retailers and gaming services), leaving just one-third to fund operating costs and long-term strategies which include investments in staff to expedite payments to winners (paying claims at the district field offices), communicating the Lottery's mission (Mission Education Campaign), and funding continuous improvement for brand awareness (various efforts aimed at simplifying the purchase experience) to increase transparency, communicate the good the Lottery does, and increase playership to aid the Lottery in meeting its funding goals for public education in California.

About Us

Mission: *We generate supplemental funding for public education from elementary schools to universities. With honesty and integrity, we build a better tomorrow for students and our communities through the responsible sale of entertaining lottery products.*

Profile of the Lottery

The 1984 ballot initiative that created Lottery was approved by 58 percent of the voters and established the Lottery as an independent state agency to market and sell lottery products to the California public. The Lottery Act specifies that the Lottery is operated and administered by a five-member Commission appointed by the Governor. A Director, who is also appointed by the Governor, serves as the chief administrator of the Lottery. The Legislature has the authority to amend the Lottery Act by a two-thirds majority if, by doing so, it furthers the purposes of the measure.

Lottery ticket sales began on October 3, 1985, with the sale of the first Scratchers ticket game called *California Jackpot*. More than 21 million tickets were sold on the very first day and more than 1.7 billion tickets were sold in the first nine months. Draw game sales began on October 14, 1986, with Lotto 6/49®. Daily draw games were introduced in March 1990.

On April 8, 2010, the Legislature amended the Lottery Act (Act) with Assembly Bill (AB) 142. AB 142 requires the Lottery to return at least 87 percent of revenues to the public in the form of prizes and contributions to education, and established a cap of 13 percent of revenues as the amount the Lottery may spend on operating expenses.

As stated in the state budget narrative, prior to AB 142 the Lottery was required to return, as nearly as practical, 50 percent of revenues to the public in the form of prizes; at least 34 percent to public education; and allocate no more than 16 percent to administrative costs.

By allowing the Lottery to pay out more in prizes, AB 142 was designed to increase ticket sales and the Lottery's resulting contribution to education. The changes made by AB 142 have clearly been successful, as the average of the Lottery's annual contribution to education over the 14 fiscal years following full implementation of AB 142 is more than \$625 million higher (a more than 62 percent increase) compared to the 14 fiscal years prior to AB 142 being fully implemented.

California State Lottery Commissioners

Ensuring integrity, security, fairness, and transparency.

The Lottery Act requires that the five-member Commission, appointed by the Governor, be comprised of no more than three members from the same political party; one must be a Certified Public Accountant, and another must have at least five years of experience as a law enforcement officer. The Commission meets at least once a quarter, and their meetings are open to the public.

Anthony Garrison-Engbrecht

Lottery Commission Chair



Dr. Anthony Garrison-Engbrecht is a dedicated higher education administrator and educator committed to crafting transformative, holistic student experiences that meet individuals where they are and empower them to reach their fullest potential. Currently serving as the Vice President of Student Affairs at the California Institute of the Arts, he brings a wealth of experience and a proven track record in student life leadership. Previously, Garrison-Engbrecht served as the Vice President of Student Life at Saint Mary's College of California. He has also held leadership positions at the University of California - Merced, the University of California - Berkeley, and Loyola Marymount University. Throughout his career, Garrison-Engbrecht has consistently demonstrated a steadfast commitment to increasing access to education, cultivating inclusive campus environments, and elevating student engagement. Garrison-Engbrecht earned a BA in Sociology from Loyola University New Orleans, an MA in Education and Psychology from Pepperdine University, and an MA in Theology from Loyola Marymount University. He pursued his graduate studies in Culture and Curriculum at Chapman University and Rural Education at Oregon State University. His research interests encompass the impact of rurality and poverty on college access. He completed his Ph.D. in Education with an emphasis in Culture and Curriculum at Chapman University in 2018.

Ms. Mills is President and Chief Executive Officer of the Foundation for California Community Colleges (Foundation), the nonprofit auxiliary serving the California Community Colleges Board of Governors, Chancellor's Office, and all 116 colleges. Ms. Mills' professional background includes over 20 years of experience in executive leadership, finance, accounting, and operations. Prior to joining the Foundation, she served in a management role at Hines Interest Limited Partnership and held several regional positions at Planned Parenthood, including Chief Financial Officer of Planned Parenthood of Houston and Southeast Texas, Interim Chief Executive Officer of Planned Parenthood of Louisiana and the Mississippi Delta, and Chief Operating Officer of Planned Parenthood Gulf Coast. Earlier in her career, Ms. Mills worked with two of the nation's largest accounting firms at the time, Arthur Andersen and Price- WaterhouseCoopers, and held positions at Dynegy. A community college alumna, Ms. Mills earned her associate of arts degree in business administration from Lee College in Baytown, Texas, and her Bachelor of Science degree in accounting from the University of Houston.

Keetha Mills

Lottery Commission Vice Chair



Tiffani Alvidrez leads strategic initiatives for public sector ecosystem expansion for NVIDIA. Prior to this role, she served as a Regional Policy Manager for Instacart, where she used her deep knowledge of public policy and her political acumen to help shape complex, cutting-edge public policy debates that define the future of work and e-commerce in the western region of the United States. Before that, she built a career in California state policy and politics. She spent 10 years as a Chief of Staff in the California State Legislature and held positions at every level of state government, including a former governor's administration and as a state civil servant. Tiffani serves on the boards of Leadership California and the Environmental Justice League. She is also a member of the SALA Series, a community of leaders from a variety of industry sectors who share a common motivation to engage around important societal and business matters and help drive positive change. Tiffani has a Bachelor of Arts degree from the University of California, Davis and a Masters in Business Administration. She is a proud member of Alpha Kappa Alpha Sorority, Inc. Tiffani currently resides in the Sacramento area.

Tiffani Alvidrez

Lottery Commission Member



Sergeant Ukau Dungca, of El Dorado Hills, has served as a Sergeant for California Highway Patrol since 2022, and was previously an Officer from 2009 to 2022. He was a Site Coordinator for the County of Sacramento from 2005 to 2008. Dungca earned a Bachelor of Science degree in Criminal Justice from California State University, Sacramento.

Sergeant Ukau Dungca

Lottery Commission Member



Alexandre Rasouli, M.D. is a nationally recognized, board-certified spine surgeon who specializes in the surgical and nonsurgical management of cervical, thoracic and lumbar disorders of the spine, degenerative disorders, spinal trauma, adult and pediatric deformity, spinal oncology and minimally invasive surgery. He has been the medical director of RasouliSpine since 2006. He received his undergraduate degree from Stanford University and his Doctor of Medicine degree from the University of California, Irvine. He has been a Consultant Reviewer at the Journal of Bone & Joint Surgery since 2008. Rasouli is a member of the North American Spine Society and serves on the medical board of the International Society of Children with Cancer.

Alexandre Rasouli, M.D.

Lottery Commission Member



California State Lottery Management Team

Harjinder K. Shergill-Chima

Director



Director Harjinder K. Shergill-Chima brings extensive experience to the California Lottery. She served Lottery in the capacity of Chief Deputy Director for four years before Governor Gavin Newsom appointed her to the Director position.

Prior to Lottery, Shergill-Chima was Assistant General Counsel at the California Government Operations Agency from 2018 to 2019. Before that, she was an Attorney at the California Department of Transportation from 2004 to 2018. She was an Associate at Rich, Fuidge, Morris & Iverson Inc. from 2002 to 2004 and at Reinecke & Daily in 2001. She earned a Bachelor of Science degree in Criminal Justice from California State University, Sacramento and a Juris Doctor degree from Whittier Law School.

Shergill-Chima is the first Indian American serving as Director of the California Lottery.



Florence Bernal

Chief Deputy Director



Fernando Aceves

Chief Legal
Counsel



Nicholas Buchen

Deputy Director, CFO
Finance



Carolyn Becker
Deputy Director
Public Affairs &
Communications



Sharon Allen
Deputy Director
Sales & Marketing



Chris Fernandez
Deputy Director
Human Resources



Chris Lopez
Deputy Director
IT Services



Jim Hasegawa
Deputy Director
Business Planning &
Research



John Lowden
Deputy Director
Security & Law
Enforcement



Paula Negrete
Deputy Director
Legislative & External
Affairs



Sara Sheikholislam
Deputy Director
Internal Audits



Jean Cooper
Deputy Director
Operations



**Christina Ruelas-
Barriga**

Equal Employment
Opportunity Officer



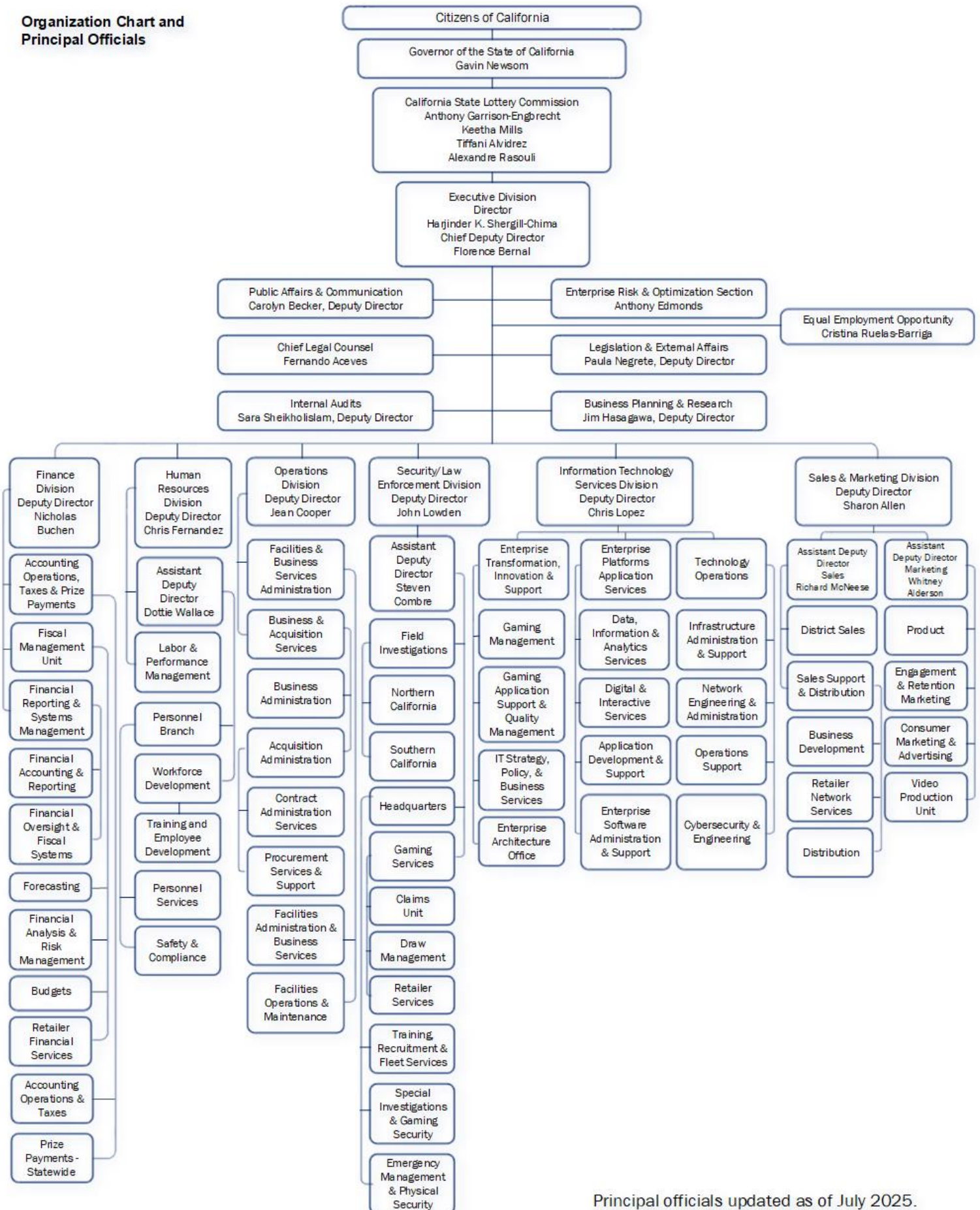
Anthony Edmonds

Information Security &
Enterprise
Risk Officer



Organizational Chart

Organization Chart and Principal Officials



Principal officials updated as of July 2025.

EXHIBIT COMMISSION AGENDA ITEM

**FISCAL YEAR
2025
2026
BUDGET**





Date: November 20, 2025

To: California State Lottery Commission

From: Harjinder K. Shergill Chima
Director

Prepared By: Nicholas Buchen
Deputy Director, Finance Division

Subject: Item 8(d) - Revised Fiscal Year 2025-26 Budget

ISSUE

Recent projections indicate increased sales as well as higher expenses for the current fiscal year, presenting the California State Lottery (Lottery) with the opportunity to revise its annual budget to better align with anticipated revenue and program needs.

BACKGROUND

The Lottery's budget presented in May for Fiscal Year (FY) 2025-26 included a sales goal of \$9.10 billion and was estimated to provide approximately \$2.08 billion to public education. Due to the FY 2025-26 budget being adopted in mid-May instead of late-June, the Lottery was missing more than a month's worth of revenue and expenditure data that otherwise would have been incorporated into its projections. Specifically, the sales projection for Scratchers did not consider sales trends beyond February of 2025, and Scratchers sales experienced an uptick in the latter months of FY 2024-25. Similarly, many of the expenditure projections included in the adopted FY 2025-26 budget lacked refinement due to the compressed timeframe. As a result, the Lottery did not fully fund all expenditure requests in order to include more funding in the administrative spending reserve to be fiscally prudent.

This revised budget presents an updated sales goal of \$9.55 billion and is estimated to provide approximately \$2.11 billion to public education and reflects a more accurate projection of expenditures, including prize expense, retailer and gaming costs, and operating expenses, as well as a more realistic estimate of income from interest earnings. The revisions include funding for additional opportunities to responsibly maintain operational growth as well as the resources necessary to implement the Lottery's FY 2025-26 Business Plan. The revised budget deploys strategies that continue to further the Lottery's current multi-year strategic plan to drive bottom-line contributions to education.

DISCUSSION

A summary of the elements of the revised FY 2025-26 budget is presented below:

Sales

Total sales for all Lottery products are now projected to be \$9.55 billion for FY 2025-26; this represents an increase of \$450 million, or 4.9 percent from the sales levels presented in May. This revised goal incorporates Scratchers sales trends from the spring and early summer, which indicates stronger sales performance than previously presented in May. In addition, the Powerball sales goal has been increased to account for there being four draws for which the advertised jackpot was \$1 billion or more already this fiscal year. The remainder of the fiscal year assumes we will achieve close to the 50th percentile of rollover chance as was assumed in May.

The following chart compares the FY 2025-26 approved budget with proposed sales goals for the revised FY 2025-26 budget.

| Comparison of Revenues FY 2025-26 Approved Sales Goals and Revised FY 2025-26 Sales Goals (Dollars in Thousands) | | | |
|---|---------------------------------------|--------------------------------------|-------------------|
| Sales: | Approved Budget FY 2025-26 | Revised Budget FY 2025-26 | Difference |
| Scratchers® | \$6,820,000 | \$7,070,000 | \$250,000 |
| Multi-State Jackpot Games | 1,180,000 | 1,380,000 | 200,000 |
| SuperLotto Plus® | 240,000 | 240,000 | 0 |
| Hot Spot® | 440,000 | 440,000 | 0 |
| Daily Games | 420,000 | 420,000 | 0 |
| Total Sales | \$9,100,000 | \$9,550,000 | \$450,000 |

Prize Expense

Prize expense is now estimated to total \$6.35 billion in FY 2025-26, which is an increase of \$326.1 million (5.4 percent) from the prize expense presented in May. This increase is due to both the increased sales projection and the fact that the May budget inadvertently under-estimated the prize payout percentage for Scratchers.

Pursuant to Lottery policy, the Director is required to determine the optimal prize payout levels across all games for the coming fiscal year to ensure that funding for education is maximized annually. The estimated prize expense included in the revised budget totals 66.5 percent of projected sales for FY 2025-26, which is within the range of 65 percent to 67 percent that was recommended as being ideal in a prior analysis that was conducted for the Lottery to determine the optimal prize payout rate.

Administrative Expenses

Administrative expenses include retailer compensation, gaming costs, and operating costs. The Lottery Act caps administrative expenses at 13 percent of total annual sales revenues.

Excluding the reserve for insurable risk and administrative spending reserve (described below), total administrative expenses for FY 2025-26 are now estimated to be \$1.16 billion, an increase of \$77.2 million (7.1 percent) from the approved administrative expenses for FY 2025-26 presented in May. This change is due to the increased sales projection driving higher retailer and gaming costs, as well as additional investments in FY 2025-26 Business Plan initiatives and operational improvements to help achieve and sustain future growth.

Retailer compensation costs are now estimated to total approximately \$649.4 million for FY 2025-26, which represents an increase of \$32.4 million (5.2 percent) from the approved FY 2025-26 costs presented in May. This budget category includes the cost to compensate 23,000 retail partners for their contract incentives to sell Lottery tickets and cash the associated eligible winning tickets. Retailers also earn bonuses for selling eligible winning jackpot/top prize tickets and certain winning tickets worth one million or more. The increase in this item is primarily associated with a higher sales projection than approved in May.

Gaming costs are now projected to be \$170.3 million for FY 2025-26, which is an increase of \$13.1 million (8.3 percent) from the FY 2025-26 budget approved in May. This budget category includes the cost of operating the gaming system, gaming equipment installation and maintenance, and production and distribution of Scratchers. This increase is primarily due to the increased sales projection for both Scratchers and Powerball, additional funding to allow for the reorder of popular Scratchers games, and higher costs to support new contract rates for printing Scratchers.

Excluding the reserves, retailer compensation and gaming costs account for 70.7 percent of the Lottery's revised administrative expenses for FY 2025-26. The remaining administrative expenditures are the Lottery's operating costs, which include personnel costs, advertising/marketing costs, and other overhead costs. Excluding the reserves, the Lottery's operating costs are now projected to total \$340.5 million in FY 2025-26. This represents an increase of \$31.7 million from the May projection, and the majority of this increase is funded by transferring from the administrative spending reserve. Releasing funds from the Lottery's administrative spending reserve to invest in FY 2025-26 Business Plan initiatives and operational improvements will enable the Lottery to maintain momentum with existing efforts and drive future sales. Highlights of this increase include an additional \$25 million to allow for full execution of the Marketing Budget Plan and the addition of \$3.6 million to execute the Mission Education Campaign as originally planned for this fiscal year.

The revised administrative expenses for FY 2025-26 maintain a \$5 million reserve for insurable risk to cover fiscal exposures for the areas of our organization that we are

continuing to self-insure; this amount is unchanged from the May projection. In addition, a \$76.3 million administrative spending reserve, which is a decrease of \$18.7 million from the approved budget presented in May, acts as a safeguard against future uncertainties while also providing the Commission and the Lottery with the flexibility to take advantage of opportunities to increase funding for education that may emerge in the remaining months of the fiscal year. The administrative spending reserve is an element of the 13 percent of total revenues specified for administrative expenses. Pursuant to the Lottery Act, any funds remaining within the reserves at the end of the fiscal year will be transferred to public education.

Summary

The revised FY 2025-26 budget contains sales goals of \$9.55 billion which is estimated to result in approximately \$2.11 billion in contributions to California public schools. This is an increase of \$36.7 million from the contribution to education projected in May. The revised budget maintains a balanced approach between funding resources to drive gains in FY 2025-26, as well as investing in longer-term initiatives to enable the Lottery to increase sales and contributions to public education in years to come.

RECOMMENDATION

Staff recommends that the Commission approve the Lottery's revised budget for FY 2025-26.

Attachment

Allocations for Budget Funding

The 13 percent cap of revenues allowed by the Act for Lottery administrative expenses is spread over Retailer Compensation, Gaming Costs and Operating Costs as shown in the following commission approved Lottery budget (see [page 21](#)) for fiscal year 2025-26. Additionally, the Optimal Prize Expense is maintained at the prescribed percent of budgeted sales revenues.

The comprehensive annual budget covers the financial activity of the Lottery as a single enterprise fund. Lottery management is responsible for the accuracy and completeness of the presentation and to the best of our knowledge, the enclosed information is accurate in all material respects and is reported in a manner designed to present fairly the financial resources forecasted to support operations, the administrative expenses of the Lottery, and the resulting proceeds. In addition to publication of the Lottery's annual budget within the state budget, statutes require submission of preliminary and proposed Lottery budgets to the California Legislature along with the final budget approved by the California State Lottery Commission for the fiscal year that begins the following July 1. Additionally, statutes require submission to the Lottery Commission and the California State Controller's Office for monthly budget-to-actual spending reports.

The Lottery Act requires quarterly distribution for proceeds from the sale of Lottery products, including any surplus revenues (see [page 23](#)) and, in their entirety, interest/other income and any unclaimed prizes to be transferred to public education.

The Lottery's budget reflects a careful balance between sustaining operational growth and maximizing contributions to education. The proposed budget is grounded in a strategic approach to maintain sales and foster future revenue growth.



**FISCAL YEAR 2025-26
REVISED ANNUAL PLAN**
(Dollars in Thousands)

| | FY 2025-26 Approved Budget | % of Sales | FY 2025-26 Revised Budget | % of Sales | Difference |
|-------------------------------|---|-----------------------|--|-----------------------|-------------------|
| SALES: | | | | | |
| Scratchers | \$6,820,000 | 74.9 % | \$7,070,000 | 74.0 % | \$250,000 |
| Powerball | 530,000 | 5.8 % | 730,000 | 7.6 % | 200,000 |
| Mega Millions | 650,000 | 7.1 % | 650,000 | 6.8 % | 0 |
| SuperLotto Plus | 240,000 | 2.6 % | 240,000 | 2.5 % | 0 |
| Hot Spot | 440,000 | 4.8 % | 440,000 | 4.6 % | 0 |
| Fantasy 5 | 171,000 | 1.9 % | 171,000 | 1.8 % | 0 |
| Daily 3 | 176,500 | 1.9 % | 176,500 | 1.8 % | 0 |
| Daily 4 | 35,500 | 0.4 % | 35,500 | 0.4 % | 0 |
| Daily Derby | 37,000 | 0.4 % | 37,000 | 0.4 % | 0 |
| TOTAL, ESTIMATED SALES | \$9,100,000 | | \$9,550,000 | | \$450,000 |

| | | Prize Payout % | | Prize Payout % | |
|--------------------------------------|--------------------|-------------------------------|--------------------|-------------------------------|------------------|
| PRIZE EXPENSE: | | | | | |
| Scratchers | \$4,883,120 | 71.6 % | \$5,111,610 | 72.3 % | \$228,490 |
| Powerball | 265,000 | 50.0 % | 365,000 | 50.0 % | 100,000 |
| Mega Millions | 325,000 | 50.0 % | 325,000 | 50.0 % | 0 |
| SuperLotto Plus | 120,000 | 50.0 % | 120,000 | 50.0 % | 0 |
| Hot Spot | 279,620 | 63.6 % | 279,620 | 63.6 % | 0 |
| Daily Games | 209,468 | 49.9 % | 209,468 | 49.9 % | 0 |
| 2nd Chance | 9,100 | | 9,100 | | 0 |
| Prize Expense Savings | (64,773) | | (67,147) | | (2,374) |
| TOTAL, PRIZE EXPENSE | \$6,026,534 | 66.2 % | \$6,352,650 | 66.5 % | \$326,116 |
| NET SALES AFTER PRIZE EXPENSE | \$3,073,466 | | \$3,197,350 | | \$123,884 |

| | | % of Sales | | % of Sales | |
|---------------------------------|-----------|-----------------------|-----------|-----------------------|----------|
| ADMINISTRATIVE EXPENSES: | | | | | |
| Retailer Compensation: | | | | | |
| Commission | \$525,800 | 5.8 % | \$551,900 | 5.8 % | \$26,100 |
| Cashing Bonus | 55,657 | 0.6 % | 58,409 | 0.6 % | 2,752 |
| Special Handling | 31,523 | 0.3 % | 33,081 | 0.3 % | 1,559 |
| Incentives | 4,000 | 0.0 % | 6,000 | 0.1 % | 2,000 |

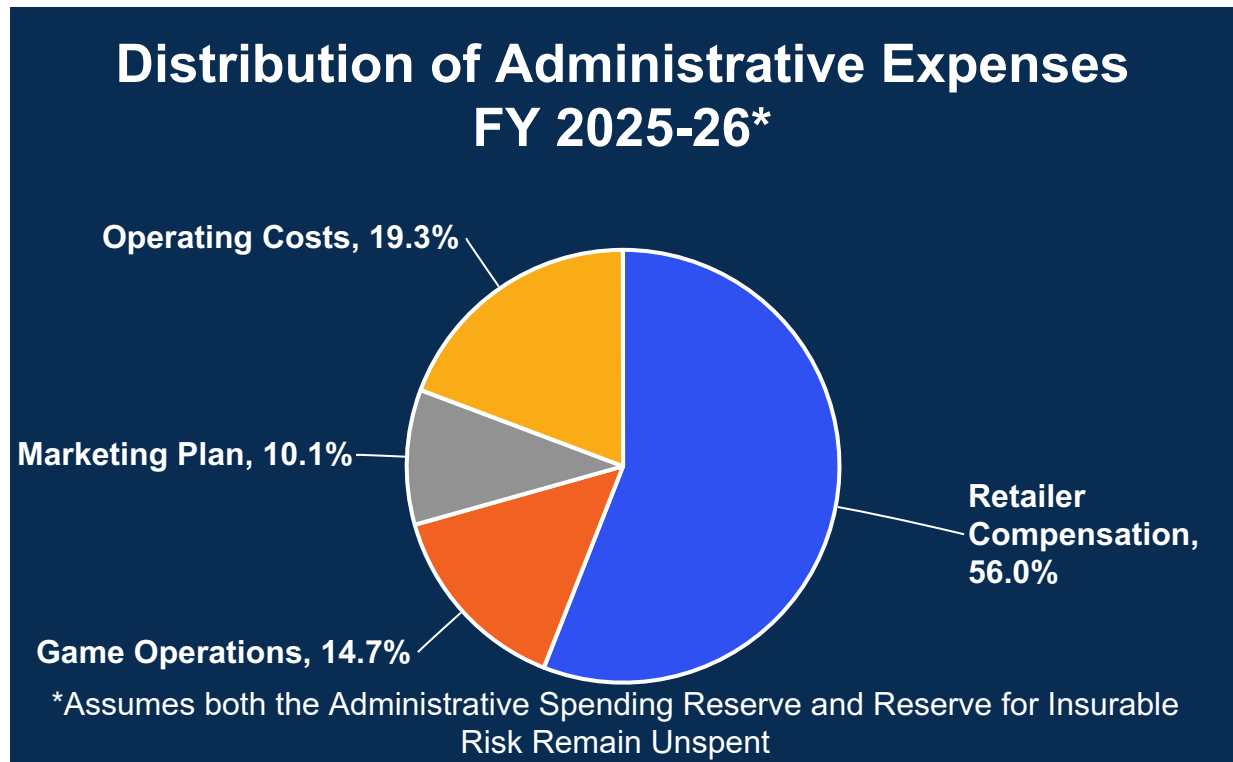
FISCAL YEAR 2025-26
REVISED ANNUAL PLAN (Cont.)
(Dollars in Thousands)

| | | | | | |
|--|--------------------|---------------|--------------------|---------------|-----------------|
| Gaming Costs: | | | | | |
| Gaming Contract (Brightstar) | 126,625 | 1.4 % | 130,875 | 1.4 % | 4,250 |
| Retailer Administrative and Gaming Fees | (22,717) | | (22,717) | | 0 |
| Scratchers Ticket, Delivery, and Support Costs | 53,372 | 0.6 % | 62,172 | 0.7 % | 8,800 |
| TOTAL, RETAILER & GAMING COSTS | \$774,259 | 8.5 % | \$819,721 | 8.6 % | \$45,461 |
| Operating Costs: | | | | | |
| Personal Services | \$142,952 | 1.6 % | \$143,090 | 1.5 % | \$138 |
| Marketing Budget Plan | 90,000 | 1.0 % | 117,029 | 1.2 % | 27,029 |
| Contractual Services | 35,362 | 0.4 % | 37,322 | 0.4 % | 1,959 |
| Depreciation | 11,532 | 0.1 % | 11,597 | 0.1 % | 65 |
| Operating Expense | 28,894 | 0.3 % | 31,445 | 0.3 % | 2,551 |
| Reserve for Insurable Risk | 5,000 | 0.1 % | 5,000 | 0.1 % | 0 |
| Administrative Spending Reserve | 95,000 | 1.0 % | 76,297 | 0.8 % | (18,703) |
| Subtotal, Operating Costs | \$408,741 | 4.5 % | \$421,779 | 4.4 % | \$13,039 |
| TOTAL, ADMINISTRATIVE EXPENSES | \$1,183,000 | 13.0 % | \$1,241,500 | 13.0 % | \$58,500 |
| CONTRIBUTION TO EDUCATION | \$1,890,466 | | \$1,955,850 | | \$65,384 |
| Unclaimed Prizes | 35,000 | | 35,000 | | 0 |
| Interest Income | 50,000 | | 40,000 | | (10,000) |
| TOTAL AVAILABLE FOR EDUCATION | \$1,975,466 | | \$2,030,850 | | \$55,384 |
| TOTAL CONTRIBUTION TO EDUCATION WITH RESERVES | \$2,075,466 | | \$2,112,147 | | \$36,682 |

*Numbers may not add due to rounding.

Distribution of Budget for Administrative Expenses

Budget utilization is calculated using year-to-date expenditures, known year-end costs, and spending trends to provide estimated current year figures and these are compared to the budget year to show changes by dollar amount and percentage. The greatest share of the 13 percent allowance provided for expenses of the Lottery is consistently budgeted for payments to incentivize retailers for selling Lottery products (i.e., retailer compensation). Combined with the costs of the Lottery's gaming system contractor (i.e., game operations), these two components typically comprise approximately 9 percentage points of the 13 percent cap on administrative expenses.



Provision for surplus funding

Pursuant to Government Code (GC) § 8880.4 (a)(5), "No more than 13 percent of the total annual revenues shall be allocated for payment of expenses of the lottery as described in this chapter. To the extent that expenses of the lottery are less than 13 percent of the total annual revenues, any surplus funds also shall be allocated to the benefit of public education."

State Budget Summary

California state government designates the State Lottery Commission as department 0850 within the legislative, judicial, and executive branch.

Further, the annual State Budget includes a special display for the department that provides the following information to the citizens of the state: (1) the accumulative total Lottery contributions up through the prior fiscal year, (2) the three-year statement of operations reflecting actual revenues, expenditures, and the contribution to education for the past fiscal year and estimates for these for the current and coming fiscal years, and (3) the projected distribution of Lottery funds by major public education entity for those same three fiscal years.

It should be noted that the supplemental funds generated by the Lottery and contributed to schools are part of a broader trajectory for funding public education in California, and that the state's General Fund is the primary funding vehicle for California public schools, providing over \$100 billion in educational funding annually.



California Budget

2025/26

Gavin Newsom Governor
State of California

LEGISLATIVE, JUDICIAL, AND EXECUTIVE

2025-26 STATE BUDGET - LJE 1

0850 California State Lottery Commission

In 1984, Proposition 37 amended the California Constitution to authorize the establishment of a statewide lottery. As an initiative statute, the California State Lottery Act (Act) of 1984 created the California State Lottery Commission and gave it broad powers to oversee the operations of a statewide lottery. The purpose of the Act was to provide supplemental monies to benefit public education. The Lottery is overseen by a five-person Commission appointed by the Governor and confirmed by the State Senate.

The Act initially required that 50 percent of total annual revenues be returned to the public in the form of prizes and at least 34 percent of total revenues be allocated to the benefit of public education. No more than 16 percent of total revenues were to be used for administrative costs.

In 2010, the Act was changed to allow the Lottery flexibility to pay out more money in prizes and reduce the administrative cost limit to 13 percent of total revenues. Along with that flexibility, the new law requires the Lottery to meet minimum levels of contribution to public education. Revenues to education are placed in a special fund, known as the California State Lottery Education Fund, which holds revenues until they are allocated on a per capita basis, using prior year certified Average Daily Attendance data, to the following categories: K-12 education, Community Colleges, the California State University, the University of California, and other educational entities, including the California Schools for the Deaf and Blind.

In the 38 years since sales began in October 1985 through June 30, 2024, the California State Lottery has raised \$46.1 billion for public education, including approximately \$2.3 billion in 2023-24. Because of the inherently variable nature of lottery ticket sales, revenue estimates for 2024-25 and 2025-26 cannot be made with certainty.

LEGAL CITATIONS AND AUTHORITY

DEPARTMENT AUTHORITY

Government Code, Title 2, Division 1, Chapter 12.5 (Sections 8880-8880.72).

LEGISLATIVE, JUDICIAL, AND EXECUTIVE 2025-26 STATE BUDGET - LJE 2
0850 California State Lottery Commission - Continued
Statement of Operations

| | 2023-24* | 2024-25* | 2025-26* |
|---|--------------------|--------------------|--------------------|
| Lottery sales | \$9,275,114 | \$9,027,707 | \$9,100,000 |
| Less prizes | 6,031,572 | 5,984,099 | 6,026,534 |
| Sales after prizes | 3,243,542 | 3,043,608 | 3,073,466 |
| Less Gaming Costs: | | | |
| Retailer costs | 632,679 | 617,385 | 616,979 |
| Gaming system costs | 110,124 | 103,500 | 103,908 |
| Instant ticket costs | 42,412 | 57,890 | 53,372 |
| Total, Game Costs | \$785,215 | \$778,775 | \$774,259 |
| Resources before operating expenses | 2,458,327 | 2,264,833 | 2,299,206 |
| Operating Expenses: | | | |
| Salaries, wages and benefits | 123,281 | 133,951 | 142,952 |
| Advertising | 101,755 | 88,052 | 79,255 |
| Promotion, public relations and point-of-sale | 12,230 | 9,784 | 10,745 |
| Other professional services | 21,662 | 28,530 | 35,362 |
| Depreciation and amortization | 14,518 | 12,985 | 11,532 |
| Other general and administrative expenses | 26,713 | 26,669 | 128,895 |
| Total, Operating Expenses | \$300,159 | \$299,971 | \$408,741 |
| Income and Proceeds to Education | 2,158,169 | 1,964,862 | 1,890,466 |
| Interest and Other Income | 62,636 | 42,240 | 50,000 |
| Net Resources | \$2,220,805 | \$2,007,102 | \$1,940,466 |
| Unclaimed Prizes | 67,128 | 46,644 | 35,000 |
| Administrative Reserve | 0 | 0 | 100,000 |
| TOTAL RESOURCES DUE TO EDUCATION FUND | \$2,287,933 | \$2,053,746 | \$2,075,466 |

LEGISLATIVE, JUDICIAL, AND EXECUTIVE 2025-26 STATE BUDGET - LJE 3
0850 California State Lottery Commission - Continued
Distribution of State Lottery Education Fund Revenues

| | 2023-24* | 2024-25* | 2025-26* |
|--|--------------------|--------------------|--------------------|
| Department of Education (K-12) | \$1,797,310 | \$1,613,342 | \$1,630,405 |
| California Community Colleges | \$350,862 | \$314,949 | \$318,280 |
| California State University | \$78,317 | \$70,300 | \$71,044 |
| University of California | \$61,034 | \$54,786 | \$55,366 |
| Other Public Colleges and Universities | \$254 | \$228 | \$231 |
| Miscellaneous Educational Institutions | \$156 | \$140 | \$141 |
| TOTALS | \$2,287,933 | \$2,053,746 | \$2,075,466 |

*Dollars in thousands, except in Salary Range. Numbers may not add or match to other statements due to rounding of budget details.

Lottery Products



Scratchers – Tickets are played by removing a scratch-off coating to reveal symbols and “instantly” learn whether the ticket is a winner. Games are offered in a variety of price-points and feature many different themes and play styles. The Lottery started Scratchers game sales in October 1985 with a single \$1 game. Multiple Scratchers games were first offered at retailer locations in October 1991, and games that retailed for more than \$1 went on sale in October 1993. Currently, prices for Scratchers tickets range from \$1 to \$30, and games may feature prizes up to \$20 million. Lottery is currently offering a \$40 Scratchers ticket recognizing our 40-year anniversary.



Powerball – Players select five numbers from a field of 1 through 69 and one Powerball number from a field of 1 through 26. There are nine prize categories in this game. To win the jackpot, players must match all five numbers plus the Powerball number. The jackpot prize in this multi-state game reached a record high \$2.04 billion in November 2022 and was won by a single ticket in California. Jackpots are determined by sales. Winning numbers are drawn every Monday, Wednesday, and Saturday at 7:59 p.m. PST.



Mega Millions – Players select five numbers from a field of 1 through 70 and one Mega number from a field of 1 through 25. There are nine prize categories in this game. To win the jackpot, players must match all five numbers plus the Mega number. The jackpot prize in this multi-state game has reached as high as \$1.60 billion in August 2023. Jackpots are determined by sales. Winning numbers are drawn every Tuesday and Friday at 7:59 p.m. PST.



SuperLotto Plus – Players select five numbers from a field of 1 through 47 and one Mega number from a field of 1 through 27. There are nine prize categories in this game. To win the jackpot, players must match all five numbers plus the Mega number. Jackpot prizes start at \$7 million and have reached more than \$190 million. Winning numbers are drawn every Wednesday and Saturday at 7:57 p.m. PST.



Hot Spot – This game was designed primarily for social trade styles like restaurants and bowling centers but is available at all Lottery retailer locations. Players select numbers from a field of 1 through 80 and have a choice of playing ten different “Spots.” For example, a player who chooses to play a “3 Spot” would pick a set of three numbers. Players can also select the “Bulls-eye” option for a chance at winning more prizes if one of their chosen

numbers also matches the Bulls-eye number. There are a total of 92 prize categories (including the Bulls-eye prizes) in this game. Twenty winning numbers are selected for each draw, one of them being the Bulls-eye. Top prizes have been as high as \$300,000. Draws are conducted daily every four minutes with the first draw at 6:04 a.m. and last draw at 2:00 a.m. PST.



Daily 3 – This daily game was designed to provide very good odds of winning smaller prizes. Players select a set of three numbers, each from 0 through 9, as well as a playstyle where players try to match the three numbers drawn in the exact order (Straight) or in any order (Box). Based on the selected playstyle (Straight, Box, or Straight/Box combined), there are many ways to win a prize. The top prizes average \$600. Winning numbers are drawn twice a day.



Daily 4 – This daily game was designed to offer a similar playstyle to Daily 3, but with larger prizes. Players select a set of four numbers, each from 0 through 9, as well as a playstyle where players try to match whether the four numbers drawn will be in the exact order (Straight) or in any order (Box). Based on the selected playstyle (Straight, Box, or Straight/Box combined), there are many ways to win a prize. The top prize averages \$6,000. Winning numbers are drawn once a day.



Fantasy 5 – This daily Lotto-style game was designed with better odds than SuperLotto Plus. Players select a set of five numbers from 1 through 39. Winning tickets are those that match any two, three, four, or all five of the five numbers drawn. There are four prize categories in this game. Top prizes start at \$60,000 and have reached more than \$700,000 for matching all five numbers. Fantasy 5 is the only draw game that has a free ticket as part of the prize structure, with tens of thousands of free tickets awarded each draw.



Daily Derby® – This daily game was designed with a horse racing theme but is not associated with the results of any actual horse race. Players select three “horses” from a field of 12 and a “race time” which is a set of three numbers (e.g. 0, 1, and 9) with each number selected from a field of 0 through 9. There are five prize categories in this game. Top prizes start at \$50,000 and have reached more than \$1.5 million for matching the race time and all three horses in exact order.

Revenue Recognition - Scratchers

Sales of Scratchers tickets are made to the public through contracted retailers. Revenue is recognized upon the sale of tickets to the retailers for active games. An allowance is recognized for the retailers' right to return unsold tickets. Operating revenue is reduced for free tickets and for unsold tickets remaining in vending machines. Retailers receive a commission of up to six percent which is recognized when tickets are sold to the retailers.

Revenue Recognition - Draw Games

Lottery sales for draw games are made to the public through gaming terminals at contracted retailers. Revenue is recognized upon the sale to the public. With the exception of Powerball and Mega Millions, the public has the right to cancel a sale on the same day before pool closure. All Powerball and Mega Millions sales are final. The applicable retailers' commission of four and one-half to six percent is recognized when sales are made to the public. Recognition of the revenue from sales for future draws is considered unearned until those draws become current. The retailers' commission related to the unearned revenue is reflected as a prepaid expense until the revenue is recognized.

The California State Lottery Fund is accounted for as an enterprise fund. The financial statements are prepared on the accrual basis of accounting and the economic resources measurement focus in accordance with accounting principles generally accepted in the United States of America. Operating revenues and expenses are those that result from providing services and producing and delivering goods and/or services. The principal operating revenues of the Fund come from the sale of lottery tickets. The principal operating expenses of the Fund are prizes, retailer commissions, game costs, salaries and benefits, advertising and promotion, professional services, depreciation of assets, and general and administrative costs.

Major Initiatives

The California Lottery celebrated its 39th anniversary and has once again broken its all-time sales record during the fiscal year ended June 30, 2024. Lottery sales were more than \$9.27 billion in fiscal year 2023-24, exceeding the previous sales record of \$9.23 billion set the prior year and surpassing the \$9 billion threshold for the second time. However, the transfer of funds to the Lottery's beneficiary did not surpass the record-high contribution to California public schools set in FY 2022-23 primarily due to the cost for Lottery prizes in FY 2023-24. For the third year in a row, the Lottery transferred more than \$2 billion to its beneficiary during a single fiscal year, fulfilling its mission to earn supplemental funding for education. Fiscal year 2023-24 marked the 24th consecutive year the Lottery transferred more than \$1 billion to its beneficiary.

Scratchers games remain the biggest driver of Lottery sales with nearly \$6.6 billion and accounted for 70.7 percent of total sales during fiscal year 2023-24. The Lottery sets prize payout levels designed to maximize the contribution to its beneficiary. In keeping with this effort, and on the heels of the, *Set for Life – Millionaire* game at the popular \$30 price point, offering a top prize of \$20 million (the largest prize yet for a Scratchers game) the Lottery launched \$25 and \$40 Scratchers tickets to celebrate the upcoming 40th anniversary for the California Lottery. To build upon the Lottery's "A Little Play Can Make Your Day" Scratchers ad campaign, new slogans were added and, the Lottery stood up a campaign to educate players, stakeholders, and the public about the mission of the California Lottery. These efforts and more helped grow player ship by making the Scratchers brand more appealing to casual players.

Combined FY 2023-24 sales for the two multi-state lotto games, Powerball and Mega Millions, topped sales experienced during fiscal year 2022-23 by just \$52 million. To stimulate sales growth for the Mega Millions product, the Mega Millions Consortium added a built-in multiplier feature to increase the value of non-jackpot prizes, increased the starting jackpot level, and began selling Mega Millions tickets at the \$5 price point beginning in the last quarter of fiscal year 2024-25.

Sales of California's own lotto-style game, SuperLotto Plus, are also largely driven by jackpot levels. Sales of SuperLotto Plus were \$265.9 million during fiscal year 2023-24, an decrease of 3.7 percent from the prior year. The Hot Spot game was another Lottery record-breaker. Hot Spot sales were \$424.7 million during fiscal year 2023-24, a 3.4 percent increase from the prior year's previous record-high sales levels. This increase coincided with an effort by the Lottery to place more Hot Spot monitors in retail locations and working with our retail partners to promote the game.

Lastly, sales of the Lottery's four daily games (Fantasy 5, Daily 3, Daily 4, and Daily Derby) totaled approximately \$427 million combined in fiscal year 2023-24, falling approximately 1.7 percent from the prior year.

The Lottery continues its commitment to balance safety and concern for its employees, retail partners, players, and the public at large, with the need to fulfill its critical mission of supplementing education funding. During fiscal year 2023-24, the

Lottery's network of retail partners consisted of more than 23,000. The Lottery supports its retail partners by making its product more appealing, fun, and exciting for Lottery players. Additionally, Lottery staff worked diligently to reduce prize claim processing times and expand its program of paying qualifying prizes by check to all nine district office locations. These efforts get needed funds to prizewinners more quickly.

The Lottery recognizes it has a responsibility to its players to encourage responsible gaming. During fiscal year 2025-26, the Lottery was re-certified at the highest level, Level 4 Responsible Gaming, from the World Lottery Association (WLA). This accreditation continues through August 2028.

In February 2015, the California State Lottery became the first Lottery in the nation to receive a WLA Responsible Gaming Level Four Certification. This is the highest level of internationally recognized certification for responsible gaming. In 2021, we were honored to receive a level four recertification.

WLA, the global authority on the lottery business, consists of state-authorized lotteries and gaming organizations from more than 80 countries on 6 continents. Its Responsible Gaming Principles and Framework Certification Program outlines lotteries' level of commitment to corporate social responsibility and responsible gaming. Its aim is to protect lottery players and assure that revenues are used for the public good.

The Lottery also continues its commitment to environmental sustainability regarding its buildings and operations. Nine Lottery buildings throughout the state, including its headquarters building, have earned the ENERGY STAR rating from the United States Environmental Protection Agency. In addition to protecting the environment, these energy-efficient buildings require lower operating costs, which supports the Lottery's mission of earning more money for its beneficiary.



Budgetary Controls



Financial Controls

Accounting System and Policies

The Lottery operates the California State Lottery Fund, which is accounted for as an enterprise fund and like a private business, utilizes the full accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Budgetary Controls

Budgetary control for the Lottery is addressed through its enabling legislation, which provides specific limitations on operating and administrative expenses. A comprehensive annual budget is prepared in conjunction with the Lottery's Annual Business Plan. The budget is prepared on both the cash basis and the full accrual basis of accounting. It is also prepared in distinct, quarterly segments to facilitate comparison to the quarterly financial statements. The budget is based on sales forecasts, industry trends, program proposals, and approved action plans. While the Lottery does not have a legislatively appropriated budget, the operating budget is submitted to the Lottery Commission with the Annual Business Plan for approval. Actual costs are monitored throughout the year for compliance with the approved budget and appropriate adjustments are approved if necessary.

Internal Controls

An internal control structure has been designed ensuring checks and balances are in place within the accounting system appropriately limiting Budgets Unit staff access, and a separate budgeting productivity platform is utilized to facilitate creation for the annual budget spending plan. The read-only access for budgeting staff to the accounting system is sufficient to allow for monitoring budget utilization using budget-to-actual reports and ensures separation of duties to maintain system integrity. Additionally, procedures and processes are in place requiring directorate approval to augment Commission-approved budget funding and updates to the Commission for quarterly budget adjustments are provided by Lottery management.

Position Controls

The approval process for new positions includes a cross-divisional review by personnel in the Human Resources Division, to ensure compliance with state administrative classification criteria and proper supervisory structures; Finance Division, which scrutinizes available funding and prioritizes allocations to assert position control; and Executive Management, which contemplates the broader organizational needs and external factors before recommending position proposals for the Commission's consideration. Furthermore, the Lottery organization has implemented the Vacant Position Management Policy that employs a strategic approach in managing its workforce by considering the repurposing of existing vacant positions. This method entails the reevaluation and reallocation of roles to areas with the most significant need, enhancing the efficacy and efficiency of operations. This practice demonstrates to the public and stakeholders that the organization is dedicated to maximizing its operational output and, by extension, increasing Lottery revenues that support public education.

| | FY 23-24 Permanent Positions | FY 24-25 Permanent Positions | FY 25-26 Permanent Positions |
|------------------------------|------------------------------------|------------------------------------|------------------------------------|
| Executive | 67 | 67 | 70 |
| Finance | 137 | 141 | 144 |
| Human Resources | 53 | 53 | 54 |
| Operations | 78 | 77 | 81 |
| Security and Law Enforcement | 85 | 87 | 90 |
| Information Technology | 137 | 140 | 141 |
| Services Sales and Marketing | 559 | 559 | 568 |
| Total | 1116 | 1124 | 1148 |

Employees

As of July 1, 2025, the Lottery Commission authorized a total of 1,148 positions for the Lottery's headquarters located in Sacramento; for its nine district offices located in Sacramento, Milpitas, Richmond, Fresno, Chatsworth, Rancho Cucamonga, Santa Fe Springs, Costa Mesa, and San Diego; and for its two distribution centers located in West Sacramento and Rancho Cucamonga.

During the annual budget development process, Lottery divisions are tasked with the careful evaluation of staffing requirements to align with the organization's mission and optimize contributions to educational funding. For the budget year, this budget cycle included thirty-three positions requested by various divisions; however, only twenty-four were ultimately approved for inclusion in the budget. Nine of the twenty-four positions approved for the fiscal year have been transitioned from temporary to permanent roles, utilizing existing funding and having a minimal effect on the Personal Services budget. The decision to convert these positions was guided by compliance with a CalHR government code that mandates temporary positions should not exceed two years, coupled with the program area's demonstrated need for permanent staff.

*To support the Lottery's operational objectives, fifteen **new** positions were strategically allocated across seven key divisions:*

Executive Division

- The Information Technology Specialist II will be responsible for risk mitigation for the Information Security Engineering domain including Artificial Intelligence (AI).
- Two Staff Services Manager I (Specialists) will perform investigations, reviews, and revisions to Equal Employment Opportunity (EEO) related policies. Needed to support agency growth and maintaining compliance.

Finance Division

- A Staff Services Manager I (Specialist) will ensure continuity and efficiency of critical Prize Payments program business functionality in the gaming system.

Operations Division

- One Custodian Supervisor II will instruct, lead, and supervise the custodial program, as well as perform inspections and maintain custodial practices and standards of safety and sanitation.
- A Custodian II will assist in the planning of daily operations, scheduling of labor, and inspection of Custodian I work responsibilities, as well as assist with training and special projects.
- Two new Custodians to support the increase of frequency of day-to-day operations and to meet the additional maintenance needed throughout the facility of new industry standards with implementation of shared workstations.

Security and Law Enforcement Division

- An Associate Governmental Program Analysts is needed to ensure compliance with laws, rules and regulations governing business gaming operations and support compliance responsibilities for the World Lottery Association (WLA), Multi-State Lottery Association (MUSL), and Peace Officer Standards and Training (POST).

Information Technology Services Division

- The Information Technology Supervisor II position will coordinate and direct the day-to-day activities to provide operational oversight, staff development, workload allocation, and strategic planning activities for the Digital and Interactive Services section.

Sales and Marketing Division

- Five new District Sales Representatives are needed to maintain desired average of below 130 retailers per territory to make professional sales calls to an established retailer base in an assigned territory, as well as distribute Point-of-Sale (POS) material and provide merchandising expertise, while ensuring current POS campaigns are visible to players to stimulate sales.

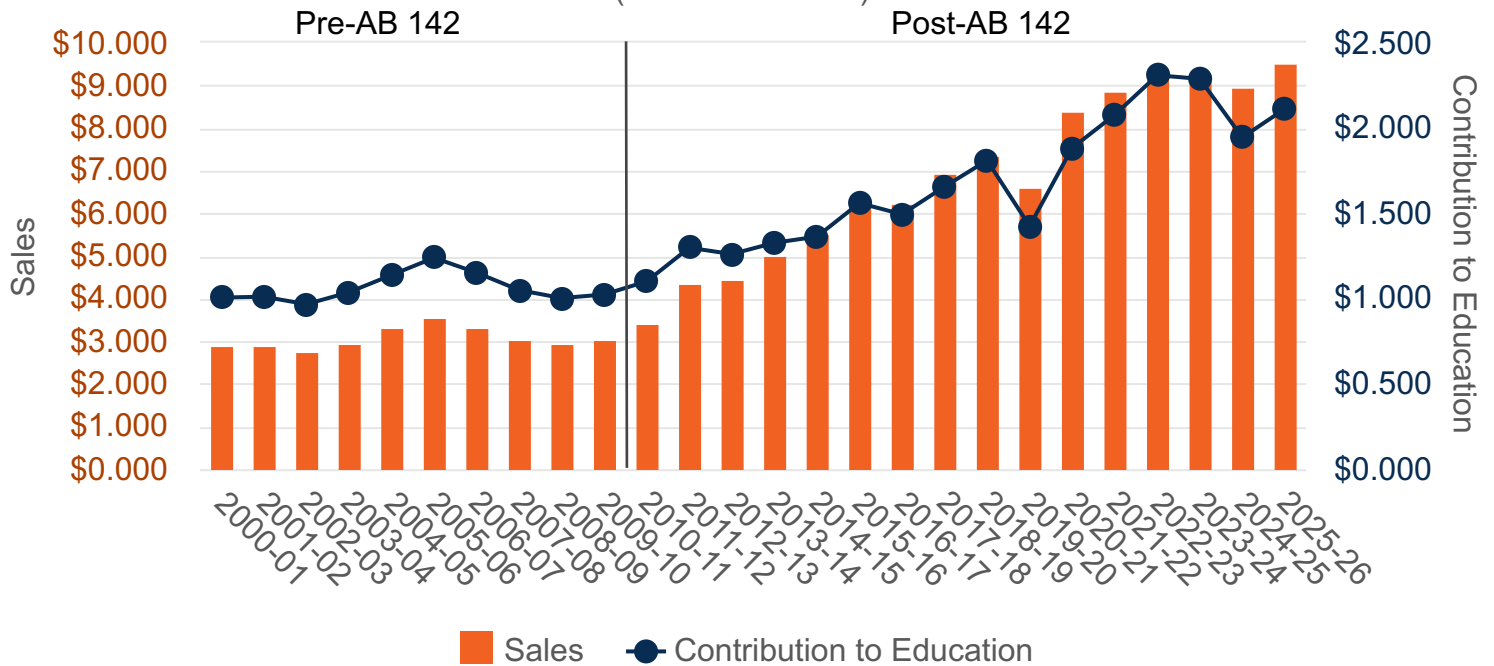
Issues and Priorities

Significant changes and strategic initiatives constituting our priorities for the fiscal year 2025-26 include expanding Scratchers sales, growing draw game sales, and leveraging our retail network, all while improving public knowledge and perceptions of the Lottery. To help boost Scratchers sales and the resulting funding for education, new \$25 and \$40 price points added to our Scratchers product offerings in fiscal year 2024-25 will continue in fiscal year 2025-26 to bring in 2025 and celebrate the Lottery's 40th anniversary.

Introduction for these new \$25 and \$40 games that will initially be utilized for a pair of special events – the new year 2025 and the Lottery's 40th anniversary – reflect player trends within the Lottery industry of shifting towards higher priced games. Our most popular Scratchers price point currently is \$20, which is a significant jump from the \$5 price point that was most popular a decade ago. Although profitability on a per-dollar basis tends to be more moderate for high price-point products, the Lottery continues to assess new opportunities and review different prize structures to create novelty and variety in the Scratchers portfolio, which helps ensure that the Lottery reaches more Californians with more types of games to deliver more funding to public education. The following chart shows how our sales and, most importantly, the amount of supplemental funding the Lottery is able to provide to California's public schools, have greatly increased following enactment of AB 142 in 2010. This legislation authorized a greater proportion of Lottery revenues to be returned to the public as prizes, thereby allowing the Lottery to offer higher price point Scratchers games.

Sales and Contributions to Education

Sales and Contributions to Education
Pre- and Post-AB 142 Implementation
(dollars in billions)



As a result of the revenue distribution changes from AB 142, the Lottery expects to continue to deliver increased sales and revenues to the public in the form of both prizes and contributions to education. Through tight management of the Lottery's budget, actions to reduce or otherwise control costs can aid in meeting the provision.

Long-term growth shown in the graph with average sales nearly doubling since the Lottery Act was amended with AB 142, and annual sales tripling in recent years gives the Lottery confidence that the optimal prize payout allowed by the amendment is proving to be effective in promoting long-term growth.

Issues Facing the Lottery

As the only legal lottery in the state, the California Lottery does not have a direct competitor. However, we face competition from other forms of entertainment and leisure vying for consumers' discretionary dollars. As such, the Lottery's performance is impacted by issues such as broader economic conditions (e.g., rising inflation, gas prices, etc.) as well as consumer trends such as shifting to being a cashless society and more consumers purchasing online instead of through traditional "brick and mortar" locations. It is also clear the Lottery needs to be more effective at educating the public on the Lottery's mission and positioning the Lottery in a more favorable light among California adults. In fiscal year 2024-25, only 31 percent of the respondents were able to correctly identify the mission of the Lottery. To help rectify this, the Lottery is actively investing in a dedicated advertising campaign to amplify the Lottery's mission, educate Californians about the Lottery as a whole, and reposition the Lottery as a credible and reliable source for additional funds for California's public education system.

Another issue facing the Lottery is the increased salary and benefit costs of Lottery employees. Salary increases for represented California government employees are negotiated between the state and union organizations through a process called Collective Bargaining, and the Lottery has no control over the cost increases for these agreements. The Lottery's 2025-26 budget includes funding for the 3 percent salary hike negotiated for state employees for the budget year as well as increases in the associated staff benefits costs.

The Lottery is also hamstrung by some of the provisions of the Lottery Act that established the Lottery. One such provision restricts changes in the types of games or methods of delivery of games that incorporate technologies or mediums that did not exist, were not widely available, or were not commercially feasible at the time the Lottery was authorized in 1984. Similarly, the Lottery Act prevents vending machines selling Lottery tickets from dispensing change; these machines currently only accept cash and require exact change.

An additional challenge the Lottery faces is to meet a provision of AB 142 that requires ongoing growth in the Lottery's contribution to education. Specifically, in each fiscal year following an initial "test period" designed to ensure its provisions were meeting the intended purpose of generating more funding for public education, AB 142 requires the Lottery's net revenues allocated to public schools to be at least as much as were allocated on average in the prior five fiscal years. A significant portion of the Lottery's portfolio is comprised of lotto style games for which the jackpot continues to grow until it is hit.

Although sales in these games grow exponentially when jackpots are high, jackpot levels can vary greatly from one fiscal year to another. For example, in FY 2019-20, there were no draws the entire fiscal year in either Powerball or Mega Millions for which the advertised jackpot was \$500 million or higher. By comparison, there were a total of 65 such draws in FY 2023-24; further, there were 13 different draws in Powerball and Mega Millions combined in FY 2023-24 for which the advertised jackpot was \$1 billion or higher. Such performance drives up the five-year average

making it more of a challenge for the Lottery to meet this provision in future fiscal years with jackpot luck on the other end of the spectrum. The following table illustrates the pressure the Lottery faces to meet this requirement in the future.

AB 142 5-Year Average Provision

| Fiscal Year | | Net Revenues Allocated to Public Education 1/ | Previous 5-Yr Average Net Revenues | Amount Over (Under) Requirement |
|-----------------------------|----|---|--|---------------------------------------|
| 2010-11 | 2/ | \$1,100,817 | | |
| 2011-12 | | \$1,298,249 | | |
| 2012-13 | | \$1,260,789 | | |
| 2013-14 | | \$1,326,652 | | |
| 2014-15 | | \$1,363,242 | | |
| 2015-16 | 3/ | \$1,559,669 | \$1,269,950 | \$289,719 |
| 2016-17 | | \$1,494,178 | \$1,361,720 | \$132,458 |
| 2017-18 | | \$1,656,055 | \$1,400,906 | \$255,149 |
| 2018-19 | | \$1,809,721 | \$1,479,959 | \$329,762 |
| 2019-20 | | \$1,425,155 | \$1,576,573 | (\$151,418) |
| 2020-21 | | \$1,857,731 | \$1,588,956 | \$268,775 |
| 2021-22 | | \$2,015,049 | \$1,648,568 | \$366,481 |
| 2022-23 | | \$2,231,054 | \$1,752,742 | \$478,312 |
| 2023-24 | | \$2,158,169 | \$1,867,742 | \$290,427 |
| 2024-25 | 4/ | \$1,857,649 | \$1,937,432 | (\$79,782) |
| 2025-26 | 5/ | \$2,037,147 | \$2,023,930 | \$13,217 |
| *Dollars shown in thousands | | | | |

Gov't Code Sec. 8880.4.5(d): ...in subsequent fiscal years, to ensure continued growth in lottery net revenues allocated to public education, the commission, when setting the percentage [of the total annual revenues to be allocated to the benefit of public education], shall ensure that net revenues allocated to public schools are at least as much as were allocated on average in the prior five fiscal years...

1/ Prior to interest, other income, and unclaimed prizes.

2/ 2010-11 was the first full fiscal year after AB 142 enactment (Ch 13, Stats of 2010 signed April 8, 2010).

3/ 2015-16 was the first full fiscal year following the five-year "test period."

4/ Estimated contribution to education presented to Commission on May 13, 2025.

5/ As reflected in the FY 2025-26 budget presented for Commission approval on May 13, 2025 with a revised budget adopted by the Commission on November 20, 2025.

Strategic Goals and Strategies

The Lottery's strategic goals and strategies at a high-level aim to consistently exceed \$2 billion in contributions to California's public schools and are broken down into annual objectives which are funded year-to-year based on available resources. These objectives are provided to the Lottery Commission in conjunction with the budget wherein the draft budget and draft strategies are presented by the Deputy Directors of Finance and Business Planning & Research respectively in the month of May and the final budget and strategies receiving funding in the budget are presented to the Lottery Commission for approval in June, unless extraordinary circumstances require an earlier vote by the Commission as was the case for the Lottery's fiscal year 2025-26 budget.

Strategic objectives funded for FY 2025-26 include:

- Continue to grow Draw Game sales
- Expand Scratchers sales by removing barriers to play among infrequent players
- Continue to improve knowledge and perceptions about the Lottery
- Explore new ways to expand and utilize the Lottery's strong retail network
- Become customer focused and continue to improve the customer experience (for players, retailers, and internal customers)
- Continue the celebration of the Lottery's 40th Anniversary

The annual objectives the Lottery implements to achieve its strategic goals are developed through the business plan proposal (BPP) process, and BPP milestones are shown in the Business Planning and Budget Development Timeline (see [page 63](#)). The BPP process works in unison with budget planning and begins with Lottery divisions submitting titles and conceptual paragraphs for implementation projects and research/analysis efforts. It may include continuing projects as well as new initiatives. Next, teams led by the sponsoring divisions develop, review, and edit BPPs. Following the submission of final BPPs to the Business Planning & Research Office, BPPs requiring funding for the upcoming fiscal year are included in the divisional ZBB funding requests. Finally, BPPs are reviewed, evaluated, and prioritized for recommendation with an underlying goal to balance funding in a manner that supports infrastructure for building and equipment, technology needs, and provides funding to support growing sales opportunities.

1. **Strategic Goals:** The Lottery's overarching strategic goal is to increase contributions to California public education consistently, with an ambitious financial objective of surpassing the \$2 billion mark annually without reliance on extraordinary circumstances. This goal is anchored in the broader strategic plan outlined in the Lottery's most recent Strategic Directions adopted by the Lottery Commission in June 2023, which serves as a general guidance to steer the organization towards this target.
2. **The Process for Creating the Strategic Goals:** The strategic goals were established through a comprehensive planning process, and as such the Commission approved a set of strategic objectives based on prior

performance and future projections. These objectives were shaped by an analysis of past achievements, such as the Lottery's contributions to California public education exceeding \$2 billion for three consecutive fiscal years and informed by the need to adapt to post-pandemic market conditions and consumer behaviors.

3. **Action Plans and Strategies:** To achieve these goals, the following strategies and action plans have been developed and implemented:
 - **Expand Scratchers Sales:** This involves identifying and removing barriers that prevent infrequent players from engaging with Scratchers games, which could include addressing the need for cash transactions and simplifying the choice of games.
 - **Grow Draw Game Sales:** The focus here is on Jackpot Games and Hot Spot, leveraging past successes such as the introduction of a third Powerball draw day and conducting research to explore potential game enhancements.
 - **Retail Network Expansion:** This strategy includes installing equipment in new trade channels like Walmart Supercenters, updating existing Lottery retailer equipment, and exploring in-lane ticket selling solutions to make it easier for consumers to purchase tickets.
 - **Improve Knowledge and Perceptions:** A campaign is in place to better inform the public about the Lottery's mission and to change perceptions about Lottery, aiming to increase top-of-mind awareness and positive feelings towards the organization.
 - **Modernization Initiatives:** Continuation of initiatives related to transforming and modernizing the Lottery, which involves improving infrastructure, enhancing processes, and evolving the corporate culture. These efforts are integrated into the Lottery's Annual Business Plan.

The strategies included in the Annual Business Plan provide the tactical details necessary to execute these strategic goals within a specific fiscal year, ensuring that the organization remains on course to achieve its long-term objectives. Multiple new chain stores are scheduled to come on board this year and FY 2025-26, future fiscal years' sales will reflect the full impact of this expansion to the Lottery retailer network.

Additionally, a Marketing Budget Plan includes funding for actions and campaign efforts to accomplish the Lottery's goals.

The Annual Marketing Plan supports the advertising and promotional efforts of the different program areas of the Marketing Department. The Consumer Marketing & Advertising budget focuses on actions and strategies driving sales growth in multi-state jackpot games and expanding Scratchers playership, while the Engagement & Retention Marketing program focuses on driving customer engagement, retention and loyalty while building long-term brand value with consumers. These two areas manage large contracts responsible for the production and advertising of Lottery products across multiple media platforms. Another important component of the Marketing Plan is promoting the Lottery brand to retailers and existing and new players. The Promotions and Events team works with chains, independent retailers

and at events to promote products that will drive sales and benefit our Lottery partners. Consumer promotions are geared towards engaging players and introducing new and exciting products that generates additional brand exposure and creates more meaningful impressions that remain impactful well beyond a store purchase.

FY 2025-26
REVISED ANNUAL MARKETING BUDGET PLAN

Grow Draw Game Sales, Particularly in Jackpot Games and Hot Spot

| | | <u>Q1</u> | <u>Q2</u> | <u>Q3</u> | <u>Q4</u> | <u>Total</u> |
|--|---|--------------------|--------------------|--------------------|--------------------|---------------------|
| <i>Consumer Marketing and Advertising</i> | | | | | | |
| 60000 | 1805 Media | | | | | |
| | Jackpot Alerts | \$4,750,000 | \$0 | \$0 | \$0 | \$4,750,000 |
| | Jackpot Always On | 760,000 | 760,000 | 760,000 | 760,000 | \$3,040,000 |
| | Permanent Out-of-Home (JP Perms and Digital Boards) | 0 | 0 | 0 | 6,000,000 | \$6,000,000 |
| | Always On Social Media | \$2,662,500 | \$2,662,500 | \$2,662,500 | \$2,662,500 | \$10,650,000 |
| | | <u>\$8,172,500</u> | <u>\$3,422,500</u> | <u>\$3,422,500</u> | <u>\$9,422,500</u> | <u>\$24,440,000</u> |
| 60100 | 1805 Production | | | | | |
| | Jackpot Alerts | \$285,000 | \$285,000 | \$285,000 | \$285,000 | \$1,140,000 |
| | Jackpot Game Support (JPA Creative Refresh) | 2,750,000 | 0 | 0 | 0 | \$2,750,000 |
| | Permanent Out-of-Home (JP Perms and Digital Boards) | 300,000 | 0 | 0 | 300,000 | 600,000 |
| | | <u>\$3,335,000</u> | <u>\$285,000</u> | <u>\$285,000</u> | <u>\$585,000</u> | <u>\$4,490,000</u> |
| | <i>Subtotal</i> | \$11,507,500 | \$3,707,500 | \$3,707,500 | \$10,007,500 | \$28,930,000 |
| <i>Engagement and Retention Marketing</i> | | | | | | |
| 60200 | 1805 Digital | | | | | |
| | Production - 2nd Chance and Jackpot Captains | \$25,000 | \$25,000 | \$25,000 | \$25,000 | \$100,000 |
| | Prize Fund - 2nd Chance Promotion | 25,000 | 25,000 | 25,000 | 25,000 | 100,000 |
| | Bonus Draws | 185,000 | 150,000 | 150,000 | 165,000 | 650,000 |
| | | | | | | |
| | <i>Subtotal</i> | \$210,000 | \$175,000 | \$175,000 | \$190,000 | \$750,000 |

Grow Draw Game Sales, Particularly in Jackpot Games and Hot Spot (Cont.)

Retailer Marketing

| | | | | | | | |
|--------------|------|--|---------------------|--------------------|--------------------|---------------------|---------------------|
| 60475 | 1805 | POS - Collateral Draw Game Support (Mega Millions/Hot Spot) | \$0 | \$0 | \$25,000 | \$15,000 | \$40,000 |
| Total | | | \$11,717,500 | \$3,882,500 | \$3,907,500 | \$10,212,500 | \$29,720,000 |

Alerting various playership (casual/infrequent players, player group captains, California adults generally) is conducted via digital billboards to stimulate interest in Lottery products and curtailed when media outlets begin to feature stories for large jackpots (known as earned media).

Explore New Ways to Expand and Utilize the Strong Retail Network

| | <u>Q1</u> | <u>Q2</u> | <u>Q3</u> | <u>Q4</u> | <u>Total</u> |
|---|------------------|--------------------|------------------|--------------------|--------------------|
| <u>Retailer Marketing</u> | | | | | |
| 60500 1805 POS - Permanent | | | | | |
| Playcenters - includes parts and deployment | \$0 | \$15,000 | \$0 | \$15,000 | \$30,000 |
| Scratchers Merchandising Displays and Parts | 0 | 1,750,000 | 0 | 1,750,000 | 3,500,000 |
| Corporate Branding - Play Now/Lucky Retailers/Prizes Paid/Millionaire Made Here Kits/Contributions to Education/Pay at District Offices | 300,000 | 0 | 0 | 600,000 | 900,000 |
| Draw Game POS Refresh | 0 | 0 | 0 | 225,000 | 225,000 |
| Attract Show Development (GT 28/20s) | 67,500 | 67,500 | 67,500 | 67,500 | 270,000 |
| Retail Publications - RPP | 120,000 | 120,000 | 120,000 | 120,000 | 480,000 |
| <i>Subtotal</i> | \$487,500 | \$1,952,500 | \$187,500 | \$2,777,500 | \$5,405,000 |
| 60410 1805 Promotions - Retailer | | | | | |
| Activations and Out-of-Stock Promotions | \$0 | \$0 | \$30,000 | \$30,000 | \$60,000 |
| Retailer Marketing Support | 0 | 55,000 | 10,000 | 25,000 | 90,000 |
| <i>Subtotal</i> | \$0 | \$55,000 | \$40,000 | \$55,000 | \$150,000 |
| 60410 1900 Promotions - Retailer | | | | | |
| In-Counter Install Rebates | \$7,500 | \$7,500 | \$7,500 | \$7,500 | \$30,000 |
| Retailer Program Support | 40,105 | 40,105 | 40,105 | 40,105 | 160,420 |
| <i>Subtotal</i> | \$47,605 | \$47,605 | \$47,605 | \$47,605 | \$190,420 |
| <i>Total</i> | \$535,105 | \$2,055,105 | \$275,105 | \$2,880,105 | \$5,745,420 |

Point-of-Sale messaging for “Contributions to Education” is a means for educating the public for the Lottery’s value and supporting the business objective to improve knowledge and perceptions about the Lottery.

| Continuing to Improve Knowledge and Perceptions About the Lottery | | | | | |
|---|-------------|-------------|-------------|-------------|--------------|
| | <u>Q1</u> | <u>Q2</u> | <u>Q3</u> | <u>Q4</u> | <u>Total</u> |
| <u>Consumer Marketing and Advertising</u> | | | | | |
| 60000 1805 Media | | | | | |
| New Game Announcements | \$210,000 | \$210,000 | \$210,000 | \$210,000 | \$840,000 |
| | \$210,000 | \$210,000 | \$210,000 | \$210,000 | \$840,000 |
| 60100 1805 Production | | | | | |
| Brand Effort (e.g. PCDO, Mobile App, African Am. Effort, etc.) | \$30,000 | \$30,000 | \$30,000 | \$30,000 | \$120,000 |
| Agency Fees | 3,090,000 | 3,090,000 | 3,090,000 | 3,090,000 | 12,360,000 |
| | \$3,120,000 | \$3,120,000 | \$3,120,000 | \$3,120,000 | \$12,480,000 |
| Subtotal | \$3,330,000 | \$3,330,000 | \$3,330,000 | \$3,330,000 | \$13,320,000 |
| <u>Engagement and Retention Marketing</u> | | | | | |
| 60200 1805 Digital | | | | | |
| Digital Media - Social - Opportunistic and Boosted | \$50,000 | \$50,000 | \$50,000 | \$50,000 | \$200,000 |
| Digital Media - Paid Search | 400,000 | 400,000 | 400,000 | 400,000 | 1,600,000 |
| Digital Media - Influencers | 787,500 | 787,500 | 787,500 | 787,500 | 3,150,000 |
| Production - Social Media | 37,500 | 37,500 | 37,500 | 37,500 | 150,000 |
| Production - Asset and Content Development | 75,000 | 75,000 | 75,000 | 75,000 | 300,000 |
| Marketing Technology - Marketing Platforms and Platform Support | 62,500 | 62,500 | 62,500 | 62,500 | 250,000 |
| Subtotal | \$1,412,500 | \$1,412,500 | \$1,412,500 | \$1,412,500 | \$5,650,000 |

Continuing to Improve Knowledge and Perceptions About the Lottery (Cont.)

Promotions and Events

| | | | | | |
|---|--------------------|--------------------|--------------------|--------------------|---------------------|
| 60400 1805 Promotions - Consumer | | | | | |
| New Event and Consumer Experiences Activation - Equipment | \$2,000 | \$2,000 | \$50,000 | \$50,000 | \$104,000 |
| Trailer Delivery/Storage/Maintenance | \$27,500 | \$50,000 | \$13,500 | \$34,500 | \$125,500 |
| Experiential Activations | 0 | 550,000 | 0 | 0 | 550,000 |
| Misc. Agency Travel/Storage fees | 2,500 | 2,500 | 2,500 | 2,500 | 10,000 |
| Branded Items - Collectible Scratching Tools | 0 | 0 | 0 | 0 | 0 |
| NFL Sponsorship Fulfillment | 500,000 | 0 | 0 | 0 | 500,000 |
| Statewide Gaming Promotions - Support Retailers | 350,000 | 0 | 0 | 0 | 350,000 |
| NFL Sponsorship | 0 | 0 | 0 | 3,000,000 | 3,000,000 |
| Agency Fees - POS and Promotions Vendor (Alcone) | 1,145,000 | 1,145,000 | 1,145,000 | 1,145,000 | 4,580,000 |
| <i>Subtotal</i> | \$2,027,000 | \$1,749,500 | \$1,211,000 | \$4,232,000 | \$9,219,500 |
| Total | \$6,769,500 | \$6,492,000 | \$5,953,500 | \$8,974,500 | \$28,189,500 |

Production, media, and promotional items for the Lottery's "Brand Effort" provides an entertainment option for California adults that has a positive impact for schools.

| Expand Scratchers Sales by Removing Barriers to Play Among Infrequent Players | | | | | |
|---|---------------------|---------------------|---------------------|---------------------|----------------------|
| | <u>Q1</u> | <u>Q2</u> | <u>Q3</u> | <u>Q4</u> | <u>Total</u> |
| <u>Consumer Marketing and Advertising</u> | | | | | |
| 60000 1805 Media | | | | | |
| Scratchers Category | \$8,228,570 | \$1,371,430 | \$9,990,040 | \$9,990,040 | \$29,580,080 |
| Dedicated Scratchers Campaigns (Holiday, etc.) | 0 | 12,000,000 | 0 | 0 | 12,000,000 |
| <i>Subtotal</i> | \$8,228,570 | \$13,371,430 | \$9,990,040 | \$9,990,040 | \$41,580,080 |
| 60100 1805 Production | | | | | |
| Scratchers Category | \$2,500,000 | \$0 | \$2,500,000 | \$0 | \$5,000,000 |
| Dedicated Scratchers Campaigns (Holiday, etc.) | 0 | 1,800,000 | 0 | 0 | 1,800,000 |
| <i>Subtotal</i> | \$2,500,000 | \$1,800,000 | \$2,500,000 | \$0 | \$6,800,000 |
| <u>Retail Marketing</u> | | | | | |
| 60475 1805 POS - Collateral | | | | | |
| Scratchers Brand - NGA and Feature Games | \$195,000 | \$925,000 | \$375,000 | \$570,000 | \$2,065,000 |
| Scratchers Specific Efforts | 375,000 | 525,000 | 0 | 0 | 900,000 |
| <i>Subtotal</i> | \$570,000 | \$1,450,000 | \$375,000 | \$570,000 | \$2,965,000 |
| <i>Total</i> | \$11,298,570 | \$16,621,430 | \$12,865,040 | \$10,560,040 | \$51,345,080 |
| <u>Total Marketing Plan for Sales and Marketing</u> | | | | | |
| | \$30,320,675 | \$29,051,035 | \$23,001,145 | \$32,627,145 | \$115,000,000 |

Quarterly campaigns deliver brand messaging to keep Lottery products top-of-mind and to remove negative misconceptions about the Lottery by informing the public that all proceeds go to California public schools. Additionally, specialty products are offered seasonally to provide California adults with additional gift-giving opportunities by gifting Holiday Scratchers.

Lastly, the annual budget provides funding for research efforts to aid the Lottery in accomplishing its goals via contractual services with companies that provide advertising tracking studies and focus groups services to track and create outreach to players.

Capital Assets Program

The Lottery's capital budgeting process operates by annually gathering and prioritizing the organization's capital purchasing needs via the Lottery's Business Plan Proposal (BPP) process each year to evaluate new business plan proposals and manage these along with continuing (multi-year and carry-over) projects to determine fiscal year objectives. From this the budgeting process identifies the financial means available to fund projects at various stages to support a mix of ongoing, new, and any business initiatives associated with safety, to launch new revenue-making opportunities, maintain momentum for multi-year and carry-over projects, and address any urgent matters.

The immediate funding needs for projects in various stages including newly proposed, research, development, implementation, and maintenance phases may begin with lower levels of funding that increase towards the implementation phase and then lessen for the maintenance period thereby allowing numerous capital projects to run in parallel at differing stages and proceeding at a pace for any project that can be supported by the human capital available to support the project. Funded projects may carry-over when staffing is not available to support the project, and the overall project plan may be scaled back to control the timing for completed projects and avoid tying up financial resources that result from carrying costs for the organization's depreciation expense which, unchecked, can restrict available funding in other areas.

Furthermore, the Lottery's transition from leasing as the primary means for space planning to complete ownership for Lottery campuses via the Facilities Master Plan led to entirely new concerns for capital budgeting to recognize costs for facilities including nine district office (DO) locations, northern/southern distribution centers (NDC/SDC), and the headquarters (HQ) building. Facilities projects for FY 2025-26 include:

- New Projects
 - Fire Life Safety (HQ and Sacramento DO),
 - Facility Modernization (NDC fire pump),
 - Acquisition or Design/Build (Richmond DO replacement),
 - Equipment (lift trucks), and
 - HQ uninterruptible power supply (UPS) battery replacement
- Continuing Projects
 - Seismic (NDC ticket inventory racking)
 - Critical Infrastructure (Fresno DO re-roofing)

The Lottery's Business Planning and Research Office administers annual BPPs recommended by divisional business areas throughout the Lottery to develop proposals into Lottery authorized projects (capital and non-capital) including prioritization over four categories:

- Continuing projects
- Research phase

- Implementation phase
- New

The Budgets Unit develops the funding aspects for projects by identifying available resources after funding the organization's Operational expenses and additionally works with the Financial Accounting & Reporting Unit to identify appropriate cost centers and depreciation schedules.

FY 2025-26 BPPs prioritized as critical, high, moderate, and lower are funded in the amount of \$10.4 million with \$3.6 million held in the Lottery's Administrative Spending Reserve (funds are held in reserve when the pace for any project includes dependencies that could slow spending).

Business Plan Proposals

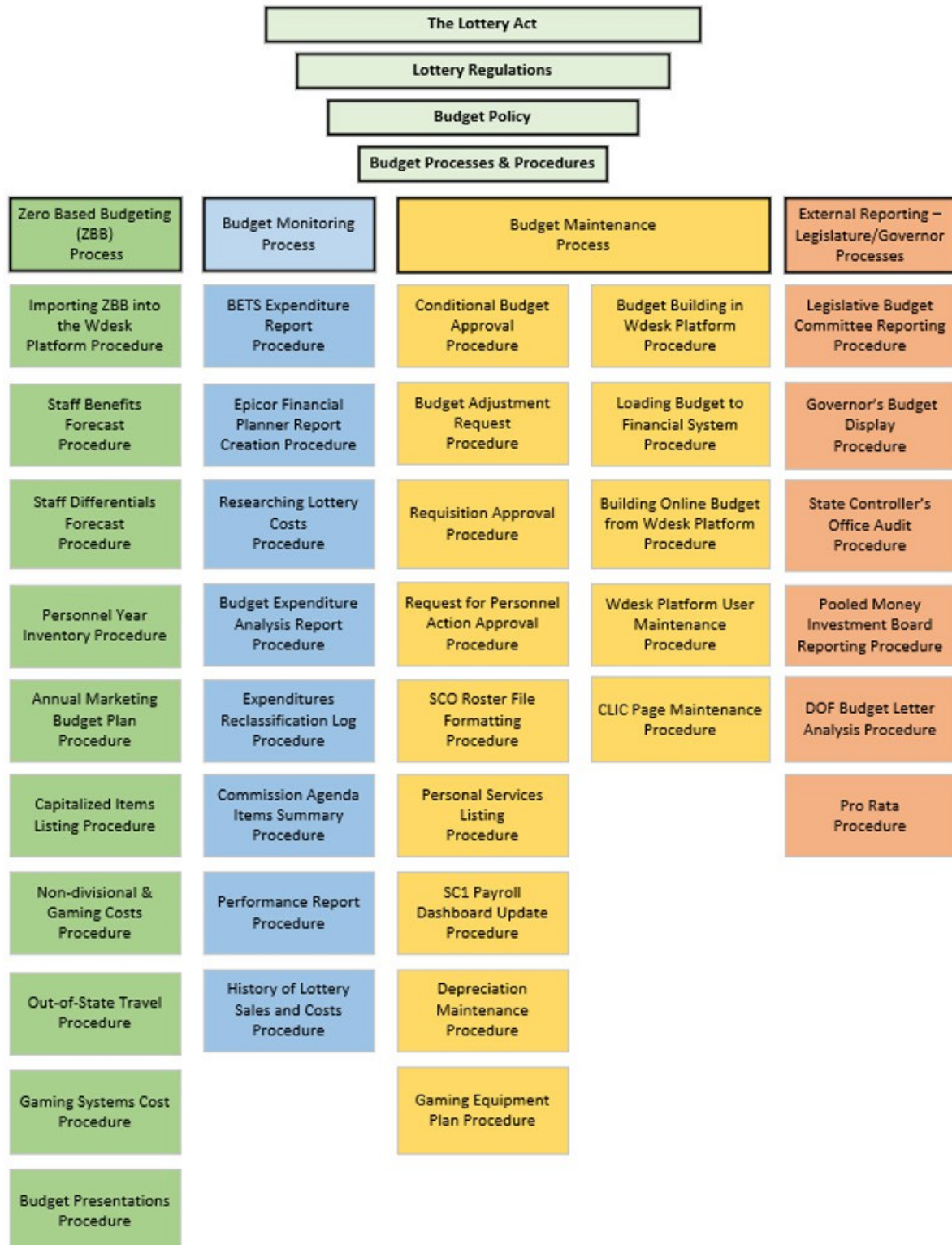
Coordinating key initiatives and developing tactics to achieve organizational goals offers numerous benefits essential for crafting effective business plan proposals. It ensures a unified focus by aligning all areas of the Lottery with the most critical initiatives, aiding in the achievement of the mission and strategic objectives. This coordination streamlines efforts by narrowing down the number of ideas and projects, fostering a more efficient approach. Additionally, it involves a strategic assessment of alternatives to identify those that maximize the organization's contribution to education. Resource optimization is another key benefit, as it ensures that resources are available and effectively allocated to prioritized projects. Finally, this approach facilitates the communication of a shared vision, promoting a collective understanding and commitment across the organization, which is vital for successful business planning.

| BPP # | BPP Title | Continuing/ New | Type of BPP | Sponsor(s) | Final Overall Priority (Approved) | Funded BPPs |
|--------|---|--------------------|---------------------|----------------------------|--|-------------|
| 100008 | NDC Remodel Project | Continuing | Implementation | Operations | Critical | \$1,000,000 |
| 102302 | Player Direct / 2nd Chance Infrastructure Replacement | Continuing | Implementation | ITSD | Critical | \$400,000 |
| 102405 | Scratchers Printing RFP | Continuing | Implementation | Sales & Marketing | Critical | |
| 102501 | Lead Agency Advertising Services RFP | Continuing | Implementation | Sales & Marketing | Critical | \$45,000 |
| 102601 | Cashless Vending Pilot | New | Implementation | Sales & Marketing | Critical | |
| 102602 | Email Platform Evaluation | New | Implementation | Sales & Marketing | Critical | |
| 102315 | PR / Public Affairs Agency Procurement | Continuing | Implementation | PAC | High | \$8,000,000 |
| 102332 | BIBA Migration to Cloud | Continuing | Implementation | ITSD | High | |
| 102352 | Claims & Payment Business Process Reengineering | Continuing | Research & Analysis | Finance | High | |
| 102359 | Market Research Analysis for Gaming Contract | Continuing | Research & Analysis | ITSD | High | |
| 102401 | In-Lane Sales - Phase 1 | Continuing | Implementation | Sales & Marketing and ITSD | High | \$250,000 |
| 102503 | Fresno DO Roof Replacement | Continuing | Implementation | Operations | High | \$530,300 |

| BPP # | BPP Title | Continuing/ New | Type of BPP | Sponsor(s) | Final Overall Priority (Approved) | Funded BPPs |
|---------------|--|--------------------|-----------------------|---------------------------------|--|--------------------|
| 102508 | Identifying new location for Richmond DO | Continuing | Implementation | Operations | High | \$100,000 |
| 102605 | Developing A Program for Hot Spot Promotions | New | Implementation | Sales & Marketing | High | \$40,000 |
| 102606 | Hispanic Segment Marketing Agency RFP | New | Implementation | Sales & Marketing | High | |
| 102608 | SuperLotto Plus Enhancements | New | Research & Analysis | Sales & Marketing | High | |
| 102610 | Jaws Scratchers Digital Extension for 2nd chance entries | New | Implementation | Sales & Marketing | High | |
| 102611 | Adding draws to Daily Games | New | Research & Analysis | Sales & Marketing | High | |
| 100018 | HR Service Center | Continuing | Implementation | Human Resources and ITSD | Moderate | \$1,750,000 |
| 102355 | Financial Management System Evaluation (previously ERP Analysis) | Continuing | Research & Analysis | ITSD and Finance | Moderate | |
| 102407 | Network Resiliency | Continuing | Implementation | ITSD | Moderate | |
| 102502 | Lottery HQ Pavilion & Lobby AV upgrades | Continuing | Implementation | ITSD | Moderate | \$1,000,000 |
| 102510 | Lottery's 40th Anniversary Cross-Division Team | Continuing | Implementation | Business Planning & HR | Moderate | |
| 102609 | NFL Powerball draw game | New | Research & Analysis | Sales & Marketing | Moderate | |
| 102612 | HQ Door Access Control Upgrade | New | Implementation | ITSD | Moderate | \$900,000 |
| 102403 | Gaming System Data Retention | Continuing | Implementation | ITSD | Lower | |
| 102406 | SCO New CA State Payroll System | Continuing | Implementation | Human Resources | Lower | |
| 102505 | Tax Withholding on Retailer Income | Continuing | Research & Analysis | Finance | Lower | |
| 102603 | Divisional File Share Migration | New | Implementation | ITSD | Lower | |
| | | | | | Total | \$14,015,300 |

Financial Policies

The Lottery's Budgeting Requirements Policy applies to all Lottery employees who are authorized to expend or are involved in the associated procurement processes for expending Lottery administrative funds and holds staff accountable for adhering to the annual budget. Additionally, it requires budget expenditure activities to be consistent with the California Lottery Act, Lottery Regulations, Lottery policies, processes, and procedures, and applicable state laws.



Fund and Reporting Requirements

Government Code (GC) § 8880.61 (a) establishes, A special fund to be known as the "State Lottery Fund" is created within the State Treasury that is continuously appropriated for carrying out the purposes of the Lottery Act. The fund's resources are protected by provisions that prevent the transfer of money from the General Fund or any other state fund to support the lottery or its associated debts, except for authorized loans made by the State Controller's Office (SCO) to the state's General Fund. Such loans must carry interest at a specified rate above the Pooled Money Investment Account rate and cannot impede the objectives of the State Lottery Fund. Administrative and operational expenses of the lottery are capped at 13% of total annual revenues from lottery ticket sales, and specific non-monetary exchanges are excluded from this expense calculation. Costs include the operation and administration of the lottery, contracts for goods and services, promotional activities, retailer compensation, and reimbursement to other governmental entities for services provided to the lottery. The net revenues of the lottery, which are the funds remaining after all obligations for prizes, expenses, and repayments are covered, are transferred by the SCO quarterly to the California State Lottery Education Fund. Lastly, the Commission is responsible for reimbursing other governmental entities for services necessary to carry out the Lottery's purpose.

Pooled Money Investment Board (PMIB)

To ensure the needed liquidity for current expenses including quarterly payments to the beneficiary the Lottery reports its cash needs prior to each quarterly meeting of the PMIB which, through the Pooled Money Investment Account, invests special funds held by state agencies including the Lottery.

Through the Pooled Money Investment Account (PMIA), the State Treasurer invests taxpayers' money to manage the State's cash flow and strengthen the financial security of local governmental entities. PMIA policy sets as primary investment objectives safety, liquidity and yield.

The Investment Division of the State Treasurer's Office manages the PMIA under statutory authority granted by California Government Code sections 16430 and 16480.4. The PMIB governs the PMIA. The State Treasurer chairs the PMIB, which also includes the State Controller and the State Director of Finance.

The PMIA has three primary sources of funds: the State general fund; special funds held by State agencies; and moneys deposited by cities, counties and other entities into the Local Agency Investment Fund. At the end of June 2025, the PMIA portfolio totaled approximately \$178.1 billion.

Under GC § 8880.42, "The director shall provide a monthly cumulative sales report to the commission and the Controller within 15 days after the end of each month. The report shall include cumulative lottery sales by product, compared to the commission-approved budget and the estimated administrative expenses for the current fiscal year."

In accordance with GC § 8880.43, "The director shall provide the following informational reports to the Department of Finance, the Joint Legislative Budget Committee, and the budget committees of the Legislature:

- a. No later than January 10 of each year, a copy of the proposed administrative budget for the California State Lottery Commission for the fiscal year that begins the following July 1.
- b. No later than June 1 of each year, a copy of the California State Lottery Commission's proposed administrative budget and expected sales revenues for the fiscal year that begins the following July 1. If applicable, this report shall detail any administrative funding that is proposed to be used to supplement the prize pool of any lottery game.
- c. No later than June 30 of each year, the final budget and revenue projections approved by the California State Lottery Commission for the fiscal year that begins the following July 1. The report shall include any approved revision, and supporting documentation, to the June 1 proposed budget provided pursuant to subdivision (b). If applicable, this report shall detail any administrative funding that is proposed to be used to supplement the prize pool of any lottery game."

Debt Authority and Current Practice

The California State Lottery Act authorizes the Lottery Commission to issue bonds or notes. To date, the Commission has met all capital needs with current year revenues; no debt is outstanding, and no borrowing is proposed for FY 2025-26. Should borrowing ever be contemplated, the Commission would adopt specific terms and repayment provisions at that time.

- The Lottery has no outstanding bonds, notes, or other long-term obligations as of June 30, 2025, and no debt service is budgeted for FY 2025-26.
- Historically, all capital projects have been funded from current revenues within the statutory 13 percent administrative-expense cap.
- Any future debt would require Commission approval, a dedicated repayment source within the administrative cap, and compliance with the State Treasurer's guidelines on issuance, disclosure, and post-issuance reporting.
- The Lottery Act does not specify a dollar limit but requires that debt may not impair timely transfers to the State Lottery Education Fund.

Exhibit: Joint Legislative Budget Committee transmittal letter and final budget per GC § 8880.43 (c)



June 30, 2025

The Honorable Scott Wiener
Joint Legislative Budget Committee
1020 N Street, Room 553
Sacramento, CA 95814

Dear Chairperson Wiener:

Subject: Fiscal Year Budget, California State Lottery

Pursuant to Government Code section 8880.43 (c), the California State Lottery is transmitting the Fiscal Year 2025-26 final budget adopted by the Lottery Commission on May 13, 2025.

If you have any questions, please call me at (916) 822-8110.

Sincerely,

Harjinder K. Shergill Chima
Director

Attachment

cc: Hans Hemann, Principal Consultant
Joe Shinstock, Assembly Republican Leader's Office

**CALIFORNIA STATE LOTTERY FUND
FISCAL YEAR 2025-26 FINAL BUDGET
(Dollars in Thousands)**

| | <u>FY 2025-26 Final Budget</u> |
|--|------------------------------------|
| Lottery Sales | \$9,100,000 |
| Less Prizes | <u>\$6,026,534</u> |
| Resources after prizes | <u>\$3,073,466</u> |
| Less Game Costs: | |
| Retailer Costs | \$616,979 |
| Gaming Costs | <u>157,280</u> |
| Total Game Costs | <u>\$774,259</u> |
| Income Before Operating Expenses | <u>\$2,299,206</u> |
| Operating Expenses: | |
| Salaries, Wages and Benefits | \$142,952 |
| Advertising, Promotions, Public Relations and Point-of-Sale | 90,000 |
| Other Contractual Services | 35,362 |
| Depreciation and Amortization | 11,532 |
| Other General and Administrative Expenses | 28,895 |
| Administrative Reserves | <u>100,000</u> |
| Total Operating Expenses | <u>\$408,741</u> |
| Net revenue | \$1,890,466 |
| Interest income, net | \$50,000 |
| Unclaimed Prizes | 35,000 |
| Administrative Reserves | <u>100,000</u> |
| Net Resources to Education Fund | <u><u>\$2,075,466</u></u> |

Budget Process

The Lottery utilizes a zero-based budgeting (ZBB) approach to build each fiscal year budget plan from the ground up generating budget funding schedules for eight divisional areas and for non-divisional costs.

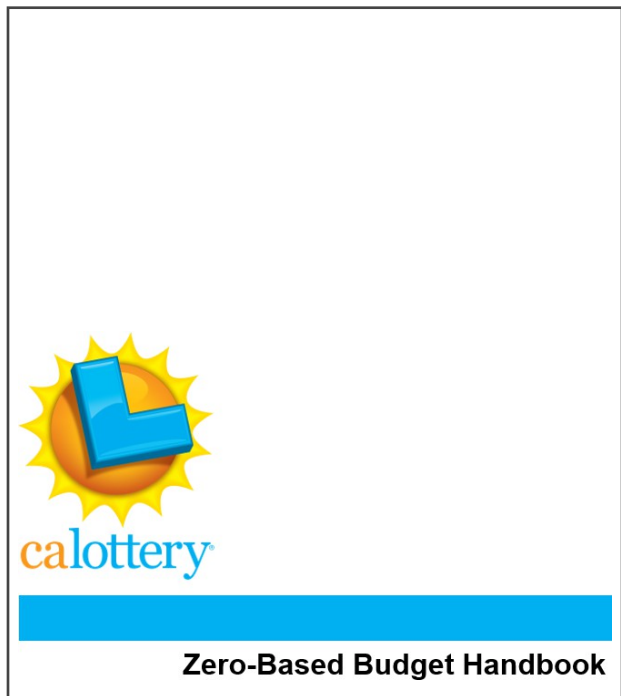
The Budgeting Requirements policy approved by the Lottery Director June 2025, is supported with processes for:

- Commission Budget development,
- Budget Monitoring,
- Budget Maintenance,
- External Reporting Governor,
- External Reporting Legislature, and
- ZBB process for Divisions.

ZBB Tools

The ZBB process, template and handbook creates a transparent allocation of funding based on current business needs, and not on historical programs that may be obsolete today. With changes in technology, economy, and administrations, it is critical to evaluate our tactics more frequently and thoroughly to ensure we are using best practices in all divisions; this includes reviewing existing contracts to verify that they are being utilized to conduct current business. By evaluating a program, managers and staff have an opportunity to identify activities in a given division and assess if funding levels are appropriate, or if there are more cost-effective ways to improve operations.

The ZBB Handbook provides guidance to divisional staff for requesting fiscal year budget funding to meet ongoing business needs and an analysis template is provide for division use in requesting new funding resources wherein utilization for the new funds must be justified.



ZBB Analysis Template



Date:

Topic:(Activity or Program area)

Prepared for: (Receiving Deputy Director)

Contributors: (Prepared by)

SUMMARY

(briefly describe the purpose and focus of this activity; how does this support the program objectives and the organization's business initiatives?)

BACKGROUND

(brief history of activity)

EXPECTED BENEFITS

(brief description of this activity's value)

ANALYSIS

(describe results for conducting this activity)

Pro: (discuss what is working well)

Con: (list opportunities)

FISCAL IMPACT

(describe any short-term or long-term funding needs; include details if request is for a cross-divisional project or activity)

RECOMMENDATIONS

(How do you see this program developing in the future - what would you recommend?)

Budget Timeline

The process for building the annual budget is kicked off with posting and dissemination of the Fiscal Year Business Planning & Budget Development Timeline that communicates the order for significant milestones along the path to constructing the proposed budget for presentation to the Lottery commission beginning with gathering funding request data from Lottery divisions and concluding with presentation for the budget to the Commission.

FISCAL YEAR 2025-2026 BUSINESS PLANNING & BUDGET DEVELOPMENT TIMELINE

November

- Budgets team FY 2025-26 Annual budget development timeline delivery
- Budgets team provides Zero Based Budget (ZBB) planning tools to Divisions
- Budgets generates estimates for ZBB routine operating costs (excluding new proposals)
- **All FY 2025-26 Continuing Business Plan Proposalsⁱ (BPP) Projects Identified – Due Nov 21**
- **Divisions submit names of staff involved for each Continuing BPP – Due Nov 27**

December

- Draft ZBB reviews with Budgets/Divisions for operational/coreⁱⁱ and potential project costs
- **First set of training sessions for BPPs – Weeks of Dec 2, 9, and 16**
- **Divisions submit to Business Planning & Research (BP&R) new BPP titles and a descriptive paragraph for both implementation projects and research & analysis projects. Due – Dec 31**

January

- **Second set of training sessions for BPPs – During January 2025**
- **Meetings for NEW BPPsⁱⁱⁱ to discuss idea and potential scope. This will allow Divisions to ask the sponsor questions and to help determine stakeholders - Weeks of Jan 6 and 13**
- **Divisions finalize names of staff involved in the development for each NEW BPP - Due Jan 20**

February

- Assessing current year spending (FY 2024-25 Q2 BEAR)
- **Sales Division to provide Preliminary FY 2025-26 Brightstar Equipment Plan - Due Feb 24**

March

- **Submit new position requests to HR for concept approval - Due Mar 3**
- **Final ZBB proposals including BPPs (only for funds needed in FY 2025-26), initial sales goals, Scratchers tickets purchase plan, out-of-state travel requests due to Budgets - Due Mar 10**
- **Final BPPs submitted to BP&R – Mar 18**
- BPP review, evaluation, recommendations, and prioritization

April

- **HR accepts requests for unit code changes (additions, deletions, and reorganizations) *Due Apr 1***
- Budgets presentation #1 to the Director: funding for Operational/Core functionality
- Budgets presentation #2 to the Director:
 - funding for Discretionary items^{iv}
- Funding decisions from Director on discretionary funding requests

May

- **Proposed Out-of-State Travel Blanket due to the Director - *Due May 2***
- **BP&R to provide final sales goals to Budgets - *Due May 2***
- Budgets to provide Draft Proposed Budget to the Director
- Decision on Proposed Budget from the Director, including any changes
- Budgets finalizes Proposed Budget to reflect the Director's changes for May meeting
- **Out-of-State Travel Blanket due to the Governor's Office - *Due May 14***
- Draft Annual Business Plan & Draft Proposed Budget presented to the Commission

June

- Obtain costs for deferred Scratchers expenses
- Final Budget approval from the Director
- Final Proposed FY 2025-26 Business Plan & Proposed Budget presented to the Commission

^[i] Business Plan Proposals are essentially pre-Project Charter documents for either initiatives requiring coordinated work in multiple divisions or projects involving just one division but requiring significant staff resources in that division.

^[ii] Operational/core functionality includes funding for items that cannot skip a year such as utilities, properties maintenance, creative production elements, ongoing contracts remaining relevant and critical to business operations, etc.

^[iii] Several meetings would occur involving the sponsoring division and all divisions identified as stakeholders to discuss, clear-up, and resolve details associated with the BPP. This would include reviewing most sections of the BPP before finalizing. The meetings may be held for individual BPP concepts or a group of similar BPPs with the same stakeholders. Business Planning staff assists in facilitating these meetings, as needed.

^[iv] Discretionary items include new positions, new goods/services not needed to maintain operations, and new campaigns over and above routine advertising campaigns (including fiscal detail of all proposed campaigns and how they will deliver return on investment).

Note:

In addition to Deputy Directors, key managers, and Budget Liaisons, staff responsible for expending Lottery funds (i.e., contract managers) should be involved in budget planning, tracking, and reporting.

Initial sales goals generated by the Business Planning and Research Office are refined to deliver final fiscal year sales goals as shown in the timeline. The process to develop the final fiscal year sales forecast is based on projecting full-year sales for newer retail outlets selling for less than a year, forecasting sales for planned additional chain stores, calculating Scratchers tickets sales based on the approved product plan for the coming fiscal year, using modeling to project validation sales (sales occurring at the point of sale) over the coming fiscal year, and utilizing statistical modeling to develop sales estimates at various jackpot levels based on the range of percentiles for the occurrence of various jackpot levels. Finally, historical results are considered to understand the effects of "cannibalization" as consumer purchases graduate to newer high price point products added to the Lottery's product portfolio.

Budget Forecasting Methodology & Recommendations

The forecasts for fiscal year 2026-27 and fiscal year 2027-28 were calculated using the statistical forecasting methods ARIMA and ETS, which were implemented in the R programming environment. Data from multiple fiscal years beginning in fiscal year 2021-22 through fiscal year 2024-25 were normalized to ensure data continuity and eliminate any gaps in the dataset. The Lottery categorizes data into categories including sales, prizes, operating expense, and equipment to efficiently allocate funding and track expenditures in these areas. Numerous accounts were combined for a broader macro analysis.

To ensure robust forecasting, we required a minimum of two data points per account for the analysis. A total of 1,000 simulations were conducted to capture uncertainty in the forecast intervals. To validate the statistical relevance of our forecasting models, we conducted a preliminary evaluation by running a forecast for a certified fiscal year (fiscal year 2023-24) using data from two prior fiscal years (fiscal year 2021-22 and fiscal year 2022-23) to test the methodology. We then wrote code to assess which forecasting model, ARIMA or ETS, most accurately predicted the actual fiscal year 2023-24 data. The model with the best performance in this evaluation was subsequently applied to generate forecasts for fiscal year 2026-27 and fiscal year 2027-28. This approach ensured that the most accurate model was used for predicting future trends in the Lottery's account data. This process is expected to streamline forecasting efforts and reduce the need for manual analysis in future cycles.

| | FY 2027 | FY 2028 |
|---|------------------|------------------|
| Lottery Sales | \$ 9,149,835,245 | \$ 9,127,213,764 |
| Less Prizes | \$ 6,059,935,883 | \$ 6,044,953,676 |
| Resources after Prizes | \$ 3,089,899,362 | \$ 3,082,260,088 |
| Less Game Costs: | | |
| Retailer Costs | \$ 623,421,765 | \$ 622,064,476 |
| Gaming Costs | \$ 158,292,150 | \$ 157,900,798 |
| Total Game Costs | \$ 781,713,914 | \$ 779,965,274 |
| Income Before Operating Expenses | \$ 2,308,185,448 | \$ 2,302,294,814 |
| Operating Expenses: | | |
| Salaries, Wages & Benefits | \$ 147,240,560 | \$ 151,657,777 |
| Advertising, Promotions, Public Relations and Point-of-Sale | \$ 84,253,531 | \$ 78,252,810 |
| Other Contractual Services | \$ 35,362,000 | \$ 35,362,000 |
| Depreciation and Amortization | \$ 10,785,801 | \$ 10,785,801 |
| Other General & Administrative Expenses | \$ 28,669,000 | \$ 28,669,000 |
| Administrative Reserves | \$ 100,000,000 | \$ 100,000,000 |
| Total Operating Expenses | \$ 406,310,891 | \$ 404,727,388 |
| Net Revenue | \$ 1,901,874,556 | \$ 1,897,567,426 |
| Interest income, Net | \$ 40,000,000 | \$ 30,000,000 |
| Unclaimed Prizes | \$ 35,000,000 | \$ 35,000,000 |
| Administrative Reserves | \$ 100,000,000 | \$ 100,000,000 |
| Net Resources to Education Fund | \$ 2,076,874,556 | \$ 2,062,567,426 |

Managing Budgeted Funds

Budget Development

The Budgets Unit utilizes the Wdesk productivity platform provided by Workiva which brings together data connectivity, management reporting, and report design, all in a single application. Utilizing Wdesk's secure data cloud environment enables the budgeting team to collaborate on budget schedules and track productivity while maintaining control of the budget with data linking. These features allow simultaneous budget development as the entire team produces division budget schedules all at the same time and data is fed real-time to the roll-ups for the accrual budget display, annual/quarterly budget schedules, and even the presentation slide deck presented to the Lottery Commission for approval of the annual fiscal year budget. Further, the history feature and built-in messaging features allow staff to pinpoint costs for updating and store changes made to the data. Lastly, this makes it possible to update a single budget allocation at the source level and instantaneously update all the destination cells, ensuring that the budget process is nimble and giving the team confidence that everything adds up across the multitude of schedules.

Budget Monitoring

For budget monitoring, monthly budget-to-actual spending reports are utilized to identify any discrepancies. When services are received earlier than planned the budget is modified to match funding availability with invoicing to avoid any false reporting for lack of funding e.g., the Lottery maintains self-insurance and funding reserves (Reserve for Insurable Risk and the Administrative Spending Reserve) to lower the costs for insurance and to protect against unanticipated costs.

Discrepancies

A thorough analysis of monthly expenses must be performed to ensure adherence to planned spending and to identify necessary adjustments including reclassification for mis-posted expenses.

Budgets Unit analysts ensure costs are tracking with allocated funding by reviewing monthly Budget Expenditure Tracking System (BETS) reports and performing detailed analyses. Any improperly posted expenses identified are input to the Expenditures Reclassifications log, forwarded to Accounting Operations and Financial Accounting & Reporting staff, and reposted to the planned budget account. By maintaining accurate expenditure reports, the organization can evaluate how the budget is performing, as well as provide spending trends to facilitate forecasting future budget allocations.

| Number | Journal Sequence | Journal No. | Journal Date | Posted Date | GL Division | From Account | To Account |
|--------|------------------|-------------|--------------|-------------|-------------|--------------|------------|
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |

| Amount | Description | Budget Analyst | Corrected Date | Corrected By | Corrected Journal Entry Number | Comments |
|--------|-------------|----------------|----------------|--------------|--------------------------------|----------|
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |

Budget Maintenance

Budget modifications authorized in DocuSign by the Lottery Director, in accordance with procedure, are input to Wdesk to produce the revised budget file that is utilized to update the budget in the financial system. The benefits for utilizing the Wdesk platform include integration of the Budget Adjustment Request (BAR) budget maintenance transactions for ease of file production, maintaining separation for budgeting staff from working within the financial system, and providing an audit trail for changes to the authorized budget. Budget augmentations using funds from the Lottery's Administrative Spending Reserve and Reserve for Insurable Risk funds (i.e., the Lottery budget include \$5 million to self-insure for certain costs including workers compensation claims and property damage) are reported to the Lottery Commission. Transfers from these reserves are associated with the strategic objectives the funding supports or are assigned to Administrative Support if directed towards expenses for Lottery overhead costs as shown in the following authorizing documents and charts.

REQUEST NO.

4

CALIFORNIA LOTTERY

BUDGET ADJUSTMENT REQUEST (BAR)☐ Interdivisional (between divisions)☐ Intradivisional (within division)

| | | | |
|----------------------------|-------------------------------|------------------------|----------------|
| Initiating Division | Initiating Department/Section | Initiating Cost Center | Fiscal Year |
| Finance | | | 2023-24 |
| Receiving Division | Receiving Department/Section | Receiving Cost Center | Effective Date |
| | Multiple | | Jun 1, 2024 |

Justification for Proposed Redirection:

The purpose of this BAR is to transfer funding from the Lottery's Administrative Spending Reserve and Reserve for Insurable Risk to account for expenditures that were not explicitly budgeted for in FY 2023-24. These augmentations total \$12.4 million, and the Lottery's Commission approved budget for FY2023-24 includes \$63 million in the Administrative Spending Reserve and \$5 million in the Reserve for Insurable Risk. The Administrative Spending Reserve was reduced by approximately \$8.1 million after the first three BAR transfers. With this fourth BAR approved, \$43.5 million would remain in the Administrative Spending Reserve and \$4 million will remain in the Reserve for Insurable Risk. We are also including intra- and inter- divisional funding transfers in this package for increased transparency, even though these items don't require Director approval and do not impact the reserves.

Please see the attached workbook which includes worksheets for:

1. Admin. Reserve Augmentations (transfers from the Administrative Spending Reserve)
2. Insurable Risk Fund Augmentations (transfers from the Lottery's Reserve for Insurable Risk.
3. Transfers (intra- and inter-divisional)
4. Strategic Objectives (applicable objective augmentation ties to or is needed for admin. support)

| | | |
|---|----------------------------|------------------|
| Requested by | Division | Date |
| Approval by Initiating Deputy Director Nicholas Buchen | Division Finance | Date 6/3/2024 |
| Approval by Receiving Deputy Director | Division | Date |

| | | |
|---|---|------------------|
| FOR BUDGET USE ONLY: | BUDGET OFFICE COMMENTS/RECOMMENDATION: | |
| FROM: | | |
| TO: | | |
| AMOUNT: | | |
| Budget Analyst Approval Francisco Soto | Signature | Date 6/3/2024 |
| Budget Office Approval (\$10K+) Bret Grosso, Budget Officer | Signature | Date 6/3/2024 |
| Lottery Director Approval (Administrative Spending Reserve Redirection Only) Harjinder Chima, Chief Deputy Director | Signature | Date 6/3/2024 |
| DISTRIBUTION: Original - Budgets Copies - Requestor | | |
| CSL 0163 (R08/20) | | |

Proposed Augmentations to Divisions' Budgets from the Lottery's Administrative Reserve Fund

| Division and Proposed Augmentation Explanation | Account | Division | Location | Unit | Expense Category | Total | Strategic Objective |
|--|----------------|-----------------|-----------------|-------------|--------------------------------|--------------|----------------------------|
| Operations: Unplanned long-term vehicle rentals are utilized in the interim until vans obtained for the Sales Department can be deployed. | 69900 | 04 | 00 | 1400 | Vehicle Operations | \$430,000 | 5 |
| Operations: Building bump-out funding Z Squared amendment (NDC Project). | 68910 | 04 | 00 | 1400 | Alterations & Remodeling | \$155,000 | 5 |
| Operations: Primarily funding physical security equipment and installation for Z Squared amendment (NDC Project). | 99998 | 04 | 00 | 0000 | Fixed Assets | \$1,001,265 | 5 |
| Security & Law Enforcement: Increased depreciation expense for 55 Motorola radios used to communicate with CHP and local law enforcement. | 99998 | 00 | 00 | 0000 | Fixed Assets | \$521,588 | 5 |
| Information Technology Services: Increased depreciation expense for 32 Sharp multi-function printers. | 99998 | 00 | 00 | 0000 | Fixed Assets | \$234,148 | 5 |
| Information Technology Services: Software license/ maintenance for 32 Sharp multi-function printers. | 67100 | 06 | 00 | 1600 | Printing | \$123,631 | 5 |
| Information Technology Services: Storage hardware for enterprise data. | 99998 | 00 | 00 | 0000 | Fixed Asset | \$91,741 | 5 |
| Information Technology Services: Contract Amendment to add funds for Epicor Maintenance and Operations. | 63200 | 06 | 00 | 1600 | Professional Services-External | \$33,333 | 5 |
| Information Technology Services: Year-end funding for Ahead Inc.contract to provide implementation for the Human Resources Service Delivery to the ServiceNow platform. | 63200 | 06 | 00 | 1600 | Professional Services-External | \$98,686 | 5 |
| Information Technology Services: Funding needed to complete approved equipment purchases for Enterprise refresh plan. | 69700 | 00 | 00 | 0000 | Expendable Equipment | \$100,000 | 5 |
| Information Technology Services: Costs to add retiring Lottery staff to the blanket. | 50500 | 00 | 00 | 0000 | Temporary Help Blanket | \$81,233 | 5 |

| | | | | | | | |
|--|-------|----|----|------|-------------------------------|---------------------|---|
| Sales & Marketing: Funding to support the return for Marketing staff in-state travel to promotional events. | 68100 | 08 | 00 | 1805 | In-State Travel | \$8,000 | 5 |
| Sales & Marketing: Costs to replace video camera for the Video Production Unit. | 99998 | 00 | 00 | 0000 | Dep Exp-Audio Video Equipment | \$12,800 | 5 |
| Sales & Marketing: Funding for returning employee in District Sales business area. | 50500 | 08 | 00 | 1925 | Civil Service Temporary | \$21,975 | 5 |
| Sales & Marketing: Funds Asian advertising, Scratchers Category Repositioning Effort, and Jackpot Alerts. | 60100 | 08 | 00 | 1805 | Production | \$4,000,000 | 4 |
| Sales & Marketing: Funding to air additional Jackpot Alerts due to the number of high jackpots. | 60000 | 08 | 00 | 1805 | Media | \$4,500,000 | 2 |
| Total | | | | | | \$11,413,401 | |
| Proposed Augmentations from Administrative Reserve, Total | | | | | | \$11,413,401 | |
| Augmentations from Insurable Risk Fund, Total | | | | | | \$1,000,000 | |
| Total Augmentations | | | | | | \$12,413,401 | |

| Proposed Augmentations to Divisions' Budgets from the Lottery's Reserve for Insurable Risk Fund | | | | | | | |
|---|----------------|-----------------|-----------------|-------------|-------------------------|--------------------|----------------------------|
| Division and Proposed Augmentation Explanation | Account | Division | Location | Unit | Expense Category | Total | Strategic Objective |
| Human Resources: Workers Compensation liabilities increased this fiscal year due to large claim amounts. | 55150 | 03 | 10 | 1300 | Workers Compensation | \$1,000,000 | 5 |
| Proposed Augmentations from Administrative Reserve, Total | | | | | | \$1,000,000 | |

Transfers of Budgeted Funds Between Accounts and/or Divisions

| Division and Transfer Summary | Account | Division | Location | Unit | Expense Category | Quarter 4 | Total |
|--|----------------|-----------------|-----------------|-------------|-----------------------------|------------------|--------------|
| From: Executive - Directorate | 50100 | 01 | 10 | 1110 | Salary: Permanent | (19,000) | (19,000) |
| To: Executive - Directorate | 50500 | 01 | 10 | 1110 | Salary: Temporary | 19,000 | 19,000 |
| Summary: Costs for Retired Annuitant in the Equal Employment & Opportunity Office. | | | | | | | |
| From: Executive- Internal Audits | 50500 | 01 | 10 | 1130 | Salary: Temporary | (42,686) | (42,686) |
| To: Executive- Internal Audits | 55xxx | 01 | 10 | 1130 | Benefits | (9,174) | (9,174) |
| Summary: ProCAsp ADA Consultants is contracted to perform inspections for the Retailer Access Program (formerly contracted with the Department of Rehabilitation). | | | | | | | |
| | 63200 | 01 | 10 | 1130 | Professional Services - Ext | 51,860 | 51,860 |
| From: Executive: External Affairs | 71200 | 01 | 10 | 1140 | Event Sponsorship | (209,991) | (209,991) |
| To: Sales & Marketing | 60000 | 08 | 00 | 1805 | Media Expense | 134,995 | 134,995 |
| To: Sales & Marketing | 60200 | 08 | 00 | 1805 | Digital Marketing | 74,996 | 74,996 |
| Summary: Transfer funds to Marketing for advertising costs for Gift Responsibly and Problem Gambling Awareness Month programs. | | | | | | | |
| From: Finance | 68500 | 02 | 00 | 1200 | Training | (10,000) | (10,000) |
| To: Finance | 70500 | 02 | 00 | 1200 | Interest Penalties | 10,000 | 10,000 |
| Summary: Funding for late payment penalties. | | | | | | | |
| From: Finance | 67000 | 02 | 00 | 1200 | General Expense | (208) | (208) |
| To: Finance | 60465 | 02 | 00 | 1200 | Promotions-Consumer | 208 | 208 |
| Summary: Transfer funds to cover Goodwill Scratchers tickets expense for mis-calibrated tickets. | | | | | | | |

| | | | | | | | |
|--|-------|----|----|------|-----------------------------|-------------|-------------|
| From: Public Affairs & Communications | 63200 | 05 | 10 | 1500 | Professional Services - Ext | (1,934,312) | (1,934,312) |
| To: Sales & Marketing | 60000 | 08 | 00 | 1805 | Media | 1,367,194 | 1,367,194 |
| Summary: Mission Education Campaign funds transferred to the advertising contract budget in the Marketing Department. | 60100 | 08 | 00 | 1805 | Production | 567,118 | 567,118 |
| From: Sales & Marketing | 60475 | 08 | 00 | 1805 | Point of Sale - Collateral | (450,000) | (450,000) |
| To: Sales & Marketing | 60500 | 08 | 00 | 1806 | Point of Sale - Permanent | 450,000 | 450,000 |
| Summary: For Point-of-Sale acquisitions, a greater amount of funding is needed for Permanent POS assets due to cost increases. | | | | | | | |

STRATEGIC OBJECTIVES FOR FY 2023-24 BUSINESS PLAN

1. Expand Scratchers sales by removing barriers to play among infrequent players.
2. Grow Draw Game sales particularly in Jackpot Games and Hot Spot.
3. Explore new ways to expand and utilize the Lottery's strong retail network.
4. Continue to improve knowledge and perceptions about the Lottery.
5. Administrative Support.

Itemized Reserve Listing

Additionally, an itemized reserve listing is produced with the fiscal year budget to prioritize the release of funds from the Administrative Spending Reserve during the fiscal year and these releases are contingent upon Lottery sales levels allowing for additional spending. Because the Lottery's Administrative Spending Reserve and Reserve for Insurable Risk reduce the risk for the Lottery exceeding the 13 percent cap for administration of the Lottery by maintaining a buffer and reducing insurance costs, it is in the Lottery's benefit to prioritize funding which may be released from the reserves to ensure the financial health for these funds as they also help when emergency funding needs arise.

| FY 2025-26 Itemized Reserve Listing | | | | |
|-------------------------------------|---|------------------|--------------------------|---------------------|
| Item # | Description | Business Area | Funding Request Type | Total Cost |
| 1 | Scratchers Ticket Cost (see SCR Calculation) | Organizational | Budget Reduction | 5,296,979 |
| 2 | Personal Services (Recognizes Vacant Positions) | Organizational | Budget Reduction | 5,000,000 |
| 3 | Potential Cost Increases (Tariffs) | Various | Budget Reduction | 5,000,000 |
| 4 | General Salary Increase of 1% | Organizational | Budget Reduction | 1,000,000 |
| 5 | Sales Incentive Bonus | SMD | Budget Reduction | 1,000,000 |
| 6 | Staff Retirements | Various | Typical augmentation | 500,000 |
| 7 | DOJ (i.e., personnel actions, merit claims, etc.) | EXEC (Legal)/HRD | Typical augmentation | 100,000 |
| 8 | SPB Triennial Compliance Audit | HRD | Budget Reduction | 100,000 |
| 9 | Sales Training | SMD | Brightstar Reimbursement | 100,000 |
| 10 | Individual Out-of-State Travel Requests | Various | Typical augmentation | 50,000 |
| Grand Total | | | | \$18,146,979 |

Historical Lottery Sales Tracking

Additionally, the results of modeling and changing trends are investigated are evaluated against historical costs to understand future funding needs. The Finance Division publication "History of Lottery Sales and Costs" is updated only with data certified by the Lottery's third-party auditor to provide the accumulative financial history data beginning with the first year of operation up through FY 2023-24, the most recently certified fiscal year.

This part of the California State Lottery's Comprehensive Annual Budget Report utilizes detailed historical information as a context for evaluating future costs estimates as the budget model shifts towards budgeting for contractual service agreements and amortization in place of funds historically budget for equipment purchases.

| UPDATED February 14, 2025 | FY 2020-21 | % OF | FY 2021-22 | % OF |
|---------------------------------------|-------------------|--------------|-------------------|--------------|
| ACCUMULATIVE FINANCIAL HISTORY | Jun-30-21 | SALES | Jun-30-22 | SALES |
| LESS: PRIZES | 5,610,605.54 | 66.65% | 5,825,673.02 | 65.80% |
| RESOURCES AFTER PRIZES | 2,807,338.28 | 33.35% | 3,027,577.15 | 34.20% |
| LESS - GAME COSTS | | | | |
| RETAIL COMMISSIONS | 497,338.35 | 5.91% | 516,860.38 | 5.84% |
| RETAILER SPECIAL HANDLING | 34,115.88 | 0.41% | 37,489.62 | 0.42% |
| RETAIL INCENTIVES | 3,320.75 | 0.04% | 5,327.43 | 0.06% |
| RETAILER CASHING BONUSES | 51,086.92 | 0.61% | 55,033.32 | 0.62% |
| ON-LINE GAME FEES | 118,563.77 | 1.41% | 123,720.18 | 1.40% |
| ON-LINE PLAY SLIPS | | | | |
| ON-LINE TELECOMMUNICATIONS | -20,600.62 | (0.24)% | -21,399.76 | -0.24% |
| AITGS CONTRACT COSTS | | | | |
| SCRATCHER TICKET COST | 38,997.04 | 0.46% | 37,041.63 | 0.42% |
| COURIER DELIVERY | 5,604.49 | 0.07% | 4,795.16 | 0.05% |
| SCRATCHER VENDING MACHINE MAINT | | | | |
| TOTAL GAME COSTS | 728,426.58 | 8.65% | 758,867.96 | 8.57% |
| LESS - BUDGET DETAIL: | | | | |
| PERSONAL SERVICES | 104,757.92 | 1.24% | 101,243.98 | 1.14% |
| ADVERTISING | 59,135.92 | 0.70% | 88,043.77 | 0.99% |
| BROADCAST | | | | |
| ON-LINE MARKETING | 3,207.48 | 0.04% | 4,806.09 | 0.05% |
| CONSUMER PROMOTIONS | 1,441.33 | 0.02% | 1,163.19 | 0.01% |
| RETAIL PROMOTIONS | 48.17 | 0.00% | 803.21 | 0.01% |
| POINT OF SALE | 2,793.51 | 0.03% | 6,563.27 | 0.07% |

| UPDATED February 14, 2025 | | FY 2020-21 | % OF | FY 2021-22 | % OF |
|---|-----------------------------------|-------------------|--------------|-------------------|--------------|
| ACCUMULATIVE FINANCIAL HISTORY (CONT.) | | Jun-30-21 | SALES | Jun-30-22 | SALES |
| LESS - BUDGET DETAIL (CONT.): | | | | | |
| | PUBLIC RELATIONS | | | | |
| | CONTRACTUAL SERVICES | 15,080.20 | 0.18% | 18,129.42 | 0.20% |
| | STATE CONTROLLERS OFFICE | 2,648.19 | 0.03% | | |
| | OPERATING EXPENSES | 15,201.40 | 0.18% | 16,841.50 | 0.19% |
| | DEPRECIATION: GAME RELATED EQUIP. | 10,493.75 | 0.12% | 8,982.67 | 0.10% |
| | OTHER PROPERTY & EQUIP. | 6,271.38 | 0.07% | 7,000.06 | 0.08% |
| | DEFERRED DEVELOPMENT | | | | |
| | MISC EXP. (INTEREST, BAD DEBT) | 101.56 | 0.00% | 82.71 | 0.00% |
| | TOTAL BUDGET DETAIL | 221,180.82 | 2.63% | 253,659.87 | 2.87% |
| | TOTAL ADMINISTRATIVE EXPENSES | 949,607.40 | 11.28% | 1,012,527.83 | 11.44% |
| NET INCOME FROM OPERATIONS | | 1,857,730.88 | 22.07% | 2,015,049.32 | 22.76% |
| | INTEREST INCOME | 3,592.60 | 0.04% | 4,021.40 | 0.05% |
| | OTHER INCOME | 1,823.11 | 0.02% | 611.69 | 0.01% |
| | UNCLAIMED PRIZES | 19,407.82 | 0.23% | 57,691.49 | 0.65% |
| * TOTAL AVAILABLE FOR EDUCATION | | 1,882,554.41 | 22.36% | 2,077,373.90 | 23.46% |

| UPDATED February 14, 2025 | | FY 2022-23 | % OF | FY 2023-24 | % OF |
|---|----------------------------|-------------------|--------------|-------------------|--------------|
| ACCUMULATIVE FINANCIAL HISTORY (CONT.) | | Jun-30-23 | SALES | Jun-30-24 | SALES |
| | LESS: PRIZES | 5,960,301.72 | 64.51% | 6,031,571.56 | 65.28% |
| RESOURCES AFTER PRIZES | | 3,279,051.59 | 35.49% | 3,243,542.53 | 35.11% |
| LESS - GAME COSTS | | | | | |
| | RETAIL COMMISSIONS | 537,897.35 | 5.82% | 539,502.81 | 5.84% |
| | RETAILER SPECIAL HANDLING | 36,429.43 | 0.39% | 33,789.60 | 0.37% |
| | RETAIL INCENTIVES | 5,578.87 | 0.06% | 6,691.13 | 0.07% |
| | RETAILER CASHING BONUSES | 53,294.58 | 0.58% | 52,695.36 | 0.57% |
| | ON-LINE GAME FEES | 131,320.37 | 1.42% | 131,907.93 | 1.43% |
| | ON-LINE PLAY SLIPS | | | | |
| | ON-LINE TELECOMMUNICATIONS | -21,599.78 | -0.23% | -21,783.74 | -0.24% |

| UPDATED February 14, 2025 | | FY 2022-23 | % OF | FY 2023-24 | % OF |
|---|-----------------------------------|-------------------|--------------|-------------------|--------------|
| ACCUMULATIVE FINANCIAL HISTORY (CONT.) | | Jun-30-23 | SALES | Jun-30-24 | SALES |
| LESS - GAME COSTS (CONT.) | | | | | |
| | AITGS CONTRACT COSTS | | | | |
| | SCRATCHER TICKET COST | 42,492.28 | 0.46% | 35,371.52 | 0.38% |
| | COURIER DELIVERY | 7,936.28 | 0.09% | 7,039.99 | 0.08% |
| | SCRATCHER VENDING MACHINE MAINT | | | | |
| | TOTAL GAME COSTS | 793,349.37 | 8.59% | 785,214.60 | 8.50% |
| LESS - BUDGET DETAIL: | | | | | |
| | PERSONAL SERVICES | 100,872.00 | 1.09% | 123,281.10 | 1.33% |
| | ADVERTISING | 85,110.76 | 0.92% | 97,065.25 | 1.05% |
| | BROADCAST | | | | |
| | ON-LINE MARKETING | 4,071.05 | 0.04% | 4,690.00 | 0.05% |
| | CONSUMER PROMOTIONS | 5,240.93 | 0.06% | 4,255.92 | 0.05% |
| | RETAIL PROMOTIONS | 504.10 | 0.01% | 120.17 | 0.00% |
| | POINT OF SALE | 5,350.76 | 0.06% | 7,853.90 | 0.09% |
| | PUBLIC RELATIONS | | | | |
| | CONTRACTUAL SERVICES | 18,072.62 | 0.20% | 21,662.25 | 0.23% |
| | STATE CONTROLLERS OFFICE | | | | |
| | OPERATING EXPENSES | 19,755.30 | 0.21% | 25,905.85 | 0.28% |
| | DEPRECIATION: GAME RELATED EQUIP. | 1,946.50 | 0.02% | 1,765.26 | 0.02% |
| | OTHER PROPERTY & EQUIP. | 13,015.15 | 0.14% | 12,753.19 | 0.14% |
| | DEFERRED DEVELOPMENT | | | | |
| | MISC EXP. (INTEREST, BAD DEBT) | 709.12 | | 806.27 | |
| | TOTAL BUDGET DETAIL | 254,648.28 | 2.76% | 300,159.15 | 3.25% |
| | TOTAL ADMINISTRATIVE EXPENSES | 1,047,997.65 | 11.34% | 1,085,373.75 | 11.75% |
| NET INCOME FROM OPERATIONS | | 2,231,053.94 | 24.15% | 2,158,168.79 | 23.36% |
| | INTEREST INCOME | 25,776.71 | 0.28% | 62,441.49 | 0.68% |
| | OTHER INCOME | 6.90 | 0.00% | 194.42 | 0.00% |
| | UNCLAIMED PRIZES | 51,827.51 | 0.56% | 67,128.17 | 0.73% |
| * TOTAL AVAILABLE FOR EDUCATION | | 2,308,665.05 | 24.99% | 2,287,932.86 | 24.76% |

Financial Section



Financial Schedules

Quarterly Budget

FISCAL YEAR 2025-26 REVISED ANNUAL PLAN (Dollars in Thousands)

| | Quarter 1 | % of Sales | Quarter 2 | % of Sales |
|-------------------------------|---------------------|------------|---------------------|------------|
| SALES: | | | | |
| Scratchers | \$ 1,681,465 | 73.1 | \$ 1,669,000 | 72.9 |
| Powerball | 182,500 | 7.9 | 182,500 | 8.0 |
| Mega Millions | 165,013 | 7.2 | 164,521 | 7.2 |
| SuperLotto Plus | 60,502 | 2.6 | 60,387 | 2.6 |
| Hotspot | 105,866 | 4.6 | 108,299 | 4.7 |
| Fantasy 5 | 42,568 | 1.9 | 43,029 | 1.9 |
| Daily 3 | 43,908 | 1.9 | 44,115 | 1.9 |
| Daily 4 | 8,779 | 0.4 | 8,911 | 0.4 |
| Daily Derby | 9,339 | 0.4 | 9,324 | 0.4 |
| TOTAL, ESTIMATED SALES | \$ 2,299,940 | | \$ 2,290,086 | |

| | | Prize Payout % | | Prize Payout % |
|--------------------------------------|---------------------|----------------|---------------------|----------------|
| PRIZE EXPENSE: | | | | |
| Scratchers | \$ 1,215,699 | 72.3 | \$ 1,206,687 | 72.3 |
| Powerball | 91,250 | 50.0 | 91,250 | 50.0 |
| Mega Millions | 82,507 | 50.0 | 82,261 | 50.0 |
| SuperLotto Plus | 30,251 | 50.0 | 30,193 | 50.0 |
| Hot Spot | 67,278 | 63.6 | 68,824 | 63.6 |
| Fantasy 5 | 21,284 | 50.0 | 21,515 | 50.0 |
| Other Daily Draw Games | 30,882 | 49.8 | 31,041 | 49.8 |
| 2nd Chance - Scratchers | 1,300 | | 1,300 | |
| 2nd Chance - Draw Games | 975 | | 975 | |
| Prize Expense Savings | (15,970) | | (15,851) | |
| TOTAL, PRIZE EXPENSE | \$ 1,525,455 | 66.3 | \$ 1,518,194 | 66.3 |
| NET SALES AFTER PRIZE EXPENSE | \$ 774,485 | | \$ 771,891 | |

FISCAL YEAR 2025-26
REVISED ANNUAL PLAN (CONT.)
(Dollars in Thousands)

| | Quarter 3 | % of Sales | Quarter 4 | % of Sales | Total |
|--|---------------------|-------------------------------|---------------------|-------------------------------|---------------------|
| SALES: | | | | | |
| Scratchers | \$ 1,834,527 | 74.8 | \$ 1,885,008 | 75.1 | \$ 7,070,000 |
| Powerball | 182,500 | 7.4 | 182,500 | 7.3 | 730,000 |
| Mega Millions | 158,804 | 6.5 | 161,662 | 6.4 | 650,000 |
| SuperLotto Plus | 59,278 | 2.4 | 59,833 | 2.4 | 240,000 |
| Hotspot | 111,891 | 4.6 | 113,944 | 4.5 | 440,000 |
| Fantasy 5 | 42,542 | 1.7 | 42,861 | 1.7 | 171,000 |
| Daily 3 | 43,715 | 1.8 | 44,761 | 1.8 | 176,500 |
| Daily 4 | 8,818 | 0.4 | 8,992 | 0.4 | 35,500 |
| Daily Derby | 9,117 | 0.4 | 9,220 | 0.4 | 37,000 |
| TOTAL, ESTIMATED SALES | \$ 2,451,193 | | \$ 2,508,781 | | \$ 9,550,000 |
| | | | | | |
| | | Prize Payout % | | Prize Payout % | |
| PRIZE EXPENSE: | | | | | |
| Scratchers | \$ 1,326,363 | 72.3 | \$ 1,362,861 | 72.3 | \$ 5,111,610 |
| Powerball | 91,250 | 50.0 | 91,250 | 50.0 | 365,000 |
| Mega Millions | 79,402 | 50.0 | 80,831 | 50.0 | 325,000 |
| SuperLotto Plus | 29,639 | 50.0 | 29,916 | 50.0 | 120,000 |
| Hot Spot | 71,107 | 63.6 | 72,411 | 63.6 | 279,620 |
| Fantasy 5 | 21,271 | 50.0 | 21,430 | 50.0 | 85,500 |
| Other Daily Draw Games | 30,693 | 49.8 | 31,352 | 49.8 | 123,968 |
| 2nd Chance - Scratchers | 1,300 | | 1,300 | | 5,200 |
| 2nd Chance - Draw Games | 975 | | 975 | | 3,900 |
| Prize Expense Savings | (17,423) | | (17,903) | | (67,147) |
| TOTAL, PRIZE EXPENSE | \$ 1,634,577 | 66.7 | \$ 1,674,424 | 66.7 | \$ 6,352,650 |
| NET SALES AFTER PRIZE EXPENSE | \$ 816,617 | | \$ 834,357 | | \$ 3,197,350 |

FISCAL YEAR 2025-26
REVISED ANNUAL PLAN (CONT.)
(Dollars in Thousands)

| | <u>Quarter 1</u> | <u>% of Sales</u> | <u>Quarter 2</u> | <u>% of Sales</u> |
|--|-------------------|-----------------------|-------------------|-----------------------|
| ADMINISTRATIVE EXPENSES: | | | | |
| Retailer Compensation: | | | | |
| Commission | \$ 132,897 | 5.8 | \$ 132,325 | 5.8 |
| Cashing Bonus | 14,067 | 0.6 | 14,006 | 0.6 |
| Special Handling | 7,967 | 0.3 | 7,933 | 0.3 |
| Incentives | 1,500 | 0.1 | 1,500 | 0.1 |
| Gaming Costs: | | | | |
| Gaming Contract (Brightstar) | 32,915 | 1.4 | 32,409 | 1.4 |
| Retailer Administrative and Gaming Fees | (5,679) | (0.2) | (5,679) | (0.2) |
| Scratchers Ticket, Delivery, and Support Costs | 19,143 | 0.8 | 13,343 | 0.6 |
| TOTAL, RETAILER & GAMING COSTS | \$ 202,809 | 8.8 | \$ 195,837 | 8.5 |
| Operating Costs: | | | | |
| Personal Services | \$ 34,214 | 1.5 | \$ 33,548 | 1.5 |
| Marketing Budget Plan | 32,349 | 1.4 | 29,051 | 1.3 |
| Contractual Services | 7,186 | 0.3 | 10,918 | 0.5 |
| Depreciation | 2,938 | 0.1 | 3,080 | 0.1 |
| Operating Expense | 7,939 | 0.3 | 8,510 | 0.4 |
| Reserve for Insurable Risk | 1,250 | 0.1 | 1,250 | 0.1 |
| Administrative Spending Reserve | 10,307 | 0.4 | 15,517 | 0.7 |
| Subtotal, Operating Costs | \$ 96,183 | 4.2 | \$ 101,874 | 4.4 |
| TOTAL, ADMINISTRATIVE EXPENSES | \$ 298,992 | 13.0 | \$ 297,711 | 12.9 |
| CONTRIBUTION TO EDUCATION | \$ 475,493 | | \$ 474,180 | |
| Unclaimed Prizes | 8,750 | | 8,750 | |
| Interest Income | 10,000 | | 10,000 | |
| TOTAL AVAILABLE FOR EDUCATION | \$ 494,243 | | \$ 492,930 | |
| TOTAL CONTRIBUTION TO EDUCATION WITH RESERVES | \$ 505,800 | | \$ 509,697 | |

*Numbers may not add due to rounding.

FISCAL YEAR 2025-26
REVISED ANNUAL PLAN (CONT.)
(Dollars in Thousands)

| | <u>Quarter 3</u> | <u>% of Sales</u> | <u>Quarter 4</u> | <u>% of Sales</u> | <u>Total</u> |
|--|-------------------|-----------------------|-------------------|-----------------------|---------------------|
| ADMINISTRATIVE EXPENSES: | | | | | |
| Retailer Compensation: | | | | | |
| Commission | \$ 141,669 | 6.2 | \$ 145,009 | 6.3 | \$ 551,900 |
| Cashing Bonus | 14,992 | 0.6 | 15,344 | 0.6 | 58,409 |
| Special Handling | 8,491 | 0.3 | 8,690 | 0.3 | 33,081 |
| Incentives | 1,500 | 0.1 | 1,500 | 0.1 | 6,000 |
| Gaming Costs: | | | | | |
| Gaming Contract (Brightstar) | 32,638 | 1.4 | 32,913 | 1.4 | 130,875 |
| Retailer Administrative and Gaming Fees | (5,679) | (0.2) | (5,679) | (0.2) | (22,717) |
| Scratchers Ticket, Delivery, and Support Costs | 13,343 | 0.6 | 16,343 | 0.7 | 62,172 |
| TOTAL, RETAILER & GAMING COSTS | \$ 206,954 | 9.0 | \$ 214,120 | 9.3 | \$ 819,721 |
| Operating Costs: | | | | | |
| Personal Services | \$ 33,672 | 1.5 | \$ 41,656 | 1.8 | \$ 143,090 |
| Marketing Budget Plan | 23,001 | 1.0 | 32,627 | 1.4 | 117,029 |
| Contractual Services | 9,793 | 0.4 | 9,424 | 0.4 | 37,322 |
| Depreciation | 2,931 | 0.1 | 2,648 | 0.1 | 11,597 |
| Operating Expense | 7,431 | 0.3 | 7,566 | 0.3 | 31,445 |
| Reserve for Insurable Risk | 1,250 | 0.1 | 1,250 | 0.1 | 5,000 |
| Administrative Spending Reserve | 33,623 | 1.5 | 16,850 | 0.7 | 76,297 |
| Subtotal, Operating Costs | \$ 111,701 | 4.9 | \$ 112,021 | 4.9 | \$ 421,779 |
| TOTAL, ADMINISTRATIVE EXPENSES | \$ 318,655 | 13.9 | \$ 326,142 | 14.2 | \$ 1,241,500 |
| CONTRIBUTION TO EDUCATION | \$ 497,961 | | \$ 508,216 | | \$ 1,955,850 |
| Unclaimed Prizes | 8,750 | | 8,750 | | 35,000 |
| Interest Income | 10,000 | | 10,000 | | 40,000 |
| TOTAL AVAILABLE FOR EDUCATION | \$ 516,711 | | \$ 526,966 | | \$ 2,030,850 |
| TOTAL CONTRIBUTION TO EDUCATION WITH RESERVES | \$ 551,584 | | \$ 545,066 | | \$ 2,112,147 |

*Numbers may not add due to rounding.

Accrual Budget

CALIFORNIA LOTTERY SUMMARY BY DIVISION ACCRUAL BUDGET

FY 2025-26 REVISED
ANNUAL PLAN

DATE:
Nov 20, 2025

| | | COMM. 1000 | EXECUTIVE 01 | FINANCE 02 |
|----------------------------|-------------------------------------|---------------|-----------------|---------------|
| PERMANENT POSITIONS | | 0.00 | 70.00 | 144.00 |
| PERSONAL SERVICES | | | | |
| 50100 | Civil Service Permanent | \$0 | \$8,033,134 | \$10,511,890 |
| 50500 | Civil Service Temporary | \$0 | \$53,232 | \$316,971 |
| 51000 | Overtime Pay | \$0 | \$500 | \$70,691 |
| 53000 | Merit Compensation | \$30,000 | \$93,120 | \$118,200 |
| | Total Salaries and Wages | \$30,000 | \$8,179,986 | \$11,017,752 |
| 56001 | Salary Savings | \$0 | (\$1,124,638) | (\$1,471,664) |
| | Net Salaries and Wages | \$30,000 | \$7,055,347 | \$9,546,088 |
| 55XXX | Staff Benefits | \$0 | \$4,107,417 | \$5,520,746 |
| | TOTAL PERSONAL SERVICES | \$30,000 | \$11,162,764 | \$15,066,834 |
| OPERATING EXPENSES | | | | |
| 67000 | General Expense | \$1,000 | \$175,028 | \$35,876 |
| 67100 | Printing | \$0 | \$0 | \$18,000 |
| 67500 | Telephone | \$0 | \$0 | \$0 |
| 67700 | Postage | \$0 | \$0 | \$0 |
| 67800 | Internal Freight | \$0 | \$0 | \$0 |
| 67900 | Insurance | \$0 | \$0 | \$0 |
| 68100 | In-State Travel | \$15,000 | \$35,451 | \$24,507 |
| 68300 | Out-of-State Travel | \$0 | \$0 | \$80,750 |
| 68400 | Sales & Retailer Conferences | \$0 | \$0 | \$0 |
| 68450 | Meetings & Seminars | \$0 | \$0 | \$0 |
| 68500 | Training | \$0 | \$75,440 | \$47,635 |
| 68700 | Rent/Lease - Building & Grounds | \$0 | \$0 | \$0 |
| 68750 | Asset Rental Expense | \$0 | \$0 | \$0 |
| 68775 | Lease Asset Amortization of Expense | \$0 | \$0 | \$0 |
| 68875 | SBITA Amortization Expense | \$0 | \$0 | \$0 |
| 68900 | Facility Maintenance & Operations | \$0 | \$0 | \$0 |
| 68910 | Alterations & Remodeling | \$0 | \$0 | \$0 |
| 69300 | Utilities | \$0 | \$0 | \$0 |
| 69500 | Pro Rata Expense | \$0 | \$0 | \$0 |
| 69700 | Expendable Equipment | \$0 | \$0 | \$0 |
| 69900 | Vehicle Maintenance & Operations | \$0 | \$0 | \$0 |

**CALIFORNIA LOTTERY
SUMMARY BY DIVISION
ACCRUAL BUDGET (CONT.)**

**FY 2025-26 REVISED
ANNUAL PLAN**

**DATE:
Nov 20, 2025**

| | | COMM. 1000 | EXECUTIVE 01 | FINANCE 02 |
|-----------|------------------------------------|-----------------------|-------------------------|-----------------------|
| 70500 | Interest Penalties | \$0 | \$0 | \$69,996 |
| 70600 | Interest Expense | \$0 | \$0 | \$0 |
| 70700 | Taxes & Assessments | \$0 | \$0 | \$0 |
| 70800 | Bad Debt Expenses | \$0 | \$0 | \$0 |
| 70900 | Special Items of Expense | \$0 | \$0 | \$0 |
| 71100 | Damaged Scratchers Tickets | \$0 | \$0 | \$0 |
| 71200 | Event Sponsorship | \$0 | \$307,320 | \$0 |
| 71400 | Reimbursements - Online NSF | \$0 | \$0 | \$0 |
| 71400 | Reimbursements - Prize Assignment | \$0 | \$0 | \$0 |
| 71400 | Reimbursements - External Rent | \$0 | \$0 | \$0 |
| 71400 | Reimbursements - Charging Stations | \$0 | \$0 | \$0 |
| 60400 | Promotions - Consumer | \$0 | \$0 | \$3,000 |
| 63200 | Prof. Service - External | \$0 | \$8,000,726 | \$419,996 |
| 63300 | Prof. Service - Interdept. | \$0 | \$3,785,011 | \$49,600 |
| 63400 | Attorney Fees - Contracted | \$0 | \$31,667 | \$0 |
| 71400 | Reimbursements - Fingerprint | \$0 | \$0 | \$0 |
| 64200/1 | Retailer Commission | \$0 | \$0 | \$0 |
| 64202/3 | Retailer Special Handling | \$0 | \$0 | \$0 |
| 64204/5 | Retailer Incentive Bonus | \$0 | \$0 | \$0 |
| 64206/7/8 | Retailer Cashing Bonus | \$0 | \$0 | \$0 |
| 64300 | Gaming System Expenses | \$0 | \$0 | \$0 |
| 64301 | Scratchers Ticket Cost | \$0 | \$0 | \$0 |
| 64302 | Scratchers Licensing Fees | \$0 | \$0 | \$0 |
| 64303 | Scratchers Delivery Fees | \$0 | \$0 | \$0 |
| 64304 | Scratchers Destruction Fees | \$0 | \$0 | \$0 |
| 71400 | Reimbursements - Online Monitors | \$0 | \$0 | \$0 |
| 71400 | Reimbursements - Online Install | \$0 | \$0 | \$0 |
| 71400 | Reimbursements - Online Charges | \$0 | \$0 | \$0 |
| 60000 | Media | \$0 | \$0 | \$0 |
| 60100 | Production | \$0 | \$0 | \$0 |
| 60200 | Digital | \$0 | \$0 | \$0 |
| 60400 | Promotions - Consumer | \$0 | \$0 | \$0 |
| 60410 | Promotions - Retailer | \$0 | \$0 | \$0 |
| 60475 | Point of Sale - Collateral | \$0 | \$0 | \$0 |
| 60500 | Point of Sale - Permanent | \$0 | \$0 | \$0 |

**CALIFORNIA LOTTERY
SUMMARY BY DIVISION
ACCRUAL BUDGET (CONT.)**

**FY 2025-26 REVISED
ANNUAL PLAN**

**DATE:
Nov 20, 2025**

| | | COMM. 1000 | EXECUTIVE 01 | FINANCE 02 |
|-----------------------------------|-------------------------------------|-----------------------|-------------------------|-----------------------|
| CAPITALIZED EXPENSES | | | | |
| 2XXXX | Equipment & Capitalized Expenses | \$0 | \$0 | \$0 |
| 65110 | Dep Exp - Gaming Equipment | \$0 | \$0 | \$0 |
| 65120 | Dep Exp - Software | \$0 | \$0 | \$0 |
| 65130 | Dep Exp - Audio/Video Equipment | \$0 | \$0 | \$0 |
| 65140 | Dep Exp - Vending Machines | \$0 | \$0 | \$0 |
| 65150 | Dep Exp - Leasehold Improvements | \$0 | \$0 | \$0 |
| 65160 | Dep Exp - Buildings | \$0 | \$0 | \$0 |
| 65170 | Dep Exp - Non Building Improvements | \$0 | \$0 | \$0 |
| 65180 | Dep Exp - Data Processing Equipment | \$0 | \$0 | \$0 |
| 65190 | Dep Exp - Office Equipment | \$0 | \$0 | \$0 |
| 65200 | Dep Exp - Vehicles | \$0 | \$0 | \$0 |
| 65210 | Dep Exp - Other Equipment | \$0 | \$0 | \$0 |
| 65220 | Dep Exp - Warehouse Equipment | \$0 | \$0 | \$0 |
| 65230 | Dep Exp - Mobile Equipment | \$0 | \$0 | \$0 |
| TOT. OPER. EXP. AND EQUIP. | | \$16,000 | \$12,410,643 | \$749,360 |
| TOTAL BUDGET | | \$46,000 | \$23,573,407 | \$15,816,194 |

**CALIFORNIA LOTTERY
SUMMARY BY DIVISION
ACCRUAL BUDGET (CONT.)**

**FY 2025-26 REVISED
ANNUAL PLAN**

**DATE:
Nov 20, 2025**

| | | HR 03 | OPERATIONS 04 | SLED 06 |
|----------------------------|-------------------------------------|--------------------|--------------------------|---------------------|
| PERMANENT POSITIONS | | 54.00 | 81.00 | 90.00 |
| PERSONAL SERVICES | | | | |
| 50100 | Civil Service Permanent | \$4,837,457 | \$6,449,081 | \$9,453,292 |
| 50500 | Civil Service Temporary | \$127,910 | \$0 | \$191,106 |
| 51000 | Overtime Pay | \$1,000 | \$64,012 | \$515,604 |
| 53000 | Merit Compensation | \$141,920 | \$65,100 | \$90,060 |
| | Total Salaries and Wages | \$5,108,287 | \$6,578,193 | \$10,250,062 |
| 56001 | Salary Savings | (\$677,244) | (\$902,871) | (\$1,323,461) |
| | Net Salaries and Wages | \$4,431,043 | \$5,675,322 | \$8,926,601 |
| 55XXX | Staff Benefits | \$4,729,993 | \$3,272,264 | \$4,909,355 |
| | TOTAL PERSONAL SERVICES | \$9,161,036 | \$8,947,586 | \$13,835,956 |
| OPERATING EXPENSES | | | | |
| 67000 | General Expense | \$1,000 | \$197,042 | \$45,272 |
| 67100 | Printing | \$0 | \$13,377 | \$0 |
| 67500 | Telephone | \$0 | \$0 | \$0 |
| 67700 | Postage | \$50 | \$86,689 | \$0 |
| 67800 | Internal Freight | \$0 | \$0 | \$0 |
| 67900 | Insurance | \$0 | \$598,361 | \$0 |
| 68100 | In-State Travel | \$3,000 | \$59,643 | \$384,396 |
| 68300 | Out-of-State Travel | \$0 | \$0 | \$0 |
| 68400 | Sales & Retailer Conferences | \$0 | \$0 | \$0 |
| 68450 | Meetings & Seminars | \$0 | \$0 | \$0 |
| 68500 | Training | \$47,001 | \$50,893 | \$178,068 |
| 68700 | Rent/Lease - Building & Grounds | \$0 | \$0 | \$0 |
| 68750 | Asset Rental Expense | \$0 | \$10,000 | \$0 |
| 68775 | Lease Asset Amortization of Expense | \$0 | \$810,867 | \$0 |
| 68875 | SBITA Amortization Expense | \$0 | \$0 | \$0 |
| 68900 | Facility Maintenance & Operations | \$0 | \$1,569,601 | \$0 |
| 68910 | Alterations & Remodeling | \$0 | \$0 | \$0 |
| 69300 | Utilities | \$0 | \$781,450 | \$0 |
| 69500 | Pro Rata Expense | \$0 | \$0 | \$0 |
| 69700 | Expendable Equipment | \$2,000 | \$778,363 | \$159,540 |
| 69900 | Vehicle Maintenance & Operations | \$0 | \$2,395,230 | \$0 |

**CALIFORNIA LOTTERY
SUMMARY BY DIVISION
ACCRUAL BUDGET (CONT.)**

**FY 2025-26 REVISED
ANNUAL PLAN**

**DATE:
Nov 20, 2025**

| | | HR 03 | OPERATIONS 04 | SLED 06 |
|-----------|------------------------------------|------------------|--------------------------|--------------------|
| 70500 | Interest Penalties | \$0 | \$0 | \$0 |
| 70600 | Interest Expense | \$0 | \$568,177 | \$0 |
| 70700 | Taxes & Assessments | \$0 | \$115,931 | \$0 |
| 70800 | Bad Debt Expenses | \$0 | \$0 | \$0 |
| 70900 | Special Items of Expense | \$0 | \$3,200 | \$0 |
| 71100 | Damaged Scratchers Tickets | \$0 | \$0 | \$0 |
| 71200 | Event Sponsorship | \$0 | \$0 | \$0 |
| 71400 | Reimbursements - Online NSF | \$0 | \$0 | \$0 |
| 71400 | Reimbursements - Prize Assignment | \$0 | \$0 | \$0 |
| 71400 | Reimbursements - External Rent | \$0 | \$0 | \$0 |
| 71400 | Reimbursements - Charging Stations | \$0 | \$0 | \$0 |
| 60400 | Promotions - Consumer | \$0 | \$0 | \$0 |
| 63200 | Prof. Service - External | \$98,825 | \$1,316,512 | \$2,943,395 |
| 63300 | Prof. Service - Interdept. | \$609,000 | \$0 | \$184,670 |
| 63400 | Attorney Fees - Contracted | \$0 | \$0 | \$0 |
| 71400 | Reimbursements - Fingerprint | \$0 | \$0 | \$0 |
| 64200/1 | Retailer Commission | \$0 | \$0 | \$0 |
| 64202/3 | Retailer Special Handling | \$0 | \$0 | \$0 |
| 64204/5 | Retailer Incentive Bonus | \$0 | \$0 | \$0 |
| 64206/7/8 | Retailer Cashing Bonus | \$0 | \$0 | \$0 |
| 64300 | Gaming System Expenses | \$0 | \$0 | \$0 |
| 64301 | Scratchers Ticket Cost | \$0 | \$0 | \$0 |
| 64302 | Scratchers Licensing Fees | \$0 | \$0 | \$0 |
| 64303 | Scratchers Delivery Fees | \$0 | \$0 | \$0 |
| 64304 | Scratchers Destruction Fees | \$0 | \$0 | \$0 |
| 71400 | Reimbursements - Online Monitors | \$0 | \$0 | \$0 |
| 71400 | Reimbursements - Online Install | \$0 | \$0 | \$0 |
| 71400 | Reimbursements - Online Charges | \$0 | \$0 | \$0 |
| 60000 | Media | \$0 | \$0 | \$0 |
| 60100 | Production | \$0 | \$0 | \$0 |
| 60200 | Digital | \$0 | \$0 | \$0 |
| 60400 | Promotions - Consumer | \$0 | \$0 | \$0 |
| 60410 | Promotions - Retailer | \$0 | \$0 | \$0 |
| 60475 | Point of Sale - Collateral | \$0 | \$0 | \$0 |
| 60500 | Point of Sale - Permanent | \$0 | \$0 | \$0 |

**CALIFORNIA LOTTERY
SUMMARY BY DIVISION
ACCRUAL BUDGET (CONT.)**

**FY 2025-26 REVISED
ANNUAL PLAN**

**DATE:
Nov 20, 2025**

| | | HR 03 | OPERATIONS 04 | SLED 06 |
|-------|-------------------------------------|------------------|--------------------------|--------------------|
| | CAPITALIZED EXPENSES | | | |
| 2XXXX | Equipment & Capitalized Expenses | \$0 | \$0 | \$0 |
| 65110 | Dep Exp - Gaming Equipment | \$0 | \$0 | \$0 |
| 65120 | Dep Exp - Software | \$0 | \$0 | \$0 |
| 65130 | Dep Exp - Audio/Video Equipment | \$0 | \$0 | \$0 |
| 65140 | Dep Exp - Vending Machines | \$0 | \$0 | \$0 |
| 65150 | Dep Exp - Leasehold Improvements | \$0 | \$0 | \$0 |
| 65160 | Dep Exp - Buildings | \$0 | \$0 | \$0 |
| 65170 | Dep Exp - Non Building Improvements | \$0 | \$0 | \$0 |
| 65180 | Dep Exp - Data Processing Equipment | \$0 | \$0 | \$0 |
| 65190 | Dep Exp - Office Equipment | \$0 | \$0 | \$0 |
| 65200 | Dep Exp - Vehicles | \$0 | \$0 | \$0 |
| 65210 | Dep Exp - Other Equipment | \$0 | \$0 | \$0 |
| 65220 | Dep Exp - Warehouse Equipment | \$0 | \$0 | \$0 |
| 65230 | Dep Exp - Mobile Equipment | \$0 | \$0 | \$0 |
| | TOT. OPER. EXP. AND EQUIP. | \$760,876 | \$9,355,335 | \$3,895,341 |
| | TOTAL BUDGET | \$9,921,912 | \$18,302,922 | \$17,731,296 |

**CALIFORNIA LOTTERY
SUMMARY BY DIVISION
ACCRUAL BUDGET (CONT.)**

**FY 2025-26 REVISED
ANNUAL PLAN**

**DATE:
Nov 20, 2025**

| | | ITSD 07 | SALES/ MARKETING 08 | GAME ACTIVITY 0000 |
|----------------------------|-------------------------------------|---------------------|------------------------------------|-----------------------------------|
| PERMANENT POSITIONS | | 141.00 | 568.00 | 0.00 |
| PERSONAL SERVICES | | | | |
| 50100 | Civil Service Permanent | \$16,934,044 | \$38,548,981 | \$5,524,770 |
| 50500 | Civil Service Temporary | \$288,606 | \$111,194 | \$0 |
| 51000 | Overtime Pay | \$10,000 | \$126,000 | \$0 |
| 53000 | Merit Compensation | \$327,600 | \$2,394,104 | \$0 |
| | Total Salaries and Wages | \$17,560,249 | \$41,180,278 | \$5,524,770 |
| 56001 | Salary Savings | (\$2,370,766) | (\$5,396,858) | \$0 |
| | Net Salaries and Wages | \$15,189,483 | \$35,783,421 | \$5,524,770 |
| 55XXX | Staff Benefits | \$8,762,611 | \$19,625,356 | \$0 |
| | TOTAL PERSONAL SERVICES | \$23,952,094 | \$55,408,777 | \$5,524,770 |
| OPERATING EXPENSES | | | | |
| 67000 | General Expense | \$5,000 | \$140,700 | (\$2,000,000) |
| 67100 | Printing | \$363,000 | \$0 | \$0 |
| 67500 | Telephone | \$2,808,300 | \$0 | \$0 |
| 67700 | Postage | \$0 | \$15,000 | \$0 |
| 67800 | Internal Freight | \$0 | \$530,000 | \$0 |
| 67900 | Insurance | \$0 | \$0 | \$0 |
| 68100 | In-State Travel | \$86,600 | \$238,000 | \$0 |
| 68300 | Out-of-State Travel | \$0 | \$0 | \$0 |
| 68400 | Sales & Retailer Conferences | \$0 | \$0 | \$0 |
| 68450 | Meetings & Seminars | \$0 | \$0 | \$0 |
| 68500 | Training | \$250,000 | \$125,000 | (\$200,000) |
| 68700 | Rent/Lease - Building & Grounds | \$0 | \$0 | \$0 |
| 68750 | Asset Rental Expense | \$0 | \$0 | \$0 |
| 68775 | Lease Asset Amortization of Expense | \$0 | \$0 | \$0 |
| 68875 | SBITA Amortization Expense | \$1,425,268 | \$0 | \$0 |
| 68900 | Facility Maintenance & Operations | \$0 | \$0 | \$0 |
| 68910 | Alterations & Remodeling | \$0 | \$0 | \$0 |
| 69300 | Utilities | \$0 | \$0 | \$0 |
| 69500 | Pro Rata Expense | \$0 | \$0 | \$13,820,091 |
| 69700 | Expendable Equipment | \$2,825,500 | \$16,000 | \$0 |
| 69900 | Vehicle Maintenance & Operations | \$0 | \$0 | \$0 |

**CALIFORNIA LOTTERY
SUMMARY BY DIVISION
ACCRUAL BUDGET (CONT.)**

**FY 2025-26 REVISED
ANNUAL PLAN**

**DATE:
Nov 20, 2025**

| | | ITSD 07 | SALES/ MARKETING 08 | GAME ACTIVITY 0000 |
|-----------|------------------------------------|--------------------|------------------------------------|-----------------------------------|
| 70500 | Interest Penalties | \$0 | \$0 | \$0 |
| 70600 | Interest Expense | \$16,994 | \$0 | \$0 |
| 70700 | Taxes & Assessments | \$0 | \$0 | \$5,000 |
| 70800 | Bad Debt Expenses | \$0 | \$0 | \$1,200,000 |
| 70900 | Special Items of Expense | \$0 | \$431,000 | \$42,739 |
| 71100 | Damaged Scratchers Tickets | \$0 | \$0 | \$0 |
| 71200 | Event Sponsorship | \$0 | \$464,820 | \$0 |
| 71400 | Reimbursements - Online NSF | \$0 | \$0 | (\$60,000) |
| 71400 | Reimbursements - Prize Assignment | \$0 | \$0 | (\$18,000) |
| 71400 | Reimbursements - External Rent | \$0 | \$0 | (\$96,732) |
| 71400 | Reimbursements - Charging Stations | \$0 | \$0 | (\$17,000) |
| 60400 | Promotions - Consumer | \$0 | \$0 | (\$720,000) |
| 63200 | Prof. Service - External | \$20,948,127 | \$0 | (\$2,099,569) |
| 63300 | Prof. Service - Interdept. | \$1,105,600 | \$0 | \$0 |
| 63400 | Attorney Fees - Contracted | \$0 | \$0 | \$0 |
| 71400 | Reimbursements - Fingerprint | \$0 | \$0 | (\$72,000) |
| 64200/1 | Retailer Commission | \$0 | \$0 | \$551,900,000 |
| 64202/3 | Retailer Special Handling | \$0 | \$0 | \$33,081,448 |
| 64204/5 | Retailer Incentive Bonus | \$0 | \$0 | \$6,000,000 |
| 64206/7/8 | Retailer Cashing Bonus | \$0 | \$0 | \$58,408,893 |
| 64300 | Gaming System Expenses | \$130,875,000 | \$0 | \$0 |
| 64301 | Scratchers Ticket Cost | \$0 | \$0 | \$42,780,888 |
| 64302 | Scratchers Licensing Fees | \$0 | \$0 | \$8,200,000 |
| 64303 | Scratchers Delivery Fees | \$0 | \$10,441,150 | \$0 |
| 64304 | Scratchers Destruction Fees | \$0 | \$0 | \$750,000 |
| 71400 | Reimbursements - Online Monitors | \$0 | \$0 | (\$497,484) |
| 71400 | Reimbursements - Online Install | \$0 | \$0 | (\$622,125) |
| 71400 | Reimbursements - Online Charges | \$0 | \$0 | (\$21,597,264) |
| 60000 | Media | \$0 | \$68,444,455 | \$0 |
| 60100 | Production | \$0 | \$24,214,215 | \$0 |
| 60200 | Digital | \$0 | \$6,400,000 | \$0 |
| 60400 | Promotions - Consumer | \$0 | \$9,219,500 | \$0 |
| 60410 | Promotions - Retailer | \$0 | \$340,420 | \$0 |
| 60475 | Point of Sale - Collateral | \$0 | \$3,005,000 | \$0 |
| 60500 | Point of Sale - Permanent | \$0 | \$5,405,000 | \$0 |

**CALIFORNIA LOTTERY
SUMMARY BY DIVISION
ACCRUAL BUDGET (CONT.)**

**FY 2025-26 REVISED
ANNUAL PLAN**

**DATE:
Nov 20, 2025**

| | | ITSD | SALES/ MARKETING | GAME ACTIVITY |
|-----------------------------------|-------------------------------------|----------------------|-----------------------------|--------------------------|
| | | 07 | 08 | 0000 |
| CAPITALIZED EXPENSES | | | | |
| 2XXXX | Equipment & Capitalized Expenses | \$0 | \$0 | \$0 |
| 65110 | Dep Exp - Gaming Equipment | \$0 | \$0 | \$1,127,885 |
| 65120 | Dep Exp - Software | \$0 | \$0 | \$1,752,897 |
| 65130 | Dep Exp - Audio/Video Equipment | \$0 | \$0 | \$23,089 |
| 65140 | Dep Exp - Vending Machines | \$0 | \$0 | \$2,471,614 |
| 65150 | Dep Exp - Leasehold Improvements | \$0 | \$0 | \$0 |
| 65160 | Dep Exp - Buildings | \$0 | \$0 | \$4,381,727 |
| 65170 | Dep Exp - Non Building Improvements | \$0 | \$0 | \$53,491 |
| 65180 | Dep Exp - Data Processing Equipment | \$0 | \$0 | \$659,683 |
| 65190 | Dep Exp - Office Equipment | \$0 | \$0 | \$99,331 |
| 65200 | Dep Exp - Vehicles | \$0 | \$0 | \$782,431 |
| 65210 | Dep Exp - Other Equipment | \$0 | \$0 | \$177,080 |
| 65220 | Dep Exp - Warehouse Equipment | \$0 | \$0 | \$67,600 |
| 65230 | Dep Exp - Mobile Equipment | \$0 | \$0 | \$0 |
| TOT. OPER. EXP. AND EQUIP. | | \$160,709,389 | \$129,430,260 | \$699,785,714 |
| TOTAL BUDGET | | \$184,661,483 | \$184,839,037 | \$705,310,484 |

**CALIFORNIA LOTTERY
SUMMARY BY DIVISION
ACCRUAL BUDGET (CONT.)**

**FY 2025-26 REVISED
ANNUAL PLAN**

**DATE:
Nov 20, 2025**

| | | TOTAL | APPROVED BUDGET | |
|----------------------------|-------------------------------------|-----------------------|----------------------------|---------------|
| | | FY 2025-26 | FY 2024-25 | CHANGE |
| PERMANENT POSITIONS | | 1148.00 | 1124.00 | 24.00 |
| PERSONAL SERVICES | | | | |
| 50100 | Civil Service Permanent | \$100,292,648 | \$99,450,878 | \$841,770 |
| 50500 | Civil Service Temporary | \$1,089,019 | \$2,101,662 | (\$1,012,643) |
| 51000 | Overtime Pay | \$787,807 | \$698,128 | \$89,679 |
| 53000 | Merit Compensation | \$3,260,104 | \$4,262,504 | (\$1,002,400) |
| | Total Salaries and Wages | \$105,429,578 | \$106,513,172 | (\$1,083,594) |
| 56001 | Salary Savings | (\$13,267,503) | (\$12,565,122) | (\$702,381) |
| | Net Salaries and Wages | \$92,162,075 | \$93,948,050 | (\$1,785,975) |
| 55XXX | Staff Benefits | \$50,927,742 | \$50,964,574 | (\$36,832) |
| | TOTAL PERSONAL SERVICES | \$143,089,817 | \$144,912,624 | (\$1,822,807) |
| OPERATING EXPENSES | | | | |
| 67000 | General Expense | (\$1,399,082) | (\$1,488,459) | \$89,377 |
| 67100 | Printing | \$394,377 | \$359,716 | \$34,661 |
| 67500 | Telephone | \$2,808,300 | \$2,808,300 | \$0 |
| 67700 | Postage | \$101,739 | \$84,662 | \$17,077 |
| 67800 | Internal Freight | \$530,000 | \$375,000 | \$155,000 |
| 67900 | Insurance | \$598,361 | \$400,638 | \$197,723 |
| 68100 | In-State Travel | \$846,597 | \$766,214 | \$80,383 |
| 68300 | Out-of-State Travel | \$80,750 | \$35,400 | \$45,350 |
| 68400 | Sales & Retailer Conferences | \$0 | \$0 | \$0 |
| 68450 | Meetings & Seminars | \$0 | \$0 | \$0 |
| 68500 | Training | \$574,037 | \$486,915 | \$87,122 |
| 68700 | Rent/Lease - Building & Grounds | \$0 | \$0 | \$0 |
| 68750 | Asset Rental Expense | \$10,000 | \$10,560 | (\$560) |
| 68775 | Lease Asset Amortization of Expense | \$810,867 | \$665,364 | \$145,504 |
| 68875 | SBITA Amortization Expense | \$1,425,268 | \$381,203 | \$1,044,065 |
| 68900 | Facility Maintenance & Operations | \$1,569,601 | \$1,254,571 | \$315,030 |
| 68910 | Alterations & Remodeling | \$0 | \$0 | \$0 |
| 69300 | Utilities | \$781,450 | \$780,996 | \$454 |
| 69500 | Pro Rata Expense | \$13,820,091 | \$11,779,099 | \$2,040,992 |
| 69700 | Expendable Equipment | \$3,781,403 | \$3,648,930 | \$132,473 |
| 69900 | Vehicle Maintenance & Operations | \$2,395,230 | \$2,227,030 | \$168,200 |

**CALIFORNIA LOTTERY
SUMMARY BY DIVISION
ACCRUAL BUDGET (CONT.)**

**FY 2025-26 REVISED
ANNUAL PLAN**

**DATE:
Nov 20, 2025**

| | | TOTAL | APPROVED BUDGET | |
|-----------|------------------------------------|-------------------|----------------------------|---------------|
| | | FY 2025-26 | FY 2024-25 | CHANGE |
| 70500 | Interest Penalties | \$69,996 | \$5,004 | \$64,992 |
| 70600 | Interest Expense | \$585,171 | \$180,630 | \$404,541 |
| 70700 | Taxes & Assessments | \$120,931 | \$120,932 | (\$1) |
| 70800 | Bad Debt Expenses | \$1,200,000 | \$1,000,000 | \$200,000 |
| 70900 | Special Items of Expense | \$476,939 | \$251,204 | \$225,735 |
| 71100 | Damaged Scratchers Tickets | \$0 | \$0 | \$0 |
| 71200 | Event Sponsorship | \$772,140 | \$897,590 | (\$125,450) |
| 71400 | Reimbursements - Online NSF | (\$60,000) | (\$60,000) | \$0 |
| 71400 | Reimbursements - Prize Assignment | (\$18,000) | (\$18,000) | \$0 |
| 71400 | Reimbursements - External Rent | (\$96,732) | (\$128,422) | \$31,690 |
| 71400 | Reimbursements - Charging Stations | (\$17,000) | (\$13,000) | (\$4,000) |
| 60400 | Promotions - Consumer | (\$717,000) | (\$719,000) | \$2,000 |
| | | | | |
| 63200 | Prof. Service - External | \$31,628,012 | \$31,364,447 | \$263,565 |
| 63300 | Prof. Service - Interdept. | \$5,733,881 | \$5,487,218 | \$246,663 |
| 63400 | Attorney Fees - Contracted | \$31,667 | \$20 | \$31,647 |
| 71400 | Reimbursements - Fingerprint | (\$72,000) | (\$70,000) | (\$2,000) |
| | | | | |
| 64200/1 | Retailer Commission | \$551,900,000 | \$524,041,763 | \$27,858,237 |
| 64202/3 | Retailer Special Handling | \$33,081,448 | \$33,109,531 | (\$28,083) |
| 64204/5 | Retailer Incentive Bonus | \$6,000,000 | \$4,000,000 | \$2,000,000 |
| 64206/7/8 | Retailer Cashing Bonus | \$58,408,893 | \$51,024,245 | \$7,384,648 |
| 64300 | Gaming System Expenses | \$130,875,000 | \$122,961,500 | \$7,913,500 |
| 64301 | Scratchers Ticket Cost | \$42,780,888 | \$35,600,000 | \$7,180,888 |
| 64302 | Scratchers Licensing Fees | \$8,200,000 | \$6,250,000 | \$1,950,000 |
| 64303 | Scratchers Delivery Fees | \$10,441,150 | \$7,840,000 | \$2,601,150 |
| 64304 | Scratchers Destruction Fees | \$750,000 | \$500,000 | \$250,000 |
| 71400 | Reimbursements - Online Monitors | (\$497,484) | (\$517,296) | \$19,812 |
| 71400 | Reimbursements - Online Install | (\$622,125) | (\$590,250) | (\$31,875) |
| 71400 | Reimbursements - Online Charges | (\$21,597,264) | (\$21,547,656) | (\$49,608) |
| | | | | |
| 60000 | Media | \$68,444,455 | \$66,867,500 | \$1,576,955 |
| 60100 | Production | \$24,214,215 | \$23,150,000 | \$1,064,215 |
| 60200 | Digital | \$6,400,000 | \$6,707,500 | (\$307,500) |
| 60400 | Promotions - Consumer | \$9,219,500 | \$5,497,000 | \$3,722,500 |
| 60410 | Promotions - Retailer | \$340,420 | \$760,420 | (\$420,000) |
| 60475 | Point of Sale - Collateral | \$3,005,000 | \$2,300,000 | \$705,000 |
| 60500 | Point of Sale - Permanent | \$5,405,000 | \$5,110,000 | \$295,000 |

**CALIFORNIA LOTTERY
SUMMARY BY DIVISION
ACCRUAL BUDGET (CONT.)**

**FY 2025-26 REVISED ANNUAL
PLAN**

**DATE:
Nov 20, 2025**

| | | TOTAL | APPROVED | |
|-----------------------------------|-------------------------------------|------------------------|-------------------|---------------|
| | | FY 2025-26 | BUDGET | CHANGE |
| | | | FY 2024-25 | |
| CAPITALIZED EXPENSES | | | | |
| 2XXXX | Equipment & Capitalized Expenses | \$0 | \$0 | \$0 |
| 65110 | Dep Exp - Gaming Equipment | \$1,127,885 | \$1,724,972 | (\$597,087) |
| 65120 | Dep Exp - Software | \$1,752,897 | \$1,637,103 | \$115,795 |
| 65130 | Dep Exp - Audio/Video Equipment | \$23,089 | \$51,673 | (\$28,583) |
| 65140 | Dep Exp - Vending Machines | \$2,471,614 | \$3,604,028 | (\$1,132,414) |
| 65150 | Dep Exp - Leasehold Improvements | \$0 | \$0 | \$0 |
| 65160 | Dep Exp - Buildings | \$4,381,727 | \$4,287,086 | \$94,641 |
| 65170 | Dep Exp - Non Building Improvements | \$53,491 | \$53,491 | \$0 |
| 65180 | Dep Exp - Data Processing Equipment | \$659,683 | \$470,531 | \$189,152 |
| 65190 | Dep Exp - Office Equipment | \$99,331 | \$66,241 | \$33,089 |
| 65200 | Dep Exp - Vehicles | \$782,431 | \$802,494 | (\$20,063) |
| 65210 | Dep Exp - Other Equipment | \$177,080 | \$158,918 | \$18,162 |
| 65220 | Dep Exp - Warehouse Equipment | \$67,600 | \$45,961 | \$21,639 |
| 65230 | Dep Exp - Mobile Equipment | \$0 | \$0 | \$0 |
| TOT. OPER. EXP. AND EQUIP. | | \$1,017,112,917 | \$948,841,517 | \$68,271,401 |
| TOTAL BUDGET | | \$1,160,202,735 | \$1,093,754,141 | \$66,448,594 |

Administrative Budget

CALIFORNIA LOTTERY SUMMARY BY DIVISION ADMINISTRATIVE SUPPORT BUDGET

FY 2025-26 REVISED
ANNUAL PLAN

DATE:
Nov 20, 2025

| | | COMM. 1000 | EXECUTIVE 01 | FINANCE 02 |
|--------------------------------|-------------------------------------|---------------|-----------------|---------------|
| PERMANENT POSITIONS | | 0.00 | 70.00 | 144.00 |
| PERSONAL SERVICES | | | | |
| 50100 | Civil Service Permanent | \$0 | \$8,033,134 | \$10,511,890 |
| 50500 | Civil Service Temporary | \$0 | \$53,232 | \$316,971 |
| 51000 | Overtime Pay | \$0 | \$500 | \$70,691 |
| 53000 | Merit Compensation | \$30,000 | \$93,120 | \$118,200 |
| | Total Salaries and Wages | \$30,000 | \$8,179,986 | \$11,017,752 |
| 56001 | Salary Savings | \$0 | (\$1,124,638) | (\$1,471,664) |
| | Net Salaries and Wages | \$30,000 | \$7,055,347 | \$9,546,088 |
| 55XXX | Staff Benefits | \$0 | \$4,107,417 | \$5,520,746 |
| TOTAL PERSONAL SERVICES | | \$30,000 | \$11,162,764 | \$15,066,834 |
| OPERATING EXPENSES | | | | |
| 67000 | General Expense | \$1,000 | \$175,028 | \$35,876 |
| 67100 | Printing | \$0 | \$0 | \$18,000 |
| 67500 | Telephone | \$0 | \$0 | \$0 |
| 67700 | Postage | \$0 | \$0 | \$0 |
| 67800 | Internal Freight | \$0 | \$0 | \$0 |
| 67900 | Insurance | \$0 | \$0 | \$0 |
| 68100 | In-State Travel | \$15,000 | \$35,451 | \$24,507 |
| 68300 | Out-of-State Travel | \$0 | \$0 | \$80,750 |
| 68400 | Sales & Retailer Conferences | \$0 | \$0 | \$0 |
| 68450 | Meetings & Seminars | \$0 | \$0 | \$0 |
| 68500 | Training | \$0 | \$75,440 | \$47,635 |
| 68700 | Rent/Lease - Building & Grounds | \$0 | \$0 | \$0 |
| 68750 | Asset Rental Expense | \$0 | \$0 | \$0 |
| 68775 | Lease Asset Amortization of Expense | \$0 | \$0 | \$0 |
| 68875 | SBITA Amortization Expense | \$0 | \$0 | \$0 |
| 68900 | Facility Maintenance & Operations | \$0 | \$0 | \$0 |
| 68910 | Alterations & Remodeling | \$0 | \$0 | \$0 |
| 69300 | Utilities | \$0 | \$0 | \$0 |
| 69500 | Pro Rata Expense | \$0 | \$0 | \$0 |
| 69700 | Expendable Equipment | \$0 | \$0 | \$0 |
| 69900 | Vehicle Maintenance & Operations | \$0 | \$0 | \$0 |

**CALIFORNIA LOTTERY
SUMMARY BY DIVISION**

**FY 2025-26 REVISED
ANNUAL PLAN**

**DATE:
Nov 20, 2025**

ADMINISTRATIVE SUPPORT BUDGET (CONT.)

| | | COMM. 1000 | EXECUTIVE 01 | FINANCE 02 |
|-----------------------------------|------------------------------------|-----------------------|-------------------------|-----------------------|
| 70500 | Interest Penalties | \$0 | \$0 | \$69,996 |
| 70600 | Interest Expense | \$0 | \$0 | \$0 |
| 70700 | Taxes & Assessments | \$0 | \$0 | \$0 |
| 70800 | Bad Debt Expenses | \$0 | \$0 | \$0 |
| 70900 | Special Items of Expense | \$0 | \$0 | \$0 |
| 71100 | Damaged Scratchers Tickets | \$0 | \$0 | \$0 |
| 71200 | Event Sponsorship | \$0 | \$307,320 | \$0 |
| 71400 | Reimbursements - Online NSF | \$0 | \$0 | \$0 |
| 71400 | Reimbursements - Prize Assignment | \$0 | \$0 | \$0 |
| 71400 | Reimbursements - External Rent | \$0 | \$0 | \$0 |
| 71400 | Reimbursements - Charging Stations | \$0 | \$0 | \$0 |
| 60400 | Promotions - Consumer | \$0 | \$0 | \$3,000 |
| 63200 | Prof. Service - External | \$0 | \$8,000,726 | \$419,996 |
| 63300 | Prof. Service - Interdept. | \$0 | \$3,785,011 | \$49,600 |
| 63400 | Attorney Fees - Contracted | \$0 | \$31,667 | \$0 |
| 71400 | Reimbursements - Fingerprint | \$0 | \$0 | \$0 |
| TOT. OPER. EXP. AND EQUIP. | | \$16,000 | \$12,410,643 | \$749,360 |
| TOTAL BUDGET | | \$46,000 | \$23,573,407 | \$15,816,194 |

RECAP

| | | | |
|-------------------------------------|-----------------|---------------------|---------------------|
| PERSONAL SERVICES | \$30,000 | \$11,162,764 | \$15,066,834 |
| CONTRACTUAL SERVICES | \$0 | \$11,817,404 | \$469,596 |
| OPERATING EXPENSES | \$16,000 | \$593,239 | \$279,764 |
| TOTAL ADMINISTRATIVE SUPPORT | \$46,000 | \$23,573,407 | \$15,816,194 |

**CALIFORNIA LOTTERY
SUMMARY BY DIVISION
ADMINISTRATIVE SUPPORT BUDGET (CONT.)**

**FY 2025-26 REVISED
ANNUAL PLAN**

**DATE:
Nov 20, 2025**

| | | HR 03 | OPERATIONS 04 | SLED 06 |
|-------|-------------------------------------|------------------|--------------------------|--------------------|
| | PERMANENT POSITIONS | 54.00 | 81.00 | 90.00 |
| | PERSONAL SERVICES | | | |
| 50100 | Civil Service Permanent | \$4,837,457 | \$6,449,081 | \$9,453,292 |
| 50500 | Civil Service Temporary | \$127,910 | \$0 | \$191,106 |
| 51000 | Overtime Pay | \$1,000 | \$64,012 | \$515,604 |
| 53000 | Merit Compensation | \$141,920 | \$65,100 | \$90,060 |
| | Total Salaries and Wages | \$5,108,287 | \$6,578,193 | \$10,250,062 |
| 56001 | Salary Savings | (\$677,244) | (\$902,871) | (\$1,323,461) |
| | Net Salaries and Wages | \$4,431,043 | \$5,675,322 | \$8,926,601 |
| 55XXX | Staff Benefits | \$4,729,993 | \$3,272,264 | \$4,909,355 |
| | TOTAL PERSONAL SERVICES | \$9,161,036 | \$8,947,586 | \$13,835,956 |
| | OPERATING EXPENSES | | | |
| 67000 | General Expense | \$1,000 | \$197,042 | \$45,272 |
| 67100 | Printing | \$0 | \$13,377 | \$0 |
| 67500 | Telephone | \$0 | \$0 | \$0 |
| 67700 | Postage | \$50 | \$86,689 | \$0 |
| 67800 | Internal Freight | \$0 | \$0 | \$0 |
| 67900 | Insurance | \$0 | \$598,361 | \$0 |
| 68100 | In-State Travel | \$3,000 | \$59,643 | \$384,396 |
| 68300 | Out-of-State Travel | \$0 | \$0 | \$0 |
| 68400 | Sales & Retailer Conferences | \$0 | \$0 | \$0 |
| 68450 | Meetings & Seminars | \$0 | \$0 | \$0 |
| 68500 | Training | \$47,001 | \$50,893 | \$178,068 |
| 68700 | Rent/Lease - Building & Grounds | \$0 | \$0 | \$0 |
| 68750 | Asset Rental Expense | \$0 | \$10,000 | \$0 |
| 68775 | Lease Asset Amortization of Expense | \$0 | \$810,867 | \$0 |
| 68875 | SBITA Amortization Expense | \$0 | \$0 | \$0 |
| 68900 | Facility Maintenance & Operations | \$0 | \$1,569,601 | \$0 |
| 68910 | Alterations & Remodeling | \$0 | \$0 | \$0 |
| 69300 | Utilities | \$0 | \$781,450 | \$0 |
| 69500 | Pro Rata Expense | \$0 | \$0 | \$0 |
| 69700 | Expendable Equipment | \$2,000 | \$778,363 | \$159,540 |
| 69900 | Vehicle Maintenance & Operations | \$0 | \$2,395,230 | \$0 |

**CALIFORNIA LOTTERY
SUMMARY BY DIVISION**

**FY 2025-26 REVISED
ANNUAL PLAN**

**DATE:
Nov 20, 2025**

ADMINISTRATIVE SUPPORT BUDGET (CONT.)

| | | HR 03 | OPERATIONS 04 | SLED 06 |
|-------------------------------------|------------------------------------|--------------------|--------------------------|---------------------|
| 70500 | Interest Penalties | \$0 | \$0 | \$0 |
| 70600 | Interest Expense | \$0 | \$568,177 | \$0 |
| 70700 | Taxes & Assessments | \$0 | \$115,931 | \$0 |
| 70800 | Bad Debt Expenses | \$0 | \$0 | \$0 |
| 70900 | Special Items of Expense | \$0 | \$3,200 | \$0 |
| 71100 | Damaged Scratchers Tickets | \$0 | \$0 | \$0 |
| 71200 | Event Sponsorship | \$0 | \$0 | \$0 |
| 71400 | Reimbursements - Online NSF | \$0 | \$0 | \$0 |
| 71400 | Reimbursements - Prize Assignment | \$0 | \$0 | \$0 |
| 71400 | Reimbursements - External Rent | \$0 | \$0 | \$0 |
| 71400 | Reimbursements - Charging Stations | \$0 | \$0 | \$0 |
| 60400 | Promotions - Consumer | \$0 | \$0 | \$0 |
| 63200 | Prof. Service - External | \$98,825 | \$1,316,512 | \$2,943,395 |
| 63300 | Prof. Service - Interdept. | \$609,000 | \$0 | \$184,670 |
| 63400 | Attorney Fees - Contracted | \$0 | \$0 | \$0 |
| 71400 | Reimbursements - Fingerprint | \$0 | \$0 | \$0 |
| TOT. OPER. EXP. AND EQUIP. | | \$760,876 | \$9,355,335 | \$3,895,341 |
| TOTAL BUDGET | | \$9,921,912 | \$18,302,922 | \$17,731,296 |
| RECAP | | | | |
| PERSONAL SERVICES | | \$9,161,036 | \$8,947,586 | \$13,835,956 |
| CONTRACTUAL SERVICES | | \$707,825 | \$1,316,512 | \$3,128,065 |
| OPERATING EXPENSES | | \$53,051 | \$8,038,824 | \$767,276 |
| TOTAL ADMINISTRATIVE SUPPORT | | \$9,921,912 | \$18,302,922 | \$17,731,296 |

**CALIFORNIA LOTTERY
SUMMARY BY DIVISION**

ADMINISTRATIVE SUPPORT BUDGET (CONT.)

**FY 2025-26 REVISED
ANNUAL PLAN**

**DATE:
Nov 20, 2025**

| | | ITSD 07 | SALES/ MARKETING 08 | GAME ACTIVITY 0000 |
|--------------------------------|-------------------------------------|--------------------|------------------------------------|-----------------------------------|
| PERMANENT POSITIONS | | 141.00 | 568.00 | 0.00 |
| PERSONAL SERVICES | | | | |
| 50100 | Civil Service Permanent | \$16,934,044 | \$38,548,981 | \$5,524,770 |
| 50500 | Civil Service Temporary | \$288,606 | \$111,194 | \$0 |
| 51000 | Overtime Pay | \$10,000 | \$126,000 | \$0 |
| 53000 | Merit Compensation | \$327,600 | \$2,394,104 | \$0 |
| | Total Salaries and Wages | \$17,560,249 | \$41,180,278 | \$5,524,770 |
| 56001 | Salary Savings | (\$2,370,766) | (\$5,396,858) | \$0 |
| | Net Salaries and Wages | \$15,189,483 | \$35,783,421 | \$5,524,770 |
| 55XXX | Staff Benefits | \$8,762,611 | \$19,625,356 | \$0 |
| TOTAL PERSONAL SERVICES | | \$23,952,094 | \$55,408,777 | \$5,524,770 |
| OPERATING EXPENSES | | | | |
| 67000 | General Expense | \$5,000 | \$140,700 | (\$2,000,000) |
| 67100 | Printing | \$363,000 | \$0 | \$0 |
| 67500 | Telephone | \$2,808,300 | \$0 | \$0 |
| 67700 | Postage | \$0 | \$15,000 | \$0 |
| 67800 | Internal Freight | \$0 | \$530,000 | \$0 |
| 67900 | Insurance | \$0 | \$0 | \$0 |
| 68100 | In-State Travel | \$86,600 | \$238,000 | \$0 |
| 68300 | Out-of-State Travel | \$0 | \$0 | \$0 |
| 68400 | Sales & Retailer Conferences | \$0 | \$0 | \$0 |
| 68450 | Meetings & Seminars | \$0 | \$0 | \$0 |
| 68500 | Training | \$250,000 | \$125,000 | (\$200,000) |
| 68700 | Rent/Lease - Building & Grounds | \$0 | \$0 | \$0 |
| 68750 | Asset Rental Expense | \$0 | \$0 | \$0 |
| 68775 | Lease Asset Amortization of Expense | \$0 | \$0 | \$0 |
| 68875 | SBITA Amortization Expense | \$1,425,268 | \$0 | \$0 |
| 68900 | Facility Maintenance & Operations | \$0 | \$0 | \$0 |
| 68910 | Alterations & Remodeling | \$0 | \$0 | \$0 |
| 69300 | Utilities | \$0 | \$0 | \$0 |
| 69500 | Pro Rata Expense | \$0 | \$0 | \$13,820,091 |
| 69700 | Expendable Equipment | \$2,825,500 | \$16,000 | \$0 |
| 69900 | Vehicle Maintenance & Operations | \$0 | \$0 | \$0 |

**CALIFORNIA LOTTERY
SUMMARY BY DIVISION**

**FY 2025-26 REVISED
ANNUAL PLAN**

**DATE:
Nov 20, 2025**

ADMINISTRATIVE SUPPORT BUDGET (CONT.)

| | | ITSD 07 | SALES/ MARKETING 08 | GAME ACTIVITY 0000 |
|-------------------------------------|------------------------------------|---------------------|------------------------------------|-----------------------------------|
| 70500 | Interest Penalties | \$0 | \$0 | \$0 |
| 70600 | Interest Expense | \$16,994 | \$0 | \$0 |
| 70700 | Taxes & Assessments | \$0 | \$0 | \$5,000 |
| 70800 | Bad Debt Expenses | \$0 | \$0 | \$1,200,000 |
| 70900 | Special Items of Expense | \$0 | \$431,000 | \$42,739 |
| 71100 | Damaged Scratchers Tickets | \$0 | \$0 | \$0 |
| 71200 | Event Sponsorship | \$0 | \$464,820 | \$0 |
| 71400 | Reimbursements - Online NSF | \$0 | \$0 | (\$60,000) |
| 71400 | Reimbursements - Prize Assignment | \$0 | \$0 | (\$18,000) |
| 71400 | Reimbursements - External Rent | \$0 | \$0 | (\$96,732) |
| 71400 | Reimbursements - Charging Stations | \$0 | \$0 | (\$17,000) |
| 60400 | Promotions - Consumer | \$0 | \$0 | (\$720,000) |
| 63200 | Prof. Service - External | \$20,948,127 | \$0 | (\$2,099,569) |
| 63300 | Prof. Service - Interdept. | \$1,105,600 | \$0 | \$0 |
| 63400 | Attorney Fees - Contracted | \$0 | \$0 | \$0 |
| 71400 | Reimbursements - Fingerprint | \$0 | \$0 | (\$72,000) |
| TOT. OPER. EXP. AND EQUIP. | | \$29,834,389 | \$1,960,520 | \$9,784,529 |
| TOTAL BUDGET | | \$53,786,483 | \$57,369,297 | \$15,309,299 |
| RECAP | | | | |
| PERSONAL SERVICES | | \$23,952,094 | \$55,408,777 | \$5,524,770 |
| CONTRACTUAL SERVICES | | \$22,053,727 | \$0 | (\$2,171,569) |
| OPERATING EXPENSES | | \$7,780,662 | \$1,960,520 | \$11,956,098 |
| TOTAL ADMINISTRATIVE SUPPORT | | \$53,786,483 | \$57,369,297 | \$15,309,299 |

**CALIFORNIA LOTTERY
SUMMARY BY DIVISION**

ADMINISTRATIVE SUPPORT BUDGET (CONT.)

**FY 2025-26 REVISED
ANNUAL PLAN**

**DATE:
Nov 20, 2025**

| | | TOTAL | APPROVED BUDGET | |
|----------------------------|-------------------------------------|-----------------------|----------------------------|---------------|
| | | FY 2025-26 | FY 2024-25 | CHANGE |
| PERMANENT POSITIONS | | 1,148.00 | 1,124.00 | 24.00 |
| PERSONAL SERVICES | | | | |
| 50100 | Civil Service Permanent | \$100,292,648 | \$99,450,878 | \$841,770 |
| 50500 | Civil Service Temporary | \$1,089,019 | \$2,101,662 | (\$1,012,643) |
| 51000 | Overtime Pay | \$787,807 | \$698,128 | \$89,679 |
| 53000 | Merit Compensation | \$3,260,104 | \$4,262,504 | (\$1,002,400) |
| | Total Salaries and Wages | \$105,429,578 | \$106,513,172 | (\$1,083,594) |
| 56001 | Salary Savings | (\$13,267,503) | (\$12,565,122) | (\$702,381) |
| | Net Salaries and Wages | \$92,162,075 | \$93,948,050 | (\$1,785,975) |
| 55XXX | Staff Benefits | \$50,927,742 | \$50,964,574 | (\$36,832) |
| | TOTAL PERSONAL SERVICES | \$143,089,817 | \$144,912,624 | (\$1,822,807) |
| OPERATING EXPENSES | | | | |
| 67000 | General Expense | (\$1,399,082) | (\$1,488,459) | \$89,377 |
| 67100 | Printing | \$394,377 | \$359,716 | \$34,661 |
| 67500 | Telephone | \$2,808,300 | \$2,808,300 | \$0 |
| 67700 | Postage | \$101,739 | \$84,662 | \$17,077 |
| 67800 | Internal Freight | \$530,000 | \$375,000 | \$155,000 |
| 67900 | Insurance | \$598,361 | \$400,638 | \$197,723 |
| 68100 | In-State Travel | \$846,597 | \$766,214 | \$80,383 |
| 68300 | Out-of-State Travel | \$80,750 | \$35,400 | \$45,350 |
| 68400 | Sales & Retailer Conferences | \$0 | \$0 | \$0 |
| 68450 | Meetings & Seminars | \$0 | \$0 | \$0 |
| 68500 | Training | \$574,037 | \$486,915 | \$87,122 |
| 68700 | Rent/Lease - Building & Grounds | \$0 | \$0 | \$0 |
| 68750 | Asset Rental Expense | \$10,000 | \$10,560 | (\$560) |
| 68775 | Lease Asset Amortization of Expense | \$810,867 | \$665,364 | \$145,504 |
| 68875 | SBITA Amortization Expense | \$1,425,268 | \$381,203 | \$1,044,065 |
| 68900 | Facility Maintenance & Operations | \$1,569,601 | \$1,254,571 | \$315,030 |
| 68910 | Alterations & Remodeling | \$0 | \$0 | \$0 |
| 69300 | Utilities | \$781,450 | \$780,996 | \$454 |
| 69500 | Pro Rata Expense | \$13,820,091 | \$11,779,099 | \$2,040,992 |
| 69700 | Expendable Equipment | \$3,781,403 | \$3,648,930 | \$132,473 |
| 69900 | Vehicle Maintenance & Operations | \$2,395,230 | \$2,227,030 | \$168,200 |

**CALIFORNIA LOTTERY
SUMMARY BY DIVISION**

ADMINISTRATIVE SUPPORT BUDGET (CONT.)

**FY 2025-26 REVISED
ANNUAL PLAN**

**DATE:
Nov 20, 2025**

| | | APPROVED | | |
|-------------------------------------|------------------------------------|----------------------|----------------------|----------------------|
| | | TOTAL | BUDGET | |
| | | FY 2025-26 | FY 2024-25 | CHANGE |
| 70500 | Interest Penalties | \$69,996 | \$5,004 | \$64,992 |
| 70600 | Interest Expense | \$585,171 | \$180,630 | \$404,541 |
| 70700 | Taxes & Assessments | \$120,931 | \$120,932 | (\$1) |
| 70800 | Bad Debt Expenses | \$1,200,000 | \$1,000,000 | \$200,000 |
| 70900 | Special Items of Expense | \$476,939 | \$251,204 | \$225,735 |
| 71100 | Damaged Scratchers Tickets | \$0 | \$0 | \$0 |
| 71200 | Event Sponsorship | \$772,140 | \$897,590 | (\$125,450) |
| 71400 | Reimbursements - Online NSF | (\$60,000) | (\$60,000) | \$0 |
| 71400 | Reimbursements - Prize Assignment | (\$18,000) | (\$18,000) | \$0 |
| 71400 | Reimbursements - External Rent | (\$96,732) | (\$128,422) | \$31,690 |
| 71400 | Reimbursements - Charging Stations | (\$17,000) | (\$13,000) | (\$4,000) |
| 60400 | Promotions - Consumer | (\$717,000) | (\$719,000) | \$2,000 |
| 63200 | Prof. Service - External | \$31,628,012 | \$31,364,447 | \$263,565 |
| 63300 | Prof. Service - Interdept. | \$5,733,881 | \$5,487,218 | \$246,663 |
| 63400 | Attorney Fees - Contracted | \$31,667 | \$20 | \$31,647 |
| 71400 | Reimbursements - Fingerprint | (\$72,000) | (\$70,000) | (\$2,000) |
| TOT. OPER. EXP. AND EQUIP. | | \$68,766,993 | \$62,874,761 | \$5,892,232 |
| TOTAL BUDGET | | \$211,856,811 | \$207,787,386 | \$4,069,425 |
| RECAP | | | | |
| PERSONAL SERVICES | | \$143,089,817 | \$144,912,624 | (\$1,822,807) |
| CONTRACTUAL SERVICES | | \$37,321,560 | \$36,781,685 | \$539,875 |
| OPERATING EXPENSES | | \$31,445,433 | \$26,093,076 | \$5,352,357 |
| TOTAL ADMINISTRATIVE SUPPORT | | \$211,856,811 | \$207,787,386 | \$4,069,425 |

Cash Budget

CALIFORNIA LOTTERY SUMMARY BY DIVISION CASH BUDGET

FY 2025-26 REVISED
ANNUAL PLAN

DATE:
Nov 20, 2025

| | | COMM. 1000 | EXECUTIVE 01 | FINANCE 02 |
|--------------------------------|-------------------------------------|---------------|-----------------|---------------|
| PERMANENT POSITIONS | | 0.00 | 70.00 | 144.00 |
| PERSONAL SERVICES | | | | |
| 50100 | Civil Service Permanent | \$0 | \$8,033,134 | \$10,511,890 |
| 50500 | Civil Service Temporary | \$0 | \$53,232 | \$316,971 |
| 51000 | Overtime Pay | \$0 | \$500 | \$70,691 |
| 53000 | Merit Compensation | \$30,000 | \$93,120 | \$118,200 |
| | Total Salaries and Wages | \$30,000 | \$8,179,986 | \$11,017,752 |
| 56001 | Salary Savings | \$0 | (\$1,124,638) | (\$1,471,664) |
| | Net Salaries and Wages | \$30,000 | \$7,055,347 | \$9,546,088 |
| 55XXX | Staff Benefits | \$0 | \$4,107,417 | \$5,520,746 |
| TOTAL PERSONAL SERVICES | | \$30,000 | \$11,162,764 | \$15,066,834 |
| OPERATING EXPENSES | | | | |
| 67000 | General Expense | \$1,000 | \$175,028 | \$35,876 |
| 67100 | Printing | \$0 | \$0 | \$18,000 |
| 67500 | Telephone | \$0 | \$0 | \$0 |
| 67700 | Postage | \$0 | \$0 | \$0 |
| 67800 | Internal Freight | \$0 | \$0 | \$0 |
| 67900 | Insurance | \$0 | \$0 | \$0 |
| 68100 | In-State Travel | \$15,000 | \$35,451 | \$24,507 |
| 68300 | Out-of-State Travel | \$0 | \$0 | \$80,750 |
| 68400 | Sales & Retailer Conferences | \$0 | \$0 | \$0 |
| 68450 | Meetings & Seminars | \$0 | \$0 | \$0 |
| 68500 | Training | \$0 | \$75,440 | \$47,635 |
| 68700 | Rent/Lease - Building & Grounds | \$0 | \$0 | \$0 |
| 68750 | Asset Rental Expense | \$0 | \$0 | \$0 |
| 68775 | Lease Asset Amortization of Expense | \$0 | \$0 | \$0 |
| 68875 | SBITA Amortization Expense | \$0 | \$0 | \$0 |
| 68900 | Facility Maintenance & Operations | \$0 | \$0 | \$0 |
| 68910 | Alterations & Remodeling | \$0 | \$0 | \$0 |
| 69300 | Utilities | \$0 | \$0 | \$0 |
| 69500 | Pro Rata Expense | \$0 | \$0 | \$0 |
| 69700 | Expendable Equipment | \$0 | \$0 | \$0 |
| 69900 | Vehicle Maintenance & Operations | \$0 | \$0 | \$0 |

**CALIFORNIA LOTTERY
SUMMARY BY DIVISION
CASH BUDGET (CONT.)**

**FY 2025-26 REVISED
ANNUAL PLAN**

**DATE:
Nov 20, 2025**

| | | COMM. 1000 | EXECUTIVE 01 | FINANCE 02 |
|-----------|------------------------------------|-----------------------|-------------------------|-----------------------|
| 70500 | Interest Penalties | \$0 | \$0 | \$69,996 |
| 70600 | Interest Expense | \$0 | \$0 | \$0 |
| 70700 | Taxes & Assessments | \$0 | \$0 | \$0 |
| 70800 | Bad Debt Expenses | \$0 | \$0 | \$0 |
| 70900 | Special Items of Expense | \$0 | \$0 | \$0 |
| 71100 | Damaged Scratchers Tickets | \$0 | \$0 | \$0 |
| 71200 | Event Sponsorship | \$0 | \$307,320 | \$0 |
| 71400 | Reimbursements - Online NSF | \$0 | \$0 | \$0 |
| 71400 | Reimbursements - Prize Assignment | \$0 | \$0 | \$0 |
| 71400 | Reimbursements - External Rent | \$0 | \$0 | \$0 |
| 71400 | Reimbursements - Charging Stations | \$0 | \$0 | \$0 |
| 60400 | Promotions - Consumer | \$0 | \$0 | \$3,000 |
| 63200 | Prof. Service - External | \$0 | \$8,000,726 | \$419,996 |
| 63300 | Prof. Service - Interdept. | \$0 | \$3,785,011 | \$49,600 |
| 63400 | Attorney Fees - Contracted | \$0 | \$31,667 | \$0 |
| 71400 | Reimbursements - Fingerprint | \$0 | \$0 | \$0 |
| 64200/1 | Retailer Commission | \$0 | \$0 | \$0 |
| 64202/3 | Retailer Special Handling | \$0 | \$0 | \$0 |
| 64204/5 | Retailer Incentive Bonus | \$0 | \$0 | \$0 |
| 64206/7/8 | Retailer Cashing Bonus | \$0 | \$0 | \$0 |
| 64300 | Gaming System Expenses | \$0 | \$0 | \$0 |
| 64301 | Scratchers Ticket Cost | \$0 | \$0 | \$0 |
| 64302 | Scratchers Licensing Fees | \$0 | \$0 | \$0 |
| 64303 | Scratchers Delivery Fees | \$0 | \$0 | \$0 |
| 64304 | Scratchers Destruction Fees | \$0 | \$0 | \$0 |
| 71400 | Reimbursements - Online Monitors | \$0 | \$0 | \$0 |
| 71400 | Reimbursements - Online Install | \$0 | \$0 | \$0 |
| 71400 | Reimbursements - Online Charges | \$0 | \$0 | \$0 |
| 60000 | Media | \$0 | \$0 | \$0 |
| 60100 | Production | \$0 | \$0 | \$0 |
| 60200 | Digital | \$0 | \$0 | \$0 |
| 60400 | Promotions - Consumer | \$0 | \$0 | \$0 |
| 60410 | Promotions - Retailer | \$0 | \$0 | \$0 |
| 60475 | Point of Sale - Collateral | \$0 | \$0 | \$0 |
| 60500 | Point of Sale - Permanent | \$0 | \$0 | \$0 |

**CALIFORNIA LOTTERY
SUMMARY BY DIVISION
CASH BUDGET (CONT.)**

**FY 2025-26 REVISED
ANNUAL PLAN**

**DATE:
Nov 20, 2025**

| | | COMM. 1000 | EXECUTIVE 01 | FINANCE 02 |
|-----------------------------------|-------------------------------------|-----------------------|-------------------------|-----------------------|
| CAPITALIZED EXPENSES | | | | |
| 2XXXX | Equipment & Capitalized Expenses | \$0 | \$0 | \$0 |
| 65110 | Dep Exp - Gaming Equipment | \$0 | \$0 | \$0 |
| 65120 | Dep Exp - Software | \$0 | \$0 | \$0 |
| 65130 | Dep Exp - Audio/Video Equipment | \$0 | \$0 | \$0 |
| 65140 | Dep Exp - Vending Machines | \$0 | \$0 | \$0 |
| 65150 | Dep Exp - Leasehold Improvements | \$0 | \$0 | \$0 |
| 65160 | Dep Exp - Buildings | \$0 | \$0 | \$0 |
| 65170 | Dep Exp - Non Building Improvements | \$0 | \$0 | \$0 |
| 65180 | Dep Exp - Data Processing Equipment | \$0 | \$0 | \$0 |
| 65190 | Dep Exp - Office Equipment | \$0 | \$0 | \$0 |
| 65200 | Dep Exp - Vehicles | \$0 | \$0 | \$0 |
| 65210 | Dep Exp - Other Equipment | \$0 | \$0 | \$0 |
| 65220 | Dep Exp - Warehouse Equipment | \$0 | \$0 | \$0 |
| 65230 | Dep Exp - Mobile Equipment | \$0 | \$0 | \$0 |
| TOT. OPER. EXP. AND EQUIP. | | \$16,000 | \$12,410,643 | \$749,360 |
| TOTAL BUDGET | | \$46,000 | \$23,573,407 | \$15,816,194 |

**CALIFORNIA LOTTERY
SUMMARY BY DIVISION
CASH BUDGET (CONT.)**

**FY 2025-26 REVISED
ANNUAL PLAN**

**DATE:
Nov 20, 2025**

| | | HR 03 | OPERATIONS 04 | SLED 06 |
|--------------------------------|-------------------------------------|------------------|--------------------------|--------------------|
| PERMANENT POSITIONS | | 54.00 | 81.00 | 90.00 |
| PERSONAL SERVICES | | | | |
| 50100 | Civil Service Permanent | \$4,837,457 | \$6,449,081 | \$9,453,292 |
| 50500 | Civil Service Temporary | \$127,910 | \$0 | \$191,106 |
| 51000 | Overtime Pay | \$1,000 | \$64,012 | \$515,604 |
| 53000 | Merit Compensation | \$141,920 | \$65,100 | \$90,060 |
| | Total Salaries and Wages | \$5,108,287 | \$6,578,193 | \$10,250,062 |
| 56001 | Salary Savings | (\$677,244) | (\$902,871) | (\$1,323,461) |
| | Net Salaries and Wages | \$4,431,043 | \$5,675,322 | \$8,926,601 |
| 55XXX | Staff Benefits | \$4,729,993 | \$3,272,264 | \$4,909,355 |
| TOTAL PERSONAL SERVICES | | \$9,161,036 | \$8,947,586 | \$13,835,956 |
| OPERATING EXPENSES | | | | |
| 67000 | General Expense | \$1,000 | \$197,042 | \$45,272 |
| 67100 | Printing | \$0 | \$13,377 | \$0 |
| 67500 | Telephone | \$0 | \$0 | \$0 |
| 67700 | Postage | \$50 | \$86,689 | \$0 |
| 67800 | Internal Freight | \$0 | \$0 | \$0 |
| 67900 | Insurance | \$0 | \$598,361 | \$0 |
| 68100 | In-State Travel | \$3,000 | \$59,643 | \$384,396 |
| 68300 | Out-of-State Travel | \$0 | \$0 | \$0 |
| 68400 | Sales & Retailer Conferences | \$0 | \$0 | \$0 |
| 68450 | Meetings & Seminars | \$0 | \$0 | \$0 |
| 68500 | Training | \$47,001 | \$50,893 | \$178,068 |
| 68700 | Rent/Lease - Building & Grounds | \$0 | \$0 | \$0 |
| 68750 | Asset Rental Expense | \$0 | \$10,000 | \$0 |
| 68775 | Lease Asset Amortization of Expense | \$0 | \$810,867 | \$0 |
| 68875 | SBITA Amortization Expense | \$0 | \$0 | \$0 |
| 68900 | Facility Maintenance & Operations | \$0 | \$1,569,601 | \$0 |
| 68910 | Alterations & Remodeling | \$0 | \$0 | \$0 |
| 69300 | Utilities | \$0 | \$781,450 | \$0 |
| 69500 | Pro Rata Expense | \$0 | \$0 | \$0 |
| 69700 | Expendable Equipment | \$2,000 | \$778,363 | \$159,540 |
| 69900 | Vehicle Maintenance & Operations | \$0 | \$2,395,230 | \$0 |

**CALIFORNIA LOTTERY
SUMMARY BY DIVISION
CASH BUDGET (CONT.)**

**FY 2025-26 REVISED
ANNUAL PLAN**

**DATE:
Nov 20, 2025**

| | | HR 03 | OPERATIONS 04 | SLED 06 |
|-----------|------------------------------------|------------------|--------------------------|--------------------|
| 70500 | Interest Penalties | \$0 | \$0 | \$0 |
| 70600 | Interest Expense | \$0 | \$568,177 | \$0 |
| 70700 | Taxes & Assessments | \$0 | \$115,931 | \$0 |
| 70800 | Bad Debt Expenses | \$0 | \$0 | \$0 |
| 70900 | Special Items of Expense | \$0 | \$3,200 | \$0 |
| 71100 | Damaged Scratchers Tickets | \$0 | \$0 | \$0 |
| 71200 | Event Sponsorship | \$0 | \$0 | \$0 |
| 71400 | Reimbursements - Online NSF | \$0 | \$0 | \$0 |
| 71400 | Reimbursements - Prize Assignment | \$0 | \$0 | \$0 |
| 71400 | Reimbursements - External Rent | \$0 | \$0 | \$0 |
| 71400 | Reimbursements - Charging Stations | \$0 | \$0 | \$0 |
| 60400 | Promotions - Consumer | \$0 | \$0 | \$0 |
| 63200 | Prof. Service - External | \$98,825 | \$1,316,512 | \$2,943,395 |
| 63300 | Prof. Service - Interdept. | \$609,000 | \$0 | \$184,670 |
| 63400 | Attorney Fees - Contracted | \$0 | \$0 | \$0 |
| 71400 | Reimbursements - Fingerprint | \$0 | \$0 | \$0 |
| 64200/1 | Retailer Commission | \$0 | \$0 | \$0 |
| 64202/3 | Retailer Special Handling | \$0 | \$0 | \$0 |
| 64204/5 | Retailer Incentive Bonus | \$0 | \$0 | \$0 |
| 64206/7/8 | Retailer Cashing Bonus | \$0 | \$0 | \$0 |
| 64300 | Gaming System Expenses | \$0 | \$0 | \$0 |
| 64301 | Scratchers Ticket Cost | \$0 | \$0 | \$0 |
| 64302 | Scratchers Licensing Fees | \$0 | \$0 | \$0 |
| 64303 | Scratchers Delivery Fees | \$0 | \$0 | \$0 |
| 64304 | Scratchers Destruction Fees | \$0 | \$0 | \$0 |
| 71400 | Reimbursements - Online Monitors | \$0 | \$0 | \$0 |
| 71400 | Reimbursements - Online Install | \$0 | \$0 | \$0 |
| 71400 | Reimbursements - Online Charges | \$0 | \$0 | \$0 |
| 60000 | Media | \$0 | \$0 | \$0 |
| 60100 | Production | \$0 | \$0 | \$0 |
| 60200 | Digital | \$0 | \$0 | \$0 |
| 60400 | Promotions - Consumer | \$0 | \$0 | \$0 |
| 60410 | Promotions - Retailer | \$0 | \$0 | \$0 |
| 60475 | Point of Sale - Collateral | \$0 | \$0 | \$0 |
| 60500 | Point of Sale - Permanent | \$0 | \$0 | \$0 |

**CALIFORNIA LOTTERY
SUMMARY BY DIVISION
CASH BUDGET (CONT.)**

**FY 2025-26 REVISED
ANNUAL PLAN**

**DATE:
Nov 20, 2025**

| | | HR 03 | OPERATIONS 04 | SLED 06 |
|-----------------------------------|-------------------------------------|--------------------|--------------------------|---------------------|
| CAPITALIZED EXPENSES | | | | |
| 2XXXX | Equipment & Capitalized Expenses | \$0 | \$4,664,413 | \$0 |
| 65110 | Dep Exp - Gaming Equipment | \$0 | \$0 | \$0 |
| 65120 | Dep Exp - Software | \$0 | \$0 | \$0 |
| 65130 | Dep Exp - Audio/Video Equipment | \$0 | \$0 | \$0 |
| 65140 | Dep Exp - Vending Machines | \$0 | \$0 | \$0 |
| 65150 | Dep Exp - Leasehold Improvements | \$0 | \$0 | \$0 |
| 65160 | Dep Exp - Buildings | \$0 | \$0 | \$0 |
| 65170 | Dep Exp - Non Building Improvements | \$0 | \$0 | \$0 |
| 65180 | Dep Exp - Data Processing Equipment | \$0 | \$0 | \$0 |
| 65190 | Dep Exp - Office Equipment | \$0 | \$0 | \$0 |
| 65200 | Dep Exp - Vehicles | \$0 | \$0 | \$0 |
| 65210 | Dep Exp - Other Equipment | \$0 | \$0 | \$0 |
| 65220 | Dep Exp - Warehouse Equipment | \$0 | \$0 | \$0 |
| 65230 | Dep Exp - Mobile Equipment | \$0 | \$0 | \$0 |
| TOT. OPER. EXP. AND EQUIP. | | \$760,876 | \$14,019,748 | \$3,895,341 |
| TOTAL BUDGET | | \$9,921,912 | \$22,967,335 | \$17,731,296 |

**CALIFORNIA LOTTERY
SUMMARY BY DIVISION
CASH BUDGET (CONT.)**

**FY 2025-26 REVISED
ANNUAL PLAN**

**DATE:
Nov 20, 2025**

| | | ITSD 07 | SALES/ MARKETING 08 | GAME ACTIVITY 0000 |
|--------------------------------|-------------------------------------|--------------------|------------------------------------|-----------------------------------|
| PERMANENT POSITIONS | | 141.00 | 568.00 | 0.00 |
| PERSONAL SERVICES | | | | |
| 50100 | Civil Service Permanent | \$16,934,044 | \$38,548,981 | \$5,524,770 |
| 50500 | Civil Service Temporary | \$288,606 | \$111,194 | \$0 |
| 51000 | Overtime Pay | \$10,000 | \$126,000 | \$0 |
| 53000 | Merit Compensation | \$327,600 | \$2,394,104 | \$0 |
| | Total Salaries and Wages | \$17,560,249 | \$41,180,278 | \$5,524,770 |
| 56001 | Salary Savings | (\$2,370,766) | (\$5,396,858) | \$0 |
| | Net Salaries and Wages | \$15,189,483 | \$35,783,421 | \$5,524,770 |
| 55XXX | Staff Benefits | \$8,762,611 | \$19,625,356 | \$0 |
| TOTAL PERSONAL SERVICES | | \$23,952,094 | \$55,408,777 | \$5,524,770 |
| OPERATING EXPENSES | | | | |
| 67000 | General Expense | \$5,000 | \$140,700 | (\$2,000,000) |
| 67100 | Printing | \$363,000 | \$0 | \$0 |
| 67500 | Telephone | \$2,808,300 | \$0 | \$0 |
| 67700 | Postage | \$0 | \$15,000 | \$0 |
| 67800 | Internal Freight | \$0 | \$530,000 | \$0 |
| 67900 | Insurance | \$0 | \$0 | \$0 |
| 68100 | In-State Travel | \$86,600 | \$238,000 | \$0 |
| 68300 | Out-of-State Travel | \$0 | \$0 | \$0 |
| 68400 | Sales & Retailer Conferences | \$0 | \$0 | \$0 |
| 68450 | Meetings & Seminars | \$0 | \$0 | \$0 |
| 68500 | Training | \$250,000 | \$125,000 | (\$200,000) |
| 68700 | Rent/Lease - Building & Grounds | \$0 | \$0 | \$0 |
| 68750 | Asset Rental Expense | \$0 | \$0 | \$0 |
| 68775 | Lease Asset Amortization of Expense | \$0 | \$0 | \$0 |
| 68875 | SBITA Amortization Expense | \$1,425,268 | \$0 | \$0 |
| 68900 | Facility Maintenance & Operations | \$0 | \$0 | \$0 |
| 68910 | Alterations & Remodeling | \$0 | \$0 | \$0 |
| 69300 | Utilities | \$0 | \$0 | \$0 |
| 69500 | Pro Rata Expense | \$0 | \$0 | \$13,820,091 |
| 69700 | Expendable Equipment | \$2,825,500 | \$16,000 | \$0 |
| 69900 | Vehicle Maintenance & Operations | \$0 | \$0 | \$0 |

**CALIFORNIA LOTTERY
SUMMARY BY DIVISION
CASH BUDGET (CONT.)**

**FY 2025-26 REVISED
ANNUAL PLAN**

**DATE:
Nov 20, 2025**

| | | ITSD 07 | SALES/ MARKETING 08 | GAME ACTIVITY 0000 |
|-----------|------------------------------------|--------------------|------------------------------------|-----------------------------------|
| 70500 | Interest Penalties | \$0 | \$0 | \$0 |
| 70600 | Interest Expense | \$16,994 | \$0 | \$0 |
| 70700 | Taxes & Assessments | \$0 | \$0 | \$5,000 |
| 70800 | Bad Debt Expenses | \$0 | \$0 | \$1,200,000 |
| 70900 | Special Items of Expense | \$0 | \$431,000 | \$42,739 |
| 71100 | Damaged Scratchers Tickets | \$0 | \$0 | \$0 |
| 71200 | Event Sponsorship | \$0 | \$464,820 | \$0 |
| 71400 | Reimbursements - Online NSF | \$0 | \$0 | (\$60,000) |
| 71400 | Reimbursements - Prize Assignment | \$0 | \$0 | (\$18,000) |
| 71400 | Reimbursements - External Rent | \$0 | \$0 | (\$96,732) |
| 71400 | Reimbursements - Charging Stations | \$0 | \$0 | (\$17,000) |
| 60400 | Promotions - Consumer | \$0 | \$0 | (\$720,000) |
| 63200 | Prof. Service - External | \$20,948,127 | \$0 | (\$2,099,569) |
| 63300 | Prof. Service - Interdept. | \$1,105,600 | \$0 | \$0 |
| 63400 | Attorney Fees - Contracted | \$0 | \$0 | \$0 |
| 71400 | Reimbursements - Fingerprint | \$0 | \$0 | (\$72,000) |
| 64200/1 | Retailer Commission | \$0 | \$0 | \$551,900,000 |
| 64202/3 | Retailer Special Handling | \$0 | \$0 | \$33,081,448 |
| 64204/5 | Retailer Incentive Bonus | \$0 | \$0 | \$6,000,000 |
| 64206/7/8 | Retailer Cashing Bonus | \$0 | \$0 | \$58,408,893 |
| 64300 | Gaming System Expenses | \$130,875,000 | \$0 | \$0 |
| 64301 | Scratchers Ticket Cost | \$0 | \$0 | \$42,780,888 |
| 64302 | Scratchers Licensing Fees | \$0 | \$0 | \$8,200,000 |
| 64303 | Scratchers Delivery Fees | \$0 | \$10,441,150 | \$0 |
| 64304 | Scratchers Destruction Fees | \$0 | \$0 | \$750,000 |
| 71400 | Reimbursements - Online Monitors | \$0 | \$0 | (\$497,484) |
| 71400 | Reimbursements - Online Install | \$0 | \$0 | (\$622,125) |
| 71400 | Reimbursements - Online Charges | \$0 | \$0 | (\$21,597,264) |
| 60000 | Media | \$0 | \$68,444,455 | \$0 |
| 60100 | Production | \$0 | \$24,214,215 | \$0 |
| 60200 | Digital | \$0 | \$6,400,000 | \$0 |
| 60400 | Promotions - Consumer | \$0 | \$9,219,500 | \$0 |
| 60410 | Promotions - Retailer | \$0 | \$340,420 | \$0 |
| 60475 | Point of Sale - Collateral | \$0 | \$3,005,000 | \$0 |
| 60500 | Point of Sale - Permanent | \$0 | \$5,405,000 | \$0 |

**CALIFORNIA LOTTERY
SUMMARY BY DIVISION
CASH BUDGET (CONT.)**

**FY 2025-26 REVISED
ANNUAL PLAN**

**DATE:
Nov 20, 2025**

| | | ITSD | SALES/ MARKETING | GAME ACTIVITY |
|-----------------------------------|-------------------------------------|----------------------|-----------------------------|--------------------------|
| | | 07 | 08 | 0000 |
| CAPITALIZED EXPENSES | | | | |
| 2XXXX | Equipment & Capitalized Expenses | \$1,250,000 | \$200,000 | \$0 |
| 65110 | Dep Exp - Gaming Equipment | \$0 | \$0 | \$0 |
| 65120 | Dep Exp - Software | \$0 | \$0 | \$0 |
| 65130 | Dep Exp - Audio/Video Equipment | \$0 | \$0 | \$0 |
| 65140 | Dep Exp - Vending Machines | \$0 | \$0 | \$0 |
| 65150 | Dep Exp - Leasehold Improvements | \$0 | \$0 | \$0 |
| 65160 | Dep Exp - Buildings | \$0 | \$0 | \$0 |
| 65170 | Dep Exp - Non Building Improvements | \$0 | \$0 | \$0 |
| 65180 | Dep Exp - Data Processing Equipment | \$0 | \$0 | \$0 |
| 65190 | Dep Exp - Office Equipment | \$0 | \$0 | \$0 |
| 65200 | Dep Exp - Vehicles | \$0 | \$0 | \$0 |
| 65210 | Dep Exp - Other Equipment | \$0 | \$0 | \$0 |
| 65220 | Dep Exp - Warehouse Equipment | \$0 | \$0 | \$0 |
| 65230 | Dep Exp - Mobile Equipment | \$0 | \$0 | \$0 |
| TOT. OPER. EXP. AND EQUIP. | | \$161,959,389 | \$129,630,260 | \$688,188,886 |
| TOTAL BUDGET | | \$185,911,483 | \$185,039,037 | \$693,713,656 |

**CALIFORNIA LOTTERY
SUMMARY BY DIVISION
CASH BUDGET (CONT.)**

**FY 2025-26 REVISED
ANNUAL PLAN**

**DATE:
Nov 20, 2025**

| | | APPROVED | | |
|--------------------------------|-------------------------------------|-----------------------|-------------------|---------------|
| | | TOTAL | BUDGET | |
| | | FY 2025-26 | FY 2024-25 | CHANGE |
| PERMANENT POSITIONS | | 1,148.00 | 1,124.00 | 24.00 |
| PERSONAL SERVICES | | | | |
| 50100 | Civil Service Permanent | \$100,292,648 | \$99,450,878 | \$841,770 |
| 50500 | Civil Service Temporary | \$1,089,019 | \$2,101,662 | (\$1,012,643) |
| 51000 | Overtime Pay | \$787,807 | \$698,128 | \$89,679 |
| 53000 | Merit Compensation | \$3,260,104 | \$4,262,504 | (\$1,002,400) |
| | Total Salaries and Wages | \$105,429,578 | \$106,513,172 | (\$1,083,594) |
| 56001 | Salary Savings | (\$13,267,503) | (\$12,565,122) | (\$702,381) |
| | Net Salaries and Wages | \$92,162,075 | \$93,948,050 | (\$1,785,975) |
| 55XXX | Staff Benefits | \$50,927,742 | \$50,964,574 | (\$36,832) |
| TOTAL PERSONAL SERVICES | | \$143,089,817 | \$144,912,624 | (\$1,822,807) |
| OPERATING EXPENSES | | | | |
| 67000 | General Expense | (\$1,399,082) | (\$1,488,459) | \$89,377 |
| 67100 | Printing | \$394,377 | \$359,716 | \$34,661 |
| 67500 | Telephone | \$2,808,300 | \$2,808,300 | \$0 |
| 67700 | Postage | \$101,739 | \$84,662 | \$17,077 |
| 67800 | Internal Freight | \$530,000 | \$375,000 | \$155,000 |
| 67900 | Insurance | \$598,361 | \$400,638 | \$197,723 |
| 68100 | In-State Travel | \$846,597 | \$766,214 | \$80,383 |
| 68300 | Out-of-State Travel | \$80,750 | \$35,400 | \$45,350 |
| 68400 | Sales & Retailer Conferences | \$0 | \$0 | \$0 |
| 68450 | Meetings & Seminars | \$0 | \$0 | \$0 |
| 68500 | Training | \$574,037 | \$486,915 | \$87,122 |
| 68700 | Rent/Lease - Building & Grounds | \$0 | \$0 | \$0 |
| 68750 | Asset Rental Expense | \$10,000 | \$10,560 | (\$560) |
| 68775 | Lease Asset Amortization of Expense | \$810,867 | \$665,364 | \$145,504 |
| 68875 | SBITA Amortization Expense | \$1,425,268 | \$381,203 | \$1,044,065 |
| 68900 | Facility Maintenance & Operations | \$1,569,601 | \$1,254,571 | \$315,030 |
| 68910 | Alterations & Remodeling | \$0 | \$0 | \$0 |
| 69300 | Utilities | \$781,450 | \$780,996 | \$454 |
| 69500 | Pro Rata Expense | \$13,820,091 | \$11,779,099 | \$2,040,992 |
| 69700 | Expendable Equipment | \$3,781,403 | \$3,648,930 | \$132,473 |
| 69900 | Vehicle Maintenance & Operations | \$2,395,230 | \$2,227,030 | \$168,200 |

**CALIFORNIA LOTTERY
SUMMARY BY DIVISION
CASH BUDGET (CONT.)**

**FY 2025-26 REVISED
ANNUAL PLAN**

**DATE:
Nov 20, 2025**

| | | APPROVED | | |
|-----------|------------------------------------|-------------------|-------------------|---------------|
| | | TOTAL | BUDGET | |
| | | FY 2025-26 | FY 2024-25 | CHANGE |
| 70500 | Interest Penalties | \$69,996 | \$5,004 | \$64,992 |
| 70600 | Interest Expense | \$585,171 | \$180,630 | \$404,541 |
| 70700 | Taxes & Assessments | \$120,931 | \$120,932 | (\$1) |
| 70800 | Bad Debt Expenses | \$1,200,000 | \$1,000,000 | \$200,000 |
| 70900 | Special Items of Expense | \$476,939 | \$251,204 | \$225,735 |
| 71100 | Damaged Scratchers Tickets | \$0 | \$0 | \$0 |
| 71200 | Event Sponsorship | \$772,140 | \$897,590 | (\$125,450) |
| 71400 | Reimbursements - Online NSF | (\$60,000) | (\$60,000) | \$0 |
| 71400 | Reimbursements - Prize Assignment | (\$18,000) | (\$18,000) | \$0 |
| 71400 | Reimbursements - External Rent | (\$96,732) | (\$128,422) | \$31,690 |
| 71400 | Reimbursements - Charging Stations | (\$17,000) | (\$13,000) | (\$4,000) |
| 60400 | Promotions - Consumer | (\$717,000) | (\$719,000) | \$2,000 |
| | | | | |
| 63200 | Prof. Service - External | \$31,628,012 | \$31,364,447 | \$263,565 |
| 63300 | Prof. Service - Interdept. | \$5,733,881 | \$5,487,218 | \$246,663 |
| 63400 | Attorney Fees - Contracted | \$31,667 | \$20 | \$31,647 |
| 71400 | Reimbursements - Fingerprint | (\$72,000) | (\$70,000) | (\$2,000) |
| | | | | |
| 64200/1 | Retailer Commission | \$551,900,000 | \$524,041,763 | \$27,858,237 |
| 64202/3 | Retailer Special Handling | \$33,081,448 | \$33,109,531 | (\$28,083) |
| 64204/5 | Retailer Incentive Bonus | \$6,000,000 | \$4,000,000 | \$2,000,000 |
| 64206/7/8 | Retailer Cashing Bonus | \$58,408,893 | \$51,024,245 | \$7,384,648 |
| 64300 | Gaming System Expenses | \$130,875,000 | \$122,961,500 | \$7,913,500 |
| 64301 | Scratchers Ticket Cost | \$42,780,888 | \$35,600,000 | \$7,180,888 |
| 64302 | Scratchers Licensing Fees | \$8,200,000 | \$6,250,000 | \$1,950,000 |
| 64303 | Scratchers Delivery Fees | \$10,441,150 | \$7,840,000 | \$2,601,150 |
| 64304 | Scratchers Destruction Fees | \$750,000 | \$500,000 | \$250,000 |
| 71400 | Reimbursements - Online Monitors | (\$497,484) | (\$517,296) | \$19,812 |
| 71400 | Reimbursements - Online Install | (\$622,125) | (\$590,250) | (\$31,875) |
| 71400 | Reimbursements - Online Charges | (\$21,597,264) | (\$21,547,656) | (\$49,608) |
| | | | | |
| 60000 | Media | \$68,444,455 | \$66,867,500 | \$1,576,955 |
| 60100 | Production | \$24,214,215 | \$23,150,000 | \$1,064,215 |
| 60200 | Digital | \$6,400,000 | \$6,707,500 | (\$307,500) |
| 60400 | Promotions - Consumer | \$9,219,500 | \$5,497,000 | \$3,722,500 |
| 60410 | Promotions - Retailer | \$340,420 | \$760,420 | (\$420,000) |
| 60475 | Point of Sale - Collateral | \$3,005,000 | \$2,300,000 | \$705,000 |
| 60500 | Point of Sale - Permanent | \$5,405,000 | \$5,110,000 | \$295,000 |

**CALIFORNIA LOTTERY
SUMMARY BY DIVISION
CASH BUDGET (CONT.)**

**FY 2025-26 REVISED ANNUAL DATE:
PLAN Nov 20, 2025**

| | | TOTAL | APPROVED | |
|-----------------------------------|-------------------------------------|------------------------|-------------------|---------------|
| | | FY 2025-26 | BUDGET | CHANGE |
| | | | FY 2024-25 | |
| CAPITALIZED EXPENSES | | | | |
| 2XXXX | Equipment & Capitalized Expenses | \$6,114,413 | \$1,665,988 | \$4,448,425 |
| 65110 | Dep Exp - Gaming Equipment | \$0 | \$0 | \$0 |
| 65120 | Dep Exp - Software | \$0 | \$0 | \$0 |
| 65130 | Dep Exp - Audio/Video Equipment | \$0 | \$0 | \$0 |
| 65140 | Dep Exp - Vending Machines | \$0 | \$0 | \$0 |
| 65150 | Dep Exp - Leasehold Improvements | \$0 | \$0 | \$0 |
| 65160 | Dep Exp - Buildings | \$0 | \$0 | \$0 |
| 65170 | Dep Exp - Non Building Improvements | \$0 | \$0 | \$0 |
| 65180 | Dep Exp - Data Processing Equipment | \$0 | \$0 | \$0 |
| 65190 | Dep Exp - Office Equipment | \$0 | \$0 | \$0 |
| 65200 | Dep Exp - Vehicles | \$0 | \$0 | \$0 |
| 65210 | Dep Exp - Other Equipment | \$0 | \$0 | \$0 |
| 65220 | Dep Exp - Warehouse Equipment | \$0 | \$0 | \$0 |
| 65230 | Dep Exp - Mobile Equipment | \$0 | \$0 | \$0 |
| TOT. OPER. EXP. AND EQUIP. | | \$1,011,630,502 | \$937,605,007 | \$74,025,495 |
| TOTAL BUDGET | | \$1,154,720,320 | \$1,082,517,631 | \$72,202,688 |

Divisional Budgets

Commission

Ensuring integrity, security, fairness and transparency in the operation and administration of the Lottery.

The Commission consists of five members appointed by the Governor with the advice and consent of the Senate. These appointments meet the requirements of the Lottery Act, which specifies that:

- No more than three members can be from the same political party.
- One member must be a certified public accountant.
- One member must have at least five years of experience as a law enforcement officer.

The Commission approves the Lottery's budget and business plans to make sure we achieve our mission—providing supplemental funding for California's public schools and colleges.

| LOTTERY COMMISSION - 1000 | FY 2025-26 REVISED DATE: ANNUAL PLAN Nov 20, 2025 | | |
|---------------------------|--|-----------|-----------|
| | Quarter 1 | Quarter 2 | Quarter 3 |

PERMANENT POSITIONS

PERSONAL SERVICES

| | | | | |
|-------|--------------------------------|---------|---------|---------|
| 50100 | Civil Service Permanent | \$0 | \$0 | \$0 |
| 50500 | Civil Service Temporary | \$0 | \$0 | \$0 |
| 51000 | Overtime Pay | \$0 | \$0 | \$0 |
| 53000 | Merit Compensation | \$7,500 | \$7,500 | \$7,500 |
| | Total Salaries and Wages | \$7,500 | \$7,500 | \$7,500 |
| 56001 | Salary Savings | \$0 | \$0 | \$0 |
| | Net Salaries and Wages | \$7,500 | \$7,500 | \$7,500 |
| 55XXX | Staff Benefits | \$0 | \$0 | \$0 |
| | TOTAL PERSONAL SERVICES | \$7,500 | \$7,500 | \$7,500 |

OPERATING EXPENSES

| | | | | |
|-------|-----------------------------------|----------|----------|----------|
| 67000 | General Expense | \$250 | \$250 | \$250 |
| 68100 | In-State Travel | \$3,750 | \$3,750 | \$3,750 |
| | TOT. OPER. EXP. AND EQUIP. | \$4,000 | \$4,000 | \$4,000 |
| | TOTAL BUDGET | \$11,500 | \$11,500 | \$11,500 |

**LOTTERY COMMISSION - 1000
(CONT.)**

**FY 2025-26 REVISED
ANNUAL PLAN**

**DATE:
Nov 20, 2025**

| | Quarter 4 | TOTAL FY 2025-26 | APPROVED BUDGET FY 2024-25 | CHANGE |
|--|------------------|-----------------------------|---|---------------|
|--|------------------|-----------------------------|---|---------------|

| | | | | |
|----------------------------|--|-------------|-------------|-------------|
| PERMANENT POSITIONS | | 0.00 | 0.00 | 0.00 |
|----------------------------|--|-------------|-------------|-------------|

PERSONAL SERVICES

| | | | | | |
|--------------------------------|-------------------------|---------|-----------------|----------|-----|
| 50100 | Civil Service Permanent | \$0 | \$0 | \$0 | \$0 |
| 50500 | Civil Service Temporary | \$0 | \$0 | \$0 | \$0 |
| 51000 | Overtime Pay | \$0 | \$0 | \$0 | \$0 |
| 53000 | Merit Compensation | \$7,500 | \$30,000 | \$30,000 | \$0 |
| Total Salaries and Wages | | \$7,500 | \$30,000 | \$30,000 | \$0 |
| 56001 | Salary Savings | \$0 | \$0 | \$0 | \$0 |
| Net Salaries and Wages | | \$7,500 | \$30,000 | \$30,000 | \$0 |
| 55XXX | Staff Benefits | \$0 | \$0 | \$0 | \$0 |
| TOTAL PERSONAL SERVICES | | \$7,500 | \$30,000 | \$30,000 | \$0 |

OPERATING EXPENSES

| | | | | | |
|-----------------------------------|-----------------|----------|-----------------|----------|-----|
| 67000 | General Expense | \$250 | \$1,000 | \$1,000 | \$0 |
| 68100 | In-State Travel | \$3,750 | \$15,000 | \$15,000 | \$0 |
| TOT. OPER. EXP. AND EQUIP. | | \$4,000 | \$16,000 | \$16,000 | \$0 |
| TOTAL BUDGET | | \$11,500 | \$46,000 | \$46,000 | \$0 |

Executive Division Roll-up

The Executive Division roll-up represents separate budget allocations for each office.

| EXECUTIVE DIVISION - 01 | FY 2025-26 REVISED ANNUAL PLAN | | DATE: Nov 20, 2025 |
|-------------------------|-----------------------------------|---------------------------|----------------------------|
| | Directorate 1110 | Legal Services 1120 | Internal Audits 1130 |

| | | | |
|----------------------------|-------|------|-------|
| PERMANENT POSITIONS | 27.00 | 9.00 | 11.00 |
|----------------------------|-------|------|-------|

PERSONAL SERVICES

| | | | | |
|-------|--------------------------------|-------------|-------------|-------------|
| 50100 | Civil Service Permanent | \$3,331,419 | \$1,305,032 | \$1,073,573 |
| 50500 | Civil Service Temporary | \$53,232 | \$0 | \$0 |
| 51000 | Overtime Pay | \$0 | \$0 | \$0 |
| 53000 | Merit Compensation | \$47,160 | \$6,720 | \$18,480 |
| | Total Salaries and Wages | \$3,431,811 | \$1,311,752 | \$1,092,053 |
| 56001 | Salary Savings | (\$466,399) | (\$182,704) | (\$150,300) |
| | Net Salaries and Wages | \$2,965,413 | \$1,129,048 | \$941,753 |
| 55XXX | Staff Benefits | \$1,721,768 | \$662,173 | \$544,732 |
| | TOTAL PERSONAL SERVICES | \$4,687,181 | \$1,791,221 | \$1,486,484 |

OPERATING EXPENSES

| | | | | |
|-------|-------------------------------------|-----------|----------|----------|
| 67000 | General Expense | \$115,445 | \$48,000 | \$2,110 |
| 67100 | Printing | \$0 | \$0 | \$0 |
| 67500 | Telephone | \$0 | \$0 | \$0 |
| 67700 | Postage | \$0 | \$0 | \$0 |
| 67800 | Internal Freight | \$0 | \$0 | \$0 |
| 67900 | Insurance | \$0 | \$0 | \$0 |
| 68100 | In-State Travel | \$21,050 | \$1,200 | \$472 |
| 68300 | Out-of-State Travel | \$0 | \$0 | \$0 |
| 68400 | Sales & Retailer Conferences | \$0 | \$0 | \$0 |
| 68450 | Meetings & Seminars | \$0 | \$0 | \$0 |
| 68500 | Training | \$24,090 | \$4,500 | \$35,250 |
| 68700 | Rent/Lease - Building & Grounds | \$0 | \$0 | \$0 |
| 68750 | Asset Rental Expense | \$0 | \$0 | \$0 |
| 68775 | Lease Asset Amortization of Expense | \$0 | \$0 | \$0 |
| 68875 | SBITA Amortization Expense | \$0 | \$0 | \$0 |
| 68900 | Facility Maintenance & Operations | \$0 | \$0 | \$0 |
| 68910 | Alterations & Remodeling | \$0 | \$0 | \$0 |
| 69300 | Utilities | \$0 | \$0 | \$0 |
| 69500 | Pro Rata Expense | \$0 | \$0 | \$0 |
| 69700 | Expendable Equipment | \$0 | \$0 | \$0 |
| 69900 | Vehicle Maintenance & Operations | \$0 | \$0 | \$0 |

| EXECUTIVE DIVISION - 01 (CONT.) | | FY 2025-26 REVISED ANNUAL PLAN | | DATE: Nov 20, 2025 |
|------------------------------------|------------------------------------|-----------------------------------|---------------------------|----------------------------|
| | | Directorate 1110 | Legal Services 1120 | Internal Audits 1130 |
| 70500 | Interest Penalties | \$0 | \$0 | \$0 |
| 70600 | Interest Expense | \$0 | \$0 | \$0 |
| 70700 | Taxes & Assessments | \$0 | \$0 | \$0 |
| 70800 | Bad Debt Expenses | \$0 | \$0 | \$0 |
| 70900 | Special Items of Expense | \$0 | \$0 | \$0 |
| 71100 | Damaged Scratchers Tickets | \$0 | \$0 | \$0 |
| 71200 | Event Sponsorship | \$0 | \$0 | \$0 |
| 71400 | Reimbursements - Online NSF | \$0 | \$0 | \$0 |
| 71400 | Reimbursements - Prize Assignment | \$0 | \$0 | \$0 |
| 71400 | Reimbursements - External Rent | \$0 | \$0 | \$0 |
| 71400 | Reimbursements - Charging Stations | \$0 | \$0 | \$0 |
| 60400 | Promotions - Consumer | \$0 | \$0 | \$0 |
| 63200 | Prof. Service - External | \$161,000 | \$39,200 | \$10,800 |
| 63300 | Prof. Service - Interdept. | \$10 | \$350,000 | \$3,265,000 |
| 63400 | Attorney Fees - Contracted | \$0 | \$31,667 | \$0 |
| 71400 | Reimbursements - Fingerprint | \$0 | \$0 | \$0 |
| 64200/1 | Retailer Commission | \$0 | \$0 | \$0 |
| 64202/3 | Retailer Special Handling | \$0 | \$0 | \$0 |
| 64204/5 | Retailer Incentive Bonus | \$0 | \$0 | \$0 |
| 64206/7/8 | Retailer Cashing Bonus | \$0 | \$0 | \$0 |
| 64300 | Gaming System Expenses | \$0 | \$0 | \$0 |
| 64301 | Scratchers Ticket Cost | \$0 | \$0 | \$0 |
| 64302 | Scratchers Licensing Fees | \$0 | \$0 | \$0 |
| 64303 | Scratchers Delivery Fees | \$0 | \$0 | \$0 |
| 64304 | Scratchers Destruction Fees | \$0 | \$0 | \$0 |
| 71400 | Reimbursements - Online Monitors | \$0 | \$0 | \$0 |
| 71400 | Reimbursements - Online Install | \$0 | \$0 | \$0 |
| 71400 | Reimbursements - Online Charges | \$0 | \$0 | \$0 |
| 60000 | Media | \$0 | \$0 | \$0 |
| 60100 | Production | \$0 | \$0 | \$0 |
| 60200 | Digital | \$0 | \$0 | \$0 |
| 60400 | Promotions - Consumer | \$0 | \$0 | \$0 |
| 60410 | Promotions - Retailer | \$0 | \$0 | \$0 |
| 60475 | Point of Sale - Collateral | \$0 | \$0 | \$0 |
| 60500 | Point of Sale - Permanent | \$0 | \$0 | \$0 |

**EXECUTIVE DIVISION - 01
(CONT.)**

**FY 2025-26 REVISED
ANNUAL PLAN**

**DATE:
Nov 20, 2025**

**Directorate
1110**

**Legal
Services
1120**

**Internal
Audits
1130**

CAPITALIZED EXPENSES

| | | | | |
|-------|-------------------------------------|-----|-----|-----|
| 2XXXX | Equipment & Capitalized Expenses | \$0 | \$0 | \$0 |
| 65110 | Dep Exp - Gaming Equipment | \$0 | \$0 | \$0 |
| 65120 | Dep Exp - Software | \$0 | \$0 | \$0 |
| 65130 | Dep Exp - Audio/Video Equipment | \$0 | \$0 | \$0 |
| 65140 | Dep Exp - Vending Machines | \$0 | \$0 | \$0 |
| 65150 | Dep Exp - Leasehold Improvements | \$0 | \$0 | \$0 |
| 65160 | Dep Exp - Buildings | \$0 | \$0 | \$0 |
| 65170 | Dep Exp - Non Building Improvements | \$0 | \$0 | \$0 |
| 65180 | Dep Exp - Data Processing Equipment | \$0 | \$0 | \$0 |
| 65190 | Dep Exp - Office Equipment | \$0 | \$0 | \$0 |
| 65200 | Dep Exp - Vehicles | \$0 | \$0 | \$0 |
| 65210 | Dep Exp - Other Equipment | \$0 | \$0 | \$0 |
| 65220 | Dep Exp - Warehouse Equipment | \$0 | \$0 | \$0 |
| 65230 | Dep Exp - Mobile Equipment | \$0 | \$0 | \$0 |

TOT. OPER. EXP. AND EQUIP.

\$321,595 \$474,567 \$3,313,632

TOTAL BUDGET

\$5,008,776 \$2,265,788 \$4,800,116

| EXECUTIVE DIVISION - 01 (CONT.) | FY 2025-26 REVISED ANNUAL PLAN | | DATE: Nov 20, 2025 |
|------------------------------------|-----------------------------------|---|--|
| | External Affairs 1140 | Business Planning & Research 1150 | Public Affairs & Communications 1180 |
| | | | |

| | | | |
|----------------------------|------|-------|------|
| PERMANENT POSITIONS | 2.00 | 14.00 | 7.00 |
|----------------------------|------|-------|------|

PERSONAL SERVICES

| | | | | |
|-------|--------------------------------|------------|-------------|------------|
| 50100 | Civil Service Permanent | \$230,796 | \$1,440,221 | \$652,092 |
| 50500 | Civil Service Temporary | \$0 | \$0 | \$0 |
| 51000 | Overtime Pay | \$0 | \$0 | \$500 |
| 53000 | Merit Compensation | \$3,720 | \$14,640 | \$2,400 |
| | Total Salaries and Wages | \$234,516 | \$1,454,861 | \$654,992 |
| 56001 | Salary Savings | (\$32,311) | (\$201,631) | (\$91,293) |
| | Net Salaries and Wages | \$202,205 | \$1,253,230 | \$563,699 |
| 55XXX | Staff Benefits | \$117,104 | \$730,768 | \$330,871 |
| | TOTAL PERSONAL SERVICES | \$319,308 | \$1,983,999 | \$894,571 |

OPERATING EXPENSES

| | | | | |
|-------|-------------------------------------|---------|---------|---------|
| 67000 | General Expense | \$4,273 | \$4,000 | \$1,200 |
| 67100 | Printing | \$0 | \$0 | \$0 |
| 67500 | Telephone | \$0 | \$0 | \$0 |
| 67700 | Postage | \$0 | \$0 | \$0 |
| 67800 | Internal Freight | \$0 | \$0 | \$0 |
| 67900 | Insurance | \$0 | \$0 | \$0 |
| 68100 | In-State Travel | \$7,929 | \$1,500 | \$3,300 |
| 68300 | Out-of-State Travel | \$0 | \$0 | \$0 |
| 68400 | Sales & Retailer Conferences | \$0 | \$0 | \$0 |
| 68450 | Meetings & Seminars | \$0 | \$0 | \$0 |
| 68500 | Training | \$3,600 | \$6,000 | \$2,000 |
| 68700 | Rent/Lease - Building & Grounds | \$0 | \$0 | \$0 |
| 68750 | Asset Rental Expense | \$0 | \$0 | \$0 |
| 68775 | Lease Asset Amortization of Expense | \$0 | \$0 | \$0 |
| 68875 | SBITA Amortization Expense | \$0 | \$0 | \$0 |
| 68900 | Facility Maintenance & Operations | \$0 | \$0 | \$0 |
| 68910 | Alterations & Remodeling | \$0 | \$0 | \$0 |
| 69300 | Utilities | \$0 | \$0 | \$0 |
| 69500 | Pro Rata Expense | \$0 | \$0 | \$0 |
| 69700 | Expendable Equipment | \$0 | \$0 | \$0 |
| 69900 | Vehicle Maintenance & Operations | \$0 | \$0 | \$0 |

| EXECUTIVE DIVISION - 01 (CONT.) | | FY 2025-26 REVISED ANNUAL PLAN | | DATE: Nov 20, 2025 |
|------------------------------------|------------------------------------|-----------------------------------|---|--|
| | | External Affairs 1140 | Business Planning & Research 1150 | Public Affairs & Communications 1180 |
| 70500 | Interest Penalties | \$0 | \$0 | \$0 |
| 70600 | Interest Expense | \$0 | \$0 | \$0 |
| 70700 | Taxes & Assessments | \$0 | \$0 | \$0 |
| 70800 | Bad Debt Expenses | \$0 | \$0 | \$0 |
| 70900 | Special Items of Expense | \$0 | \$0 | \$0 |
| 71100 | Damaged Scratchers Tickets | \$0 | \$0 | \$0 |
| 71200 | Event Sponsorship | \$307,320 | \$0 | \$0 |
| 71400 | Reimbursements - Online NSF | \$0 | \$0 | \$0 |
| 71400 | Reimbursements - Prize Assignment | \$0 | \$0 | \$0 |
| 71400 | Reimbursements - External Rent | \$0 | \$0 | \$0 |
| 71400 | Reimbursements - Charging Stations | \$0 | \$0 | \$0 |
| 60400 | Promotions - Consumer | \$0 | \$0 | \$0 |
| 63200 | Prof. Service - External | \$0 | \$1,799,920 | \$5,989,806 |
| 63300 | Prof. Service - Interdept. | \$170,001 | \$0 | \$0 |
| 63400 | Attorney Fees - Contracted | \$0 | \$0 | \$0 |
| 71400 | Reimbursements - Fingerprint | \$0 | \$0 | \$0 |
| 64200/1 | Retailer Commission | \$0 | \$0 | \$0 |
| 64202/3 | Retailer Special Handling | \$0 | \$0 | \$0 |
| 64204/5 | Retailer Incentive Bonus | \$0 | \$0 | \$0 |
| 64206/7/8 | Retailer Cashing Bonus | \$0 | \$0 | \$0 |
| 64300 | Gaming System Expenses | \$0 | \$0 | \$0 |
| 64301 | Scratchers Ticket Cost | \$0 | \$0 | \$0 |
| 64302 | Scratchers Licensing Fees | \$0 | \$0 | \$0 |
| 64303 | Scratchers Delivery Fees | \$0 | \$0 | \$0 |
| 64304 | Scratchers Destruction Fees | \$0 | \$0 | \$0 |
| 71400 | Reimbursements - Online Monitors | \$0 | \$0 | \$0 |
| 71400 | Reimbursements - Online Install | \$0 | \$0 | \$0 |
| 71400 | Reimbursements - Online Charges | \$0 | \$0 | \$0 |
| 60000 | Media | \$0 | \$0 | \$0 |
| 60100 | Production | \$0 | \$0 | \$0 |
| 60200 | Digital | \$0 | \$0 | \$0 |
| 60400 | Promotions - Consumer | \$0 | \$0 | \$0 |
| 60410 | Promotions - Retailer | \$0 | \$0 | \$0 |
| 60475 | Point of Sale - Collateral | \$0 | \$0 | \$0 |
| 60500 | Point of Sale - Permanent | \$0 | \$0 | \$0 |

| EXECUTIVE DIVISION - 01 (CONT.) | | FY 2025-26 REVISED ANNUAL PLAN | | DATE: Nov 20, 2025 |
|------------------------------------|-------------------------------------|-----------------------------------|---|--|
| | | External Affairs 1140 | Business Planning & Research 1150 | Public Affairs & Communications 1180 |
| CAPITALIZED EXPENSES | | | | |
| 2XXXX | Equipment & Capitalized Expenses | \$0 | \$0 | \$0 |
| 65110 | Dep Exp - Gaming Equipment | \$0 | \$0 | \$0 |
| 65120 | Dep Exp - Software | \$0 | \$0 | \$0 |
| 65130 | Dep Exp - Audio/Video Equipment | \$0 | \$0 | \$0 |
| 65140 | Dep Exp - Vending Machines | \$0 | \$0 | \$0 |
| 65150 | Dep Exp - Leasehold Improvements | \$0 | \$0 | \$0 |
| 65160 | Dep Exp - Buildings | \$0 | \$0 | \$0 |
| 65170 | Dep Exp - Non Building Improvements | \$0 | \$0 | \$0 |
| 65180 | Dep Exp - Data Processing Equipment | \$0 | \$0 | \$0 |
| 65190 | Dep Exp - Office Equipment | \$0 | \$0 | \$0 |
| 65200 | Dep Exp - Vehicles | \$0 | \$0 | \$0 |
| 65210 | Dep Exp - Other Equipment | \$0 | \$0 | \$0 |
| 65220 | Dep Exp - Warehouse Equipment | \$0 | \$0 | \$0 |
| 65230 | Dep Exp - Mobile Equipment | \$0 | \$0 | \$0 |
| TOT. OPER. EXP. AND EQUIP. | | \$493,123 | \$1,811,420 | \$5,996,306 |
| TOTAL BUDGET | | \$812,431 | \$3,795,419 | \$6,890,877 |

| EXECUTIVE DIVISION - 01 (CONT.) | | FY 2025-26 REVISED ANNUAL PLAN | DATE: Nov 20, 2025 | |
|------------------------------------|-------------------------------------|-----------------------------------|----------------------------------|--------------------|
| | | TOTAL EXECUTIVE FY 2025-26 | APPROVED BUDGET FY 2024-25 | CHANGE |
| PERMANENT POSITIONS | | 70.00 | 60.00 | 10.00 |
| PERSONAL SERVICES | | | | |
| 50100 | Civil Service Permanent | \$8,033,134 | \$6,771,282 | \$1,261,851 |
| 50500 | Civil Service Temporary | \$53,232 | \$209,792 | (\$156,560) |
| 51000 | Overtime Pay | \$500 | \$0 | \$500 |
| 53000 | Merit Compensation | \$93,120 | \$93,120 | \$0 |
| Total Salaries and Wages | | \$8,179,986 | \$7,074,194 | \$1,105,791 |
| 56001 | Salary Savings | (\$1,124,638) | (\$947,979) | (\$176,659) |
| Net Salaries and Wages | | \$7,055,347 | \$6,126,215 | \$929,132 |
| 55XXX | Staff Benefits | \$4,107,417 | \$3,559,528 | \$547,888 |
| TOTAL PERSONAL SERVICES | | \$11,162,764 | \$9,685,743 | \$1,477,021 |
| OPERATING EXPENSES | | | | |
| 67000 | General Expense | \$175,028 | \$127,351 | \$47,677 |
| 67100 | Printing | \$0 | \$0 | \$0 |
| 67500 | Telephone | \$0 | \$0 | \$0 |
| 67700 | Postage | \$0 | \$0 | \$0 |
| 67800 | Internal Freight | \$0 | \$0 | \$0 |
| 67900 | Insurance | \$0 | \$0 | \$0 |
| 68100 | In-State Travel | \$35,451 | \$23,857 | \$11,594 |
| 68300 | Out-of-State Travel | \$0 | \$0 | \$0 |
| 68400 | Sales & Retailer Conferences | \$0 | \$0 | \$0 |
| 68450 | Meetings & Seminars | \$0 | \$0 | \$0 |
| 68500 | Training | \$75,440 | \$102,039 | (\$26,599) |
| 68700 | Rent/Lease - Building & Grounds | \$0 | \$0 | \$0 |
| 68750 | Asset Rental Expense | \$0 | \$0 | \$0 |
| 68775 | Lease Asset Amortization of Expense | \$0 | \$0 | \$0 |
| 68875 | SBITA Amortization Expense | \$0 | \$0 | \$0 |
| 68900 | Facility Maintenance & Operations | \$0 | \$0 | \$0 |
| 68910 | Alterations & Remodeling | \$0 | \$0 | \$0 |
| 69300 | Utilities | \$0 | \$0 | \$0 |
| 69500 | Pro Rata Expense | \$0 | \$0 | \$0 |
| 69700 | Expendable Equipment | \$0 | \$0 | \$0 |
| 69900 | Vehicle Maintenance & Operations | \$0 | \$0 | \$0 |

| EXECUTIVE DIVISION - 01 (CONT.) | | FY 2025-26 REVISED ANNUAL PLAN | DATE: Nov 20, 2025 | |
|------------------------------------|------------------------------------|-----------------------------------|----------------------------------|-------------|
| | | TOTAL EXECUTIVE FY 2025-26 | APPROVED BUDGET FY 2024-25 | CHANGE |
| 70500 | Interest Penalties | \$0 | \$0 | \$0 |
| 70600 | Interest Expense | \$0 | \$0 | \$0 |
| 70700 | Taxes & Assessments | \$0 | \$0 | \$0 |
| 70800 | Bad Debt Expenses | \$0 | \$0 | \$0 |
| 70900 | Special Items of Expense | \$0 | \$0 | \$0 |
| 71100 | Damaged Scratchers Tickets | \$0 | \$0 | \$0 |
| 71200 | Event Sponsorship | \$307,320 | \$512,590 | (\$205,270) |
| 71400 | Reimbursements - Online NSF | \$0 | \$0 | \$0 |
| 71400 | Reimbursements - Prize Assignment | \$0 | \$0 | \$0 |
| 71400 | Reimbursements - External Rent | \$0 | \$0 | \$0 |
| 71400 | Reimbursements - Charging Stations | \$0 | \$0 | \$0 |
| 60400 | Promotions - Consumer | \$0 | \$0 | \$0 |
| 63200 | Prof. Service - External | \$8,000,726 | \$2,345,388 | \$5,655,338 |
| 63300 | Prof. Service - Interdept. | \$3,785,011 | \$3,323,698 | \$461,313 |
| 63400 | Attorney Fees - Contracted | \$31,667 | \$20 | \$31,647 |
| 71400 | Reimbursements - Fingerprint | \$0 | \$0 | \$0 |
| 64200/1 | Retailer Commission | \$0 | \$0 | \$0 |
| 64202/3 | Retailer Special Handling | \$0 | \$0 | \$0 |
| 64204/5 | Retailer Incentive Bonus | \$0 | \$0 | \$0 |
| 64206/7/8 | Retailer Cashing Bonus | \$0 | \$0 | \$0 |
| 64300 | Gaming System Expenses | \$0 | \$0 | \$0 |
| 64301 | Scratchers Ticket Cost | \$0 | \$0 | \$0 |
| 64302 | Scratchers Licensing Fees | \$0 | \$0 | \$0 |
| 64303 | Scratchers Delivery Fees | \$0 | \$0 | \$0 |
| 64304 | Scratchers Destruction Fees | \$0 | \$0 | \$0 |
| 71400 | Reimbursements - Online Monitors | \$0 | \$0 | \$0 |
| 71400 | Reimbursements - Online Install | \$0 | \$0 | \$0 |
| 71400 | Reimbursements - Online Charges | \$0 | \$0 | \$0 |
| 60000 | Media | \$0 | \$0 | \$0 |
| 60100 | Production | \$0 | \$0 | \$0 |
| 60200 | Digital | \$0 | \$0 | \$0 |
| 60400 | Promotions - Consumer | \$0 | \$0 | \$0 |
| 60410 | Promotions - Retailer | \$0 | \$0 | \$0 |
| 60475 | Point of Sale - Collateral | \$0 | \$0 | \$0 |
| 60500 | Point of Sale - Permanent | \$0 | \$0 | \$0 |

| EXECUTIVE DIVISION - 01 (CONT.) | | FY 2025-26 REVISED ANNUAL PLAN | DATE: Nov 20, 2025 | |
|------------------------------------|-------------------------------------|-----------------------------------|----------------------------------|--------------------|
| | | TOTAL EXECUTIVE FY 2025-26 | APPROVED BUDGET FY 2024-25 | CHANGE |
| CAPITALIZED EXPENSES | | | | |
| 2XXXX | Equipment & Capitalized Expenses | \$0 | \$0 | \$0 |
| 65110 | Dep Exp - Gaming Equipment | \$0 | \$0 | \$0 |
| 65120 | Dep Exp - Software | \$0 | \$0 | \$0 |
| 65130 | Dep Exp - Audio/Video Equipment | \$0 | \$0 | \$0 |
| 65140 | Dep Exp - Vending Machines | \$0 | \$0 | \$0 |
| 65150 | Dep Exp - Leasehold Improvements | \$0 | \$0 | \$0 |
| 65160 | Dep Exp - Buildings | \$0 | \$0 | \$0 |
| 65170 | Dep Exp - Non Building Improvements | \$0 | \$0 | \$0 |
| 65180 | Dep Exp - Data Processing Equipment | \$0 | \$0 | \$0 |
| 65190 | Dep Exp - Office Equipment | \$0 | \$0 | \$0 |
| 65200 | Dep Exp - Vehicles | \$0 | \$0 | \$0 |
| 65210 | Dep Exp - Other Equipment | \$0 | \$0 | \$0 |
| 65220 | Dep Exp - Warehouse Equipment | \$0 | \$0 | \$0 |
| 65230 | Dep Exp - Mobile Equipment | \$0 | \$0 | \$0 |
| TOT. OPER. EXP. AND EQUIP. | | \$12,410,643 | \$6,434,943 | \$5,975,700 |
| TOTAL BUDGET | | \$23,573,407 | \$16,120,686 | \$7,452,721 |

Executive Division

Directorate

In addition to the Director's budget, the Directorate office of the Lottery organization oversees various program areas focusing on equity, inclusion, security, project management, and business practices. Key offices and their functions include:

- **Enterprise Risk Management (ERM):** Led by the Chief Information Security and Enterprise Risk Officer, ERM includes:
 - **Enterprise Risk & Optimization Section (EROS):** Enhances efficiency through collaboration, standardization, and control, addressing audit findings, ensuring compliance, and fostering collaboration.
 - **Enterprise Project Management Office (EPMO):** Manages project governance using best practices from the Project Management Institute, ensuring successful project implementation.
 - **Information Security & Privacy Office (ISO):** Protects information assets by adhering to laws and best practices in security and privacy, enhancing the organization's public image.
- **Disability Advisory Committee (DAC):** Aims to empower employees with disabilities, advising agency heads on correcting underrepresentation as required by state regulations
- **Equal Employment Opportunity (EEO) Program:** Ensures a professional and respectful work environment free from discrimination, harassment, retaliation, bullying, and abusive conduct, in line with Lottery policy.

| | | |
|--|---|-------------------------------|
| EXECUTIVE DIVISION DIRECTORATE - 1110 | FY 2025-26 REVISED ANNUAL PLAN | DATE: Nov 20, 2025 |
| | Quarter 1 | Quarter 2 |
| | | Quarter 3 |

| |
|----------------------------|
| PERMANENT POSITIONS |
|----------------------------|

| | | | | |
|---------------------------|-----------------------------------|--------------------|--------------------|--------------------|
| PERSONAL SERVICES | | | | |
| 50100 | Civil Service Permanent | \$824,819 | \$830,730 | \$836,950 |
| 50500 | Civil Service Temporary | \$13,308 | \$13,308 | \$13,308 |
| 51000 | Overtime Pay | \$0 | \$0 | \$0 |
| 53000 | Merit Compensation | \$11,790 | \$11,790 | \$11,790 |
| | Total Salaries and Wages | \$849,917 | \$855,828 | \$862,048 |
| 56001 | Salary Savings | (\$115,475) | (\$116,302) | (\$117,173) |
| | Net Salaries and Wages | \$734,443 | \$739,526 | \$744,875 |
| 55XXX | Staff Benefits | \$426,365 | \$429,365 | \$432,519 |
| | TOTAL PERSONAL SERVICES | \$1,160,808 | \$1,168,890 | \$1,177,394 |
| OPERATING EXPENSES | | | | |
| 67000 | General Expense | \$75,173 | \$13,653 | \$13,235 |
| 68100 | In-State Travel | \$6,025 | \$4,900 | \$4,875 |
| 68500 | Training | \$11,255 | \$7,335 | \$2,750 |
| 63200 | Prof. Service - External | \$33,660 | \$33,860 | \$33,660 |
| 63300 | Prof. Service - Interdept. | \$10 | \$0 | \$0 |
| | TOT. OPER. EXP. AND EQUIP. | \$126,123 | \$59,748 | \$54,520 |
| | TOTAL BUDGET | \$1,286,931 | \$1,228,638 | \$1,231,914 |

**EXECUTIVE DIVISION
DIRECTORATE - 1110
(CONT.)**

FY 2025-26 REVISED ANNUAL PLAN

**DATE:
Nov 20, 2025**

| | Quarter 4 | TOTAL FY 2025-26 | APPROVED BUDGET FY 2024-25 | CHANGE |
|--|-----------|---------------------|----------------------------------|--------|
|--|-----------|---------------------|----------------------------------|--------|

PERMANENT POSITIONS

27.00

24.00

3.00

PERSONAL SERVICES

| | | | | | |
|-------|--------------------------------|--------------------|--------------------|--------------------|------------------|
| 50100 | Civil Service Permanent | \$838,920 | \$3,331,419 | \$2,969,094 | \$362,325 |
| 50500 | Civil Service Temporary | \$13,308 | \$53,232 | \$209,792 | (\$156,560) |
| 51000 | Overtime Pay | \$0 | \$0 | \$0 | \$0 |
| 53000 | Merit Compensation | \$11,790 | \$47,160 | \$49,560 | (\$2,400) |
| | Total Salaries and Wages | \$864,018 | \$3,431,811 | \$3,228,446 | \$203,365 |
| 56001 | Salary Savings | (\$117,449) | (\$466,399) | (\$415,673) | (\$50,726) |
| | Net Salaries and Wages | \$746,570 | \$2,965,413 | \$2,812,773 | \$152,639 |
| 55XXX | Staff Benefits | \$433,519 | \$1,721,768 | \$1,630,298 | \$91,470 |
| | TOTAL PERSONAL SERVICES | \$1,180,089 | \$4,687,181 | \$4,443,071 | \$244,110 |

OPERATING EXPENSES

| | | | | | |
|-------|-----------------------------------|--------------------|--------------------|--------------------|------------------|
| 67000 | General Expense | \$13,384 | \$115,445 | \$56,538 | \$58,907 |
| 68100 | In-State Travel | \$5,250 | \$21,050 | \$18,757 | \$2,293 |
| 68500 | Training | \$2,750 | \$24,090 | \$59,307 | (\$35,217) |
| 63200 | Prof. Service - External | \$59,820 | \$161,000 | \$164,340 | (\$3,340) |
| 63300 | Prof. Service - Interdept. | \$0 | \$10 | \$10 | \$0 |
| | TOT. OPER. EXP. AND EQUIP. | \$81,204 | \$321,595 | \$298,952 | \$22,643 |
| | TOTAL BUDGET | \$1,261,293 | \$5,008,776 | \$4,742,023 | \$266,753 |

Legal Services

The Legal Office plays a crucial role in interpreting and implementing the California State Lottery Act. It drafts necessary regulations to assist the Lottery Commission and senior staff in their decision-making processes. Furthermore, the Legal Office provides guidance on compliance with key legislation, including the Political Reform Act of 1974, the Bagley-Keene Open Meeting Act, the California Public Records Act, and other relevant laws. Beyond these responsibilities, the Legal Office offers comprehensive legal advice to all divisions within the Lottery on a broad range of issues.

| EXECUTIVE DIVISION LEGAL SERVICES - 1120 | | FY 2025-26 REVISED ANNUAL PLAN | | DATE: Nov 20, 2025 |
|---|-----------------------------------|-----------------------------------|------------------|-----------------------|
| | | Quarter 1 | Quarter 2 | Quarter 3 |
| PERMANENT POSITIONS | | | | |
| PERSONAL SERVICES | | | | |
| 50100 | Civil Service Permanent | \$324,576 | \$326,139 | \$326,920 |
| 50500 | Civil Service Temporary | \$0 | \$0 | \$0 |
| 51000 | Overtime Pay | \$0 | \$0 | \$0 |
| 53000 | Merit Compensation | \$1,680 | \$1,680 | \$1,680 |
| | Total Salaries and Wages | \$326,256 | \$327,819 | \$328,600 |
| 56001 | Salary Savings | (\$45,441) | (\$45,659) | (\$45,769) |
| | Net Salaries and Wages | \$280,816 | \$282,160 | \$282,831 |
| 55XXX | Staff Benefits | \$164,690 | \$165,483 | \$165,879 |
| | TOTAL PERSONAL SERVICES | \$445,506 | \$447,642 | \$448,710 |
| OPERATING EXPENSES | | | | |
| 67000 | General Expense | \$10,500 | \$16,500 | \$10,500 |
| 68100 | In-State Travel | \$300 | \$300 | \$300 |
| 68500 | Training | \$1,125 | \$1,125 | \$1,125 |
| 63200 | Prof. Service - External | \$9,800 | \$9,800 | \$9,800 |
| 63300 | Prof. Service - Interdept. | \$87,500 | \$87,500 | \$87,500 |
| 63400 | Attorney Fees - Contracted | \$7,917 | \$7,917 | \$7,917 |
| | TOT. OPER. EXP. AND EQUIP. | \$117,142 | \$123,142 | \$117,142 |
| | TOTAL BUDGET | \$562,647 | \$570,784 | \$565,852 |

**EXECUTIVE DIVISION
LEGAL SERVICES - 1120
(CONT.)**

FY 2025-26 REVISED ANNUAL PLAN

**DATE:
Nov 20, 2025**

| | | Quarter 4 | TOTAL FY 2025-26 | APPROVED BUDGET FY 2024-25 | CHANGE |
|----------------------------|-----------------------------------|------------------|-----------------------------|---|-------------------|
| PERMANENT POSITIONS | | | 9.00 | 9.00 | 0.00 |
| PERSONAL SERVICES | | | | | |
| 50100 | Civil Service Permanent | \$327,397 | \$1,305,032 | \$1,226,572 | \$78,460 |
| 50500 | Civil Service Temporary | \$0 | \$0 | \$0 | \$0 |
| 51000 | Overtime Pay | \$0 | \$0 | \$0 | \$0 |
| 53000 | Merit Compensation | \$1,680 | \$6,720 | \$6,720 | \$0 |
| | Total Salaries and Wages | \$329,077 | \$1,311,752 | \$1,233,292 | \$78,460 |
| 56001 | Salary Savings | (\$45,835) | (\$182,704) | (\$171,720) | (\$10,984) |
| | Net Salaries and Wages | \$283,242 | \$1,129,048 | \$1,061,572 | \$67,476 |
| 55XXX | Staff Benefits | \$166,122 | \$662,173 | \$622,363 | \$39,810 |
| | TOTAL PERSONAL SERVICES | \$449,363 | \$1,791,221 | \$1,683,935 | \$107,286 |
| OPERATING EXPENSES | | | | | |
| 67000 | General Expense | \$10,500 | \$48,000 | \$55,500 | (\$7,500) |
| 68100 | In-State Travel | \$300 | \$1,200 | \$1,200 | \$0 |
| 68500 | Training | \$1,125 | \$4,500 | \$4,500 | \$0 |
| 63200 | Prof. Service - External | \$9,800 | \$39,200 | \$127,476 | (\$88,276) |
| 63300 | Prof. Service - Interdept. | \$87,500 | \$350,000 | \$350,004 | (\$4) |
| 63400 | Attorney Fees - Contracted | \$7,917 | \$31,667 | \$20 | \$31,647 |
| | TOT. OPER. EXP. AND EQUIP. | \$117,142 | \$474,567 | \$538,700 | (\$64,133) |
| | TOTAL BUDGET | \$566,505 | \$2,265,788 | \$2,222,635 | \$43,153 |

Internal Audits

Internal Audits delivers independent and objective assurance and consulting services aimed at enhancing and safeguarding the Lottery's value. By conducting risk-based assessments, offering insightful recommendations, and performing systematic evaluations, this office supports the Lottery in achieving its business objectives. Additionally, it coordinates external audit activities to reduce duplication of efforts and costs, ensuring timely responses to external audit reports. Key responsibilities of Internal Audits include maintaining the Mega Millions and Powerball Agreed-Upon Procedures, overseeing the Annual WLA Gaming Security Assessment, and managing the Retailer Access Program.

| EXECUTIVE DIVISION INTERNAL AUDITS - 1130 | | FY 2025-26 REVISED ANNUAL PLAN | | DATE: Nov 20, 2025 |
|--|-----------------------------------|-----------------------------------|--------------------|-----------------------|
| | | Quarter 1 | Quarter 2 | Quarter 3 |
| PERMANENT POSITIONS | | | | |
| PERSONAL SERVICES | | | | |
| 50100 | Civil Service Permanent | \$265,661 | \$266,817 | \$269,773 |
| 50500 | Civil Service Temporary | \$0 | \$0 | \$0 |
| 51000 | Overtime Pay | \$0 | \$0 | \$0 |
| 53000 | Merit Compensation | \$4,620 | \$4,620 | \$4,620 |
| | Total Salaries and Wages | \$270,281 | \$271,437 | \$274,393 |
| 56001 | Salary Savings | (\$37,193) | (\$37,354) | (\$37,768) |
| | Net Salaries and Wages | \$233,088 | \$234,083 | \$236,625 |
| 55XXX | Staff Benefits | \$134,796 | \$135,384 | \$136,883 |
| | TOTAL PERSONAL SERVICES | \$367,885 | \$369,466 | \$373,508 |
| OPERATING EXPENSES | | | | |
| 67000 | General Expense | \$245 | \$0 | \$1,620 |
| 68100 | In-State Travel | \$472 | \$0 | \$0 |
| 68500 | Training | \$8,250 | \$10,500 | \$8,250 |
| 63200 | Prof. Service - External | \$2,700 | \$2,700 | \$2,700 |
| 63300 | Prof. Service - Interdept. | \$816,250 | \$816,250 | \$816,250 |
| | TOT. OPER. EXP. AND EQUIP. | \$827,917 | \$829,450 | \$828,820 |
| | TOTAL BUDGET | \$1,195,802 | \$1,198,916 | \$1,202,328 |

**EXECUTIVE DIVISION
INTERNAL AUDITS - 1130
(CONT.)**

**FY 2025-26 REVISED ANNUAL
PLAN**

**DATE:
Nov 20, 2025**

| | | | APPROVED | | |
|----------------------------|----------------------------|-------------|-------------|-------------|------------|
| | | | TOTAL | BUDGET | |
| | | | Quarter 4 | FY 2025-26 | FY 2024-25 |
| | | | | | CHANGE |
| PERMANENT POSITIONS | | | 11.00 | 11.00 | 0.00 |
| PERSONAL SERVICES | | | | | |
| 50100 | Civil Service Permanent | \$271,322 | \$1,073,573 | \$1,038,957 | \$34,616 |
| 50500 | Civil Service Temporary | \$0 | \$0 | \$0 | \$0 |
| 51000 | Overtime Pay | \$0 | \$0 | \$0 | \$0 |
| 53000 | Merit Compensation | \$4,620 | \$18,480 | \$18,480 | \$0 |
| | Total Salaries and Wages | \$275,942 | \$1,092,053 | \$1,057,437 | \$34,616 |
| 56001 | Salary Savings | (\$37,985) | (\$150,300) | (\$145,454) | (\$4,846) |
| | Net Salaries and Wages | \$237,957 | \$941,753 | \$911,983 | \$29,769 |
| 55XXX | Staff Benefits | \$137,669 | \$544,732 | \$527,166 | \$17,566 |
| TOTAL PERSONAL SERVICES | | \$375,626 | \$1,486,484 | \$1,439,149 | \$47,335 |
| OPERATING EXPENSES | | | | | |
| 67000 | General Expense | \$245 | \$2,110 | \$7,390 | (\$5,280) |
| 68100 | In-State Travel | \$0 | \$472 | \$0 | \$472 |
| 68500 | Training | \$8,250 | \$35,250 | \$32,232 | \$3,018 |
| 63200 | Prof. Service - External | \$2,700 | \$10,800 | \$108,952 | (\$98,152) |
| 63300 | Prof. Service - Interdept. | \$816,250 | \$3,265,000 | \$2,765,040 | \$499,960 |
| TOT. OPER. EXP. AND EQUIP. | | \$827,445 | \$3,313,632 | \$2,913,614 | \$400,018 |
| TOTAL BUDGET | | \$1,203,071 | \$4,800,116 | \$4,352,763 | \$447,353 |

External Affairs

The Lottery's Legislative and External Affairs Office oversees the Responsible Gaming program, engages with stakeholder groups, and monitors relevant legislation. A key function of this office is to identify and track legislative developments that could impact the Lottery, whether they pertain specifically to the Lottery or relate to broader areas such as human resources, information technology, operations, or the gaming industry, including tribal casinos, internet gaming, and horse racing.

Additionally, the External Affairs team is tasked with producing the Lottery's quarterly Education Reports. These reports provide a detailed account of disbursements from the Lottery's Education Fund to public education institutions by county and include a breakdown of funding in accordance with Proposition 20. This ballot initiative mandates that 50% of funds exceeding the FY 1997-98 benchmark be allocated to instructional materials. The State Controller's Office distributes all Lottery funding on an Average Daily Attendance (ADA) basis.

**EXECUTIVE DIVISION
EXTERNAL AFFAIRS - 1140**

**FY 2025-26 REVISED DATE:
ANNUAL PLAN Nov 20, 2025**

Quarter 1 Quarter 2 Quarter 3

PERMANENT POSITIONS

PERSONAL SERVICES

| | | | | |
|-------|--------------------------------|-----------------|-----------------|-----------------|
| 50100 | Civil Service Permanent | \$57,699 | \$57,699 | \$57,699 |
| 50500 | Civil Service Temporary | \$0 | \$0 | \$0 |
| 51000 | Overtime Pay | \$0 | \$0 | \$0 |
| 53000 | Merit Compensation | \$930 | \$930 | \$930 |
| | Total Salaries and Wages | \$58,629 | \$58,629 | \$58,629 |
| 56001 | Salary Savings | (\$8,078) | (\$8,078) | (\$8,078) |
| | Net Salaries and Wages | \$50,551 | \$50,551 | \$50,551 |
| 55XXX | Staff Benefits | \$29,276 | \$29,276 | \$29,276 |
| | TOTAL PERSONAL SERVICES | \$79,828 | \$79,827 | \$79,827 |

OPERATING EXPENSES

| | | | | |
|-------|-----------------------------------|-----------------|------------------|-----------------|
| 67000 | General Expense | \$2,125 | \$2,148 | \$0 |
| 68100 | In-State Travel | \$3,040 | \$1,767 | \$2,260 |
| 68500 | Training | \$2,100 | \$500 | \$500 |
| 71200 | Event Sponsorship | \$24,550 | \$279,000 | \$3,770 |
| 63200 | Prof. Service - External | \$0 | \$0 | \$0 |
| 63300 | Prof. Service - Interdept. | \$42,500 | \$42,500 | \$42,500 |
| | TOT. OPER. EXP. AND EQUIP. | \$74,315 | \$325,915 | \$49,030 |

| | | | |
|---------------------|------------------|------------------|------------------|
| TOTAL BUDGET | \$154,143 | \$405,742 | \$128,857 |
|---------------------|------------------|------------------|------------------|

**EXECUTIVE DIVISION
EXTERNAL AFFAIRS - 1140
(CONT.)**

**FY 2025-26 REVISED ANNUAL
PLAN**

**DATE:
Nov 20, 2025**

**APPROVED
TOTAL BUDGET
Quarter 4 FY 2025-26 FY 2024-25 CHANGE**

| PERMANENT POSITIONS | | | 2.00 | 2.00 | 0.00 |
|---------------------|----------------------------|-----------|------------|-------------|-------------|
| PERSONAL SERVICES | | | | | |
| 50100 | Civil Service Permanent | \$57,699 | \$230,796 | \$224,076 | \$6,720 |
| 50500 | Civil Service Temporary | \$0 | \$0 | \$0 | \$0 |
| 51000 | Overtime Pay | \$0 | \$0 | \$0 | \$0 |
| 53000 | Merit Compensation | \$930 | \$3,720 | \$3,720 | \$0 |
| | Total Salaries and Wages | \$58,629 | \$234,516 | \$227,796 | \$6,720 |
| 56001 | Salary Savings | (\$8,078) | (\$32,311) | (\$31,371) | (\$941) |
| | Net Salaries and Wages | \$50,551 | \$202,205 | \$196,425 | \$5,779 |
| 55XXX | Staff Benefits | \$29,276 | \$117,104 | \$113,697 | \$3,407 |
| | TOTAL PERSONAL SERVICES | \$79,827 | \$319,308 | \$310,123 | \$9,186 |
| OPERATING EXPENSES | | | | | |
| 67000 | General Expense | \$0 | \$4,273 | \$3,923 | \$350 |
| 68100 | In-State Travel | \$862 | \$7,929 | \$2,400 | \$5,529 |
| 68500 | Training | \$500 | \$3,600 | \$0 | \$3,600 |
| 71200 | Event Sponsorship | \$0 | \$307,320 | \$512,590 | (\$205,270) |
| 63200 | Prof. Service - External | \$0 | \$0 | \$32,300 | (\$32,300) |
| 63300 | Prof. Service - Interdept. | \$42,501 | \$170,001 | \$208,644 | (\$38,643) |
| | TOT. OPER. EXP. AND EQUIP. | \$43,863 | \$493,123 | \$759,857 | (\$266,734) |
| | TOTAL BUDGET | \$123,690 | \$812,431 | \$1,069,980 | (\$257,548) |

Business Planning & Research

Business Planning & Research staff provide planning and research services which include developing the 3-Year Strategic Plan and Annual Business Plan, conducting market research studies and developing sales goals.

| EXECUTIVE DIVISION BUSINESS PLANNING & RESEARCH - 1150 | | FY 2025-26 REVISED ANNUAL PLAN | DATE: Nov 20, 2025 | |
|---|--------------------------|-----------------------------------|-----------------------|------------------|
| | | Quarter 1 | Quarter 2 | Quarter 3 |
| PERMANENT POSITIONS | | | | |
| PERSONAL SERVICES | | | | |
| 50100 | Civil Service Permanent | \$356,356 | \$359,097 | \$361,089 |
| 50500 | Civil Service Temporary | \$0 | \$0 | \$0 |
| 51000 | Overtime Pay | \$0 | \$0 | \$0 |
| 53000 | Merit Compensation | \$3,660 | \$3,660 | \$3,660 |
| Total Salaries and Wages | | \$360,016 | \$362,757 | \$364,749 |
| 56001 | Salary Savings | (\$49,890) | (\$50,274) | (\$50,552) |
| Net Salaries and Wages | | \$310,126 | \$312,484 | \$314,197 |
| 55XXX | Staff Benefits | \$180,815 | \$182,206 | \$183,217 |
| TOTAL PERSONAL SERVICES | | \$490,941 | \$494,690 | \$497,413 |
| OPERATING EXPENSES | | | | |
| 67000 | General Expense | \$1,000 | \$1,000 | \$1,000 |
| 68100 | In-State Travel | \$375 | \$375 | \$375 |
| 68500 | Training | \$1,500 | \$1,500 | \$1,500 |
| 63200 | Prof. Service - External | \$460,700 | \$528,000 | \$380,860 |
| TOT. OPER. EXP. AND EQUIP. | | \$463,575 | \$530,875 | \$383,735 |
| TOTAL BUDGET | | \$954,516 | \$1,025,565 | \$881,148 |

**EXECUTIVE DIVISION
BUSINESS PLANNING & RESEARCH - 1150
(CONT.)**

**FY 2025-26 REVISED ANNUAL
PLAN**

**DATE:
Nov 20, 2025**

| | | TOTAL | | APPROVED | |
|-----------------------------------|--------------------------|------------------|--------------------|--------------------|--------------------|
| | | Quarter 4 | FY 2025-26 | BUDGET | CHANGE |
| | | | FY 2024-25 | | |
| PERMANENT POSITIONS | | 14.00 | 14.00 | | 0.00 |
| PERSONAL SERVICES | | | | | |
| 50100 | Civil Service Permanent | \$363,679 | \$1,440,221 | \$1,312,582 | \$127,639 |
| 50500 | Civil Service Temporary | \$0 | \$0 | \$0 | \$0 |
| 51000 | Overtime Pay | \$0 | \$0 | \$0 | \$0 |
| 53000 | Merit Compensation | \$3,660 | \$14,640 | \$14,640 | \$0 |
| Total Salaries and Wages | | \$367,339 | \$1,454,861 | \$1,327,222 | \$127,639 |
| 56001 | Salary Savings | (\$50,915) | (\$201,631) | (\$183,761) | (\$17,869) |
| Net Salaries and Wages | | \$316,424 | \$1,253,230 | \$1,143,461 | \$109,769 |
| 55XXX | Staff Benefits | \$184,531 | \$730,768 | \$666,004 | \$64,764 |
| TOTAL PERSONAL SERVICES | | \$500,955 | \$1,983,999 | \$1,809,465 | \$174,533 |
| OPERATING EXPENSES | | | | | |
| 67000 | General Expense | \$1,000 | \$4,000 | \$4,000 | \$0 |
| 68100 | In-State Travel | \$375 | \$1,500 | \$1,500 | \$0 |
| 68500 | Training | \$1,500 | \$6,000 | \$6,000 | \$0 |
| 63200 | Prof. Service - External | \$430,360 | \$1,799,920 | \$1,912,320 | (\$112,400) |
| TOT. OPER. EXP. AND EQUIP. | | \$433,235 | \$1,811,420 | \$1,923,820 | (\$112,400) |
| TOTAL BUDGET | | \$934,190 | \$3,795,419 | \$3,733,285 | \$62,133 |

Public Affairs & Communications

The Public Affairs & Communications Office acts as the overall “tone and voice” of the California Lottery by crafting messages, talking points and fact sheets on all operations. The office also responds to media inquiries, writes press releases and creates press conferences, co-manages related corporate social responsibility functions, produces public service announcements and other Lottery business and corporate video projects, develops content for internal and external websites, and works on overall public relations image and brand.

| EXECUTIVE DIVISION PUBLIC AFFAIRS & COMMUNICATIONS - 1180 | | FY 2025-26 REVISED ANNUAL PLAN | | DATE: Nov 20, 2025 |
|--|-----------------------------------|-----------------------------------|--------------------|-----------------------|
| | | Quarter 1 | Quarter 2 | Quarter 3 |
| PERMANENT POSITIONS | | | | |
| PERSONAL SERVICES | | | | |
| 50100 | Civil Service Permanent | \$162,750 | \$162,750 | \$162,750 |
| 50500 | Civil Service Temporary | \$0 | \$0 | \$0 |
| 51000 | Overtime Pay | \$150 | \$50 | \$150 |
| 53000 | Merit Compensation | \$600 | \$600 | \$600 |
| | Total Salaries and Wages | \$163,500 | \$163,400 | \$163,500 |
| 56001 | Salary Savings | (\$22,785) | (\$22,785) | (\$22,785) |
| | Net Salaries and Wages | \$140,715 | \$140,615 | \$140,715 |
| 55XXX | Staff Benefits | \$82,579 | \$82,579 | \$82,579 |
| | TOTAL PERSONAL SERVICES | \$223,294 | \$223,194 | \$223,294 |
| OPERATING EXPENSES | | | | |
| 67000 | General Expense | \$285 | \$290 | \$315 |
| 68100 | In-State Travel | \$825 | \$825 | \$825 |
| 68500 | Training | \$500 | \$500 | \$500 |
| 63200 | Prof. Service - External | (\$28,590) | \$2,000,000 | \$2,018,396 |
| | TOT. OPER. EXP. AND EQUIP. | (\$26,980) | \$2,001,615 | \$2,020,036 |
| | TOTAL BUDGET | \$196,315 | \$2,224,809 | \$2,243,330 |

EXECUTIVE DIVISION
PUBLIC AFFAIRS & COMMUNICATIONS - 1180
(CONT.)

**FY 2025-26 REVISED ANNUAL
PLAN**

DATE:
Nov 20, 2025

| | | | APPROVED | |
|-----------------------------------|--------------------------|-------------|--------------------|-------------------|
| | | | TOTAL | BUDGET |
| | | | Quarter 4 | FY 2024-25 |
| | | | FY 2025-26 | CHANGE |
| PERMANENT POSITIONS | | | 7.00 | 7.00 |
| | | | | 0.00 |
| PERSONAL SERVICES | | | | |
| 50100 | Civil Service Permanent | \$163,842 | \$652,092 | \$635,776 |
| 50500 | Civil Service Temporary | \$0 | \$0 | \$105,396 |
| 51000 | Overtime Pay | \$150 | \$500 | \$500 |
| 53000 | Merit Compensation | \$600 | \$2,400 | \$2,400 |
| Total Salaries and Wages | | \$164,592 | \$654,992 | \$744,072 |
| 56001 | Salary Savings | (\$22,938) | (\$91,293) | (\$89,009) |
| Net Salaries and Wages | | \$141,654 | \$563,699 | \$655,064 |
| 55XXX | Staff Benefits | \$83,133 | \$330,871 | \$384,777 |
| TOTAL PERSONAL SERVICES | | \$224,788 | \$894,571 | \$1,039,840 |
| OPERATING EXPENSES | | | | |
| 67000 | General Expense | \$310 | \$1,200 | \$1,200 |
| 68100 | In-State Travel | \$825 | \$3,300 | \$3,000 |
| 68500 | Training | \$500 | \$2,000 | \$1,800 |
| 63200 | Prof. Service - External | \$2,000,000 | \$5,989,806 | \$9,015,000 |
| TOT. OPER. EXP. AND EQUIP. | | \$2,001,635 | \$5,996,306 | \$9,021,000 |
| TOTAL BUDGET | | \$2,226,423 | \$6,890,877 | \$10,060,840 |

Finance Division

The Finance Division of the Lottery oversees all financial activities and is organized into several key functional areas. These include the Accounting Operations and Tax Unit, which manages accounts payable, accounts receivable, and travel expenses; Prize Payments, which handles statewide prize distribution; and Financial Reporting, responsible for financial statements, game accounting, investments, and specialized GAAP reports. Additionally, Systems Management/Financial Oversight focuses on fiscal systems, quality review, alternative collections, and fiscal report management. The Fiscal Management Unit is tasked with forecasting, financial analysis and risk management, budgeting, and managing retailer financial services.

FINANCE DIVISION - 02

FY 2025-26 REVISED
ANNUAL PLANDATE:
Nov 20, 2025

Quarter 1

Quarter 2

Quarter 3

PERMANENT POSITIONS

PERSONAL SERVICES

| | | | | |
|-------|--------------------------------|--------------------|--------------------|--------------------|
| 50100 | Civil Service Permanent | \$2,611,407 | \$2,626,916 | \$2,644,822 |
| 50500 | Civil Service Temporary | \$58,718 | \$86,084 | \$86,084 |
| 51000 | Overtime Pay | \$19,212 | \$16,977 | \$19,327 |
| 53000 | Merit Compensation | \$29,550 | \$29,550 | \$29,550 |
| | Total Salaries and Wages | \$2,718,887 | \$2,759,527 | \$2,779,783 |
| 56001 | Salary Savings | (\$365,597) | (\$367,768) | (\$370,275) |
| | Net Salaries and Wages | \$2,353,290 | \$2,391,759 | \$2,409,508 |
| 55XXX | Staff Benefits | \$1,359,671 | \$1,383,687 | \$1,392,773 |
| | TOTAL PERSONAL SERVICES | \$3,712,961 | \$3,775,446 | \$3,802,281 |

OPERATING EXPENSES

| | | | | |
|-------|-----------------------------------|--------------------|--------------------|--------------------|
| 67000 | General Expense | \$24,749 | \$4,749 | \$2,829 |
| 67100 | Printing | \$8,000 | \$4,000 | \$0 |
| 68100 | In-State Travel | \$6,209 | \$4,533 | \$4,036 |
| 68300 | Out-of-State Travel | \$20,188 | \$20,188 | \$20,188 |
| 68500 | Training | \$16,665 | \$10,640 | \$10,690 |
| 70500 | Interest Penalties | \$17,499 | \$17,499 | \$17,499 |
| 70600 | Interest Expense | \$0 | \$0 | \$0 |
| 60400 | Promotions - Consumer | \$750 | \$750 | \$750 |
| 63200 | Prof. Service - External | \$98,249 | \$117,249 | \$135,249 |
| 63300 | Prof. Service - Interdept. | \$12,300 | \$12,300 | \$12,300 |
| | TOT. OPER. EXP. AND EQUIP. | \$204,609 | \$191,908 | \$203,541 |
| | TOTAL BUDGET | \$3,917,570 | \$3,967,353 | \$4,005,822 |

**FINANCE DIVISION - 02
(CONT.)**

FY 2025-26 REVISED ANNUAL PLAN

**DATE:
Nov 20, 2025**

| | | | TOTAL | APPROVED | |
|----------------------------|-----------------------------------|--------------------|----------------------|---------------------|------------------|
| | | | Quarter 4 | BUDGET | CHANGE |
| | | | FY 2025-26 | FY 2024-25 | |
| PERMANENT POSITIONS | | | 144.00 | 141.00 | 3.00 |
| PERSONAL SERVICES | | | | | |
| 50100 | Civil Service Permanent | \$2,628,745 | \$10,511,890 | \$9,972,499 | \$539,391 |
| 50500 | Civil Service Temporary | \$86,084 | \$316,971 | \$207,732 | \$109,239 |
| 51000 | Overtime Pay | \$15,175 | \$70,691 | \$119,093 | (\$48,402) |
| 53000 | Merit Compensation | \$29,550 | \$118,200 | \$118,200 | \$0 |
| | Total Salaries and Wages | \$2,759,555 | \$11,017,752 | \$10,417,524 | \$600,228 |
| 56001 | Salary Savings | (\$368,024) | (\$1,471,664) | (\$1,396,150) | (\$75,514) |
| | Net Salaries and Wages | \$2,391,530 | \$9,546,088 | \$9,021,374 | \$524,714 |
| 55XXX | Staff Benefits | \$1,384,615 | \$5,520,746 | \$5,182,608 | \$338,138 |
| | TOTAL PERSONAL SERVICES | \$3,776,146 | \$15,066,834 | \$14,203,982 | \$862,852 |
| OPERATING EXPENSES | | | | | |
| 67000 | General Expense | \$3,549 | \$35,876 | \$36,664 | (\$788) |
| 67100 | Printing | \$6,000 | \$18,000 | \$18,000 | \$0 |
| 68100 | In-State Travel | \$9,729 | \$24,507 | \$15,218 | \$9,289 |
| 68300 | Out-of-State Travel | \$20,188 | \$80,750 | \$35,400 | \$45,350 |
| 68500 | Training | \$9,640 | \$47,635 | \$25,639 | \$21,996 |
| 70500 | Interest Penalties | \$17,499 | \$69,996 | \$5,004 | \$64,992 |
| 70600 | Interest Expense | \$0 | \$0 | \$0 | \$0 |
| 60400 | Promotions - Consumer | \$750 | \$3,000 | \$1,000 | \$2,000 |
| 63200 | Prof. Service - External | \$69,249 | \$419,996 | \$459,084 | (\$39,088) |
| 63300 | Prof. Service - Interdept. | \$12,700 | \$49,600 | \$55,900 | (\$6,300) |
| | TOT. OPER. EXP. AND EQUIP. | \$149,304 | \$749,360 | \$651,909 | \$97,451 |
| | TOTAL BUDGET | \$3,925,449 | \$15,816,194 | \$14,855,891 | \$960,303 |

Human Resources Division

The Human Resources Division provides comprehensive support to all Lottery employees across several key areas, including hiring, examinations, payroll and benefits administration, labor relations, health, performance management, and training/workforce development. It is structured into four sections: Personnel Services, Safety and Compliance, Workforce Development, and Labor & Performance Management. Human Resources aligns with the Lottery's mission, vision, and values by partnering with management and staff to achieve strategic goals. The division is committed to resolving workplace issues, ensuring compliance with employment laws and regulations, and fostering a safe, respectful, and professional work environment.

| HUMAN RESOURCES DIVISION - 03 | | FY 2025-26 REVISED ANNUAL PLAN | | DATE: Nov 20, 2025 |
|-------------------------------|-----------------------------------|-----------------------------------|--------------------|-----------------------|
| | | Quarter 1 | Quarter 2 | Quarter 3 |
| PERMANENT POSITIONS | | | | |
| PERSONAL SERVICES | | | | |
| 50100 | Civil Service Permanent | \$1,200,391 | \$1,206,526 | \$1,213,768 |
| 50500 | Civil Service Temporary | \$31,978 | \$31,978 | \$31,978 |
| 51000 | Overtime Pay | \$250 | \$250 | \$250 |
| 53000 | Merit Compensation | \$35,480 | \$35,480 | \$35,480 |
| | Total Salaries and Wages | \$1,268,098 | \$1,274,234 | \$1,281,476 |
| 56001 | Salary Savings | (\$168,055) | (\$168,914) | (\$169,927) |
| | Net Salaries and Wages | \$1,100,043 | \$1,105,321 | \$1,111,548 |
| 55XXX | Staff Benefits | \$1,177,945 | \$1,181,058 | \$1,184,733 |
| | TOTAL PERSONAL SERVICES | \$2,277,988 | \$2,286,379 | \$2,296,281 |
| OPERATING EXPENSES | | | | |
| 67000 | General Expense | \$250 | \$250 | \$250 |
| 67700 | Postage | \$13 | \$13 | \$13 |
| 68100 | In-State Travel | \$750 | \$750 | \$750 |
| 68500 | Training | \$24,501 | \$7,500 | \$7,500 |
| 69700 | Expendable Equipment | \$500 | \$500 | \$500 |
| 63200 | Prof. Service - External | \$24,706 | \$24,706 | \$24,706 |
| 63300 | Prof. Service - Interdept. | \$156,000 | \$152,000 | \$150,500 |
| | TOT. OPER. EXP. AND EQUIP. | \$206,720 | \$185,719 | \$184,219 |
| | TOTAL BUDGET | \$2,484,708 | \$2,472,098 | \$2,480,500 |

| HUMAN RESOURCES DIVISION - 03 (CONT.) | | | FY 2025-26 REVISED ANNUAL PLAN | | DATE: Nov 20, 2025 | |
|--|----------------------------|-------------|-----------------------------------|-------------|-----------------------|--------|
| | | | | TOTAL | APPROVED | |
| | | | Quarter 4 | FY 2025-26 | FY 2024-25 | CHANGE |
| PERMANENT POSITIONS | | | 54.00 | 53.00 | 1.00 | |
| PERSONAL SERVICES | | | | | | |
| 50100 | Civil Service Permanent | \$1,216,772 | \$4,837,457 | \$4,465,923 | \$371,534 | |
| 50500 | Civil Service Temporary | \$31,978 | \$127,910 | \$93,024 | \$34,886 | |
| 51000 | Overtime Pay | \$250 | \$1,000 | \$0 | \$1,000 | |
| 53000 | Merit Compensation | \$35,480 | \$141,920 | \$141,920 | \$0 | |
| | Total Salaries and Wages | \$1,284,479 | \$5,108,287 | \$4,700,867 | \$407,420 | |
| 56001 | Salary Savings | (\$170,348) | (\$677,244) | (\$625,229) | (\$52,015) | |
| | Net Salaries and Wages | \$1,114,131 | \$4,431,043 | \$4,075,637 | \$355,406 | |
| 55XXX | Staff Benefits | \$1,186,257 | \$4,729,993 | \$4,520,893 | \$209,099 | |
| TOTAL PERSONAL SERVICES | | \$2,300,388 | \$9,161,036 | \$8,596,531 | \$564,505 | |
| OPERATING EXPENSES | | | | | | |
| 67000 | General Expense | \$250 | \$1,000 | \$1,000 | \$0 | |
| 67700 | Postage | \$13 | \$50 | \$50 | \$0 | |
| 68100 | In-State Travel | \$750 | \$3,000 | \$3,000 | \$0 | |
| 68500 | Training | \$7,500 | \$47,001 | \$26,500 | \$20,501 | |
| 69700 | Expendable Equipment | \$500 | \$2,000 | \$4,000 | (\$2,000) | |
| 63200 | Prof. Service - External | \$24,706 | \$98,825 | \$74,590 | \$24,235 | |
| 63300 | Prof. Service - Interdept. | \$150,500 | \$609,000 | \$504,500 | \$104,500 | |
| TOT. OPER. EXP. AND EQUIP. | | \$184,219 | \$760,876 | \$613,640 | \$147,236 | |
| TOTAL BUDGET | | \$2,484,606 | \$9,921,912 | \$9,210,171 | \$711,741 | |

Operations Division

The Operations Division of the California State Lottery plays a crucial role in managing and overseeing the Lottery's daily operations and activities. Operations ensures comprehensive support across various critical areas, including mail room services, vehicle and driver services, records and asset management, and business continuity planning. Additionally, the division handles policy governance, forms management, the Americans with Disabilities Act (ADA) digital remediation, and reprographics. It also provides budget analysis and support, project management, and oversees the LEED/sustainability program. Furthermore, Operations manages contracts, procurements, facilities maintenance and management, and implements green cleaning practices.

| OPERATIONS DIVISION - 04 | | FY 2025-26 REVISED ANNUAL PLAN | | DATE: Nov 20, 2025 |
|-----------------------------|-------------------------------------|-----------------------------------|--------------------|-----------------------|
| | | Quarter 1 | Quarter 2 | Quarter 3 |
| PERMANENT POSITIONS | | | | |
| PERSONAL SERVICES | | | | |
| 50100 | Civil Service Permanent | \$1,596,467 | \$1,607,235 | \$1,617,263 |
| 50500 | Civil Service Temporary | \$0 | \$0 | \$0 |
| 51000 | Overtime Pay | \$16,003 | \$16,003 | \$16,003 |
| 53000 | Merit Compensation | \$16,275 | \$16,275 | \$16,275 |
| | Total Salaries and Wages | \$1,628,745 | \$1,639,513 | \$1,649,541 |
| 56001 | Salary Savings | (\$223,505) | (\$225,013) | (\$226,417) |
| | Net Salaries and Wages | \$1,405,240 | \$1,414,500 | \$1,423,124 |
| 55XXX | Staff Benefits | \$810,047 | \$815,512 | \$820,600 |
| | TOTAL PERSONAL SERVICES | \$2,215,287 | \$2,230,012 | \$2,243,724 |
| OPERATING EXPENSES | | | | |
| 67000 | General Expense | \$49,260 | \$49,260 | \$49,260 |
| 67100 | Printing | \$3,743 | \$2,893 | \$3,849 |
| 67700 | Postage | \$21,672 | \$21,672 | \$21,672 |
| 67900 | Insurance | \$149,590 | \$149,590 | \$149,590 |
| 68100 | In-State Travel | \$14,911 | \$14,911 | \$14,911 |
| 68500 | Training | \$12,723 | \$12,723 | \$12,723 |
| 68750 | Asset Rental Expense | \$2,500 | \$2,500 | \$2,500 |
| 68775 | Lease Asset Amortization of Expense | \$202,717 | \$202,717 | \$202,717 |
| 68900 | Facility Maintenance & Operations | \$381,545 | \$404,093 | \$394,085 |
| 69300 | Utilities | \$229,450 | \$183,850 | \$161,051 |
| 69700 | Expendable Equipment | \$194,591 | \$194,591 | \$194,591 |
| 69900 | Vehicle Maintenance & Operations | \$586,649 | \$639,198 | \$584,299 |
| 70600 | Interest Expense | \$47,814 | \$441,511 | \$41,143 |
| 70700 | Taxes & Assessments | \$28,983 | \$28,983 | \$28,983 |
| 70900 | Special Items of Expense | \$800 | \$800 | \$800 |
| 63200 | Prof. Service - External | \$63,684 | \$1,225,459 | \$13,684 |
| 63300 | Prof. Service - Interdept. | \$0 | \$0 | \$0 |
| CAPITALIZED EXPENSES | | | | |
| 2XXXX | Equipment & Capitalized Expenses | \$696,183 | \$1,013,609 | \$1,571,310 |
| | TOT. OPER. EXP. AND EQUIP. | \$2,686,815 | \$4,588,360 | \$3,447,169 |
| | TOTAL BUDGET | \$4,902,102 | \$6,818,372 | \$5,690,893 |

| OPERATIONS DIVISION - 04 (CONT.) | | FY 2025-26 REVISED ANNUAL PLAN | DATE: Nov 20, 2025 | | |
|-------------------------------------|-------------------------------------|-----------------------------------|-----------------------|----------------------------------|-------------|
| | | Quarter 4 | TOTAL FY 2025-26 | APPROVED BUDGET FY 2024-25 | CHANGE |
| PERMANENT POSITIONS | | | 81.00 | 77.00 | 4.00 |
| PERSONAL SERVICES | | | | | |
| 50100 | Civil Service Permanent | \$1,628,116 | \$6,449,081 | \$6,005,024 | \$444,058 |
| 50500 | Civil Service Temporary | \$0 | \$0 | \$45,628 | (\$45,628) |
| 51000 | Overtime Pay | \$16,003 | \$64,012 | \$43,800 | \$20,212 |
| 53000 | Merit Compensation | \$16,275 | \$65,100 | \$65,100 | \$0 |
| | Total Salaries and Wages | \$1,660,394 | \$6,578,193 | \$6,159,552 | \$418,641 |
| 56001 | Salary Savings | (\$227,936) | (\$902,871) | (\$840,703) | (\$62,168) |
| | Net Salaries and Wages | \$1,432,458 | \$5,675,322 | \$5,318,849 | \$356,473 |
| 55XXX | Staff Benefits | \$826,105 | \$3,272,264 | \$3,073,868 | \$198,397 |
| TOTAL PERSONAL SERVICES | | \$2,258,563 | \$8,947,586 | \$8,392,716 | \$554,870 |
| OPERATING EXPENSES | | | | | |
| 67000 | General Expense | \$49,260 | \$197,042 | \$131,624 | \$65,418 |
| 67100 | Printing | \$2,893 | \$13,377 | \$11,716 | \$1,661 |
| 67700 | Postage | \$21,672 | \$86,689 | \$84,612 | \$2,077 |
| 67900 | Insurance | \$149,590 | \$598,361 | \$400,638 | \$197,723 |
| 68100 | In-State Travel | \$14,911 | \$59,643 | \$60,084 | (\$441) |
| 68500 | Training | \$12,723 | \$50,893 | \$67,242 | (\$16,349) |
| 68750 | Asset Rental Expense | \$2,500 | \$10,000 | \$10,560 | (\$560) |
| 68775 | Lease Asset Amortization of Expense | \$202,717 | \$810,867 | \$665,364 | \$145,504 |
| 68900 | Facility Maintenance & Operations | \$389,878 | \$1,569,601 | \$1,254,571 | \$315,030 |
| 69300 | Utilities | \$207,100 | \$781,450 | \$780,996 | \$454 |
| 69700 | Expendable Equipment | \$194,591 | \$778,363 | \$170,004 | \$608,359 |
| 69900 | Vehicle Maintenance & Operations | \$585,083 | \$2,395,230 | \$2,227,030 | \$168,200 |
| 70600 | Interest Expense | \$37,709 | \$568,177 | \$175,990 | \$392,187 |
| 70700 | Taxes & Assessments | \$28,983 | \$115,931 | \$115,932 | (\$1) |
| 70900 | Special Items of Expense | \$800 | \$3,200 | \$3,204 | (\$4) |
| 63200 | Prof. Service - External | \$13,684 | \$1,316,512 | \$233,548 | \$1,082,964 |
| 63300 | Prof. Service - Interdept. | \$0 | \$0 | \$619,100 | (\$619,100) |
| CAPITALIZED EXPENSES | | | | | |
| 2XXXX | Equipment & Capitalized Expenses | \$1,383,310 | \$4,664,413 | \$450,000 | \$4,214,413 |
| TOT. OPER. EXP. AND EQUIP. | | \$3,297,404 | \$14,019,748 | \$7,462,215 | \$6,557,534 |
| TOTAL BUDGET | | \$5,555,967 | \$22,967,335 | \$15,854,931 | \$7,112,404 |

Security & Law Enforcement Division

The Security & Law Enforcement Division (SLED) is dedicated to safeguarding the Lottery's human and fiscal assets while upholding the highest standards of operational integrity, security, honesty, and fairness. SLED is composed of several operational units, including Field Investigations, Theft, Claims, Emergency Management & Physical Security, Special Investigations & Gaming Security, Draw Management, Retailer Services, and Training, Recruitment & Fleet Services. These units play a critical role in supporting investigative and law enforcement activities by collecting and analyzing information, conducting preliminary investigations, determining the ownership of questionable tickets, ensuring retailer compliance, maintaining a secure physical work environment, and managing draw operations.

| SECURITY AND LAW ENFORCEMENT DIVISION - 06 | | FY 2025-26 REVISED ANNUAL PLAN | | DATE: Nov 20, 2025 |
|---|-----------------------------------|-----------------------------------|--------------------|-----------------------|
| | | Quarter 1 | Quarter 2 | Quarter 3 |
| PERMANENT POSITIONS | | | | |
| PERSONAL SERVICES | | | | |
| 50100 | Civil Service Permanent | \$2,340,502 | \$2,360,804 | \$2,371,628 |
| 50500 | Civil Service Temporary | \$37,338 | \$57,111 | \$57,111 |
| 51000 | Overtime Pay | \$128,901 | \$128,901 | \$128,901 |
| 53000 | Merit Compensation | \$22,515 | \$22,515 | \$22,515 |
| | Total Salaries and Wages | \$2,529,256 | \$2,569,331 | \$2,580,155 |
| 56001 | Salary Savings | (\$327,670) | (\$330,513) | (\$332,028) |
| | Net Salaries and Wages | \$2,201,585 | \$2,238,818 | \$2,248,127 |
| 55XXX | Staff Benefits | \$1,209,600 | \$1,231,568 | \$1,237,060 |
| | TOTAL PERSONAL SERVICES | \$3,411,185 | \$3,470,386 | \$3,485,187 |
| OPERATING EXPENSES | | | | |
| 67000 | General Expense | \$12,068 | \$12,068 | \$12,068 |
| 68100 | In-State Travel | \$144,945 | \$144,945 | \$47,253 |
| 68500 | Training | \$44,517 | \$44,517 | \$44,517 |
| 69700 | Expendable Equipment | \$39,885 | \$39,885 | \$39,885 |
| 60400 | Promotions - Consumer | \$0 | \$0 | \$0 |
| 63200 | Prof. Service - External | \$735,849 | \$735,849 | \$735,849 |
| 63300 | Prof. Service - Interdept. | \$46,168 | \$46,168 | \$46,168 |
| CAPITALIZED EXPENSES | | | | |
| 2XXXX | Equipment & Capitalized Expenses | \$0 | \$0 | \$0 |
| | TOT. OPER. EXP. AND EQUIP. | \$1,023,431 | \$1,023,431 | \$925,739 |
| | TOTAL BUDGET | \$4,434,616 | \$4,493,817 | \$4,410,926 |

**SECURITY AND LAW
ENFORCEMENT DIVISION - 06
(CONT.)**

FY 2025-26 REVISED ANNUAL PLAN **DATE:
Nov 20, 2025**

| | | Quarter 4 | TOTAL FY 2025-26 | APPROVED BUDGET FY 2024-25 | CHANGE |
|-----------------------------|-----------------------------------|--------------------|-----------------------------|---|--------------------|
| PERMANENT POSITIONS | | | 90.00 | 87.00 | 3.00 |
| PERSONAL SERVICES | | | | | |
| 50100 | Civil Service Permanent | \$2,380,358 | \$9,453,292 | \$8,893,092 | \$560,200 |
| 50500 | Civil Service Temporary | \$39,546 | \$191,106 | \$101,724 | \$89,382 |
| 51000 | Overtime Pay | \$128,901 | \$515,604 | \$348,735 | \$166,869 |
| 53000 | Merit Compensation | \$22,515 | \$90,060 | \$90,060 | \$0 |
| | Total Salaries and Wages | \$2,571,320 | \$10,250,062 | \$9,433,611 | \$816,451 |
| 56001 | Salary Savings | (\$333,250) | (\$1,323,461) | (\$1,245,033) | (\$78,428) |
| | Net Salaries and Wages | \$2,238,070 | \$8,926,601 | \$8,188,578 | \$738,023 |
| 55XXX | Staff Benefits | \$1,231,127 | \$4,909,355 | \$4,572,370 | \$336,985 |
| | TOTAL PERSONAL SERVICES | \$3,469,197 | \$13,835,956 | \$12,760,948 | \$1,075,007 |
| OPERATING EXPENSES | | | | | |
| 67000 | General Expense | \$9,068 | \$45,272 | \$71,002 | (\$25,730) |
| 68100 | In-State Travel | \$47,253 | \$384,396 | \$309,455 | \$74,941 |
| 68500 | Training | \$44,517 | \$178,068 | \$148,695 | \$29,373 |
| 69700 | Expendable Equipment | \$39,885 | \$159,540 | \$489,670 | (\$330,130) |
| 63200 | Prof. Service - External | \$735,849 | \$2,943,395 | \$2,969,917 | (\$26,522) |
| 63300 | Prof. Service - Interdept. | \$46,168 | \$184,670 | \$178,420 | \$6,250 |
| CAPITALIZED EXPENSES | | | | | |
| 2XXXX | Equipment & Capitalized Expenses | \$0 | \$0 | \$230,000 | (\$230,000) |
| | TOT. OPER. EXP. AND EQUIP. | \$922,739 | \$3,895,341 | \$4,397,159 | (\$501,818) |
| | TOTAL BUDGET | \$4,391,936 | \$17,731,296 | \$17,158,107 | \$573,189 |

Information Technology Services Division

As a critical stakeholder and partner to our business customers, the Information Technology Services Division (ITSD) is uniquely positioned to support the Lottery in achieving its business goals. With a team of dedicated and talented IT professionals, ITSD is responsible for the maintenance and operations of the Lottery's mission critical systems and functions. ITSD works collaboratively with our business partners to drive innovation, increase efficiencies, and to find the best technology solutions to meet business needs whether it's engaging players through the release of new features on the mobile app and public website, or working with back-office staff to refine business processes through new functions. ITSD plays a vital role in providing the services and technology that enables the Lottery to achieve its mission and goals.

**INFORMATION TECHNOLOGY
SERVICES DIVISION - 07**

**FY 2025-26 REVISED
ANNUAL PLAN**

**DATE:
Nov 20, 2025**

Quarter 1

Quarter 2

Quarter 3

PERMANENT POSITIONS

PERSONAL SERVICES

| | | | | |
|-------|--------------------------------|--------------------|--------------------|--------------------|
| 50100 | Civil Service Permanent | \$4,201,370 | \$4,226,551 | \$4,243,826 |
| 50500 | Civil Service Temporary | \$102,556 | \$89,117 | \$74,952 |
| 51000 | Overtime Pay | \$2,500 | \$2,500 | \$2,500 |
| 53000 | Merit Compensation | \$81,900 | \$81,900 | \$81,900 |
| | Total Salaries and Wages | \$4,388,325 | \$4,400,068 | \$4,403,178 |
| 56001 | Salary Savings | (\$588,192) | (\$591,717) | (\$594,136) |
| | Net Salaries and Wages | \$3,800,134 | \$3,808,351 | \$3,809,042 |
| 55XXX | Staff Benefits | \$2,192,283 | \$2,197,131 | \$2,197,539 |
| | TOTAL PERSONAL SERVICES | \$5,992,417 | \$6,005,482 | \$6,006,581 |

OPERATING EXPENSES

| | | | | |
|-------|----------------------------|--------------|--------------|--------------|
| 67000 | General Expense | \$1,250 | \$1,250 | \$1,250 |
| 67100 | Printing | \$90,750 | \$90,750 | \$90,750 |
| 67500 | Telephone | \$702,075 | \$702,075 | \$702,075 |
| 68100 | In-State Travel | \$21,650 | \$21,650 | \$21,650 |
| 68300 | Out-of-State Travel | \$0 | \$0 | \$0 |
| 68500 | Training | \$62,500 | \$62,500 | \$62,500 |
| 68875 | SBITA Amortization Expense | \$395,120 | \$395,120 | \$373,975 |
| 69700 | Expendable Equipment | \$706,375 | \$706,375 | \$706,375 |
| 70600 | Interest Expense | \$5,593 | \$5,626 | \$2,879 |
| 63200 | Prof. Service - External | \$4,882,825 | \$5,342,640 | \$5,541,897 |
| 63300 | Prof. Service - Interdept. | \$276,400 | \$276,400 | \$276,400 |
| 64300 | Gaming System Expenses | \$32,914,859 | \$32,409,069 | \$32,638,262 |

CAPITALIZED EXPENSES

| | | | | |
|-------|-----------------------------------|---------------------|---------------------|---------------------|
| 2XXXX | Equipment & Capitalized Expenses | \$20,000 | \$270,000 | \$570,000 |
| | TOT. OPER. EXP. AND EQUIP. | \$40,079,396 | \$40,283,455 | \$40,988,013 |

TOTAL BUDGET

\$46,071,813 \$46,288,936 \$46,994,594

**INFORMATION TECHNOLOGY
SERVICES DIVISION - 07
(CONT.)**

FY 2025-26 REVISED ANNUAL PLAN

**DATE:
Nov 20, 2025**

| | | Quarter 4 | TOTAL FY 2025-26 | APPROVED BUDGET FY 2024-25 | CHANGE |
|-----------------------------|-----------------------------------|---------------------|-----------------------------|---|---------------------|
| PERMANENT POSITIONS | | | 141.00 | 140.00 | 1.00 |
| PERSONAL SERVICES | | | | | |
| 50100 | Civil Service Permanent | \$4,262,297 | \$16,934,044 | \$16,322,170 | \$611,873 |
| 50500 | Civil Service Temporary | \$21,981 | \$288,606 | \$772,995 | (\$484,390) |
| 51000 | Overtime Pay | \$2,500 | \$10,000 | \$10,000 | \$0 |
| 53000 | Merit Compensation | \$81,900 | \$327,600 | \$327,600 | \$0 |
| | Total Salaries and Wages | \$4,368,678 | \$17,560,249 | \$17,432,766 | \$127,484 |
| 56001 | Salary Savings | (\$596,722) | (\$2,370,766) | (\$2,285,104) | (\$85,662) |
| | Net Salaries and Wages | \$3,771,956 | \$15,189,483 | \$15,147,662 | \$41,821 |
| 55XXX | Staff Benefits | \$2,175,658 | \$8,762,611 | \$8,737,936 | \$24,675 |
| | TOTAL PERSONAL SERVICES | \$5,947,615 | \$23,952,094 | \$23,885,598 | \$66,496 |
| OPERATING EXPENSES | | | | | |
| 67000 | General Expense | \$1,250 | \$5,000 | \$5,000 | \$0 |
| 67100 | Printing | \$90,750 | \$363,000 | \$330,000 | \$33,000 |
| 67500 | Telephone | \$702,075 | \$2,808,300 | \$2,808,300 | \$0 |
| 68100 | In-State Travel | \$21,650 | \$86,600 | \$86,600 | \$0 |
| 68300 | Out-of-State Travel | \$0 | \$0 | \$0 | \$0 |
| 68500 | Training | \$62,500 | \$250,000 | \$90,000 | \$160,000 |
| 68875 | SBITA Amortization Expense | \$261,053 | \$1,425,268 | \$381,203 | \$1,044,065 |
| 69700 | Expendable Equipment | \$706,375 | \$2,825,500 | \$2,978,256 | (\$152,756) |
| 70600 | Interest Expense | \$2,896 | \$16,994 | \$4,640 | \$12,354 |
| 63200 | Prof. Service - External | \$5,180,765 | \$20,948,127 | \$18,366,920 | \$2,581,207 |
| 63300 | Prof. Service - Interdept. | \$276,400 | \$1,105,600 | \$805,600 | \$300,000 |
| 64300 | Gaming System Expenses | \$32,912,810 | \$130,875,000 | \$122,961,500 | \$7,913,500 |
| CAPITALIZED EXPENSES | | | | | |
| 2XXXX | Equipment & Capitalized Expenses | \$390,000 | \$1,250,000 | \$725,988 | \$524,012 |
| | TOT. OPER. EXP. AND EQUIP. | \$40,608,525 | \$161,959,389 | \$149,544,007 | \$12,415,382 |
| | TOTAL BUDGET | \$46,556,140 | \$185,911,483 | \$173,429,605 | \$12,481,877 |

Sales & Marketing Division Roll-up

The Sales and Marketing Division roll-up represents separate budget allocations for each office.

| SALES & MARKETING DIVISION - 08 | | FY 2025-26 REVISED ANNUAL PLAN | | DATE: Nov 20, 2025 |
|-----------------------------------|----------------------------------|-----------------------------------|---------------------------|----------------------------|
| | | Sales/Mktng | | |
| | | Dep Dir's Office 1800 | Marketing Dept 1805 | Sales Dept 1900-1925 |
| PERMANENT POSITIONS | | 8.00 | 54.00 | 506.00 |
| PERSONAL SERVICES | | | | |
| 50100 | Civil Service Permanent | \$778,871 | \$5,076,602 | \$32,693,508 |
| 50500 | Civil Service Temporary | \$0 | \$24,581 | \$86,613 |
| 51000 | Overtime Pay | \$1,000 | \$15,000 | \$110,000 |
| 53000 | Merit Compensation | \$8,040 | \$40,440 | \$2,345,624 |
| | Total Salaries and Wages | \$787,911 | \$5,156,623 | \$35,235,745 |
| 56001 | Salary Savings | (\$109,042) | (\$710,725) | (\$4,577,091) |
| | Net Salaries and Wages | \$678,869 | \$4,445,898 | \$30,658,654 |
| 55XXX | Staff Benefits | \$395,198 | \$2,590,370 | \$16,639,788 |
| TOTAL PERSONAL SERVICES | | \$1,074,067 | \$7,036,268 | \$47,298,442 |
| OPERATING EXPENSES | | | | |
| 67000 | General Expense | \$24,000 | \$48,500 | \$68,200 |
| 67800 | Internal Freight | \$0 | \$0 | \$530,000 |
| 68100 | In-State Travel | \$8,000 | \$40,000 | \$190,000 |
| 68500 | Training | \$125,000 | \$0 | \$0 |
| 69700 | Expendable Equipment | \$0 | \$5,000 | \$11,000 |
| 70900 | Special Items of Expense | \$0 | \$0 | \$431,000 |
| 71200 | Event Sponsorship | \$0 | \$464,820 | \$0 |
| 64303 | Scratchers Delivery Fees | \$0 | \$0 | \$10,441,150 |
| 60000 | Media | \$0 | \$68,444,455 | \$0 |
| 60100 | Production | \$0 | \$24,214,215 | \$0 |
| 60200 | Digital | \$0 | \$6,400,000 | \$0 |
| 60400 | Promotions - Consumer | \$0 | \$9,219,500 | \$0 |
| 60410 | Promotions - Retailer | \$0 | \$150,000 | \$190,420 |
| 60475 | Point of Sale - Collateral | \$0 | \$3,005,000 | \$0 |
| 60500 | Point of Sale - Permanent | \$0 | \$5,405,000 | \$0 |
| CAPITALIZED EXPENSES | | | | |
| 2XXXX | Equipment & Capitalized Expenses | \$0 | \$0 | \$200,000 |
| TOT. OPER. EXP. AND EQUIP. | | \$157,000 | \$117,396,490 | \$12,076,770 |
| TOTAL BUDGET | | \$1,231,067 | \$124,432,757 | \$59,375,212 |

| SALES & MARKETING DIVISION - 08 (CONT.) | | FY 2025-26 REVISED ANNUAL PLAN | DATE: Nov 20, 2025 | |
|--|-----------------------------------|-----------------------------------|----------------------------------|---------------------|
| | | TOTAL FY 2025-26 | APPROVED BUDGET FY 2024-25 | CHANGE |
| PERMANENT POSITIONS | | 568.00 | 559.00 | 9.00 |
| PERSONAL SERVICES | | | | |
| 50100 | Civil Service Permanent | \$38,548,981 | \$36,685,112 | \$1,863,869 |
| 50500 | Civil Service Temporary | \$111,194 | \$565,370 | (\$454,177) |
| 51000 | Overtime Pay | \$126,000 | \$176,000 | (\$50,000) |
| 53000 | Merit Compensation | \$2,394,104 | \$3,394,104 | (\$1,000,000) |
| | Total Salaries and Wages | \$41,180,278 | \$40,820,586 | \$359,692 |
| 56001 | Salary Savings | (\$5,396,858) | (\$5,135,915) | (\$260,943) |
| | Net Salaries and Wages | \$35,783,421 | \$35,684,671 | \$98,749 |
| 55XXX | Staff Benefits | \$19,625,356 | \$18,947,594 | \$677,762 |
| | TOTAL PERSONAL SERVICES | \$55,408,777 | \$54,632,265 | \$776,512 |
| OPERATING EXPENSES | | | | |
| 67000 | General Expense | \$140,700 | \$136,700 | \$4,000 |
| 67800 | Internal Freight | \$530,000 | \$375,000 | \$155,000 |
| 68100 | In-State Travel | \$238,000 | \$250,000 | (\$12,000) |
| 68500 | Training | \$125,000 | \$225,000 | (\$100,000) |
| 69700 | Expendable Equipment | \$16,000 | \$7,000 | \$9,000 |
| 70900 | Special Items of Expense | \$431,000 | \$218,000 | \$213,000 |
| 71200 | Event Sponsorship | \$464,820 | \$385,000 | \$79,820 |
| 64303 | Scratchers Delivery Fees | \$10,441,150 | \$7,840,000 | \$2,601,150 |
| 60000 | Media | \$68,444,455 | \$66,867,500 | \$1,576,955 |
| 60100 | Production | \$24,214,215 | \$23,150,000 | \$1,064,215 |
| 60200 | Digital | \$6,400,000 | \$6,707,500 | (\$307,500) |
| 60400 | Promotions - Consumer | \$9,219,500 | \$5,497,000 | \$3,722,500 |
| 60410 | Promotions - Retailer | \$340,420 | \$760,420 | (\$420,000) |
| 60475 | Point of Sale - Collateral | \$3,005,000 | \$2,300,000 | \$705,000 |
| 60500 | Point of Sale - Permanent | \$5,405,000 | \$5,110,000 | \$295,000 |
| CAPITALIZED EXPENSES | | | | |
| 2XXXX | Equipment & Capitalized Expenses | \$200,000 | \$260,000 | (\$60,000) |
| | TOT. OPER. EXP. AND EQUIP. | \$129,630,260 | \$120,089,120 | \$9,541,140 |
| | TOTAL BUDGET | \$185,039,037 | \$174,721,385 | \$10,317,651 |

**Sales & Marketing Division
Deputy Director's Office - 1800**

The Sales & Marketing Division (SMD) makes up over half the staff of the California Lottery and consists of three departments managed by the SMD Deputy Director. The office of the SMD Deputy Director oversees operations of the Sales and Marketing Division and is responsible for the development and management of key marketing and sales strategies used to increase sales to generate incremental profits for public education. The department is staffed by the SMD Deputy Director and seven supporting positions.

| SALES AND MARKETING DIVISION DEPUTY DIRECTOR'S OFFICE - 1800 | | FY 2025-26 REVISED ANNUAL PLAN | DATE: Nov 20, 2025 | |
|---|-----------------------------------|-----------------------------------|-----------------------|------------------|
| | | Quarter 1 | Quarter 2 | Quarter 3 |
| PERMANENT POSITIONS | | | | |
| PERSONAL SERVICES | | | | |
| 50100 | Civil Service Permanent | \$193,856 | \$193,856 | \$195,235 |
| 50500 | Civil Service Temporary | \$0 | \$0 | \$0 |
| 51000 | Overtime Pay | \$250 | \$250 | \$250 |
| 53000 | Merit Compensation | \$2,010 | \$2,010 | \$2,010 |
| | Total Salaries and Wages | \$196,116 | \$196,116 | \$197,495 |
| 56001 | Salary Savings | (\$27,140) | (\$27,140) | (\$27,333) |
| | Net Salaries and Wages | \$168,976 | \$168,976 | \$170,162 |
| 55XXX | Staff Benefits | \$98,362 | \$98,362 | \$99,062 |
| | TOTAL PERSONAL SERVICES | \$267,338 | \$267,338 | \$269,224 |
| OPERATING EXPENSES | | | | |
| 67000 | General Expense | \$1,063 | \$21,113 | \$913 |
| 68100 | In-State Travel | \$2,000 | \$2,000 | \$2,000 |
| 68500 | Training | \$31,250 | \$31,250 | \$31,250 |
| | TOT. OPER. EXP. AND EQUIP. | \$34,313 | \$54,363 | \$34,163 |
| | TOTAL BUDGET | \$301,651 | \$321,701 | \$303,386 |

**SALES AND MARKETING DIVISION
DEPUTY DIRECTOR'S OFFICE - 1800
(CONT.)**

**FY 2025-26 REVISED ANNUAL
PLAN**

**DATE:
Nov 20, 2025**

| | | TOTAL | | APPROVED | |
|-----------------------------------|-------------------------|------------------|--------------------|-------------------|---------------|
| | | Quarter 4 | FY 2025-26 | BUDGET | CHANGE |
| | | | | FY 2024-25 | |
| PERMANENT POSITIONS | | | 8.00 | 8.00 | 0.00 |
| PERSONAL SERVICES | | | | | |
| 50100 | Civil Service Permanent | \$195,924 | \$778,871 | \$750,672 | \$28,198 |
| 50500 | Civil Service Temporary | \$0 | \$0 | \$0 | \$0 |
| 51000 | Overtime Pay | \$250 | \$1,000 | \$1,000 | \$0 |
| 53000 | Merit Compensation | \$2,010 | \$8,040 | \$8,040 | \$0 |
| Total Salaries and Wages | | \$198,184 | \$787,911 | \$759,712 | \$28,198 |
| 56001 | Salary Savings | (\$27,429) | (\$109,042) | (\$105,094) | (\$3,948) |
| Net Salaries and Wages | | \$170,755 | \$678,869 | \$654,618 | \$24,250 |
| 55XXX | Staff Benefits | \$99,412 | \$395,198 | \$380,890 | \$14,308 |
| TOTAL PERSONAL SERVICES | | \$270,167 | \$1,074,067 | \$1,035,509 | \$38,558 |
| OPERATING EXPENSES | | | | | |
| 67000 | General Expense | \$913 | \$24,000 | \$22,000 | \$2,000 |
| 68100 | In-State Travel | \$2,000 | \$8,000 | \$5,000 | \$3,000 |
| 68500 | Training | \$31,250 | \$125,000 | \$225,000 | (\$100,000) |
| TOT. OPER. EXP. AND EQUIP. | | \$34,163 | \$157,000 | \$252,000 | (\$95,000) |
| TOTAL BUDGET | | \$304,329 | \$1,231,067 | \$1,287,509 | (\$56,442) |

Marketing Department - 1805

The Marketing Department is a branch of the Sales and Marketing Division and is under the management of the Assistant Deputy Director of Marketing. The Lottery's marketing team and its programs are vital to the success of the Lottery's efforts to fulfill its mission. The Lottery's marketing programs drive product awareness, create brand preference and, ultimately, drive Lottery sales. To work toward the goals identified in the current year's Business Plan, as well as the Lottery's long term Strategic Plan, Marketing will play a key role in executing strategies and campaigns that help raise jackpot game purchase motivation, shift consumer purchase behavior, inject more fun and entertainment into the brand, and continue to grow purchase frequency and new playership.

| MARKETING DEPARTMENT - 1805 | FY 2025-26 REVISED ANNUAL PLAN | | DATE: Nov 20, 2025 |
|-----------------------------|-----------------------------------|-----------|-----------------------|
| | Quarter 1 | Quarter 2 | Quarter 3 |

PERMANENT POSITIONS

| PERSONAL SERVICES | | | | |
|--------------------|-----------------------------------|---------------------|---------------------|---------------------|
| 50100 | Civil Service Permanent | \$1,259,958 | \$1,267,886 | \$1,271,792 |
| 50500 | Civil Service Temporary | \$12,290 | \$12,290 | \$0 |
| 51000 | Overtime Pay | \$3,750 | \$3,750 | \$3,750 |
| 53000 | Merit Compensation | \$10,110 | \$10,110 | \$10,110 |
| | Total Salaries and Wages | \$1,286,108 | \$1,294,037 | \$1,285,652 |
| 56001 | Salary Savings | (\$176,394) | (\$177,504) | (\$178,051) |
| | Net Salaries and Wages | \$1,109,714 | \$1,116,532 | \$1,107,601 |
| 55XXX | Staff Benefits | \$646,554 | \$650,577 | \$645,307 |
| | TOTAL PERSONAL SERVICES | \$1,756,268 | \$1,767,109 | \$1,752,907 |
| OPERATING EXPENSES | | | | |
| 67000 | General Expense | \$875 | \$45,875 | \$875 |
| 68100 | In-State Travel | \$10,000 | \$10,000 | \$10,000 |
| 69700 | Expendable Equipment | \$1,250 | \$1,250 | \$1,250 |
| 71200 | Event Sponsorship | \$108,000 | \$94,000 | \$72,270 |
| 60000 | Media | \$18,195,445 | \$17,003,930 | \$13,622,540 |
| 60100 | Production | \$9,399,215 | \$5,205,000 | \$5,905,000 |
| 60200 | Digital | \$1,622,500 | \$1,587,500 | \$1,587,500 |
| 60400 | Promotions - Consumer | \$2,027,000 | \$1,749,500 | \$1,211,000 |
| 60410 | Promotions - Retailer | \$0 | \$55,000 | \$40,000 |
| 60475 | Point of Sale - Collateral | \$570,000 | \$1,450,000 | \$400,000 |
| 60500 | Point of Sale - Permanent | \$487,500 | \$1,952,500 | \$187,500 |
| | TOT. OPER. EXP. AND EQUIP. | \$32,421,785 | \$29,154,555 | \$23,037,935 |
| | TOTAL BUDGET | \$34,178,052 | \$30,921,664 | \$24,790,842 |

| MARKETING DEPARTMENT - 1805 (CONT.) | | | FY 2025-26 REVISED ANNUAL PLAN | | DATE: Nov 20, 2025 |
|--|----------------------------|--------------|--------------------------------|---------------------|----------------------------------|
| | | | Quarter 4 | TOTAL FY 2025-26 | APPROVED BUDGET FY 2024-25 |
| PERMANENT POSITIONS | | | 54.00 | 54.00 | 0.00 |
| PERSONAL SERVICES | | | | | |
| 50100 | Civil Service Permanent | \$1,276,967 | \$5,076,602 | \$4,842,641 | \$233,961 |
| 50500 | Civil Service Temporary | \$0 | \$24,581 | \$75,563 | (\$50,982) |
| 51000 | Overtime Pay | \$3,750 | \$15,000 | \$15,000 | \$0 |
| 53000 | Merit Compensation | \$10,110 | \$40,440 | \$40,440 | \$0 |
| | Total Salaries and Wages | \$1,290,827 | \$5,156,623 | \$4,973,644 | \$182,979 |
| 56001 | Salary Savings | (\$178,776) | (\$710,725) | (\$677,969) | (\$32,756) |
| | Net Salaries and Wages | \$1,112,051 | \$4,445,898 | \$4,295,675 | \$150,223 |
| 55XXX | Staff Benefits | \$647,933 | \$2,590,370 | \$2,501,738 | \$88,632 |
| TOTAL PERSONAL SERVICES | | | \$1,759,984 | \$6,797,413 | \$238,855 |
| OPERATING EXPENSES | | | | | |
| 67000 | General Expense | \$875 | \$48,500 | \$33,500 | \$15,000 |
| 68100 | In-State Travel | \$10,000 | \$40,000 | \$40,000 | \$0 |
| 69700 | Expendable Equipment | \$1,250 | \$5,000 | \$5,000 | \$0 |
| 71200 | Event Sponsorship | \$190,550 | \$464,820 | \$385,000 | \$79,820 |
| 60000 | Media | \$19,622,540 | \$68,444,455 | \$66,867,500 | \$1,576,955 |
| 60100 | Production | \$3,705,000 | \$24,214,215 | \$23,150,000 | \$1,064,215 |
| 60200 | Digital | \$1,602,500 | \$6,400,000 | \$6,707,500 | (\$307,500) |
| 60400 | Promotions - Consumer | \$4,232,000 | \$9,219,500 | \$5,497,000 | \$3,722,500 |
| 60410 | Promotions - Retailer | \$55,000 | \$150,000 | \$480,000 | (\$330,000) |
| 60475 | Point of Sale - Collateral | \$585,000 | \$3,005,000 | \$2,300,000 | \$705,000 |
| 60500 | Point of Sale - Permanent | \$2,777,500 | \$5,405,000 | \$5,110,000 | \$295,000 |
| TOT. OPER. EXP. AND EQUIP. | | | \$32,782,215 | \$110,575,500 | \$6,820,990 |
| TOTAL BUDGET | | | \$34,542,199 | \$117,372,913 | \$7,059,845 |

Sales Department Roll-up

The Sales Department roll-up represents separate budget allocations for each program area.

| SALES DEPARTMENT - 1900-1925 | | FY 2025-26 REVISED ANNUAL PLAN | | DATE: Nov 20, 2025 |
|------------------------------|-----------------------------------|-----------------------------------|---|---------------------------------|
| | | Sales Dept 1900 | Sales Support & Distribution 1905 | Business Development 1911 |
| PERMANENT POSITIONS | | 3.00 | 145.00 | 75.00 |
| PERSONAL SERVICES | | | | |
| 50100 | Civil Service Permanent | \$317,280 | \$8,319,625 | \$4,977,459 |
| 50500 | Civil Service Temporary | \$0 | \$0 | \$86,613 |
| 51000 | Overtime Pay | \$0 | \$100,000 | \$0 |
| 53000 | Merit Compensation | \$2,015,144 | \$57,000 | \$23,160 |
| | Total Salaries and Wages | \$2,332,424 | \$8,476,625 | \$5,087,232 |
| 56001 | Salary Savings | (\$44,419) | (\$1,164,748) | (\$696,844) |
| | Net Salaries and Wages | \$2,288,005 | \$7,311,878 | \$4,390,388 |
| 55XXX | Staff Benefits | \$160,988 | \$4,221,378 | \$2,576,664 |
| | TOTAL PERSONAL SERVICES | \$2,448,993 | \$11,533,255 | \$6,967,052 |
| OPERATING EXPENSES | | | | |
| 67000 | General Expense | \$1,000 | \$41,500 | \$700 |
| 67800 | Internal Freight | \$0 | \$530,000 | \$0 |
| 68100 | In-State Travel | \$10,000 | \$40,000 | \$50,000 |
| 69700 | Expendable Equipment | \$0 | \$0 | \$0 |
| 70900 | Special Items of Expense | \$0 | \$431,000 | \$0 |
| 64303 | Scratchers Delivery Fees | \$0 | \$10,441,150 | \$0 |
| 60410 | Promotions - Retailer | \$190,420 | \$0 | \$0 |
| CAPITALIZED EXPENSES | | | | |
| 2XXXX | Equipment & Capitalized Expenses | \$0 | \$200,000 | \$0 |
| | TOT. OPER. EXP. AND EQUIP. | \$201,420 | \$11,698,650 | \$50,700 |
| | TOTAL BUDGET | \$2,650,413 | \$23,231,905 | \$7,017,752 |

| SALES DEPARTMENT - 1900-1925 (CONT.) | | FY 2025-26 REVISED ANNUAL PLAN | | DATE: Nov 20, 2025 | |
|---|----------------------------------|--------------------------------|---------------------|----------------------------------|---------------|
| | | District Sales 1925 | TOTAL FY 2025-26 | APPROVED BUDGET FY 2024-25 | CHANGE |
| PERMANENT POSITIONS | | 283.00 | 506.00 | 497.00 | 9.00 |
| PERSONAL SERVICES | | | | | |
| 50100 | Civil Service Permanent | \$19,079,144 | \$32,693,508 | \$31,091,799 | \$1,601,710 |
| 50500 | Civil Service Temporary | \$0 | \$86,613 | \$489,808 | (\$403,195) |
| 51000 | Overtime Pay | \$10,000 | \$110,000 | \$160,000 | (\$50,000) |
| 53000 | Merit Compensation | \$250,320 | \$2,345,624 | \$3,345,624 | (\$1,000,000) |
| Total Salaries and Wages | | \$19,339,464 | \$35,235,745 | \$35,087,230 | \$148,515 |
| 56001 | Salary Savings | (\$2,671,080) | (\$4,577,091) | (\$4,352,852) | (\$224,239) |
| Net Salaries and Wages | | \$16,668,384 | \$30,658,654 | \$30,734,379 | (\$75,724) |
| 55XXX | Staff Benefits | \$9,680,758 | \$16,639,788 | \$16,064,965 | \$574,823 |
| TOTAL PERSONAL SERVICES | | \$26,349,142 | \$47,298,442 | \$46,799,344 | \$499,098 |
| OPERATING EXPENSES | | | | | |
| 67000 | General Expense | \$25,000 | \$68,200 | \$81,200 | (\$13,000) |
| 67800 | Internal Freight | \$0 | \$530,000 | \$375,000 | \$155,000 |
| 68100 | In-State Travel | \$90,000 | \$190,000 | \$205,000 | (\$15,000) |
| 69700 | Expendable Equipment | \$11,000 | \$11,000 | \$2,000 | \$9,000 |
| 70900 | Special Items of Expense | \$0 | \$431,000 | \$218,000 | \$213,000 |
| 64303 | Scratchers Delivery Fees | \$0 | \$10,441,150 | \$7,840,000 | \$2,601,150 |
| 60410 | Promotions - Retailer | \$0 | \$190,420 | \$280,420 | (\$90,000) |
| CAPITALIZED EXPENSES | | | | | |
| 2XXXX | Equipment & Capitalized Expenses | \$0 | \$200,000 | \$260,000 | (\$60,000) |
| TOT. OPER. EXP. AND EQUIP. | | \$126,000 | \$12,076,770 | \$9,261,620 | \$2,815,150 |
| TOTAL BUDGET | | \$26,475,142 | \$59,375,212 | \$56,060,964 | \$3,314,248 |

Sales Department - 1900

The Sales Department is under the Sales & Marketing Division and is the largest department within the Lottery, with staff located throughout 9 district offices, 2 distribution centers and the Lottery's headquarter building. The Sales department is further divided into four sections that operate under the management of the Assistant Deputy Director of Sales. These four sections include the Sales Department, Sales Support and Distribution, Business Development, and District Sales. This department is the frontline to our retailer network and is responsible for retailer recruitment, retailer applications, Scratchers orders, Scratchers distribution and returns as well as areas providing field support with data collection and management.

| SALES DEPARTMENT - 1900 | | FY 2025-26 REVISED ANNUAL PLAN | | DATE: Nov 20, 2025 |
|----------------------------|-----------------------------------|--------------------------------|------------|-----------------------|
| | | Quarter 1 | Quarter 2 | Quarter 3 |
| PERMANENT POSITIONS | | | | |
| PERSONAL SERVICES | | | | |
| 50100 | Civil Service Permanent | \$79,320 | \$79,320 | \$79,320 |
| 50500 | Civil Service Temporary | \$0 | \$0 | \$0 |
| 51000 | Overtime Pay | \$0 | \$0 | \$0 |
| 53000 | Merit Compensation | \$503,786 | \$503,786 | \$503,786 |
| | Total Salaries and Wages | \$583,106 | \$583,106 | \$583,106 |
| 56001 | Salary Savings | (\$11,105) | (\$11,105) | (\$11,105) |
| | Net Salaries and Wages | \$572,001 | \$572,001 | \$572,001 |
| 55XXX | Staff Benefits | \$40,247 | \$40,247 | \$40,247 |
| | TOTAL PERSONAL SERVICES | \$612,248 | \$612,248 | \$612,248 |
| OPERATING EXPENSES | | | | |
| 67000 | General Expense | \$250 | \$250 | \$250 |
| 68100 | In-State Travel | \$2,500 | \$2,500 | \$2,500 |
| 60410 | Promotions - Retailer | \$47,605 | \$47,605 | \$47,605 |
| | TOT. OPER. EXP. AND EQUIP. | \$50,355 | \$50,355 | \$50,355 |
| | TOTAL BUDGET | \$662,603 | \$662,603 | \$662,603 |

**SALES DEPARTMENT - 1900
(CONT.)**

**FY 2025-26 REVISED ANNUAL
PLAN** **DATE:
Nov 20, 2025**

| | | TOTAL | | APPROVED | |
|----------------------------|-----------------------------------|------------------|--------------------|--------------------|----------------------|
| | | Quarter 4 | FY 2025-26 | BUDGET | CHANGE |
| | | | FY 2024-25 | | |
| PERMANENT POSITIONS | | | 3.00 | 3.00 | 0.00 |
| PERSONAL SERVICES | | | | | |
| 50100 | Civil Service Permanent | \$79,320 | \$317,280 | \$308,040 | \$9,240 |
| 50500 | Civil Service Temporary | \$0 | \$0 | \$0 | \$0 |
| 51000 | Overtime Pay | \$0 | \$0 | \$0 | \$0 |
| 53000 | Merit Compensation | \$503,786 | \$2,015,144 | \$3,015,144 | (\$1,000,000) |
| | Total Salaries and Wages | \$583,106 | \$2,332,424 | \$3,323,184 | (\$990,760) |
| 56001 | Salary Savings | (\$11,105) | (\$44,419) | (\$43,126) | (\$1,294) |
| | Net Salaries and Wages | \$572,001 | \$2,288,005 | \$3,280,058 | (\$992,054) |
| 55XXX | Staff Benefits | \$40,247 | \$160,988 | \$156,299 | \$4,688 |
| | TOTAL PERSONAL SERVICES | \$612,248 | \$2,448,993 | \$3,436,358 | (\$987,365) |
| OPERATING EXPENSES | | | | | |
| 67000 | General Expense | \$250 | \$1,000 | \$1,000 | \$0 |
| 68100 | In-State Travel | \$2,500 | \$10,000 | \$10,000 | \$0 |
| 60410 | Promotions - Retailer | \$47,605 | \$190,420 | \$280,420 | (\$90,000) |
| | TOT. OPER. EXP. AND EQUIP. | \$50,355 | \$201,420 | \$291,420 | (\$90,000) |
| | TOTAL BUDGET | \$662,603 | \$2,650,413 | \$3,727,778 | (\$1,077,365) |

Sales Support & Distribution - 1905

The Sales Support & Distribution program area oversees a variety of crucial functions for the Lottery including Scratchers inventory and distribution, retailer application processing, and the Lottery's Customer Call Center.

- The **Scratchers Inventory Management Center** primarily determines the appropriate amount of Scratchers tickets and mix of games to order for an assigned group of retail locations by evaluating a variety of information such as sales data, trends, and retailer demographics to produce auto-ship orders.
- The primary function of the two **Distribution Centers** is to receive Scratchers game tickets from ticket manufacturers and process ticket orders for shipment to the Lottery's retail partners. A secondary function is receiving and holding shipments of point-of-sale materials, office supplies and equipment until they are shipped to the Lottery's District Sales Offices, retailers, or to Lottery headquarters.
- The **Retailer Network Management Unit** processes new retailer and change of ownership applications to ensure complete packages are entered into the system for evaluation. Additionally, the program area coordinates retailer terminal /equipment installations and terminations.
- The **Customer Service Center** is tasked with taking thousands of player calls per week, dealing with a variety of topics – some of sensitive nature that require well thought out and researched responses to try and make sure each caller is dealt with in a thorough, professional manner.

**SALES DEPARTMENT
SALES SUPPORT & DISTRIBUTION - 1905**

**FY 2025-26 REVISED ANNUAL
PLAN**

**DATE:
Nov 20, 2025**

Quarter 1

Quarter 2

Quarter 3

PERMANENT POSITIONS

PERSONAL SERVICES

| | | | | |
|-------|--------------------------------|--------------------|--------------------|--------------------|
| 50100 | Civil Service Permanent | \$2,065,637 | \$2,075,154 | \$2,085,238 |
| 50500 | Civil Service Temporary | \$0 | \$0 | \$0 |
| 51000 | Overtime Pay | \$25,000 | \$25,000 | \$25,000 |
| 53000 | Merit Compensation | \$14,250 | \$14,250 | \$14,250 |
| | Total Salaries and Wages | \$2,104,887 | \$2,114,404 | \$2,124,488 |
| 56001 | Salary Savings | (\$289,189) | (\$290,522) | (\$291,933) |
| | Net Salaries and Wages | \$1,815,698 | \$1,823,883 | \$1,832,555 |
| 55XXX | Staff Benefits | \$1,048,104 | \$1,052,933 | \$1,058,050 |
| | TOTAL PERSONAL SERVICES | \$2,863,802 | \$2,876,816 | \$2,890,605 |

OPERATING EXPENSES

| | | | | |
|-------|--------------------------|-------------|-------------|-------------|
| 67000 | General Expense | \$10,375 | \$10,375 | \$10,375 |
| 67800 | Internal Freight | \$132,500 | \$132,500 | \$132,500 |
| 68100 | In-State Travel | \$10,000 | \$10,000 | \$10,000 |
| 69700 | Expendable Equipment | \$0 | \$0 | \$0 |
| 70900 | Special Items of Expense | \$85,000 | \$82,000 | \$82,000 |
| 64303 | Scratchers Delivery Fees | \$2,610,288 | \$2,610,288 | \$2,610,288 |

CAPITALIZED EXPENSES

| | | | | |
|-------|-----------------------------------|--------------------|--------------------|--------------------|
| 2XXXX | Equipment & Capitalized Expenses | \$100,000 | \$100,000 | \$0 |
| | TOT. OPER. EXP. AND EQUIP. | \$2,951,913 | \$2,948,913 | \$2,848,913 |
| | TOTAL BUDGET | \$5,815,715 | \$5,825,728 | \$5,739,518 |

**SALES DEPARTMENT
SALES SUPPORT & DISTRIBUTION - 1905
(CONT.)**

**FY 2025-26 REVISED ANNUAL
PLAN**

**DATE:
Nov 20, 2025**

| | | Quarter 4 | TOTAL FY 2025-26 | APPROVED BUDGET FY 2024-25 | CHANGE |
|-----------------------------|-----------------------------------|--------------------|----------------------|----------------------------------|--------------------|
| PERMANENT POSITIONS | | | 145.00 | 143.00 | 2.00 |
| PERSONAL SERVICES | | | | | |
| 50100 | Civil Service Permanent | \$2,093,595 | \$8,319,625 | \$7,951,620 | \$368,005 |
| 50500 | Civil Service Temporary | \$0 | \$0 | \$151,025 | (\$151,025) |
| 51000 | Overtime Pay | \$25,000 | \$100,000 | \$150,000 | (\$50,000) |
| 53000 | Merit Compensation | \$14,250 | \$57,000 | \$57,000 | \$0 |
| | Total Salaries and Wages | \$2,132,845 | \$8,476,625 | \$8,309,645 | \$166,980 |
| 56001 | Salary Savings | (\$293,103) | (\$1,164,748) | (\$1,113,227) | (\$51,521) |
| | Net Salaries and Wages | \$1,839,742 | \$7,311,878 | \$7,196,418 | \$115,459 |
| 55XXX | Staff Benefits | \$1,062,290 | \$4,221,378 | \$4,123,757 | \$97,621 |
| | TOTAL PERSONAL SERVICES | \$2,902,032 | \$11,533,255 | \$11,320,175 | \$213,080 |
| OPERATING EXPENSES | | | | | |
| 67000 | General Expense | \$10,375 | \$41,500 | \$54,500 | (\$13,000) |
| 67800 | Internal Freight | \$132,500 | \$530,000 | \$375,000 | \$155,000 |
| 68100 | In-State Travel | \$10,000 | \$40,000 | \$30,000 | \$10,000 |
| 69700 | Expendable Equipment | \$0 | \$0 | \$2,000 | (\$2,000) |
| 70900 | Special Items of Expense | \$182,000 | \$431,000 | \$218,000 | \$213,000 |
| 64303 | Scratchers Delivery Fees | \$2,610,288 | \$10,441,150 | \$7,840,000 | \$2,601,150 |
| CAPITALIZED EXPENSES | | | | | |
| 2XXXX | Equipment & Capitalized Expenses | \$0 | \$200,000 | \$60,000 | \$140,000 |
| | TOT. OPER. EXP. AND EQUIP. | \$2,948,913 | \$11,698,650 | \$8,579,500 | \$3,119,150 |
| | TOTAL BUDGET | \$5,850,945 | \$23,231,905 | \$19,899,675 | \$3,332,230 |

Business Development Section - 1911

The Business Development Section is comprised of three areas focusing on large corporate accounts, retail recruitment and retention, and growing the Lottery's retail network.

- The role of the **Key Accounts Unit** is to serve as liaison between Lottery Headquarters and Corporate Chain Headquarters. Approximately 30 percent of total sales are attributed to the Lottery's key account sales.
- The **Retailer Recruitment** team functions as the business development sales arm of the Lottery, focusing on identifying new leads and trade styles, and convincing big box retailers to carry California Lottery products. They also manage e-business opportunities from the Lottery's website. Their daily activities include initiating Lottery sell-ins, assisting with applications, evaluating store quality, negotiating equipment placement, and placing initial marketing materials. The team collaborates closely with districts and has introduced a seamless hand-off program to ensure a smooth transition from retailer activation to field management by the District Sales Representative.
- The **Route Sales Unit** staff travel daily to retail locations within their assigned territories to conduct field service visits with Lottery retailers. Their primary responsibilities include stocking Scratchers inventory in Self-Service Terminals and offering assistance and guidance to enhance the sales and marketing of Lottery products. Through their efforts, they help optimize product visibility and retailer engagement, contributing to overall sales growth.

**SALES DEPARTMENT
BUSINESS DEVELOPMENT - 1911**

**FY 2025-26 REVISED
ANNUAL PLAN**

**DATE:
Nov 20, 2025**

Quarter 1

Quarter 2

Quarter 3

PERMANENT POSITIONS

PERSONAL SERVICES

| | | | | |
|-------|--------------------------------|--------------------|--------------------|--------------------|
| 50100 | Civil Service Permanent | \$1,234,653 | \$1,240,846 | \$1,246,143 |
| 50500 | Civil Service Temporary | \$21,653 | \$21,653 | \$21,653 |
| 51000 | Overtime Pay | \$0 | \$0 | \$0 |
| 53000 | Merit Compensation | \$5,790 | \$5,790 | \$5,790 |
| | Total Salaries and Wages | \$1,262,096 | \$1,268,289 | \$1,273,586 |
| 56001 | Salary Savings | (\$172,851) | (\$173,718) | (\$174,460) |
| | Net Salaries and Wages | \$1,089,245 | \$1,094,570 | \$1,099,126 |
| 55XXX | Staff Benefits | \$639,238 | \$642,380 | \$645,068 |
| | TOTAL PERSONAL SERVICES | \$1,728,483 | \$1,736,950 | \$1,744,194 |

OPERATING EXPENSES

| | | | | |
|-------|-----------------------------------|-----------------|-----------------|-----------------|
| 67000 | General Expense | \$175 | \$175 | \$175 |
| 68100 | In-State Travel | \$12,500 | \$12,500 | \$12,500 |
| | TOT. OPER. EXP. AND EQUIP. | \$12,675 | \$12,675 | \$12,675 |

TOTAL BUDGET

\$1,741,158 \$1,749,625 \$1,756,869

| SALES DEPARTMENT BUSINESS DEVELOPMENT - 1911 (CONT.) | | FY 2025-26 REVISED ANNUAL PLAN | | DATE: Nov 20, 2025 | |
|--|----------------------------|-----------------------------------|---------------------|----------------------------------|-------------|
| | | Quarter 4 | TOTAL FY 2025-26 | APPROVED BUDGET FY 2024-25 | CHANGE |
| PERMANENT POSITIONS | | | 75.00 | 23.00 | 52.00 |
| PERSONAL SERVICES | | | | | |
| 50100 | Civil Service Permanent | \$1,255,818 | \$4,977,459 | \$1,938,402 | \$3,039,057 |
| 50500 | Civil Service Temporary | \$21,654 | \$86,613 | \$50,400 | \$36,213 |
| 51000 | Overtime Pay | \$0 | \$0 | \$0 | \$0 |
| 53000 | Merit Compensation | \$5,790 | \$23,160 | \$23,160 | \$0 |
| | Total Salaries and Wages | \$1,283,262 | \$5,087,232 | \$2,011,962 | \$3,075,270 |
| 56001 | Salary Savings | (\$175,814) | (\$696,844) | (\$271,376) | (\$425,468) |
| | Net Salaries and Wages | \$1,107,447 | \$4,390,388 | \$1,740,585 | \$2,649,802 |
| 55XXX | Staff Benefits | \$649,978 | \$2,576,664 | \$1,013,281 | \$1,563,383 |
| | TOTAL PERSONAL SERVICES | \$1,757,425 | \$6,967,052 | \$2,753,866 | \$4,213,186 |
| OPERATING EXPENSES | | | | | |
| 67000 | General Expense | \$175 | \$700 | \$500 | \$200 |
| 68100 | In-State Travel | \$12,500 | \$50,000 | \$15,000 | \$35,000 |
| | TOT. OPER. EXP. AND EQUIP. | \$12,675 | \$50,700 | \$15,500 | \$35,200 |
| | TOTAL BUDGET | \$1,770,100 | \$7,017,752 | \$2,769,366 | \$4,248,386 |

District Sales Section - 1925

Sales staff maintain and provide customer service to the more than 23,000 existing Lottery retailer accounts and keep retailers supplied with a full spectrum of marketing merchandise, educate retailers on new games and upcoming promotional events, and solicit new retailer accounts.

Sales field staff serve as the liaison in field contacts between the Lottery and independent authorized Lottery Retailer accounts within an assigned geographic area (determined by postal zip codes). The District Sales Representatives drive to retail locations and conducts field service visits to Lottery Retailers within their assigned territory each day to ensure direct contact is maintained with retailers and to provide assistance and guidance to maximize sales/marketing of Lottery products by maintaining clean and updated Lottery-branded point-of-sale materials and signage.

| SALES DEPARTMENT DISTRICT SALES - 1925 | | FY 2025-26 REVISED ANNUAL PLAN | | DATE: Nov 20, 2025 |
|---|-----------------------------------|-----------------------------------|--------------------|-----------------------|
| | | Quarter 1 | Quarter 2 | Quarter 3 |
| PERMANENT POSITIONS | | | | |
| PERSONAL SERVICES | | | | |
| 50100 | Civil Service Permanent | \$4,742,818 | \$4,757,128 | \$4,781,060 |
| 50500 | Civil Service Temporary | \$0 | \$0 | \$0 |
| 51000 | Overtime Pay | \$2,500 | \$2,500 | \$2,500 |
| 53000 | Merit Compensation | \$62,580 | \$62,580 | \$62,580 |
| | Total Salaries and Wages | \$4,807,898 | \$4,822,208 | \$4,846,140 |
| 56001 | Salary Savings | (\$663,994) | (\$665,998) | (\$669,348) |
| | Net Salaries and Wages | \$4,143,903 | \$4,156,210 | \$4,176,792 |
| 55XXX | Staff Benefits | \$2,406,506 | \$2,413,767 | \$2,425,910 |
| | TOTAL PERSONAL SERVICES | \$6,550,409 | \$6,569,977 | \$6,602,702 |
| OPERATING EXPENSES | | | | |
| 67000 | General Expense | \$6,300 | \$6,300 | \$6,300 |
| 68100 | In-State Travel | \$22,500 | \$22,500 | \$22,500 |
| 69700 | Expendable Equipment | \$0 | \$0 | \$11,000 |
| CAPITALIZED EXPENSES | | | | |
| 2XXXX | Equipment & Capitalized Expenses | \$0 | \$0 | \$0 |
| | TOT. OPER. EXP. AND EQUIP. | \$28,800 | \$28,800 | \$39,800 |
| | TOTAL BUDGET | \$6,579,209 | \$6,598,777 | \$6,642,502 |

**SALES DEPARTMENT
DISTRICT SALES - 1925
(CONT.)**

FY 2025-26 REVISED ANNUAL PLAN **DATE:
Nov 20, 2025**

| | | Quarter 4 | TOTAL FY 2025-26 | APPROVED BUDGET FY 2024-25 | CHANGE |
|-----------------------------|-----------------------------------|--------------------|-----------------------------|---|----------------------|
| PERMANENT POSITIONS | | | 283.00 | 328.00 | (45.00) |
| PERSONAL SERVICES | | | | | |
| 50100 | Civil Service Permanent | \$4,798,138 | \$19,079,144 | \$20,893,737 | (\$1,814,592) |
| 50500 | Civil Service Temporary | \$0 | \$0 | \$288,383 | (\$288,383) |
| 51000 | Overtime Pay | \$2,500 | \$10,000 | \$10,000 | \$0 |
| 53000 | Merit Compensation | \$62,580 | \$250,320 | \$250,320 | \$0 |
| | Total Salaries and Wages | \$4,863,218 | \$19,339,464 | \$21,442,440 | (\$2,102,975) |
| 56001 | Salary Savings | (\$671,739) | (\$2,671,080) | (\$2,925,123) | \$254,043 |
| | Net Salaries and Wages | \$4,191,479 | \$16,668,384 | \$18,517,316 | (\$1,848,932) |
| 55XXX | Staff Benefits | \$2,434,575 | \$9,680,758 | \$10,771,628 | (\$1,090,870) |
| | TOTAL PERSONAL SERVICES | \$6,626,055 | \$26,349,142 | \$29,288,944 | (\$2,939,802) |
| OPERATING EXPENSES | | | | | |
| 67000 | General Expense | \$6,100 | \$25,000 | \$25,200 | (\$200) |
| 68100 | In-State Travel | \$22,500 | \$90,000 | \$150,000 | (\$60,000) |
| 69700 | Expendable Equipment | \$0 | \$11,000 | \$0 | \$11,000 |
| CAPITALIZED EXPENSES | | | | | |
| 2XXXX | Equipment & Capitalized Expenses | \$0 | \$0 | \$200,000 | (\$200,000) |
| | TOT. OPER. EXP. AND EQUIP. | \$28,600 | \$126,000 | \$375,200 | (\$249,200) |
| | TOTAL BUDGET | \$6,654,655 | \$26,475,142 | \$29,664,144 | (\$3,189,002) |

Game Activity/Miscellaneous - 0000

The Department 0000 budget schedule includes funding for all non-divisional costs, reimbursements and miscellaneous expenses not otherwise allocated to the Lottery's seven divisions. Budgeted non-divisional expenses classified as gaming activity costs contained in the Department 0000 budget account include retailer compensation as well as costs associated with reimbursements, capitalized items and miscellaneous expenses allocated to the Lottery enterprise.

| GAME ACTIVITY/MISCELLANEOUS - 0000 | | FY 2025-26 REVISED ANNUAL PLAN | | DATE: Nov 20, 2025 |
|------------------------------------|--|-----------------------------------|-----------|-----------------------|
| | | Quarter 1 | Quarter 2 | Quarter 3 |

PERMANENT POSITIONS**PERSONAL SERVICES**

| | | | | |
|-------|--------------------------------|----------|-------------|-------------|
| 50100 | Civil Service Permanent | \$50,020 | (\$841,750) | (\$841,750) |
| 50500 | Civil Service Temporary | \$0 | \$0 | \$0 |
| 51000 | Overtime Pay | \$0 | \$0 | \$0 |
| 53000 | Merit Compensation | \$0 | \$0 | \$0 |
| | Total Salaries and Wages | \$50,020 | (\$841,750) | (\$841,750) |
| 56001 | Salary Savings | \$0 | \$0 | \$0 |
| | Net Salaries and Wages | \$50,020 | (\$841,750) | (\$841,750) |
| 55XXX | Staff Benefits | \$0 | \$0 | \$0 |
| | TOTAL PERSONAL SERVICES | \$50,020 | (\$841,750) | (\$841,750) |

OPERATING EXPENSES

| | | | | |
|-------|------------------------------------|-------------|-------------|-------------|
| 67000 | General Expense | (\$500,000) | (\$500,000) | (\$500,000) |
| 68500 | Training | \$0 | \$0 | (\$100,000) |
| 69500 | Pro Rata Expense | \$3,455,023 | \$3,455,023 | \$3,455,023 |
| 70700 | Taxes & Assessments | \$1,250 | \$1,250 | \$1,250 |
| 70800 | Bad Debt Expenses | \$300,000 | \$300,000 | \$300,000 |
| 70900 | Special Items of Expense | \$42,739 | \$0 | \$0 |
| 71400 | Reimbursements - Online NSF | (\$15,000) | (\$15,000) | (\$15,000) |
| 71400 | Reimbursements - Prize Assignment | (\$4,500) | (\$4,500) | (\$4,500) |
| 71400 | Reimbursements - External Rent | (\$24,183) | (\$24,183) | (\$24,183) |
| 71400 | Reimbursements - Charging Stations | (\$4,250) | (\$4,250) | (\$4,250) |
| 60400 | Promotions - Consumer | (\$180,000) | (\$180,000) | (\$180,000) |
| 63200 | Prof. Service - External | (\$524,569) | (\$525,000) | (\$525,000) |
| 71400 | Reimbursements - Fingerprint | (\$18,000) | (\$18,000) | (\$18,000) |

| GAME ACTIVITY/MISCELLANEOUS - 0000 (CONT.) | | FY 2025-26 REVISED ANNUAL PLAN | | DATE: Nov 20, 2025 |
|---|-------------------------------------|-----------------------------------|----------------------|-----------------------|
| | | Quarter 1 | Quarter 2 | Quarter 3 |
| 64200/1 | Retailer Commission | \$132,896,535 | \$132,324,963 | \$141,669,201 |
| 64202/3 | Retailer Special Handling | \$7,967,053 | \$7,932,916 | \$8,490,997 |
| 64204/5 | Retailer Incentive Bonus | \$1,500,000 | \$1,500,000 | \$1,500,000 |
| 64206/7/8 | Retailer Cashing Bonus | \$14,066,698 | \$14,006,426 | \$14,991,778 |
| 64301 | Scratchers Ticket Cost | \$14,295,222 | \$8,495,222 | \$8,495,222 |
| 64302 | Scratchers Licensing Fees | \$2,050,000 | \$2,050,000 | \$2,050,000 |
| 64304 | Scratchers Destruction Fees | \$187,500 | \$187,500 | \$187,500 |
| 71400 | Reimbursements - Online Monitors | (\$124,371) | (\$124,371) | (\$124,371) |
| 71400 | Reimbursements - Online Install | (\$155,531) | (\$155,531) | (\$155,531) |
| 71400 | Reimbursements - Online Charges | (\$5,399,316) | (\$5,399,316) | (\$5,399,316) |
| CAPITALIZED EXPENSES | | | | |
| 65110 | Dep Exp - Gaming Equipment | \$327,712 | \$327,712 | \$327,742 |
| 65120 | Dep Exp - Software | \$425,394 | \$432,726 | \$447,389 |
| 65130 | Dep Exp - Audio/Video Equipment | \$5,772 | \$5,772 | \$5,772 |
| 65140 | Dep Exp - Vending Machines | \$754,529 | \$653,484 | \$571,257 |
| 65150 | Dep Exp - Leasehold Improvements | \$0 | \$0 | \$0 |
| 65160 | Dep Exp - Buildings | \$1,074,898 | \$1,086,632 | \$1,110,099 |
| 65170 | Dep Exp - Non Building Improvements | \$13,373 | \$13,373 | \$13,373 |
| 65180 | Dep Exp - Data Processing Equipment | \$175,377 | \$175,377 | \$164,531 |
| 65190 | Dep Exp - Office Equipment | \$24,832 | \$24,832 | \$24,832 |
| 65200 | Dep Exp - Vehicles | \$86,483 | \$305,233 | \$195,832 |
| 65210 | Dep Exp - Other Equipment | \$34,813 | \$40,217 | \$51,026 |
| 65220 | Dep Exp - Warehouse Equipment | \$14,400 | \$14,400 | \$19,400 |
| 65230 | Dep Exp - Mobile Equipment | \$0 | \$0 | \$0 |
| TOT. OPER. EXP. AND EQUIP. | | <u>\$172,749,885</u> | <u>\$166,382,907</u> | <u>\$177,022,073</u> |
| TOTAL BUDGET | | <u>\$172,799,905</u> | <u>\$165,541,157</u> | <u>\$176,180,323</u> |

**GAME ACTIVITY/MISCELLANEOUS - 0000
(CONT.)**

FY 2025-26 REVISED ANNUAL PLAN

**DATE:
Nov 20,
2025**

| | | APPROVED | | |
|--------------------------------|------------------------------------|--------------------|----------------------|-----------------------------------|
| | | TOTAL | BUDGET | |
| | | Quarter 4 | FY 2025-26 | FY 2024-25 |
| | | | | CHANGE |
| PERMANENT POSITIONS | | 0.00 | 0.00 | 0.00 |
| PERSONAL SERVICES | | | | |
| 50100 | Civil Service Permanent | \$7,158,250 | \$5,524,770 | \$9,700,000 (\$4,175,230) |
| 50500 | Civil Service Temporary | \$0 | \$0 | \$0 \$0 |
| 51000 | Overtime Pay | \$0 | \$0 | \$0 \$0 |
| 53000 | Merit Compensation | \$0 | \$0 | \$0 \$0 |
| | Total Salaries and Wages | \$7,158,250 | \$5,524,770 | \$9,700,000 (\$4,175,230) |
| 56001 | Salary Savings | \$0 | \$0 | \$0 \$0 |
| | Net Salaries and Wages | \$7,158,250 | \$5,524,770 | \$9,700,000 (\$4,175,230) |
| 55XXX | Staff Benefits | \$0 | \$0 | \$1,985,000 (\$1,985,000) |
| TOTAL PERSONAL SERVICES | | \$7,158,250 | \$5,524,770 | \$11,685,000 (\$6,160,230) |
| OPERATING EXPENSES | | | | |
| 67000 | General Expense | (\$500,000) | (\$2,000,000) | (\$2,000,000) \$0 |
| 68500 | Training | (\$100,000) | (\$200,000) | (\$200,000) \$0 |
| 69500 | Pro Rata Expense | \$3,455,023 | \$13,820,091 | \$11,779,099 \$2,040,992 |
| 70700 | Taxes & Assessments | \$1,250 | \$5,000 | \$5,000 \$0 |
| 70800 | Bad Debt Expenses | \$300,000 | \$1,200,000 | \$1,000,000 \$200,000 |
| 70900 | Special Items of Expense | \$0 | \$42,739 | \$30,000 \$12,739 |
| 71400 | Reimbursements - Online NSF | (\$15,000) | (\$60,000) | (\$60,000) \$0 |
| 71400 | Reimbursements - Prize Assignment | (\$4,500) | (\$18,000) | (\$18,000) \$0 |
| 71400 | Reimbursements - External Rent | (\$24,183) | (\$96,732) | (\$128,422) \$31,690 |
| 71400 | Reimbursements - Charging Stations | (\$4,250) | (\$17,000) | (\$13,000) (\$4,000) |
| 60400 | Promotions - Consumer | (\$180,000) | (\$720,000) | (\$720,000) \$0 |
| 63200 | Prof. Service - External | (\$525,000) | (\$2,099,569) | (\$2,100,000) \$431 |
| 71400 | Reimbursements - Fingerprint | (\$18,000) | (\$72,000) | (\$70,000) (\$2,000) |

| GAME ACTIVITY/MISCELLANEOUS - 0000 (CONT.) | | FY 2025-26 REVISED ANNUAL PLAN | | | DATE: Nov 20, 2025 |
|---|-------------------------------------|--------------------------------|-----------------------|--------------------|--------------------------|
| | | Quarter 4 | TOTAL | APPROVED BUDGET | CHANGE |
| | | | FY 2025-26 | FY 2024-25 | |
| 64200/1 | Retailer Commission | \$145,009,301 | \$551,900,000 | \$524,041,763 | \$27,858,237 |
| 64202/3 | Retailer Special Handling | \$8,690,483 | \$33,081,448 | \$33,109,531 | (\$28,083) |
| 64204/5 | Retailer Incentive Bonus | \$1,500,000 | \$6,000,000 | \$4,000,000 | \$2,000,000 |
| 64206/7/8 | Retailer Cashing Bonus | \$15,343,992 | \$58,408,893 | \$51,024,245 | \$7,384,648 |
| 64301 | Scratchers Ticket Cost | \$11,495,222 | \$42,780,888 | \$35,600,000 | \$7,180,888 |
| 64302 | Scratchers Licensing Fees | \$2,050,000 | \$8,200,000 | \$6,250,000 | \$1,950,000 |
| 64304 | Scratchers Destruction Fees | \$187,500 | \$750,000 | \$500,000 | \$250,000 |
| 71400 | Reimbursements - Online Monitors | (\$124,371) | (\$497,484) | (\$517,296) | \$19,812 |
| 71400 | Reimbursements - Online Install | (\$155,531) | (\$622,125) | (\$590,250) | (\$31,875) |
| 71400 | Reimbursements - Online Charges | (\$5,399,316) | (\$21,597,264) | (\$21,547,656) | (\$49,608) |
| CAPITALIZED EXPENSES | | | | | |
| 65110 | Dep Exp - Gaming Equipment | \$144,718 | \$1,127,885 | \$1,724,972 | (\$597,087) |
| 65120 | Dep Exp - Software | \$447,389 | \$1,752,897 | \$1,637,103 | \$115,795 |
| 65130 | Dep Exp - Audio/Video Equipment | \$5,772 | \$23,089 | \$51,673 | (\$28,583) |
| 65140 | Dep Exp - Vending Machines | \$492,343 | \$2,471,614 | \$3,604,028 | (\$1,132,414) |
| 65150 | Dep Exp - Leasehold Improvements | \$0 | \$0 | \$0 | \$0 |
| 65160 | Dep Exp - Buildings | \$1,110,098 | \$4,381,727 | \$4,287,086 | \$94,641 |
| 65170 | Dep Exp - Non Building Improvements | \$13,373 | \$53,491 | \$53,491 | \$0 |
| 65180 | Dep Exp - Data Processing Equipment | \$144,398 | \$659,683 | \$470,531 | \$189,152 |
| 65190 | Dep Exp - Office Equipment | \$24,833 | \$99,331 | \$66,241 | \$33,089 |
| 65200 | Dep Exp - Vehicles | \$194,883 | \$782,431 | \$802,494 | (\$20,063) |
| 65210 | Dep Exp - Other Equipment | \$51,023 | \$177,080 | \$158,918 | \$18,162 |
| 65220 | Dep Exp - Warehouse Equipment | \$19,400 | \$67,600 | \$45,961 | \$21,639 |
| 65230 | Dep Exp - Mobile Equipment | \$0 | \$0 | \$0 | \$0 |
| TOT. OPER. EXP. AND EQUIP. | | \$183,630,849 | \$699,785,714 | \$652,277,512 | \$47,508,202 |
| TOTAL BUDGET | | \$190,789,099 | \$705,310,484 | \$663,962,512 | \$41,347,972 |

Capitalized Items Listing

CALIFORNIA STATE LOTTERY FISCAL YEAR 2025-26 REVISED ANNUAL BUDGET CAPITALIZED ITEMS LISTING

| Div | Unit | Reference Code | Description | Equip Type | Quarter 1 | Quarter 2 | Quarter 3 |
|--|--------|-------------------|---|---------------|-------------------|---------------------|---------------------|
| 04 OPERATIONS DIVISION | | | | | | | |
| 1400 | 100008 | | NDC Remodel (Fire Pump Enclosure/Equipment) (+Q1 BAR) | BLDG | \$ 406,033 | \$ 406,033 | \$ 406,033 |
| 1400 | 102508 | | Identifying new location for Richmond DO | BLDG | \$ 25,000 | \$ 25,000 | \$ 25,000 |
| 1400 | 102503 | | Fresno District Office Roof Replacement | BLDG | \$ 265,150 | \$ 265,150 | 0 |
| 1400 | | | Vehicle Replacement | EQUIP | \$ 0 | \$ 317,426 | \$ 952,277 |
| 1400 | | | Forklifts Q1 BAR | WHSE | \$ 0 | \$ 0 | \$ 188,000 |
| Total, Operations Division | | | | | \$ 696,183 | \$ 1,013,609 | \$ 1,571,310 |
| 07 INFORMATION TECHNOLOGY SERVICES DIVISION | | | | | | | |
| 1700 | | | Email Security Subscription | DP | \$ 0 | \$ 0 | \$ 200,000 |
| 1700 | | | Network Switches | DP | \$ 20,000 | \$ 20,000 | \$ 20,000 |
| 1700 | | | Virtualization Hosts | DP | \$ 0 | \$ 0 | \$ 200,000 |
| 1700 | | | Pure Storage Array | DP | \$ 0 | \$ 0 | \$ 150,000 |
| 1700 | | | Palo Alto Firewalls Emergency Spares (Remote Sites) | DP | \$ 0 | \$ 0 | 0 |
| 1700 | | | Palo Alto Firewalls (Replace HW Core) | DP | \$ 0 | \$ 250,000 | 0 |
| Total, Information Technology Services Division | | | | | \$ 20,000 | \$ 270,000 | \$ 570,000 |
| 08 SALES & MARKETING DIVISION | | | | | | | |
| 1925 | | | Forklifts for Distribution Centers | WHSE | \$ 100,000 | \$ 100,000 | 0 |
| Total, Sales and Marketing Division | | | | | \$ 100,000 | \$ 100,000 | 0 |
| TOTAL CAPITALIZED ITEMS EXPENSES | | | | | \$ 816,183 | \$ 1,383,609 | \$ 2,141,310 |

**CALIFORNIA STATE LOTTERY
FISCAL YEAR 2025-26 REVISED ANNUAL BUDGET
CAPITALIZED ITEMS LISTING (CONT.)**

| <u>Div</u> | <u>Unit</u> | <u>Reference Code</u> | <u>Description</u> | <u>Equip Type</u> | <u>Quarter 4</u> | <u>FY 2025-26 Total</u> |
|--|-------------|-----------------------|--|-------------------|---------------------|-------------------------|
| 04 OPERATIONS DIVISION | | | | | | |
| 1400 | | 100008 | NDC Remodel (Fire Pump Enclosure/ Equipment) (+Q1 BAR) | BLDG | \$ 406,033 | \$ 1,624,133 |
| 1400 | | 102508 | Identifying new location for Richmond DO | BLDG | \$ 25,000 | \$ 100,000 |
| 1400 | | 102503 | Fresno District Office Roof Replacement | BLDG | \$ 0 | \$ 530,300 |
| 1400 | | | Vehicle Replacement | EQUIP | \$ 952,277 | \$ 2,221,980 |
| 1400 | | | Forklifts Q1 BAR | WHSE | \$ 0 | \$ 188,000 |
| Total, Operations Division | | | | | \$ 1,383,310 | \$ 4,476,413 |
| 07 INFORMATION TECHNOLOGY SERVICES DIVISION | | | | | | |
| 1700 | | | Email Security Subscription | DP | \$ 0 | \$ 200,000 |
| 1700 | | | Network Switches | DP | \$ 20,000 | \$ 80,000 |
| 1700 | | | Virtualization Hosts | DP | \$ 0 | \$ 200,000 |
| 1700 | | | Pure Storage Array | DP | \$ 0 | \$ 150,000 |
| 1700 | | | Palo Alto Firewalls Emergency Spares (Remote Sites) | DP | \$ 120,000 | \$ 120,000 |
| 1700 | | | Palo Alto Firewalls (Replace HW Core) | DP | \$ 250,000 | \$ 500,000 |
| Total, Information Technology Services Division | | | | | \$ 390,000 | \$ 1,250,000 |
| 08 SALES & MARKETING DIVISION | | | | | | |
| 1925 | | | Forklifts for Distribution Centers | WHSE | \$ 0 | \$ 200,000 |
| Total, Sales and Marketing Division | | | | | \$ 0 | \$ 200,000 |
| TOTAL CAPITALIZED ITEMS EXPENSES | | | | | \$ 1,773,310 | \$ 6,114,413 |

The capitalized items listed above are described in more detail in the Capital Assets Program section of this document (see [page 51](#)).

Consulting & Professional Services Listing

CALIFORNIA LOTTERY FISCAL YEAR 2025-26 REVISED ANNUAL BUDGET CONSULTING & PROFESSIONAL SERVICES LISTING

| Div | Unit | Contract/ PO Number | Reference Code | Description | Quarter 1 | Quarter 2 |
|-----|------|---------------------------|-------------------|-------------|-----------|-----------|
|-----|------|---------------------------|-------------------|-------------|-----------|-----------|

01 EXECUTIVE DIVISION

1110 Directorate

External Contracts:

| | | | | | | |
|--------|--|--|----|--------|----|--------|
| 101901 | | Foothill Transcription Company - Directorate | \$ | 200 | \$ | 400 |
| 101380 | | Shaw Law Group, LC: Expert Witness/Investigative Services - EEO | \$ | 25,000 | \$ | 25,000 |
| | | Language Link - Translation Services - EEO | \$ | 1,260 | \$ | 1,260 |
| | | KnowBe4 Security Awareness Training - Enterprise Cloud Platform (3-Year Renewal Term) - ISO | \$ | 7,200 | \$ | 7,200 |
| | | GLI/Bulletproof ISO 27001 Audit - Annual Surveillance Audit & Transition Audit (3 Year Contract Renewal) - ISO | \$ | 0 | \$ | 0 |

| | | | | |
|--|-----------|---------------|-----------|---------------|
| Subtotal, External Contracts, Directorate | \$ | 33,660 | \$ | 33,860 |
|--|-----------|---------------|-----------|---------------|

Interagency Contracts:

| | | | | | | |
|-------|--|--|----|----|----|---|
| CALHR | | CalHR DCTS System - EEO - *Funded from Admin Reserve account | \$ | 10 | \$ | 0 |
|-------|--|--|----|----|----|---|

| | | | | |
|---|-----------|-----------|-----------|----------|
| Subtotal, Interagency Contracts, Directorate | \$ | 10 | \$ | 0 |
|---|-----------|-----------|-----------|----------|

CALIFORNIA LOTTERY
FISCAL YEAR 2025-26 REVISED ANNUAL BUDGET
CONSULTING & PROFESSIONAL SERVICES LISTING (CONT.)

| Div | Unit | Contract/ PO Number | Reference Code | Description | Quarter 3 | Quarter 4 | Total Fiscal Year 2025 26 |
|-----|------|---------------------------|-------------------|-------------|-----------|-----------|---------------------------------|
|-----|------|---------------------------|-------------------|-------------|-----------|-----------|---------------------------------|

01 EXECUTIVE DIVISION

1110 Directorate

External Contracts:

| | | | | | | | |
|--|--|--------|--|--|------------------|------------------|-------------------|
| | | 101901 | | Foothill Transcription Company - Directorate | \$ 200 | \$ 400 | \$ 1,200 |
| | | 101380 | | Shaw Law Group, LC: Expert Witness/ Investigative Services - EEO | \$ 25,000 | \$ 25,000 | \$ 100,000 |
| | | | | Language Link - Translation Services - EEO | \$ 1,260 | \$ 1,220 | \$ 5,000 |
| | | | | KnowBe4 Security Awareness Training - Enterprise Cloud Platform (3-Year Renewal Term) - ISO | \$ 7,200 | \$ 7,200 | \$ 28,800 |
| | | | | GLI/Bulletproof ISO 27001 Audit - Annual Surveillance Audit & Transition Audit (3 Year Contract Renewal) - ISO | \$ 0 | \$ 26,000 | \$ 26,000 |
| | | | | Subtotal, External Contracts, Directorate | \$ 33,660 | \$ 59,820 | \$ 161,000 |

Interagency Contracts:

| | | | | | | | |
|--|-------|--|--|--|-------------|-------------|-----------|
| | CALHR | | | CalHR DCTS System - EEO - *Funded from Admin Reserve account | \$ 0 | \$ 0 | 10 |
| | | | | Subtotal, Interagency Contracts, Directorate | \$ 0 | \$ 0 | 10 |

**CALIFORNIA LOTTERY
FISCAL YEAR 2025-26 REVISED ANNUAL BUDGET
CONSULTING & PROFESSIONAL SERVICES LISTING (CONT.)**

Contract/
PO Reference

Div Unit Number Code Description Quarter 1 Quarter 2

1120 Legal Services

External Contracts:

| | | | | | |
|--------|---|----|-------|----|-------|
| 100526 | Westlaw - online legal library service | \$ | 8,750 | \$ | 8,750 |
| | Netfile - Touchless filing system (+Q1 BAR) | \$ | 1,050 | \$ | 1,050 |

| | | | | |
|---|-----------|--------------|-----------|--------------|
| Subtotal, External Contracts, Legal Services | \$ | 9,800 | \$ | 9,800 |
|---|-----------|--------------|-----------|--------------|

Interagency Agreements:

| | | | | |
|---------------------------------|----|--------|----|--------|
| Department of Justice invoicing | \$ | 87,500 | \$ | 87,500 |
|---------------------------------|----|--------|----|--------|

| | | | | |
|---|-----------|---------------|-----------|---------------|
| Subtotal, Interagency Agreements, Legal Services | \$ | 87,500 | \$ | 87,500 |
|---|-----------|---------------|-----------|---------------|

Contracted Attorney Fees:

| | | | | | |
|--------|--|----|-------|----|-------|
| 102208 | DIEPENBROCK ELKIN DAUER MCCANDLESS LLP | \$ | 7,917 | \$ | 7,917 |
|--------|--|----|-------|----|-------|

| | | | | |
|---|-----------|--------------|-----------|--------------|
| Subtotal, Contracted Attorney Fees, Legal Services | \$ | 7,917 | \$ | 7,917 |
|---|-----------|--------------|-----------|--------------|

CALIFORNIA LOTTERY
FISCAL YEAR 2025-26 REVISED ANNUAL BUDGET
CONSULTING & PROFESSIONAL SERVICES LISTING (CONT.)

| | | Contract/ PO | Reference | | | | Total Fiscal Year |
|------|------|-----------------|-----------|--|-----------|-----------|----------------------|
| Div | Unit | Number | Code | Description | Quarter 3 | Quarter 4 | 2025 26 |
| 1120 | | Legal Services | | | | | |
| | | | | <u>External Contracts:</u> | | | |
| | | 100526 | | Westlaw - online legal library service | \$ 8,750 | \$ 8,750 | \$ 35,000 |
| | | | | Netfile - Touchless filing system (+Q1 BAR) | \$ 1,050 | \$ 1,050 | \$ 4,200 |
| | | | | Subtotal, External Contracts, Legal Services | \$ 9,800 | \$ 9,800 | \$ 39,200 |
| | | | | <u>Interagency Agreements:</u> | | | |
| | | | | Department of Justice invoicing | \$ 87,500 | \$ 87,500 | \$ 350,000 |
| | | | | Subtotal, Interagency Agreements, Legal Services | \$ 87,500 | \$ 87,500 | \$ 350,000 |
| | | | | <u>Contracted Attorney Fees:</u> | | | |
| | | 102208 | | DIEPENBROCK ELKIN DAUER MCCANDLESS LLP | \$ 7,917 | \$ 7,917 | \$ 31,667 |
| | | | | Subtotal, Contracted Attorney Fees, Legal Services | \$ 7,917 | \$ 7,917 | \$ 31,667 |

**CALIFORNIA LOTTERY
FISCAL YEAR 2025-26 REVISED ANNUAL BUDGET
CONSULTING & PROFESSIONAL SERVICES LISTING (CONT.)**

Contract/

PO

Reference

| Div | Unit | Number | Code | Description | Quarter 1 | Quarter 2 |
|-----|------|--------|------|-------------|-----------|-----------|
|-----|------|--------|------|-------------|-----------|-----------|

1130

Internal Audits

External Contracts:

#100393 Bulletproof Solutions Inc - WLA-SCS 2020
Certification + travel expense for onsite audit (+Q1 BAR
and is now GLI - 102296)

\$ 2,700 \$ 2,700

Subtotal, External Contracts, Internal Audits

\$ 2,700 \$ 2,700

Interagency Agreements:

| | | |
|-------|-----|--|
| 50122 | DOR | Department of Rehabilitation for RAP Program |
| | SCO | State Controllers Office - multiple audits |

\$ 96,250 \$ 96,250

\$ 720,000 \$ 720,000

Subtotal, Interagency Agreement, Internal Audits

\$ 816,250 \$ 816,250

CALIFORNIA LOTTERY
FISCAL YEAR 2025-26 REVISED ANNUAL BUDGET
CONSULTING & PROFESSIONAL SERVICES LISTING (CONT.)

| Div | Unit | Contract/ PO Number | Reference Code | Description | Quarter 3 | Quarter 4 | Total Fiscal Year 2025 26 |
|-------------|-------|---------------------------|-------------------|---|-------------------|-------------------|---------------------------------|
| 1130 | | Internal Audits | | | | | |
| | | | | <u>External Contracts:</u> | | | |
| | | | | #100393 Bulletproof Solutions Inc - WLA-SCS 2020 Certification + travel expense for onsite audit (+Q1 BAR and is now GLI - 102296) | \$ 2,700 | \$ 2,700 | \$ 10,800 |
| | | | | Subtotal, External Contracts, Internal Audits | \$ 2,700 | \$ 2,700 | \$ 10,800 |
| | | | | <u>Interagency Agreements:</u> | | | |
| | 50122 | DOR | | Department of Rehabilitation for RAP Program | \$ 96,250 | \$ 96,250 | \$ 385,000 |
| | | SCO | | State Controllers Office - multiple audits | \$ 720,000 | \$ 720,000 | \$ 2,880,000 |
| | | | | Subtotal, Interagency Agreement, Internal Audits | \$ 816,250 | \$ 816,250 | \$ 3,265,000 |

**CALIFORNIA LOTTERY
FISCAL YEAR 2025-26 REVISED ANNUAL BUDGET
CONSULTING & PROFESSIONAL SERVICES LISTING (CONT.)**

| | | Contract/ PO Number | Reference Code | Description | Quarter 1 | Quarter 2 | |
|------|-------|---|---------------------------------|-------------|-----------|-----------|-----------|
| Div | Unit | | | | | | |
| 1140 | | External Affairs | | | | | |
| | | <u>External Contracts:</u> | | | | | |
| | | None. | | | | | |
| | | | | | \$ 0 | \$ 0 | |
| | | Subtotal, External Contracts, External Affairs | | | | | |
| | | | | | \$ 0 | \$ 0 | |
| | | <u>Interagency Agreements:</u> | | | | | |
| | 50037 | CDPH | CDPH Office of Problem Gambling | | | \$ 42,500 | \$ 42,500 |
| | | Subtotal, Interagency Contracts, External Affairs | | | | | |
| | | | | | \$ 42,500 | \$ 42,500 | |

**CALIFORNIA LOTTERY
FISCAL YEAR 2025-26 REVISED ANNUAL BUDGET
CONSULTING & PROFESSIONAL SERVICES LISTING (CONT.)**

| | | Contract/ PO | Reference | | | | | Total | | | |
|------|------|------------------|-----------|--|-----------|--------|-----------|--------|------------------------|---------|---------|
| Div | Unit | Number | Code | Description | Quarter 3 | | Quarter 4 | | Fiscal Year 2025 26 | | |
| 1140 | | External Affairs | | | | | | | | | |
| | | | | <u>External Contracts:</u> | | | | | | | |
| | | | | None. | \$ | 0 | \$ | 0 | \$ | 0 | |
| | | | | Subtotal, External Contracts, External Affairs | | \$ | 0 | \$ | 0 | \$ | 0 |
| | | | | <u>Interagency Agreements:</u> | | | | | | | |
| | | 50037 | CDPH | CDPH Office of Problem Gambling | \$ | 42,500 | \$ | 42,501 | \$ | 170,001 | |
| | | | | Subtotal, Interagency Contracts, External Affairs | | \$ | 42,500 | \$ | 42,501 | \$ | 170,001 |

CALIFORNIA LOTTERY
FISCAL YEAR 2025-26 REVISED ANNUAL BUDGET
CONSULTING & PROFESSIONAL SERVICES LISTING (CONT.)

Contract/

PO

Reference

| Div | Unit | Number | Code | Description | Quarter 1 | Quarter 2 |
|-----|------|--------|------|-------------|-----------|-----------|
|-----|------|--------|------|-------------|-----------|-----------|

1150

Business Planning & Research

External Contracts:

| | | |
|--|------------|------------|
| Advertising Pre-Testing Research | \$ 60,000 | \$ 120,000 |
| Advertising Tracking Services | \$ 119,400 | \$ 59,700 |
| Consumer Insights | \$ 0 | \$ 0 |
| Draw Game Research | \$ 0 | \$ 110,000 |
| Omnibus Studies | \$ 5,000 | \$ 0 |
| Panel Sample | \$ 13,500 | \$ 10,500 |
| Retailer Satisfaction Survey | \$ 60,000 | \$ 0 |
| Scratchers Concept Research | \$ 0 | \$ 90,000 |
| Scratchers Insights Research | \$ 50,000 | \$ 0 |
| Shopper/Retail Studies | \$ 0 | \$ 0 |
| Tracking Study | \$ 152,800 | \$ 97,800 |
| Developing A Program for Hot Spot Promotions | \$ 0 | \$ 40,000 |

Subtotal, External Contracts, Business Planning & Research

\$ 460,700 \$ 528,000

CALIFORNIA LOTTERY
FISCAL YEAR 2025-26 REVISED ANNUAL BUDGET
CONSULTING & PROFESSIONAL SERVICES LISTING (CONT.)

| | | Contract/ PO | Reference | | | | Total |
|--|------|------------------------------|-----------|--|------------|------------|------------------------|
| Div | Unit | Number | Code | Description | Quarter 3 | Quarter 4 | Fiscal Year 2025 26 |
| 1150 | | Business Planning & Research | | | | | |
| <u>External Contracts:</u> | | | | | | | |
| | | | | Advertising Pre-Testing Research | \$ 0 | \$ 40,000 | \$ 220,000 |
| | | | | Advertising Tracking Services | \$ 34,160 | \$ 93,860 | \$ 307,120 |
| | | | | Consumer Insights | \$ 100,000 | \$ 60,000 | \$ 160,000 |
| | | | | Draw Game Research | \$ 0 | \$ 0 | \$ 110,000 |
| | | | | Omnibus Studies | \$ 5,000 | \$ 5,000 | \$ 15,000 |
| | | | | Panel Sample | \$ 19,500 | \$ 10,500 | \$ 54,000 |
| | | | | Retailer Satisfaction Survey | \$ 0 | \$ 0 | \$ 60,000 |
| | | | | Scratchers Concept Research | \$ 40,000 | \$ 50,000 | \$ 180,000 |
| | | | | Scratchers Insights Research | \$ 50,000 | \$ 0 | \$ 100,000 |
| | | | | Shopper/Retail Studies | \$ 50,000 | \$ 60,000 | \$ 110,000 |
| | | | | Tracking Study | \$ 82,200 | \$ 111,000 | \$ 443,800 |
| | | | | Developing A Program for Hot Spot Promotions | \$ 0 | \$ 0 | \$ 40,000 |
| Subtotal, External Contracts, Business Planning & Research | | | | | \$ 380,860 | \$ 430,360 | \$ 1,799,920 |

**CALIFORNIA LOTTERY
FISCAL YEAR 2025-26 REVISED ANNUAL BUDGET
CONSULTING & PROFESSIONAL SERVICES LISTING (CONT.)**

Contract/
PO Reference
Number Code

Div Unit Description Quarter 1 Quarter 2

1180 Public Affairs & Communications

External Contracts:

| | | |
|--|-------------|-------------|
| PR / Public Affairs Agency Procurement (PAC Mission Education Campaign) (-Q1 Transfer to Mktg) | \$ (28,590) | \$2,000,000 |
| Electronic news media monitoring service / TBD via Procurement | \$ 0 | \$ 0 |

| | | |
|---|--------------------|--------------------|
| Subtotal, External Contracts, Business Planning & Research | \$ (28,590) | \$2,000,000 |
|---|--------------------|--------------------|

| | | |
|--|-------------------|--------------------|
| Total, External Contracts, Executive Division | \$ 478,270 | \$2,574,360 |
| Total, Interagency Agreements, Executive Division | \$ 946,260 | \$ 946,250 |
| Total, Attorney Fees, Executive Division | \$ 7,917 | \$ 7,917 |

CALIFORNIA LOTTERY
FISCAL YEAR 2025-26 REVISED ANNUAL BUDGET
CONSULTING & PROFESSIONAL SERVICES LISTING (CONT.)

| | | Contract/ PO Number | Reference Code | Description | Quarter 3 | Quarter 4 | Total Fiscal Year 2025 26 |
|------|------|--|-------------------|--------------|--------------|--------------|---------------------------------|
| Div | Unit | | | | | | |
| 1180 | | Public Affairs & Communications | | | | | |
| | | External Contracts: | | | | | |
| | | PR / Public Affairs Agency Procurement (PAC Mission Education Campaign) (-Q1 Transfer to Mktg) | | | | | |
| | | | | \$ 2,000,000 | \$ 2,000,000 | \$ 5,971,410 | |
| | | Electronic news media monitoring service / TBD via Procurement | | | | | |
| | | | | \$ 18,396 | \$ 0 | \$ 18,396 | |
| | | Subtotal, External Contracts, Business Planning & Research | | | | | |
| | | | | \$ 2,018,396 | \$ 2,000,000 | \$ 5,989,806 | |
| | | Total, External Contracts, Executive Division | | | | | |
| | | | | \$ 2,445,416 | \$ 2,502,680 | \$ 8,000,726 | |
| | | Total, Interagency Agreements, Executive Division | | | | | |
| | | | | \$ 946,250 | \$ 946,251 | \$ 3,785,011 | |
| | | Total, Attorney Fees, Executive Division | | | | | |
| | | | | \$ 7,917 | \$ 7,917 | \$ 31,667 | |

**CALIFORNIA LOTTERY
FISCAL YEAR 2025-26 REVISED ANNUAL BUDGET
CONSULTING & PROFESSIONAL SERVICES LISTING (CONT.)**

Contract/
PO Reference

| Div | Unit | Number | Code | Description | Quarter 1 | Quarter 2 |
|-----|------|--------|------|-------------|-----------|-----------|
|-----|------|--------|------|-------------|-----------|-----------|

FINANCE DIVISION

External Contracts:

| | | | | | |
|---------|--|--|--|-----------|-----------|
| 50181 | | Bank of America: Accounting Operations (Contract # 50181) Banking Services | | \$ 1,644 | \$ 1,644 |
| 101636 | | Bloomberg Financial - Financial Accounting & Reporting | | \$ 7,605 | \$ 7,605 |
| 100501 | | Verliance, Inc. - Financial Oversight & Fiscal Systems | | \$ 15,000 | \$ 15,000 |
| 100044a | | Weaver Financial Audit - Financial Accounting & Reporting | | \$ 41,000 | \$ 60,000 |
| 1 | | Macias Gini & O'Connell - Financial Oversight & Fiscal Systems | | \$ 10,000 | \$ 10,000 |
| | | Verliance Inc. : Credit Reporting Services- Retailer Financial Services | | \$ 17,500 | \$ 17,500 |
| | | US Bank -Retailer Financial Services | | \$ 5,500 | \$ 5,500 |

| | | | | | |
|---|--|--|--|------------------|-------------------|
| Subtotal, External Contracts, Finance Division | | | | \$ 98,249 | \$ 117,249 |
|---|--|--|--|------------------|-------------------|

Interagency Agreements:

| | | | | | |
|--------|-----|---|--|----------|----------|
| 101577 | | State Controller's Office: Accounting Operations (Contract #101577) - Expedited claim schedule services | | \$ 7,800 | \$ 7,800 |
| | SCO | State Treasurer's Office- Investment transaction and custody services | | \$ 4,500 | \$ 4,500 |
| | | State Controller's Office (FTB Offset Program) | | \$ 0 | \$ 0 |

| | | | | | |
|---|--|--|--|------------------|------------------|
| Subtotal, Interagency Agreements, Finance Division | | | | \$ 12,300 | \$ 12,300 |
|---|--|--|--|------------------|------------------|

CALIFORNIA LOTTERY
FISCAL YEAR 2025-26 REVISED ANNUAL BUDGET
CONSULTING & PROFESSIONAL SERVICES LISTING (CONT.)

| Div | Unit | Contract/ PO Number | Reference Code | Description | Quarter 3 | Quarter 4 | Total Fiscal Year 2025 26 |
|-----|------|---------------------------|-------------------|-------------|-----------|-----------|---------------------------------|
|-----|------|---------------------------|-------------------|-------------|-----------|-----------|---------------------------------|

02 FINANCE DIVISION

External Contracts:

| | | | | | | | | | |
|--------------|--|--|--|----|--------|----|--------|----|---------|
| 50181 | | Bank of America: Accounting Operations (Contract # 50181) Banking Services | | \$ | 1,644 | \$ | 1,644 | \$ | 6,576 |
| 101636 | | Bloomberg Financial - Financial Accounting & Reporting | | \$ | 7,605 | \$ | 7,605 | \$ | 30,420 |
| 100501 | | Verliance, Inc. - Financial Oversight & Fiscal Systems | | \$ | 15,000 | \$ | 15,000 | \$ | 60,000 |
| 100044a 1 | | Weaver Financial Audit - Financial Accounting & Reporting | | \$ | 78,000 | \$ | 12,000 | \$ | 191,000 |
| | | Macias Gini & O'Connell - Financial Oversight & Fiscal Systems | | \$ | 10,000 | \$ | 10,000 | \$ | 40,000 |
| | | Verliance Inc. : Credit Reporting Services- Retailer Financial Services | | \$ | 17,500 | \$ | 17,500 | \$ | 70,000 |
| | | US Bank -Retailer Financial Services | | \$ | 5,500 | \$ | 5,500 | \$ | 22,000 |

**Subtotal, External Contracts,
Finance Division**

\$ 135,249 \$ 69,249 \$ 419,996

Interagency Agreements:

| | | | | | | | | | |
|--------|-----|---|--|----|-------|----|-------|----|--------|
| 101577 | | State Controller's Office: Accounting Operations (Contract #101577) - Expedited claim schedule services | | \$ | 7,800 | \$ | 7,800 | \$ | 31,200 |
| | SCO | State Treasurer's Office- Investment transaction and custody services | | \$ | 4,500 | \$ | 4,500 | \$ | 18,000 |
| | | State Controller's Office (FTB Offset Program) | | \$ | 0 | \$ | 400 | \$ | 400 |

**Subtotal, Interagency Agreements,
Finance Division**

\$ 12,300 \$ 12,700 \$ 49,600

**CALIFORNIA LOTTERY
FISCAL YEAR 2025-26 REVISED ANNUAL BUDGET
CONSULTING & PROFESSIONAL SERVICES LISTING (CONT.)**

Contract/
PO Reference

| Div | Unit | Number | Code | Description | Quarter 1 | Quarter 2 |
|-----|------|--------|------|-------------|-----------|-----------|
|-----|------|--------|------|-------------|-----------|-----------|

03 HUMAN RESOURCES DIVISION

External Contracts:

| | | | | | | |
|--|--|--------|--|--|-----------|-----------|
| | | | | CPS HR Consulting - Department Wide Training Services | \$ 3,000 | \$ 3,000 |
| | | | | CPS HR Consulting - Employee Engagement Survey | \$ 5,125 | \$ 5,125 |
| | | 100064 | | Recruitment/Social Media Advertising (LinkedIn subscription via Carahsoft Technology Corp.) + Q1 BAR | \$ 10,071 | \$ 10,071 |
| | | 101176 | | Prosci, Inc. - Change Management Training Program | \$ 2,760 | \$ 2,760 |
| | | | | Magellan Health (Employee Assistance Program) | \$ 3,750 | \$ 3,750 |

Subtotal, External Contracts, Human Resources Division

\$ 24,706 \$ 24,706

Interagency Agreements:

| | | | |
|-------|---|-----------|-----------|
| CALHR | CalHR Selection Services (Exam Services) | \$ 10,000 | \$ 10,000 |
| CALHR | CalHR Statewide Training Services (CalHR courses for all divisions) | \$ 23,750 | \$ 23,750 |
| CALHR | CalHR Labor Relations | \$ 10,000 | \$ 10,000 |
| CALHR | CalHR Legal Services | \$ 1,750 | \$ 1,750 |
| CALHR | CalHR HR Net Subscription | \$ 2,000 | \$ 0 |
| CALHR | CalHR Pre-Employment (Physical Exams) | \$ 5,000 | \$ 5,000 |
| CALHR | CalHR Pre-Employment (Psychological Screening) | \$ 7,250 | \$ 7,250 |
| CALHR | CalHR Pre-Employment (Controlled Substance Abuse Testing - CSAT) + Q1 BAR | \$ 1,250 | \$ 1,250 |
| DIR | Department of Industrial Relations (Assessment for Self-Insurance Plans) | \$ 37,500 | \$ 37,500 |
| EDD | Employment Development Department (Unemployment Insurance) | \$ 6,250 | \$ 6,250 |

CALIFORNIA LOTTERY
FISCAL YEAR 2025-26 REVISED ANNUAL BUDGET
CONSULTING & PROFESSIONAL SERVICES LISTING (CONT.)

| Div | Unit | Contract/ PO Number | Reference Code | Description | Quarter 3 | Quarter 4 | Total Fiscal Year 2025 26 |
|-----|------|---------------------------|-------------------|-------------|-----------|-----------|---------------------------------|
|-----|------|---------------------------|-------------------|-------------|-----------|-----------|---------------------------------|

03 HUMAN RESOURCES DIVISION

External Contracts:

| | | | | | | | |
|--|--|--------|--|--|-----------|-----------|-----------|
| | | | | CPS HR Consulting - Department Wide Training Services | \$ 3,000 | \$ 3,000 | \$ 12,000 |
| | | | | CPS HR Consulting - Employee Engagement Survey | \$ 5,125 | \$ 5,125 | \$ 20,500 |
| | | 100064 | | Recruitment/Social Media Advertising (LinkedIn subscription via Carahsoft Technology Corp.) + Q1 BAR | \$ 10,071 | \$ 10,071 | \$ 40,285 |
| | | 101176 | | Prosci, Inc. - Change Management Training Program | \$ 2,760 | \$ 2,760 | \$ 11,040 |
| | | | | Magellan Health (Employee Assistance Program) | \$ 3,750 | \$ 3,750 | \$ 15,000 |

**Subtotal, External Contracts,
Human Resources Division**

\$ 24,706 \$ 24,706 \$ 98,825

Interagency Agreements:

| | | | | | | | |
|-------|--|--|--|---|-----------|-----------|------------|
| CALHR | | | | CalHR Selection Services (Exam Services) | \$ 10,000 | \$ 10,000 | \$ 40,000 |
| CALHR | | | | CalHR Statewide Training Services (CalHR courses for all divisions) | \$ 23,750 | \$ 23,750 | \$ 95,000 |
| CALHR | | | | CalHR Labor Relations | \$ 10,000 | \$ 10,000 | \$ 40,000 |
| CALHR | | | | CalHR Legal Services | \$ 1,750 | \$ 1,750 | \$ 7,000 |
| CALHR | | | | CalHR HR Net Subscription | \$ 0 | \$ 0 | \$ 2,000 |
| CALHR | | | | CalHR Pre-Employment (Physical Exams) | \$ 5,000 | \$ 5,000 | \$ 20,000 |
| CALHR | | | | CalHR Pre-Employment (Psychological Screening) | \$ 7,250 | \$ 7,250 | \$ 29,000 |
| CALHR | | | | CalHR Pre-Employment (Controlled Substance Abuse Testing - CSAT) + Q1 BAR | \$ 1,250 | \$ 1,250 | \$ 5,000 |
| DIR | | | | Department of Industrial Relations (Assessment for Self-Insurance Plans) | \$ 37,500 | \$ 37,500 | \$ 150,000 |
| EDD | | | | Employment Development Department (Unemployment Insurance) | \$ 6,250 | \$ 6,250 | \$ 25,000 |

CALIFORNIA LOTTERY
FISCAL YEAR 2025-26 REVISED ANNUAL BUDGET
CONSULTING & PROFESSIONAL SERVICES LISTING (CONT.)

Contract/

PO Reference

| Div | Unit | Number | Code | Description | Quarter 1 | Quarter 2 |
|---|------|--------|--------|---|-------------------|-------------------|
| | | | SCO | SCO Annual Reports and Leave Balance (MIRS and CLAS) Access | \$ 3,500 | \$ 0 |
| | | | SCO | SCO Quarterly Data Requests | \$ 375 | \$ 375 |
| | | | SCO | SCO Retroactive Services | \$ 4,500 | \$ 4,500 |
| | | | SCO | SCO W2 Direct Mailing | \$ 0 | \$ 1,500 |
| | | | SPB | SPB Merit Appeals | \$ 2,500 | \$ 2,500 |
| | | | SPB | SPB Evidentiary Appeals | \$ 2,500 | \$ 2,500 |
| | | | | Los Angeles Unified School District (LAUSD) Bilingual Testing | \$ 375 | \$ 375 |
| | | | UNIENT | University Enterprises, Incorporated | \$ 37,500 | \$ 37,500 |
| Subtotal, Interagency Agreements, Human Resources Division | | | | | \$ 156,000 | \$ 152,000 |

**CALIFORNIA LOTTERY
FISCAL YEAR 2025-26 REVISED ANNUAL BUDGET
CONSULTING & PROFESSIONAL SERVICES LISTING (CONT.)**

| Div | Unit | Contract/ PO Number | Reference Code | Description | Quarter 3 | Quarter 4 | Total Fiscal Year 2025 26 |
|---|------|---------------------------|-------------------|--|-------------------|-------------------|---------------------------------|
| | | | SCO | SCO Annual Reports and Leave Balance (MIRS and CLAS) Access | \$ 0 | \$ 0 | \$ 3,500 |
| | | | SCO | SCO Quarterly Data Requests | \$ 375 | \$ 375 | \$ 1,500 |
| | | | SCO | SCO Retroactive Services | \$ 4,500 | \$ 4,500 | \$ 18,000 |
| | | | SCO | SCO W2 Direct Mailing | \$ 0 | \$ 0 | \$ 1,500 |
| | | | SPB | SPB Merit Appeals | \$ 2,500 | \$ 2,500 | \$ 10,000 |
| | | | SPB | SPB Evidentiary Appeals | \$ 2,500 | \$ 2,500 | \$ 10,000 |
| | | | | Los Angeles Unified School District (LAUSD) Bilingual Testing | \$ 375 | \$ 375 | \$ 1,500 |
| | | | UNIENT | University Enterprises, Incorporated | \$ 37,500 | \$ 37,500 | \$ 150,000 |
| Subtotal, Interagency Agreements, Human Resources Division | | | | | \$ 150,500 | \$ 150,500 | \$ 609,000 |

**CALIFORNIA LOTTERY
FISCAL YEAR 2025-26 REVISED ANNUAL BUDGET
CONSULTING & PROFESSIONAL SERVICES LISTING (CONT.)**

Contract/
PO Reference
Number Code

| | | | | | | |
|-----|------|--------|------|-------------|-----------|-----------|
| Div | Unit | Number | Code | Description | Quarter 1 | Quarter 2 |
|-----|------|--------|------|-------------|-----------|-----------|

OPERATIONS DIVISION

External Contracts:

| | | | | |
|--|----|--------|----|---------|
| Pitney Bowes Mailing Tracking System Software | \$ | 1,184 | \$ | 1,184 |
| LEED Recertification | \$ | 12,500 | \$ | 12,500 |
| Operation Strategic Plan Consultant (CPS HR Consulting) | \$ | 0 | \$ | 236,775 |
| HQ Fire/Life Safety System Replacement | \$ | 50,000 | \$ | 150,000 |
| Sacramento District Office - Fire/Life Safety System Replacement | \$ | 0 | \$ | 150,000 |
| 5 ea. Charging Stations Installation (Fresno, Chatsworth, Rancho Cuc., Santa Fe Springs, S. Dist Center) | \$ | 0 | \$ | 375,000 |
| Identifying new location for Richmond DO | \$ | 0 | \$ | 100,000 |
| NDC Remodel (fire pump and enclosure design fee) | \$ | 0 | \$ | 200,000 |

| | | | | |
|--|-----------|---------------|-----------|------------------|
| Subtotal, External Contracts, Operations Division | \$ | 63,684 | \$ | 1,225,459 |
|--|-----------|---------------|-----------|------------------|

Interagency Agreements:

| | | | | |
|-------|----|---|----|---|
| None. | \$ | 0 | \$ | 0 |
|-------|----|---|----|---|

| | | | | |
|--|-----------|----------|-----------|----------|
| Subtotal, Interagency Agreements, Operations Division | \$ | 0 | \$ | 0 |
|--|-----------|----------|-----------|----------|

CALIFORNIA LOTTERY
FISCAL YEAR 2025-26 REVISED ANNUAL BUDGET
CONSULTING & PROFESSIONAL SERVICES LISTING (CONT.)

| Div | Unit | Contract/ PO Number | Reference Code | Description | Quarter 3 | Quarter 4 | Total Fiscal Year 2025 26 |
|-----|------|---------------------------|-------------------|-------------|-----------|-----------|---------------------------------|
|-----|------|---------------------------|-------------------|-------------|-----------|-----------|---------------------------------|

OPERATIONS DIVISION

External Contracts:

| | | | | | | |
|--|----|--------|----|--------|----|---------|
| Pitney Bowes Mailing Tracking System Software | \$ | 1,184 | \$ | 1,184 | \$ | 4,737 |
| LEED Recertification | \$ | 12,500 | \$ | 12,500 | \$ | 50,000 |
| Operation Strategic Plan Consultant (CPS HR Consulting) | \$ | 0 | \$ | 0 | \$ | 236,775 |
| HQ Fire/Life Safety System Replacement | \$ | 0 | \$ | 0 | \$ | 200,000 |
| Sacramento District Office - Fire/Life Safety System Replacement | \$ | 0 | \$ | 0 | \$ | 150,000 |
| 5 ea. Charging Stations Installation (Fresno, Chatsworth, Rancho Cuc., Santa Fe Springs, S. Dist Center) | \$ | 0 | \$ | 0 | \$ | 375,000 |
| Identifying new location for Richmond DO | \$ | 0 | \$ | 0 | \$ | 100,000 |
| NDC Remodel (fire pump and enclosure design fee) | \$ | 0 | \$ | 0 | \$ | 200,000 |

| | | | | | | |
|--|-----------|---------------|-----------|---------------|-----------|------------------|
| Subtotal, External Contracts, Operations Division | \$ | 13,684 | \$ | 13,684 | \$ | 1,316,512 |
|--|-----------|---------------|-----------|---------------|-----------|------------------|

Interagency Agreements:

| | | | | | | |
|-------|----|---|----|---|----|---|
| None. | \$ | 0 | \$ | 0 | \$ | 0 |
|-------|----|---|----|---|----|---|

| | | | | | | |
|--|-----------|----------|-----------|----------|-----------|----------|
| Subtotal, Interagency Agreements, Operations Division | \$ | 0 | \$ | 0 | \$ | 0 |
|--|-----------|----------|-----------|----------|-----------|----------|

**CALIFORNIA LOTTERY
FISCAL YEAR 2025-26 REVISED ANNUAL BUDGET
CONSULTING & PROFESSIONAL SERVICES LISTING (CONT.)**

Contract/

PO Reference

| Div | Unit | Number | Code | Description | Quarter 1 | Quarter 2 |
|-----|------|--------|------|-------------|-----------|-----------|
|-----|------|--------|------|-------------|-----------|-----------|

SECURITY/LAW ENFORCEMENT DIVISION

External Contracts:

| | | | | | |
|--------|--|---|--|------------|------------|
| 101234 | | Citiguard, Inc | | \$ 625,000 | \$ 625,000 |
| | | Copware | | \$ 50 | \$ 50 |
| | | AXON | | \$ 13,248 | \$ 13,248 |
| 101939 | | SmartPlay Intl (3 Origin Machines maintenance) | | \$ 4,564 | \$ 4,564 |
| 101938 | | SmartPlay Intl (3 SLP Criterion Machines maintenance) | | \$ 2,913 | \$ 2,913 |
| 100668 | | SmartPlay Intl (4 Origin Machines maintenance) | | \$ 1,625 | \$ 1,625 |
| | | HotSpot Statistician Certification | | \$ 250 | \$ 250 |
| 100097 | | Preston CPA | | \$ 88,200 | \$ 88,200 |

Subtotal, External Contracts, Security/Law Enforcement Division

\$ 735,849 \$ 735,849

Interagency Agreements:

| | | | | | |
|--------|--------|---|--|-----------|-----------|
| 101356 | DOJ | DOJ - Fingerprint Services | | \$ 33,750 | \$ 33,750 |
| 100148 | DOJ | DOJ (CLETS access) | | \$ 7,875 | \$ 7,875 |
| 100062 | CALHR | CHP (Radio Dispatch Services Agreement) | | \$ 500 | \$ 500 |
| | FFCITY | Northern California Regional Public Safety Training Center (NCRSTC) | | \$ 1,000 | \$ 1,000 |
| | | City of Fairfield - Fairfield Police Dept | | \$ 938 | \$ 938 |
| | | County of San Bernardino -San Bernardino County Sheriff's Dept | | \$ 1,168 | \$ 1,168 |
| | | Potential Indoor Firearms/D-tac training facility in Southern CA. | | \$ 938 | \$ 938 |

Subtotal, Interagency Agreements, Security/Law Enforcement Division

\$ 46,168 \$ 46,168

**CALIFORNIA LOTTERY
FISCAL YEAR 2025-26 REVISED ANNUAL BUDGET
CONSULTING & PROFESSIONAL SERVICES LISTING (CONT.)**

| Div | Unit | Contract/ PO Number | Reference Code | Description | Quarter 3 | Quarter 4 | Total Fiscal Year 2025 26 |
|-----|------|---------------------------|-------------------|-------------|-----------|-----------|---------------------------------|
|-----|------|---------------------------|-------------------|-------------|-----------|-----------|---------------------------------|

06 SECURITY/LAW ENFORCEMENT DIVISION

External Contracts:

| | | | | | | |
|--------|--|--|---|------------|------------|--------------|
| 101234 | | | Citiguard, Inc | \$ 625,000 | \$ 625,000 | \$ 2,500,000 |
| | | | Copware | \$ 50 | \$ 50 | \$ 200 |
| | | | AXON | \$ 13,248 | \$ 13,248 | \$ 52,990 |
| 101939 | | | SmartPlay Intl (3 Origin Machines maintenance) | \$ 4,564 | \$ 4,564 | \$ 18,255 |
| 101938 | | | SmartPlay Intl (3 SLP Criterion Machines maintenance) | \$ 2,913 | \$ 2,913 | \$ 11,650 |
| 100668 | | | SmartPlay Intl (4 Origin Machines maintenance) | \$ 1,625 | \$ 1,625 | \$ 6,500 |
| | | | HotSpot Statistician Certification | \$ 250 | \$ 250 | \$ 1,000 |
| 100097 | | | Preston CPA | \$ 88,200 | \$ 88,200 | \$ 352,800 |

| | | | |
|--|-------------------|-------------------|---------------------|
| Subtotal, External Contracts, Security/Law Enforcement Division | \$ 735,849 | \$ 735,849 | \$ 2,943,395 |
|--|-------------------|-------------------|---------------------|

Interagency Agreements:

| | | | | | |
|--------|--------|---|-----------|-----------|------------|
| 101356 | DOJ | DOJ - Fingerprint Services | \$ 33,750 | \$ 33,750 | \$ 135,000 |
| 100148 | DOJ | DOJ (CLETS access) | \$ 7,875 | \$ 7,875 | \$ 31,500 |
| 100062 | CALHR | CHP (Radio Dispatch Services Agreement) | \$ 500 | \$ 500 | \$ 2,000 |
| | FFCITY | Northern California Regional Public Safety Training Center (NCRSTC) | \$ 1,000 | \$ 1,000 | \$ 4,000 |
| | | City of Fairfield - Fairfield Police Dept | \$ 938 | \$ 938 | \$ 3,750 |
| | | County of San Bernardino -San Bernardino County Sheriff's Dept | \$ 1,168 | \$ 1,168 | \$ 4,670 |
| | | Potential Indoor Firearms/D-tac training facility in Southern CA. | \$ 938 | \$ 938 | \$ 3,750 |

| | | | |
|--|------------------|------------------|-------------------|
| Subtotal, Interagency Agreements, Security/Law Enforcement Division | \$ 46,168 | \$ 46,168 | \$ 184,670 |
|--|------------------|------------------|-------------------|

CALIFORNIA LOTTERY
FISCAL YEAR 2025-26 REVISED ANNUAL BUDGET
CONSULTING & PROFESSIONAL SERVICES LISTING (CONT.)

Contract/

PO Reference

| Div | Unit | Number | Code | Description | Quarter 1 | Quarter 2 |
|-----|------|--------|------|-------------|-----------|-----------|
|-----|------|--------|------|-------------|-----------|-----------|

07 INFORMATION TECHNOLOGY SERVICES DIVISION

External Contracts:

| | | | | |
|--|----|--------|----|--------|
| Adobe Campaign Services (Term: TBD) SA TBD | \$ | 3,000 | \$ | 3,000 |
| Adobe Software Products Maintenance (Adobe includes Frame IO) (Term: TBD) PO TBD | \$ | 62,499 | \$ | 62,499 |
| Advance Maintenance Management System (AMMS) (Term: 08/01/24-07/31/25) PO101507 | \$ | 7,505 | \$ | 7,740 |
| Alarm Center Software (NEW) (Term: 7/16/24-7/15/26) PO101478 | \$ | 1,254 | \$ | 1,254 |
| Alarm Center Software Maintenance (Term: 6/6/25-6/5/27) PO102192 | \$ | 537 | \$ | 537 |
| APBnet (Term: 1/1/25-12/31/27) PO101902 | \$ | 105 | \$ | 105 |
| Articulate Software/ Licenses (Term: 09/08/24-09/07/25) PO101728 | \$ | 1,026 | \$ | 1,092 |
| Aruba Clear Pass (Term: 9/26/24-9/25/25) PO101851 | \$ | 1,957 | \$ | 2,085 |
| Attachmate Software Maintenance (aka Micro Focus Reflection Desktop) (Term: 3/1/25-2/29/26) PO102036 | \$ | 1,785 | \$ | 1,785 |
| Auto Audit (Term: 1/1/25-12/30/25) PO101995 | \$ | 1,626 | \$ | 1,626 |
| Badger Maps (Term: TBD) PO TBD | \$ | 156 | \$ | 156 |
| BatchPatch Software (Term: 11/19/24 - 11/18/26) PO101769 | \$ | 435 | \$ | 435 |
| BioMetrics4All (Term: 12/1/24-11/30/26) PO101089 | \$ | 135 | \$ | 135 |
| Bloomberg (Term: 5/1/24-4/30/26) PO101636 | \$ | 7,500 | \$ | 7,500 |
| Bloomberg Contract (Term: 4/1/24-7/6/26) PO101615 | \$ | 105 | \$ | 105 |
| Bosch Alarm System (Term: 5/15/24-5/16/26) PO101561 | \$ | 1,737 | \$ | 1,737 |
| Brandwatch (Term: 1/1/25-12/31/27) PO101990 | \$ | 9,432 | \$ | 9,432 |
| Burp Suite Professional (Term: 5/26/25-5/25/27) PO102163 | \$ | 660 | \$ | 660 |

CALIFORNIA LOTTERY
FISCAL YEAR 2025-26 REVISED ANNUAL BUDGET
CONSULTING & PROFESSIONAL SERVICES LISTING (CONT.)

| Div | Unit | Contract/ PO Number | Reference Code | Description | Quarter 3 | Quarter 4 | Total Fiscal Year 2025 26 |
|-----|------|------------------------|-------------------|-------------|-----------|-----------|---------------------------------|
|-----|------|------------------------|-------------------|-------------|-----------|-----------|---------------------------------|

07 INFORMATION TECHNOLOGY SERVICES DIVISION

External Contracts:

| | | | | | | |
|--|----|--------|----|--------|----|---------|
| Adobe Campaign Services (Term: TBD) SA TBD | \$ | 3,000 | \$ | 1,000 | \$ | 10,000 |
| Adobe Software Products Maintenance (Adobe includes Frame IO) (Term: TBD) PO TBD | \$ | 62,499 | \$ | 68,751 | \$ | 256,248 |
| Advance Maintenance Management System (AMMS) (Term: 08/01/24-07/31/25) PO101507 | \$ | 7,740 | \$ | 7,740 | \$ | 30,725 |
| Alarm Center Software (NEW) (Term: 7/16/24-7/15/26) PO101478 | \$ | 1,254 | \$ | 1,254 | \$ | 5,016 |
| Alarm Center Software Maintenance (Term: 6/6/25-6/5/27) PO102192 | \$ | 537 | \$ | 537 | \$ | 2,148 |
| APBnet (Term: 1/1/25-12/31/27) PO101902 | \$ | 117 | \$ | 117 | \$ | 444 |
| Articulate Software/ Licenses (Term: 09/08/24-09/07/25) PO101728 | \$ | 1,092 | \$ | 1,092 | \$ | 4,302 |
| Aruba Clear Pass (Term: 9/26/24-9/25/25) PO101851 | \$ | 2,085 | \$ | 2,085 | \$ | 8,212 |
| Attachmate Software Maintenance (aka Micro Focus Reflection Desktop) (Term: 3/1/25-2/29/26) PO102036 | \$ | 1,845 | \$ | 1,965 | \$ | 7,380 |
| Auto Audit (Term: 1/1/25-12/30/25) PO101995 | \$ | 1,791 | \$ | 1,791 | \$ | 6,834 |
| Badger Maps (Term: TBD) PO TBD | \$ | 156 | \$ | 171 | \$ | 639 |
| BatchPatch Software (Term: 11/19/24 - 11/18/26) PO101769 | \$ | 435 | \$ | 435 | \$ | 1,740 |
| BioMetrics4All (Term: 12/1/24-11/30/26) PO101089 | \$ | 135 | \$ | 135 | \$ | 540 |
| Bloomberg (Term: 5/1/24-4/30/26) PO101636 | \$ | 7,500 | \$ | 8,000 | \$ | 30,500 |
| Bloomberg Contract (Term: 4/1/24-7/6/26) PO101615 | \$ | 105 | \$ | 105 | \$ | 420 |
| Bosch Alarm System (Term: 5/15/24-5/16/26) PO101561 | \$ | 1,737 | \$ | 1,853 | \$ | 7,064 |
| Brandwatch (Term: 1/1/25-12/31/27) PO101990 | \$ | 9,432 | \$ | 9,432 | \$ | 37,728 |
| Burp Suite Professional (Term: 5/26/25-5/25/27) PO102163 | \$ | 660 | \$ | 660 | \$ | 2,640 |

CALIFORNIA LOTTERY
FISCAL YEAR 2025-26 REVISED ANNUAL BUDGET
CONSULTING & PROFESSIONAL SERVICES LISTING (CONT.)

Contract/

PO Reference

| Div | Unit | Number | Code | Description | Quarter 1 | Quarter 2 |
|-----|------|--------|------|---|-------------|-------------|
| | | | | Canva (Term: TBD) PO TBD | \$ 300 | \$ 300 |
| | | | | Canva Software (Term: TBD) PO TBD | \$ 84 | \$ 84 |
| | | | | Cash Tracker (Term: TBD) PO TBD | \$ 5,367 | \$ 5,367 |
| | | | | Centrify Security Maintenance (Term: 6/18/24-6/27/26) PO101392 | \$ 3,498 | \$ 3,498 |
| | | | | CERT: Jabber (Term: 12/21-12/26) | \$ 165 | \$ 165 |
| | | | | CERT: Service Now Certificate (Term: TBD) | \$ 900 | \$ 900 |
| | | | | CERT: Wildcard (Term: 3/9/22-3/8/27) | \$ 180 | \$ 180 |
| | | | | Comcast TV (Term: 36 months from activation) PO101047 | \$ 1,977 | \$ 1,977 |
| | | | | CompTIA Security Cert for Lucky (Term: TBD) | \$ 15 | \$ 15 |
| | | | | Credit Reporting Services (SA50163A01 Term: 3/8/21-1/31/26) | \$ 3,750 | \$ 3,750 |
| | | | | Crowdstrike Falcon Endpoint Protection (Term: 2/24/25-2/23/27) PO101979 | \$ 20,022 | \$ 20,022 |
| | | | | CUTE FTP Server (Quantity: One) renewal (GlobalSCAPE) (Term: 08/06/23-08/5/26) | \$ 9 | \$ 9 |
| | | | | Data Quality (Experian (Data Quality/ Tiger Data) (Term: 10/01/24-09/30/25) PO101655 | \$ 11,919 | \$ 13,110 |
| | | | | Dell ICS (3) and FTP (2) Server Maintenance R440 to R450 (Term:12/09/22-12/08/27) PO100476 | \$ 555 | \$ 555 |
| | | | | Dell Physical Security B/U Server Maintenance R660 and R450 (Term: 3/30/24-3/20/29) PO101429 | \$ 891 | \$ 891 |
| | | | | Dell PowerEdge R750 and R450 (Physical Security) Server Maintenance (Term: 07/18/22-07/17/27) PO100205 | \$ 12,177 | \$ 12,177 |
| | | | | DIAS IT Consulting (Astute Solutions) (Term: 2/15/24-2/14/26) SA101227 | \$ 225,000 | \$ 225,000 |
| | | | | Digital Agency Services (ICFN) (Term: 1/1/24-12/31/29) CN101007 | \$1,402,080 | \$1,402,080 |
| | | | | Digital Communication Solution Tool (Adobe Campaign) (Term: 3/1/25-2/28/26) PO102131 | \$ 106,194 | \$ 106,194 |
| | | | | DNS Annual Renewal (Neustar) (Term: 8/1/24-7/31/25) PO101595 | \$ 13,045 | \$ 15,000 |

CALIFORNIA LOTTERY
FISCAL YEAR 2025-26 REVISED ANNUAL BUDGET
CONSULTING & PROFESSIONAL SERVICES LISTING (CONT.)

| Div | Unit | Contract/ PO Number | Reference Code | Description | Quarter 3 | Quarter 4 | Total Fiscal Year 2025 26 |
|-----|------|------------------------|-------------------|--|--------------|--------------|---------------------------------|
| | | | | Canva (Term: TBD) PO TBD | \$ 320 | \$ 330 | \$ 1,250 |
| | | | | Canva Software (Term: TBD) PO TBD | \$ 88 | \$ 90 | \$ 346 |
| | | | | Cash Tracker (Term: TBD) PO TBD | \$ 5,367 | \$ 5,367 | \$ 21,468 |
| | | | | Centrify Security Maintenance (Term: 6/18/24-6/27/26) PO101392 | \$ 3,498 | \$ 3,498 | \$ 13,992 |
| | | | | CERT: Jabber (Term: 12/21-12/26) | \$ 165 | \$ 165 | \$ 660 |
| | | | | CERT: Service Now Certificate (Term: TBD) | \$ 900 | \$ 900 | \$ 3,600 |
| | | | | CERT: Wildcard (Term: 3/9/22-3/8/27) | \$ 180 | \$ 180 | \$ 720 |
| | | | | Comcast TV (Term: 36 months from activation) PO101047 | \$ 1,977 | \$ 1,977 | \$ 7,908 |
| | | | | CompTIA Security Cert for Lucky (Term: TBD) | \$ 15 | \$ 15 | \$ 60 |
| | | | | Credit Reporting Services (SA50163A01 Term: 3/8/21-1/31/26) | \$ 4,000 | \$ 4,125 | \$ 15,625 |
| | | | | Crowdstrike Falcon Endpoint Protection (Term: 2/24/25-2/23/27) PO101979 | \$ 20,022 | \$ 20,022 | \$ 80,088 |
| | | | | CUTE FTP Server (Quantity: One) renewal (GlobalSCAPE) (Term: 08/06/23-08/5/26) | \$ 9 | \$ 9 | \$ 36 |
| | | | | Data Quality (Experian (Data Quality/ Tiger Data) (Term: 10/01/24-09/30/25) PO101655 | \$ 13,110 | \$ 0 | \$ 38,139 |
| | | | | Dell ICS (3) and FTP (2) Server Maintenance R440 to R450 (Term:12/09/22-12/08/27) PO100476 | \$ 555 | \$ 555 | \$ 2,220 |
| | | | | Dell Physical Security B/U Server Maintenance R660 and R450 (Term: 3/30/24-3/20/29) PO101429 | \$ 891 | \$ 891 | \$ 3,564 |
| | | | | Dell PowerEdge R750 and R450 (Physical Security) Server Maintenance (Term: 07/18/22-07/17/27) PO100205 | \$ 12,177 | \$ 12,177 | \$ 48,708 |
| | | | | DIAS IT Consulting (Astute Solutions) (Term: 2/15/24-2/14/26) SA101227 | \$ 150,000 | \$ 0 | \$ 600,000 |
| | | | | Digital Agency Services (ICFN) (Term: 1/1/24-12/31/29) CN101007 | \$ 1,402,080 | \$ 1,402,080 | \$ 5,608,320 |
| | | | | Digital Communication Solution Tool (Adobe Campaign) (Term: 3/1/25-2/28/26) PO102131 | \$ 126,796 | \$ 168,000 | \$ 507,184 |
| | | | | DNS Annual Renewal (Neustar) (Term: 8/1/24-7/31/25) PO101595 | \$ 15,000 | \$ 15,000 | \$ 58,045 |

CALIFORNIA LOTTERY
FISCAL YEAR 2025-26 REVISED ANNUAL BUDGET
CONSULTING & PROFESSIONAL SERVICES LISTING (CONT.)

Contract/
PO Reference
Number Code

| Div | Unit | Number | Code | Description | Quarter 1 | Quarter 2 |
|-----|------|--------|------|--|-----------|-----------|
| | | | | DocuSign (Term: 1/31/25-1/30/26) PO102007 | \$ 69,999 | \$ 69,999 |
| | | | | Docusign Pro Services (Term: TBD) PO TBD | \$ 21,300 | \$ 21,300 |
| | | | | DOMAIN: (californialottery.biz, calottery.biz) (Term: 11/6/26) | \$ 24 | \$ 24 |
| | | | | DOMAIN: (californialottery.com) (Term: 9/29/21-9/28/30) | \$ 12 | \$ 12 |
| | | | | DOMAIN: (californiastatelottery.info) (Term: 8/22-8/27) | \$ 15 | \$ 15 |
| | | | | DOMAIN: (calottery.com) (Term: 2/23-2/26) | \$ 12 | \$ 12 |
| | | | | DOMAIN: (calottery.info, californialottery.info) (9/22-9/27) | \$ 21 | \$ 21 |
| | | | | DOMAIN: (calottery.org) (Term: 4/23-4/26) | \$ 12 | \$ 12 |
| | | | | DOMAIN: (calottery.website) (Term: 12/14/26) | \$ 6 | \$ 6 |
| | | | | EA tools placeholder (NEW) | \$ 0 | \$ 0 |
| | | | | EFT Servers & SSM Module Maintenance (Term: 09/27/24-09/26/25) PO101670 | \$ 360 | \$ 396 |
| | | | | Epicor 10 (Term: 12/24/23-12/31/27) CN 101226 | \$ 23,244 | \$ 23,244 |
| | | | | Epicor M&O (Term: 6/30/26) CN100091 | \$ 39,000 | \$ 39,000 |
| | | | | eSoph (Term: TBD) PO TBD | \$ 291 | \$ 291 |
| | | | | Experian ID Verification Services (Precise ID) (Term: 10/01/24-9/30/25) PO101831 | \$ 40,776 | \$ 44,853 |
| | | | | Experian NameSearch Upgrade (Term: 9/1/24-8/31/25) PO101672 | \$ 18,783 | \$ 19,995 |
| | | | | Experian Risk Analytics (Term: 3/1/25-2/28/26) PO102126 | \$ 18,120 | \$ 18,120 |
| | | | | Figma Team Licenses (Term: TBD) PO TBD | \$ 360 | \$ 360 |
| | | | | Fleetio (Term: 2/1/25-1/31/26) PO TBD | \$ 13,644 | \$ 13,644 |
| | | | | GeoTabs (Term: 6/1/24-5/31/26) PO101582 | \$ 30,504 | \$ 30,504 |
| | | | | Google Maps (Term: 3/9/24-3/28/26) PO101361 | \$ 2,499 | \$ 2,499 |
| | | | | G-Suite (Google Workspace) (Term: 2/21/26) PO101997 | \$ 825 | \$ 825 |

CALIFORNIA LOTTERY
FISCAL YEAR 2025-26 REVISED ANNUAL BUDGET
CONSULTING & PROFESSIONAL SERVICES LISTING (CONT.)

| Div | Unit | Contract/ PO Number | Reference Code | Description | Quarter 3 | Quarter 4 | Total Fiscal Year 2025 26 |
|-----|------|---------------------------|-------------------|--|-----------|-----------|---------------------------------|
| | | | | DocuSign (Term: 1/31/25-1/30/26) PO102007 | \$ 74,667 | \$ 77,001 | \$ 291,666 |
| | | | | Docusign Pro Services (Term: TBD) PO TBD | \$ 21,300 | \$ 23,430 | \$ 87,330 |
| | | | | DOMAIN: (californialottery.biz, calottery.biz) (Term: 11/6/26) | \$ 24 | \$ 24 | \$ 96 |
| | | | | DOMAIN: (californialottery.com) (Term: 9/29/21-9/28/30) | \$ 12 | \$ 12 | \$ 48 |
| | | | | DOMAIN: (californiastatelottery.info) (Term: 8/22-8/27) | \$ 15 | \$ 15 | \$ 60 |
| | | | | DOMAIN: (calottery.com) (Term: 2/23-2/26) | \$ 12 | \$ 12 | \$ 48 |
| | | | | DOMAIN: (calottery.info, californialottery.info) (9/22-9/27) | \$ 21 | \$ 21 | \$ 84 |
| | | | | DOMAIN: (calottery.org) (Term: 4/23-4/26) | \$ 12 | \$ 12 | \$ 48 |
| | | | | DOMAIN: (calottery.website) (Term: 12/14/26) | \$ 6 | \$ 6 | \$ 24 |
| | | | | EA tools placeholder (NEW) | \$ 21,000 | \$ 21,000 | \$ 42,000 |
| | | | | EFT Servers & SSM Module Maintenance (Term: 09/27/24-09/26/25) PO101670 | \$ 396 | \$ 396 | \$ 1,548 |
| | | | | Epicor 10 (Term: 12/24/23-12/31/27) CN 101226 | \$ 23,244 | \$ 23,244 | \$ 92,976 |
| | | | | Epicor M&O (Term: 6/30/26) CN100091 | \$ 39,000 | \$ 39,000 | \$ 156,000 |
| | | | | eSoph (Term: TBD) PO TBD | \$ 291 | \$ 291 | \$ 1,164 |
| | | | | Experian ID Verification Services (Precise ID) (Term: 10/01/24-9/30/25) PO101831 | \$ 44,853 | \$ 0 | \$ 130,482 |
| | | | | Experian NameSearch Upgrade (Term: 9/1/24-8/31/25) PO101672 | \$ 19,995 | \$ 0 | \$ 58,773 |
| | | | | Experian Risk Analytics (Term: 3/1/25-2/28/26) PO102126 | \$ 18,724 | \$ 19,932 | \$ 74,896 |
| | | | | Figma Team Licenses (Term: TBD) PO TBD | \$ 372 | \$ 396 | \$ 1,488 |
| | | | | Fleetio (Term: 2/1/25-1/31/26) PO TBD | \$ 14,554 | \$ 15,009 | \$ 56,851 |
| | | | | GeoTabs (Term: 6/1/24-5/31/26) PO101582 | \$ 30,504 | \$ 31,520 | \$ 123,032 |
| | | | | Google Maps (Term: 3/9/24-3/28/26) PO101361 | \$ 2,499 | \$ 3,333 | \$ 10,830 |
| | | | | G-Suite (Google Workspace) (Term: 2/21/26) PO101997 | \$ 853 | \$ 909 | \$ 3,412 |

CALIFORNIA LOTTERY
FISCAL YEAR 2025-26 REVISED ANNUAL BUDGET
CONSULTING & PROFESSIONAL SERVICES LISTING (CONT.)

Contract/
PO Reference

| Div | Unit | Number | Code | Description | Quarter 1 | Quarter 2 |
|-----|------|--------|------|--|------------|------------|
| | | | | Honeywell Support (Term: 10/31/24-10/30/26) PO101852 | \$ 19,089 | \$ 19,089 |
| | | | | HP Proactive Insights (Term: 3/12/25-3/11/26) PO101976 | \$ 9,750 | \$ 9,750 |
| | | | | HPE ProLiant DL380 Gen10 (Backup VMS and Alarm Center) (Term: 8/28/24-8/27/29) PO101567 | \$ 129 | \$ 129 |
| | | | | HR Service Now Enterprise Software (ITSM/Health and Safety) (Renewal) (Term: 5/30/24-5/29/26) PO101585 | \$ 280,395 | \$ 280,395 |
| | | | | Infoblox Blox DNS and Threat Defense (Term: 7/18/24-7/17/25) PO101512 | \$ 7,374 | \$ 7,374 |
| | | | | Informacast (Term: 2/19/25-2/18/28) PO102164 | \$ 1,269 | \$ 1,269 |
| | | | | Internal Control Services and Tax System Services (Elsym) (TERM: 10/14/23-10/13/28) CN100960 | \$ 64,398 | \$ 64,398 |
| | | | | INTUNE: Software (Term: 2/4/25-2/4/28) PO102094 | \$ 57 | \$ 57 |
| | | | | ISO (ANSI) (Term: 9/1/24-8/31/26) PO101618 | \$ 2,142 | \$ 2,142 |
| | | | | Ivanti (Shavlik) (Term: 5/1/25-4/30/26) PO TBD | \$ 2,547 | \$ 2,547 |
| | | | | IXIA Maintenance Network Packet Broker (Term: 6/1/24-5/31/26) PO101390 | \$ 6,090 | \$ 6,090 |
| | | | | IXIA Vision Netflow License (Term: 1/25/25-1/24/26) PO101914 | \$ 153 | \$ 153 |
| | | | | Juniper EX4400 Switches (for old secure cards) (Term: 3/4/24-3/3/27 & 3/12/24-4/11/27) PO101427 | \$ 1,332 | \$ 1,332 |
| | | | | Juniper Mist Wireless (Term: 7/5/24-8/4/27) PO101674 | \$ 6,816 | \$ 6,816 |
| | | | | Juniper Network SUB EX48-2S1Y (Term: TBD) PO TBD | \$ 708 | \$ 708 |
| | | | | Knowbe4 Security Training Module (Term: TBD) PO TBD | \$ 3,084 | \$ 4,626 |
| | | | | Learning Management System Software Licenses (Cornerstone) (Term: 6/28/24-6/27/26) PO101496 | \$ 27,447 | \$ 27,447 |
| | | | | LexiPol (Term: 8/1/24-7/31/25) PO101788 | \$ 3,685 | \$ 3,801 |
| | | | | License Plate Reader (PO# 100797 Term: 6/1/23-5/31/26) PO100797 | \$ 678 | \$ 678 |
| | | | | LionBridge (Term: 4/12/25-4/11/26) SA102124 | \$ 26,433 | \$ 26,433 |

CALIFORNIA LOTTERY
FISCAL YEAR 2025-26 REVISED ANNUAL BUDGET
CONSULTING & PROFESSIONAL SERVICES LISTING (CONT.)

| Div | Unit | Contract/ PO Number | Reference Code | Description | Quarter 3 | Quarter 4 | Total Fiscal Year 2025 26 |
|-----|------|---------------------------|-------------------|--|------------|------------|---------------------------------|
| | | | | Honeywell Support (Term: 10/31/24-10/30/26) PO101852 | \$ 19,089 | \$ 19,089 | \$ 76,356 |
| | | | | HP Proactive Insights (Term: 3/12/25-3/11/26) PO101976 | \$ 10,075 | \$ 10,725 | \$ 40,300 |
| | | | | HPE ProLiant DL380 Gen10 (Backup VMS and Alarm Center) (Term: 8/28/24-8/27/29) PO101567 | \$ 129 | \$ 129 | \$ 516 |
| | | | | HR Service Now Enterprise Software (ITSM/Health and Safety) (Renewal) (Term: 5/30/24-5/29/26) PO101585 | \$ 280,395 | \$ 237,849 | \$ 1,079,034 |
| | | | | Infoblox Blox DNS and Threat Defense (Term: 7/18/24-7/17/25) PO101512 | \$ 7,374 | \$ 7,374 | \$ 29,496 |
| | | | | Informacast (Term: 2/19/25-2/18/28) PO102164 | \$ 1,269 | \$ 1,269 | \$ 5,076 |
| | | | | Internal Control Services and Tax System Services (Elsym) (TERM: 10/14/23-10/13/28) CN100960 | \$ 262,542 | \$ 64,398 | \$ 455,736 |
| | | | | INTUNE: Software (Term: 2/4/25-2/4/28) PO102094 | \$ 57 | \$ 57 | \$ 228 |
| | | | | ISO (ANSI) (Term: 9/1/24-8/31/26) PO101618 | \$ 2,142 | \$ 2,142 | \$ 8,568 |
| | | | | Ivanti (Shavlik) (Term: 5/1/25-4/30/26) PO TBD | \$ 2,547 | \$ 2,715 | \$ 10,356 |
| | | | | IXIA Maintenance Network Packet Broker (Term: 6/1/24-5/31/26) PO101390 | \$ 6,090 | \$ 4,060 | \$ 22,330 |
| | | | | IXIA Vision Netflow License (Term: 1/25/25-1/24/26) PO101914 | \$ 163 | \$ 2,400 | \$ 2,869 |
| | | | | Juniper EX4400 Switches (for old secure cards) (Term: 3/4/24-3/3/27 & 3/12/24-4/11/27) PO101427 | \$ 1,332 | \$ 1,332 | \$ 5,328 |
| | | | | Juniper Mist Wireless (Term: 7/5/24-8/4/27) PO101674 | \$ 6,816 | \$ 6,816 | \$ 27,264 |
| | | | | Juniper Network SUB EX48-2S1Y (Term: TBD) PO TBD | \$ 708 | \$ 780 | \$ 2,904 |
| | | | | Knowbe4 Security Training Module (Term: TBD) PO TBD | \$ 4,626 | \$ 4,626 | \$ 16,962 |
| | | | | Learning Management System Software Licenses (Cornerstone) (Term: 6/28/24-6/27/26) PO101496 | \$ 27,447 | \$ 27,447 | \$ 109,788 |
| | | | | LexiPol (Term: 8/1/24-7/31/25) PO101788 | \$ 3,801 | \$ 3,801 | \$ 15,088 |
| | | | | License Plate Reader (PO# 100797 Term: 6/1/23-5/31/26) PO100797 | \$ 678 | \$ 701 | \$ 2,735 |
| | | | | LionBridge (Term: 4/12/25-4/11/26) SA102124 | \$ 26,433 | \$ 28,195 | \$ 107,494 |

**CALIFORNIA LOTTERY
FISCAL YEAR 2025-26 REVISED ANNUAL BUDGET
CONSULTING & PROFESSIONAL SERVICES LISTING (CONT.)**

Contract/

PO Reference

| Div | Unit | Number | Code | Description | Quarter 1 | Quarter 2 |
|-----|------|--------|------|---|------------|------------|
| | | | | Liquid Files (Term: 05/12/23-05/11/26) | \$ 417 | \$ 417 |
| | | | | Litmus (Term: 9/30/24-9/29/25) PO101848 | \$ 15,618 | \$ 17,178 |
| | | | | LiveAction (Term: 11/09/24 - 11/08/26) PO101824 | \$ 7,431 | \$ 7,431 |
| | | | | Maxon Cinema 4D S22 Subscription (Term: 10/22/22-10/21/25) PO100326 | \$ 561 | \$ 599 |
| | | | | Meltwater (Term: TBD) PO TBD | \$ 30,561 | \$ 30,561 |
| | | | | Microsoft Azure (Microsoft Software Assurance/ Upgrades for Desktop/ Server/ Develop Platform) (Term: 03/01/23-02/28/26) PO100573 | \$ 511,557 | \$ 511,557 |
| | | | | Mobile Development Subscription (Apple Development Maintenance) (Term: 9/28/24-9/27/25) PO101679 | \$ 75 | \$ 75 |
| | | | | Mobile Testing Tool (Perfecto) (Term: 6/1/25-5/31/26) PO102200 | \$ 16,476 | \$ 16,476 |
| | | | | Netfile (Term: 12/1/24-11/30/27) PO101860 | \$ 1,326 | \$ 1,326 |
| | | | | Network Resiliency Equinix CoLocation (Term: TBD) PO TBD | \$ 60,000 | \$ 60,000 |
| | | | | ObserveIT Maintenance & Support (Term: 1/1/24-12/31/26) PO20358 | \$ 1,080 | \$ 1,080 |
| | | | | Palo Alto Firewalls (Network Resiliency Backup site BPP 102407) (Term: TBD) PO TBD | \$ 35,325 | \$ 35,325 |
| | | | | Palo Alto PA450 Support for RI (Term: 3/23/24-5/21/26) PO101489 | \$ 1,167 | \$ 1,167 |
| | | | | Papercut (Term: 11/20/21-11/19/25) PO101988 | \$ 3,906 | \$ 4,166 |
| | | | | PDF417 annual maintenance renewal (Microblink) (Term: 4/24/25-4/23/26) PO102085 | \$ 12,000 | \$ 12,000 |
| | | | | Posit (Term: TBD) PO TBD | \$ 7,500 | \$ 7,500 |
| | | | | Pure Storage Maintenance (Term: 2/12/24-2/11/29) PO101291 | \$ 6,330 | \$ 6,330 |
| | | | | PWS CDNNetworks (CDNetwork) (Term: 10/01/24-09/30/25) PO101779 | \$ 24,999 | \$ 27,501 |
| | | | | PWS Email Delivery Service (Sendgrid) (Term: 08/01/24-07/31/25) PO101487 | \$ 506 | \$ 549 |
| | | | | Question Pro (Term: 5/12/24-5/11/27) PO101596 | \$ 11,178 | \$ 11,178 |
| | | | | Rapid7 (Term: 9/30/24-10/29/25) PO101878 | \$ 40,962 | \$ 43,692 |

CALIFORNIA LOTTERY
FISCAL YEAR 2025-26 REVISED ANNUAL BUDGET
CONSULTING & PROFESSIONAL SERVICES LISTING (CONT.)

| Div | Unit | Contract/ PO Number | Reference Code | Description | Quarter 3 | Quarter 4 | Total Fiscal Year 2025 26 |
|-----|------|------------------------|-------------------|--|------------|------------|---------------------------------|
| | | | | Liquid Files (Term: 05/12/23-05/11/26) | \$ 417 | \$ 431 | \$ 1,682 |
| | | | | Litmus (Term: 9/30/24-9/29/25) | | | |
| | | | PO101848 | | \$ 17,178 | \$ 17,178 | \$ 67,152 |
| | | | | LiveAction (Term: 11/09/24 - 11/08/26) | | | |
| | | | PO101824 | | \$ 7,431 | \$ 7,431 | \$ 29,724 |
| | | | | Maxon Cinema 4D S22 Subscription (Term: 10/22/22-10/21/25) PO100326 | \$ 618 | \$ 618 | \$ 2,396 |
| | | | | Meltwater (Term: TBD) PO TBD | \$ 30,561 | \$ 33,615 | \$ 125,298 |
| | | | | Microsoft Azure (Microsoft Software Assurance/ Upgrades for Desktop/ Server/ Develop Platform) (Term: 03/01/23-02/28/26) PO100573 | \$ 528,609 | \$ 562,713 | \$ 2,114,436 |
| | | | | Mobile Development Subscription (Apple Development Maintenance) (Term: 9/28/24-9/27/25) PO101679 | \$ 75 | \$ 75 | \$ 300 |
| | | | | Mobile Testing Tool (Perfecto) (Term: 6/1/25-5/31/26) PO102200 | \$ 16,476 | \$ 17,026 | \$ 66,454 |
| | | | | Netfile (Term: 12/1/24-11/30/27) PO101860 | \$ 1,326 | \$ 1,326 | \$ 5,304 |
| | | | | Network Resiliency Equinix CoLocation (Term: TBD) PO TBD | \$ 60,000 | \$ 60,000 | \$ 240,000 |
| | | | | ObserveIT Maintenance & Support (Term: 1/1/24-12/31/26) PO20358 | \$ 1,080 | \$ 1,080 | \$ 4,320 |
| | | | | Palo Alto Firewalls (Network Resiliency Backup site BPP 102407) (Term: TBD) PO TBD | \$ 35,325 | \$ 35,325 | \$ 141,300 |
| | | | | Palo Alto PA450 Support for RI (Term: 3/23/24-5/21/26) PO101489 | \$ 1,167 | \$ 778 | \$ 4,279 |
| | | | | Papercut (Term: 11/20/21-11/19/25) PO101988 | \$ 4,296 | \$ 4,296 | \$ 16,664 |
| | | | | PDF417 annual maintenance renewal (Microblink) (Term: 4/24/25-4/23/26) PO102085 | \$ 12,000 | \$ 12,800 | \$ 48,800 |
| | | | | Posit (Term: TBD) PO TBD | \$ 7,500 | \$ 7,750 | \$ 30,250 |
| | | | | Pure Storage Maintenance (Term: 2/12/24-2/11/29) PO101291 | \$ 6,330 | \$ 6,330 | \$ 25,320 |
| | | | | PWS CDNetworks (CDNetwork) (Term: 10/01/24-09/30/25) PO101779 | \$ 27,501 | \$ 27,501 | \$ 107,502 |
| | | | | PWS Email Delivery Service (Sendgrid) (Term: 08/01/24-07/31/25) PO101487 | \$ 549 | \$ 549 | \$ 2,153 |
| | | | | Question Pro (Term: 5/12/24-5/11/27) PO101596 | \$ 11,178 | \$ 11,178 | \$ 44,712 |
| | | | | Rapid7 (Term: 9/30/24-10/29/25) PO101878 | \$ 45,057 | \$ 45,057 | \$ 174,768 |

CALIFORNIA LOTTERY
FISCAL YEAR 2025-26 REVISED ANNUAL BUDGET
CONSULTING & PROFESSIONAL SERVICES LISTING (CONT.)

Contract/
PO Reference

| Div | Unit | Number | Code | Description | Quarter 1 | Quarter 2 |
|-----|------|--------|------|---|-----------|-----------|
| | | | | Razl License (Term:5//25-5/9/26) PO102158 | \$ 54 | \$ 54 |
| | | | | RELX-Accurint/Lexis Nexis (Term: 12/31/24-12/30/25) PO101827 | \$ 5,754 | \$ 5,754 |
| | | | | Right Click Tools (Term: 01/01/25-12/31/26) PO101890 | \$ 6,384 | \$ 6,384 |
| | | | | RIMS Software (Term: 10/01/24-9/30/26) PO101833 | \$ 7,302 | \$ 7,302 |
| | | | | Runscope (Term: 5/18/25-5/17/28) PO102214 | \$ 2,805 | \$ 2,805 |
| | | | | Secure CRT (Term: 02/03/25-02/02/28) PO101931 | \$ 93 | \$ 93 |
| | | | | Server Warranty HPE ProLiant DL380 Gen11 (Backup VMS and Alarm Center) (Term: 2/2/24-2/1/29) PO101196 | \$ 6,330 | \$ 6,330 |
| | | | | Service Now Employee Document Module (Term: TBD) PO TBD | \$ 17,499 | \$ 17,499 |
| | | | | Sharegate Licenses (Term: 3/26/24-3/25/26) PO101329 | \$ 1,725 | \$ 1,725 |
| | | | | SharePoint Dashboards (Term: TBD) PO TBD | \$ 111 | \$ 111 |
| | | | | SIEM Subscription (Splunk) (Term: 08/01/24-07/31/25) PO101602 | \$ 62,496 | \$ 64,449 |
| | | | | SiteCore (Term: 12/11/24-12/10/27) PO102001 | \$ 0 | \$ 0 |
| | | | | Snagit 2019 (Term: 09/20/23-09/20/26) PO100893 | \$ 159 | \$ 159 |
| | | | | SolarWinds Server Lic (Incl Network Topology/Mapper) (Term: 3/2/25-3/2/26) PO101970 | \$ 7,719 | \$ 7,719 |
| | | | | Spider License (Term: 7/29/24-7/30/25) PO101771 | \$ 96 | \$ 99 |
| | | | | Support: Dell PowerEdge R440 - P-ICS 1/C-ICS 1 (Term: 3/1/25-2/28/27) PO102093 | \$ 450 | \$ 450 |
| | | | | Support: Juniper Maintenance (Term: 04/01/24-05/10/26) PO102010 | \$ 46,086 | \$ 46,086 |
| | | | | Support: Juniper Refresh SW and HW Support (Term: 2/01/23-01/31/26) PO100554 | \$ 57,030 | \$ 57,030 |
| | | | | Support: Juniper Switches for NDC (Term: 5/12/24-5/10/26) PO101388 | \$ 510 | \$ 510 |
| | | | | Support: Palo Alto Bundle Premium Support (Term: 9/3/23-9/2/26) PO100873 | \$ 6,267 | \$ 6,267 |

CALIFORNIA LOTTERY
FISCAL YEAR 2025-26 REVISED ANNUAL BUDGET
CONSULTING & PROFESSIONAL SERVICES LISTING (CONT.)

| Div | Unit | Contract/ PO Number | Reference Code | Description | Quarter 3 | Quarter 4 | Total Fiscal Year 2025 26 |
|-----|------|------------------------|-------------------|--|-----------|-----------|---------------------------------|
| | | | | Razl License (Term:5//25-5/9/26) PO102158 | \$ 54 | \$ 58 | \$ 220 |
| | | | | RELX-Accurint/Lexis Nexis (Term: 12/31/24-12/30/25) PO101827 | \$ 6,330 | \$ 6,330 | \$ 24,168 |
| | | | | Right Click Tools (Term: 01/01/25-12/31/26) PO101890 | \$ 7,023 | \$ 7,023 | \$ 26,814 |
| | | | | RIMS Software (Term: 10/01/24-9/30/26) PO101833 | \$ 7,302 | \$ 7,302 | \$ 29,208 |
| | | | | Runscope (Term: 5/18/25-5/17/28) PO102214 | \$ 2,805 | \$ 2,898 | \$ 11,313 |
| | | | | Secure CRT (Term: 02/03/25-02/02/28) PO101931 | \$ 93 | \$ 93 | \$ 372 |
| | | | | Server Warranty HPE ProLiant DL380 Gen11 (Backup VMS and Alarm Center) (Term: 2/2/24-2/1/29) PO101196 | \$ 6,330 | \$ 6,330 | \$ 25,320 |
| | | | | Service Now Employee Document Module (Term: TBD) PO TBD | \$ 17,499 | \$ 5,833 | \$ 58,330 |
| | | | | Sharegate Licenses (Term: 3/26/24-3/25/26) PO101329 | \$ 1,725 | \$ 1,896 | \$ 7,071 |
| | | | | SharePoint Dashboards (Term: TBD) PO TBD | \$ 111 | \$ 123 | \$ 456 |
| | | | | SIEM Subscription (Splunk) (Term: 08/01/24-07/31/25) PO101602 | \$ 64,449 | \$ 64,449 | \$ 255,843 |
| | | | | SiteCore (Term: 12/11/24-12/10/27) PO102001 | \$ 0 | \$ 0 | \$ 0 |
| | | | | Snagit 2019 (Term: 09/20/23-09/20/26) PO100893 | \$ 159 | \$ 159 | \$ 636 |
| | | | | SolarWinds Server Lic (Incl Network Topology/Mapper) (Term: 3/2/25-3/2/26) PO101970 | \$ 7,976 | \$ 8,490 | \$ 31,904 |
| | | | | Spider License (Term: 7/29/24-7/30/25) PO101771 | \$ 99 | \$ 99 | \$ 393 |
| | | | | Support: Dell PowerEdge R440 - P- ICS 1/C-ICS 1 (Term: 3/1/25-2/28/27) PO102093 | \$ 450 | \$ 450 | \$ 1,800 |
| | | | | Support: Juniper Maintenance (Term: 04/01/24-05/10/26) PO102010 | \$ 46,086 | \$ 0 | \$ 138,258 |
| | | | | Support: Juniper Refresh SW and HW Support (Term: 2/01/23-01/31/26) PO100554 | \$ 62,733 | \$ 62,733 | \$ 239,526 |
| | | | | Support: Juniper Switches for NDC (Term: 5/12/24-5/10/26) PO101388 | \$ 510 | \$ 60,000 | \$ 61,530 |
| | | | | Support: Palo Alto Bundle Premium Support (Term: 9/3/23-9/2/26) PO100873 | \$ 6,267 | \$ 6,267 | \$ 25,068 |

CALIFORNIA LOTTERY
FISCAL YEAR 2025-26 REVISED ANNUAL BUDGET
CONSULTING & PROFESSIONAL SERVICES LISTING (CONT.)

Contract/
PO Reference

| Div | Unit | Number | Code | Description | Quarter 1 | Quarter 2 |
|-----|------|--------|------|---|------------|------------|
| | | | | Support: Palo Alto Maintenance Support for Subscriptions and Services (05/21/23- 05/20/26) PO100787 | \$ 103,305 | \$ 103,305 |
| | | | | Support:VxRail Server Maintenance (Term: 3/31/25-3/30/26) PO102133 | \$ 11,772 | \$ 11,772 |
| | | | | TransUnion Risk and Alternative Data Solutions (Term: 5/1/24-4/30/27) PO101592 | \$ 5,211 | \$ 5,211 |
| | | | | UltraEdit Software License (Term: 08/18/24-08/17/26) PO101563A1 | \$ 237 | \$ 237 |
| | | | | Unicom (SPSS) (Term: 4/15/25-4/14/27) PO102129 | \$ 4,113 | \$ 4,113 |
| | | | | Unified Support Performance Level (Microsoft Premier) (Term: 7/15/24-7/14/25) PO101683 | \$ 201,063 | \$ 201,063 |
| | | | | Universal Image Utility (Term: 4/12/24-4/11/27) PO101303 | \$ 1,023 | \$ 1,023 |
| | | | | Varonis (Term: 3/31/25-3/30/26) PO101961 | \$ 62,460 | \$ 62,460 |
| | | | | Veeam Backup/Recovery (Term: 3/8/24-3/27/28) SA101421 | \$ 13,203 | \$ 13,203 |
| | | | | Venngage (Term: 7/23/24-7/22/25) PO101698 | \$ 885 | \$ 912 |
| | | | | Vigilant LEARN (Term: 3/8/25-3/7/28) PO101996 | \$ 678 | \$ 678 |
| | | | | VMWare vSphere Support (Term: 10/8/24-10/7/25) PO101978 | \$ 20,727 | \$ 22,800 |
| | | | | Web Application Firewall (Silverline) (Term: 10/06/24-10/05/25) PO101877 | \$ 37,146 | \$ 40,860 |
| | | | | Web Simple (Term: 9/1/24-8/31/25) PO101835 | \$ 155 | \$ 165 |
| | | | | Workiva Wdesk Software Subscription w/Wdata (Term: 12/29/25 - 12/28/26) | \$ 42,685 | \$ 42,685 |
| | | | | Xmedius Digital Fax Solution (Term: TBD) PO TBD | \$ 801 | \$ 801 |
| | | | | YouTube (Term: 2/23/25-2/23/26) PO TBD | \$ 876 | \$ 876 |
| | | | | Zapier Software (Term: 11/01/24-10/31/25) PO101813 | \$ 147 | \$ 157 |
| | | | | Zembula (Term: 2/8/25-2/7/26) PO102066 | \$ 24,999 | \$ 24,999 |
| | | | | CISSP Certification and Renewals (annual) | 450 | 450 |

CALIFORNIA LOTTERY
FISCAL YEAR 2025-26 REVISED ANNUAL BUDGET
CONSULTING & PROFESSIONAL SERVICES LISTING (CONT.)

| Div | Unit | Contract/ PO Number | Reference Code | Description | Quarter 3 | Quarter 4 | Total Fiscal Year 2025 26 |
|-----|------|------------------------|-------------------|--|------------|------------|---------------------------------|
| | | | | Support: Palo Alto Maintenance Support for Subscriptions and Services (05/21/23- 05/20/26) PO100787 | \$ 103,305 | \$ 103,875 | \$ 413,790 |
| | | | | Support: VxRail Server Maintenance (Term: 3/31/25-3/30/26) PO102133 | \$ 11,772 | \$ 12,948 | \$ 48,264 |
| | | | | TransUnion Risk and Alternative Data Solutions (Term: 5/1/24-4/30/27) PO101592 | \$ 5,211 | \$ 5,211 | \$ 20,844 |
| | | | | UltraEdit Software License (Term: 08/18/24-08/17/26) PO101563A1 | \$ 237 | \$ 237 | \$ 948 |
| | | | | Unicom (SPSS) (Term: 4/15/25-4/14/27) PO102129 | \$ 4,113 | \$ 4,524 | \$ 16,863 |
| | | | | Unified Support Performance Level (Microsoft Premier) (Term: 7/15/24-7/14/25) PO101683 | \$ 201,063 | \$ 201,063 | \$ 804,252 |
| | | | | Universal Image Utility (Term: 4/12/24-4/11/27) PO101303 | \$ 1,023 | \$ 1,023 | \$ 4,092 |
| | | | | Varonis (Term: 3/31/25-3/30/26) PO101961 | \$ 62,460 | \$ 68,703 | \$ 256,083 |
| | | | | Veeam Backup/Recovery (Term: 3/8/24-3/27/28) SA101421 | \$ 13,203 | \$ 13,203 | \$ 52,812 |
| | | | | Venngage (Term: 7/23/24-7/22/25) PO101698 | \$ 912 | \$ 912 | \$ 3,621 |
| | | | | Vigilant LEARN (Term: 3/8/25-3/7/28) PO101996 | \$ 678 | \$ 678 | \$ 2,712 |
| | | | | VMWare vSphere Support (Term: 10/8/24-10/7/25) PO101978 | \$ 22,800 | \$ 22,800 | \$ 89,127 |
| | | | | Web Application Firewall (Silverline) (Term: 10/06/24-10/05/25) PO101877 | \$ 40,860 | \$ 40,860 | \$ 159,726 |
| | | | | Web Simple (Term: 9/1/24-8/31/25) PO101835 | \$ 165 | \$ 165 | \$ 650 |
| | | | | Workiva Wdesk Software Subscription w/Wdata (Term: 12/29/25 - 12/28/26) | \$ 42,685 | \$ 42,685 | \$ 170,740 |
| | | | | Xmedius Digital Fax Solution (Term: TBD) PO TBD | \$ 801 | \$ 827 | \$ 3,230 |
| | | | | YouTube (Term: 2/23/25-2/23/26) PO TBD | \$ 905 | \$ 963 | \$ 3,620 |
| | | | | Zapier Software (Term: 11/01/24-10/31/25) PO101813 | \$ 162 | \$ 162 | \$ 628 |
| | | | | Zembula (Term: 2/8/25-2/7/26) PO102066 | \$ 26,667 | \$ 27,501 | \$ 104,166 |
| | | | | CISSP Certification and Renewals (annual) | 450 | 450 | 1800 |

**CALIFORNIA LOTTERY
FISCAL YEAR 2025-26 REVISED ANNUAL BUDGET
CONSULTING & PROFESSIONAL SERVICES LISTING (CONT.)**

Contract/

PO

Reference

| Div | Unit | Number | Code | Description | Quarter 1 | Quarter 2 |
|-----|--------|--------|------|---|------------|------------|
| | | | | HR (Service Now HR Module)(KPMG) (Term: 5/30/23-5/29/26) SA100685 | \$ 198,999 | \$ 0 |
| | | | | IT Research Advise (InfoTech) (Term: TBD) PO TBD | \$ 43,251 | \$ 43,251 |
| | | | | PMI/PMP Memberships (annual) -Various | \$ 330 | \$ 330 |
| | 100018 | | | HQ Door Access Control upgrade (Term: TBD) PO TBD | \$ 0 | \$ 300,000 |
| | 102502 | | | Lottery HQ Pavilion and Lobby Audio Visual (AV) Upgrades (Term: TBD) PO TBD | \$ 0 | \$ 333,333 |
| | 102612 | | | New HR Service Center (Term: TBD) PO TBD | \$ 437,499 | \$ 437,499 |

California Department of Technology (CDT-Office365)
Office of the State Chief Information Officer (Ongoing- No Term date)

08 SALES AND MARKETING DIVISION

1805

Marketing Department

External Contracts:

None. \$ 0 \$ 0

Subtotal, External Contracts, Sales & Marketing Division

\$ 0 \$ 0

CALIFORNIA LOTTERY
FISCAL YEAR 2025-26 REVISED ANNUAL BUDGET
CONSULTING & PROFESSIONAL SERVICES LISTING (CONT.)

| Div | Unit | Contract/ PO Number | Reference Code | Description | Quarter 3 | Quarter 4 | Total Fiscal Year 2025 26 |
|-----|------|---------------------------|-------------------|---|------------|------------|---------------------------------|
| | | | | HR (Service Now HR Module)(KPMG) (Term: 5/30/23-5/29/26) SA100685 | \$ 0 | \$ 0 | \$ 198,999 |
| | | | | IT Research Advise (InfoTech) (Term: TBD) PO TBD | \$ 43,251 | \$ 43,251 | \$ 173,004 |
| | | | | PMI/PMP Memberships (annual) - Various | \$ 330 | \$ 330 | \$ 1,320 |
| | | 100018 | | HQ Door Access Control upgrade (Term: TBD) PO TBD | \$ 300,000 | \$ 300,000 | \$ 900,000 |
| | | 102502 | | Lottery HQ Pavilion and Lobby Audio Visual (AV) Upgrades (Term: TBD) PO TBD | \$ 333,333 | \$ 333,333 | \$ 999,999 |
| | | 102612 | | New HR Service Center (Term: TBD) PO TBD | \$ 437,499 | \$ 437,499 | \$ 1,749,996 |

California Department of Technology
(CDT-Office365)
Office of the State Chief Information
Officer (Ongoing- No Term date)

08 SALES AND MARKETING DIVISION

| | | | | | | | |
|-------------|---|----|----------|----|----------|----|----------|
| 1805 | Marketing Department | | | | | | |
| | <u>External Contracts:</u> | | | | | | |
| | None. | \$ | 0 | \$ | 0 | \$ | 0 |
| | Subtotal, External Contracts, Sales & Marketing Division | \$ | 0 | \$ | 0 | \$ | 0 |

**CALIFORNIA LOTTERY
FISCAL YEAR 2025-26 REVISED ANNUAL BUDGET
CONSULTING & PROFESSIONAL SERVICES LISTING (CONT.)**

Contract/

PO

Reference

| Div | Unit | Number | Code | Description | Quarter 1 | Quarter 2 |
|-----|------|--------|------|-------------|-----------|-----------|
|-----|------|--------|------|-------------|-----------|-----------|

| | | | | | | |
|--|--|--|--|--------------------------------|-------------|-------------|
| | | | | Reimbursable Fingerprint Costs | \$ (18,000) | \$ (18,000) |
|--|--|--|--|--------------------------------|-------------|-------------|

| | | | | | | |
|--|--|--|--|--|-------------|-------------|
| | | | | Reimbursable Scratchers Research - Sci Games | \$ (25,000) | \$ (25,000) |
|--|--|--|--|--|-------------|-------------|

| | | | | | | |
|--|--|--|--|--|--------------|--------------|
| | | | | Historical Spending Reduction - Contractual Services | \$ (499,569) | \$ (500,000) |
|--|--|--|--|--|--------------|--------------|

| | | | | | | |
|--|--|--|--|---------------------------|-------------|--------------|
| | | | | Total, External Contracts | \$6,283,584 | \$10,020,263 |
|--|--|--|--|---------------------------|-------------|--------------|

| | | | | | | |
|--|--|--|--|-------------------------------|-------------|--------------|
| | | | | Total, Interagency Agreements | \$1,437,127 | \$ 1,433,117 |
|--|--|--|--|-------------------------------|-------------|--------------|

| | | | | | | |
|--|--|--|--|------------------------------|----------|----------|
| | | | | Total, Contracted Legal Fees | \$ 7,917 | \$ 7,917 |
|--|--|--|--|------------------------------|----------|----------|

| | | | | | | |
|--|--|--|--|---------------------------|--------------|--------------|
| | | | | Total, Reimbursable Costs | \$ (542,569) | \$ (543,000) |
|--|--|--|--|---------------------------|--------------|--------------|

| | | | | | | |
|--|--|--|--|--|--------------------|---------------------|
| | | | | TOTAL, FY2025-26 CONTRACTUAL SERVICES | \$7,186,059 | \$10,918,297 |
|--|--|--|--|--|--------------------|---------------------|

CALIFORNIA LOTTERY
FISCAL YEAR 2025-26 REVISED ANNUAL BUDGET
CONSULTING & PROFESSIONAL SERVICES LISTING (CONT.)

| Div | Unit | Contract/ PO Number | Reference Code | Description | Quarter 3 | Quarter 4 | Total Fiscal Year 2025 26 |
|-----|------|---------------------------|-------------------|---|---------------------|---------------------|---------------------------------|
| | | | | Reimbursable Fingerprint Costs | \$ (18,000) | \$ (18,000) | \$ (72,000) |
| | | | | Reimbursable Scratchers Research - Sci Games | \$ (25,000) | \$ (25,000) | \$ (100,000) |
| | | | | Historical Spending Reduction - Contractual Services | \$ (500,000) | \$ (500,000) | \$ (1,999,569) |
| | | | | | | | |
| | | | | Total, External Contracts | \$ 8,896,801 | \$ 8,526,933 | \$ 33,727,581 |
| | | | | Total, Interagency Agreements | \$ 1,431,617 | \$ 1,432,018 | \$ 5,733,881 |
| | | | | Total, Contracted Legal Fees | \$ 7,917 | \$ 7,917 | \$ 31,667 |
| | | | | Total, Reimbursable Costs | \$ (543,000) | \$ (543,000) | \$ (2,171,569) |
| | | | | | | | |
| | | | | TOTAL, FY2025-26 CONTRACTUAL SERVICES | \$ 9,793,335 | \$ 9,423,868 | \$ 37,321,560 |

Depreciation Costs

FY 2025-26 REVISED ANNUAL DEPRECIATION COSTS

(Dollars in Thousands)

| ACTUAL DEPRECIATION BY ACCOUNT CODE: | | ASSET COSTS | FY 2024-25 | | | | | TOTAL |
|---|---------------------------------|-------------------|-----------------|-----------------|-----------------|-----------------|------------------|-------|
| | | | QTR 1 | QTR 2 | QTR 3 | QTR 4 | | |
| 65110 | GAMING EQUIPMENT | \$ 60,067 | \$ 441 | \$ 441 | \$ 441 | \$ 401 | \$ 1,725 | |
| 65140 | VENDING MACHINES | \$ 58,188 | \$ 966 | \$ 939 | \$ 939 | \$ 760 | \$ 3,604 | |
| | Subtotal - Gaming | \$ 118,255 | \$ 1,407 | \$ 1,381 | \$ 1,381 | \$ 1,161 | \$ 5,329 | |
| 65120 | SOFTWARE | \$ 19,819 | \$ 409 | \$ 409 | \$ 409 | \$ 409 | \$ 1,637 | |
| 65130 | AUDIO/VIDEO EQUIPMENT | \$ 511 | \$ 3 | \$ 2 | \$ 2 | \$ 2 | \$ 10 | |
| 65150 | LEASEHOLD IMPROVEMENTS | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | |
| | LAND | \$ 18,798 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | |
| 65160 | BUILDINGS | \$ 163,661 | \$ 1,045 | \$ 1,056 | \$ 1,078 | \$ 1,078 | \$ 4,257 | |
| 65170 | NON BUILDING IMPROVEMENTS | \$ 2,218 | \$ 13 | \$ 13 | \$ 13 | \$ 13 | \$ 53 | |
| 65180 | DATA PROCESSING EQUIPMENT | \$ 6,880 | \$ 71 | \$ 64 | \$ 57 | \$ 57 | \$ 249 | |
| 65190 | OFFICE EQUIPMENT | \$ 5,639 | \$ 17 | \$ 17 | \$ 17 | \$ 17 | \$ 66 | |
| 65200 | VEHICLES | \$ 11,646 | \$ 252 | \$ 246 | \$ 205 | \$ 99 | \$ 802 | |
| 65210 | OTHER EQUIPMENT | \$ 2,080 | \$ 28 | \$ 32 | \$ 42 | \$ 42 | \$ 144 | |
| 65220 | WAREHOUSE EQUIPMENT | \$ 1,353 | \$ 1 | \$ 1 | \$ 1 | \$ 0 | \$ 3 | |
| 65230 | MOBILE EQUIPMENT | \$ 784 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | |
| | CAPITALIZED LABOR COSTS | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | |
| | TOTAL ACTUAL CHARGES | \$ 351,644 | \$ 3,246 | \$ 3,222 | \$ 3,204 | \$ 2,879 | \$ 12,550 | |

FY 2025-26 REVISED ANNUAL DEPRECIATION COSTS (CONT.)
(Dollars in Thousands)

**APPROVED FUNDS FOR FY
2025-26:**

| 2025-26: | | ASSET COSTS | FY 2024-25 | | | | | TOTAL |
|----------|---------------------------|-------------|------------|-------|--------|--------|--------|-------|
| | | | QTR 1 | QTR 2 | QTR 3 | QTR 4 | | |
| 65110 | GAMING EQUIPMENT | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 0 |
| 65140 | VENDING MACHINES | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 0 |
| | Subtotal - Gaming | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 0 |
| 65120 | SOFTWARE | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 0 |
| 65130 | AUDIO/VIDEO EQUIPMENT | \$ 230 | \$ 8 | \$ 12 | \$ 12 | \$ 12 | \$ 12 | 42 |
| 65150 | LEASEHOLD IMPROVEMENTS | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 0 |
| | LAND | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 0 |
| 65160 | BUILDINGS | \$ 300 | \$ 8 | \$ 8 | \$ 8 | \$ 8 | \$ 8 | 30 |
| 65170 | NON BUILDING IMPROVEMENTS | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 0 |
| 65180 | DATA PROCESSING EQUIPMENT | \$ 726 | \$ 40 | \$ 61 | \$ 61 | \$ 61 | \$ 61 | 222 |
| 65190 | OFFICE EQUIPMENT | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 0 |
| 65200 | VEHICLES | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 0 |
| 65210 | OTHER EQUIPMENT | \$ 150 | \$ 0 | \$ 0 | \$ 8 | \$ 8 | \$ 8 | 15 |
| 65220 | WAREHOUSE EQUIPMENT | \$ 260 | \$ 4 | \$ 13 | \$ 13 | \$ 13 | \$ 13 | 43 |
| 65230 | MOBILE EQUIPMENT | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 0 |
| | TOTAL BUDGETED AMOUNTS | \$ 1,666 | \$ 60 | \$ 93 | \$ 100 | \$ 100 | \$ 100 | 352 |

FY 2025-26 REVISED ANNUAL DEPRECIATION COSTS (CONT.)
(Dollars in Thousands)

| GRAND TOTAL: | | ASSET COSTS | FY 2024-25 | | | | |
|--------------|---------------------------|-------------|------------|----------|----------|----------|-----------|
| | | | QTR 1 | QTR 2 | QTR 3 | QTR 4 | TOTAL |
| 65110 | GAMING EQUIPMENT | \$ 60,067 | \$ 441 | \$ 441 | \$ 441 | \$ 401 | \$ 1,725 |
| 65140 | VENDING MACHINES | \$ 58,188 | \$ 966 | \$ 939 | \$ 939 | \$ 760 | \$ 3,604 |
| | Subtotal - Gaming | \$ 118,255 | \$ 1,407 | \$ 1,381 | \$ 1,381 | \$ 1,161 | \$ 5,329 |
| | | 0 | | | | | |
| 65120 | SOFTWARE | \$ 19,819 | \$ 409 | \$ 409 | \$ 409 | \$ 409 | \$ 1,637 |
| 65130 | AUDIO/VIDEO EQUIPMENT | \$ 741 | \$ 10 | \$ 14 | \$ 14 | \$ 14 | \$ 52 |
| 65150 | LEASEHOLD IMPROVEMENTS | \$ — | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| | LAND | \$ 18,798 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| 65160 | BUILDINGS | \$ 163,961 | \$ 1,052 | \$ 1,063 | \$ 1,086 | \$ 1,086 | \$ 4,287 |
| 65170 | NON BUILDING IMPROVEMENTS | \$ 2,218 | \$ 13 | \$ 13 | \$ 13 | \$ 13 | \$ 53 |
| 65180 | DATA PROCESSING EQUIPMENT | \$ 7,606 | \$ 111 | \$ 124 | \$ 117 | \$ 117 | \$ 471 |
| 65190 | OFFICE EQUIPMENT | \$ 5,639 | \$ 17 | \$ 17 | \$ 17 | \$ 17 | \$ 66 |
| 65200 | VEHICLES | \$ 11,646 | \$ 252 | \$ 246 | \$ 205 | \$ 99 | \$ 802 |
| 65210 | OTHER EQUIPMENT | \$ 2,230 | \$ 28 | \$ 32 | \$ 49 | \$ 49 | \$ 159 |
| 65220 | WAREHOUSE EQUIPMENT | \$ 1,613 | \$ 5 | \$ 14 | \$ 14 | \$ 13 | \$ 46 |
| 65230 | MOBILE EQUIPMENT | \$ 784 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| | CAPITALIZED LABOR COSTS | \$ 1,666 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| | TOTAL | \$ 353,310 | \$ 3,306 | \$ 3,314 | \$ 3,304 | \$ 2,979 | \$ 12,902 |

FY 2025-26 REVISED ANNUAL DEPRECIATION COSTS (CONT.)
(Dollars in Thousands)

| ACTUAL DEPRECIATION BY ACCOUNT CODE: | | ASSET COSTS | FY 2025-26 | | | | |
|---|------------------------------|----------------|------------|----------|----------|----------|-----------|
| | | | QTR 1 | QTR 2 | QTR 3 | QTR 4 | TOTAL |
| 65110 | GAMING EQUIPMENT | \$ 54,797 | \$ 328 | \$ 328 | \$ 328 | \$ 145 | \$ 1,128 |
| 65140 | VENDING MACHINES | \$ 58,065 | \$ 755 | \$ 653 | \$ 571 | \$ 492 | \$ 2,472 |
| | Subtotal - Gaming | \$ 112,862 | \$ 1,082 | \$ 981 | \$ 899 | \$ 637 | \$ 3,599 |
| 65120 | SOFTWARE | \$ 19,715 | \$ 425 | \$ 433 | \$ 447 | \$ 447 | \$ 1,753 |
| 65130 | AUDIO/VIDEO EQUIPMENT | \$ 553 | \$ 6 | \$ 6 | \$ 6 | \$ 6 | \$ 23 |
| 65150 | LEASEHOLD IMPROVEMENTS | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| | LAND | \$ 18,798 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| 65160 | BUILDINGS | \$ 165,228 | \$ 1,061 | \$ 1,072 | \$ 1,096 | \$ 1,096 | \$ 4,325 |
| 65170 | NON BUILDING IMPROVEMENTS | \$ 2,218 | \$ 13 | \$ 13 | \$ 13 | \$ 13 | \$ 53 |
| 65180 | DATA PROCESSING EQUIPMENT | \$ 6,542 | \$ 71 | \$ 71 | \$ 60 | \$ 40 | \$ 243 |
| 65190 | OFFICE EQUIPMENT | \$ 5,835 | \$ 25 | \$ 25 | \$ 25 | \$ 25 | \$ 99 |
| 65200 | VEHICLES | \$ 10,732 | \$ 86 | \$ 85 | \$ 85 | \$ 84 | \$ 340 |
| 65210 | OTHER EQUIPMENT | \$ 2,303 | \$ 35 | \$ 40 | \$ 51 | \$ 51 | \$ 177 |
| 65220 | WAREHOUSE EQUIPMENT | \$ 1,295 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| 65230 | MOBILE EQUIPMENT | \$ 784 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| | CAPITALIZED LABOR COSTS | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| | TOTAL ACTUAL CHARGES | \$ 346,866 | \$ 2,805 | \$ 2,726 | \$ 2,682 | \$ 2,399 | \$ 10,613 |

FY 2025-26 REVISED ANNUAL DEPRECIATION COSTS (CONT.)
(Dollars in Thousands)

**APPROVED FUNDS FOR FY
2025-26:**

| 2025-26: | | ASSET COSTS | FY 2025-26 | | | | |
|----------|---------------------------|-------------|------------|--------|--------|--------|--------|
| | | | QTR 1 | QTR 2 | QTR 3 | QTR 4 | TOTAL |
| 65110 | GAMING EQUIPMENT | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| 65140 | VENDING MACHINES | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| | Subtotal - Gaming | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| 65120 | SOFTWARE | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| 65130 | AUDIO/VIDEO EQUIPMENT | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| 65150 | LEASEHOLD IMPROVEMENTS | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| | LAND | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| 65160 | BUILDINGS | \$ 2,254 | \$ 14 | \$ 14 | \$ 14 | \$ 14 | \$ 57 |
| 65170 | NON BUILDING IMPROVEMENTS | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| 65180 | DATA PROCESSING EQUIPMENT | \$ 1,250 | \$ 104 | \$ 104 | \$ 104 | \$ 104 | \$ 417 |
| 65190 | OFFICE EQUIPMENT | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| 65200 | VEHICLES | \$ 2,222 | \$ 221 | \$ 111 | \$ 111 | \$ 111 | \$ 443 |
| 65210 | OTHER EQUIPMENT | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| 65220 | WAREHOUSE EQUIPMENT | \$ 388 | \$ 14 | \$ 14 | \$ 19 | \$ 19 | \$ 68 |
| 65230 | MOBILE EQUIPMENT | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| | TOTAL BUDGETED AMOUNTS | \$ 6,114 | \$ 133 | \$ 353 | \$ 249 | \$ 249 | \$ 984 |

FY 2025-26 REVISED ANNUAL DEPRECIATION COSTS (CONT.)
(Dollars in Thousands)

| GRAND TOTAL: | | ASSET COSTS | FY 2025-26 | | | | | TOTAL |
|--------------|---------------------------|-------------|------------|----------|----------|----------|-----------|-------|
| | | | QTR 1 | QTR 2 | QTR 3 | QTR 4 | | |
| 65110 | GAMING EQUIPMENT | \$ 54,797 | \$ 328 | \$ 328 | \$ 328 | \$ 145 | \$ 1,128 | |
| 65140 | VENDING MACHINES | \$ 58,065 | \$ 755 | \$ 653 | \$ 571 | \$ 492 | \$ 2,472 | |
| | Subtotal - Gaming | \$ 112,862 | \$ 1,082 | \$ 981 | \$ 899 | \$ 637 | \$ 3,599 | |
| 65120 | SOFTWARE | \$ 19,715 | \$ 425 | \$ 433 | \$ 447 | \$ 447 | \$ 1,753 | |
| 65130 | AUDIO/VIDEO EQUIPMENT | \$ 553 | \$ 6 | \$ 6 | \$ 6 | \$ 6 | \$ 23 | |
| 65150 | LEASEHOLD IMPROVEMENTS | \$ — | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | |
| | LAND | \$ 18,798 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | |
| 65160 | BUILDINGS | \$ 167,482 | \$ 1,075 | \$ 1,087 | \$ 1,110 | \$ 1,110 | \$ 4,382 | |
| 65170 | NON BUILDING IMPROVEMENTS | \$ 2,218 | \$ 13 | \$ 13 | \$ 13 | \$ 13 | \$ 53 | |
| 65180 | DATA PROCESSING EQUIPMENT | \$ 7,792 | \$ 175 | \$ 175 | \$ 165 | \$ 144 | \$ 660 | |
| 65190 | OFFICE EQUIPMENT | \$ 5,835 | \$ 25 | \$ 25 | \$ 25 | \$ 25 | \$ 99 | |
| 65200 | VEHICLES | \$ 12,954 | \$ 86 | \$ 305 | \$ 196 | \$ 195 | \$ 782 | |
| 65210 | OTHER EQUIPMENT | \$ 2,303 | \$ 35 | \$ 40 | \$ 51 | \$ 51 | \$ 177 | |
| 65220 | WAREHOUSE EQUIPMENT | \$ 1,683 | \$ 14 | \$ 14 | \$ 19 | \$ 19 | \$ 68 | |
| 65230 | MOBILE EQUIPMENT | \$ 784 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | |
| | CAPITALIZED LABOR COSTS | \$ 6,114 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | |
| | TOTAL | \$ 352,980 | \$ 2,938 | \$ 3,080 | \$ 2,931 | \$ 2,648 | \$ 11,597 | |

Performance Measures

Ad Tracker surveys are conducted in the designated marketing viewing areas immediately following the campaigns. The Ad Tracker is a separate study conducted after select TV ad campaigns to compare the effectiveness of different spots. It provides insights into the effectiveness, recall and recognition of our television advertising spots. Outside research vendor, Ipsos, currently conducts these studies with direction from our Business Planning and Research office. Interviews occur usually over a two-week period immediately following the campaign in the designated marketing viewing areas, in English and Spanish. Sample sizes range from 500-900 CA adults. Reports are presented to Marketing typically six weeks after the campaign for:

- Awareness (recall) of specific elements of the ad campaign (TV, Out-of-Home, radio, digital, social)
- Brand link (remember the ad and remember that it was for Scratchers/Lottery)
- Main message clarity and perceptions of the advertising
- Impact of the advertising on Lottery perceptions and behaviors

Additionally, the Lottery's "Tracking Study" includes continuous surveys conducted 365 days a year from over 300 CA adults per month. It is used for looking at the longer-term impact of advertising. Since the Tracking Study data is collected before, during and after the advertising, we can measure any changes in awareness, playership or attitudes due to marketing efforts including:

- Awareness of games and advertising
- Playership of games
- Perceptions of the Lottery and our games
- Among the CA adult population and our players

Furthermore, the Lottery utilizes Econometrics Modelling as an Advanced analytic modelling to estimate sales ROIs of advertising over a full year and leverages its 2nd Chance player database to conduct surveys amongst players.

Individual Department Goals

Divisional spending performance is measured in terms of budget utilization for each of the Lottery's divisions over the course of the entire fiscal year, with success defined as spending the entire division budget. Analysis is conducted monthly to monitor progress and drive spending activities. Conversely, successful performance for operating the Lottery is measured in terms of restricting spending to less than the mandated 13% cap of total sales revenue.

Executive Division: Improve Understanding of Consumer Behavior

The In-lane Sales project aims to enable retailers to sell and redeem Lottery tickets directly through their existing Point-of-Sale (POS) systems, enhancing convenience for customers by allowing them to purchase Lottery tickets alongside other retail goods. The project consists of two phases: Phase 1 involves integrating the North American Association of State and Provincial Lotteries (NASPL) In-lane API with the Brightstar gaming system for draw games and selecting a retailer partner for a pilot test. Phase 2 focuses on fully integrating the gaming system with the retailer's POS, facilitating seamless Lottery transactions. The initiative seeks to boost Lottery sales by simplifying the purchasing process, expanding retailer sales opportunities, and attracting new retailers who previously avoided selling Lottery products due to cumbersome terminal requirements.

Finance Division: Claims & Payment Business Process Reengineering

The Claims & Payments Business Process Improvement team has been actively gathering feedback and information from stakeholders to assess the current claim and payment processing systems. The team collaborated with Business Planning to conduct surveys to gauge opinions from both Lottery employees and the public on these processes, focusing on aspects like claim submission, payment processing times, and potential areas for improvement. The Business Project Proposal team is also studying electronic claim systems implemented in other states, such as Texas, to explore integration possibilities. The team will complete a gap analysis and present their research to all stakeholders for review and input before submitting an implementation plan for fiscal year 2025-26.

Human Resources Division: Expand Human Resources Service Center (HRSC) Automation

The Lottery's Human Resources Division (HRD) initiated a project to automate and modernize its manual, paper-based processes based on market research from Fiscal Year 2021-22. In the first phase, the Lottery identified key HRD processes for automation, such as Request for Personnel Action (RPA) and various annual policy and compliance forms. Additionally, a new HRSC was created to simplify HR service requests for staff. The second phase will continue to expand automation, making more HR services accessible through the HRSC, including digital Official Personnel Files (OPF), personnel actions, Merit Salary Adjustment, and others, to streamline HR operations further.

Operations Division: Completion of Northern Distribution Center

The Lottery requires a dedicated fire pump, fully monitored and controlled by the Lottery, to ensure fire suppression for the Northern Distribution Center's safety and

protection of its personnel, operations and assets. During the first phase of a final inspection in October 2024, a newly assigned Deputy State Fire Marshal identified deficiencies not previously noted, including an issue with the fire pump. The pump, crucial for providing necessary water pressure for fire suppression, was shared with three other warehouses and owned by the property manager. The Office of the State Fire Marshal now mandates that all state buildings have a dedicated private fire pump controlled entirely by the state agency occupying the building.

Security & Law Enforcement Division (SLED): Growing the Theft Unit and Use of Ticket Deactivation Software

The Theft Unit operates around the clock, every day of the year, with personnel working in three rotational shifts: Days, Swing, and Graveyard. Its main mission is to manage the Virtual Contact Center (VCC), which serves as the primary point of contact for Lottery retailers to report thefts of Lottery products. Analysts in the unit assess whether a crime has occurred, document the Method of Operation, conduct detailed research and analysis to identify and flag stolen Lottery products in databases, and create criminal reports for further investigation by SLED field investigators. In 2024, the unit handled over 10,000 calls, and generated over 2,000 criminal cases, spent over 4,000 hours on research and analysis, and followed up on more than 1,000 SmartCount Security Alerts. These alerts are triggered when a "Blocked" SmartCount Scratchers ticket is validated via the Lottery's Mobile Application or terminal. The SmartCount pilot program by the Sales & Marketing Division, which allows retailers to track activated Scratchers inventory and automatically block it at the end of the day, is proving successful. As a result, it is expected that 30%-40% of retail partners will adopt this technology for daily use.

Information Technology Services Division (ITSD): Player Direct / 2nd Chance Infrastructure Replacement

The new 2nd Chance system will incorporate essential security features to combat cybercrime, including multi-factor authentication to protect player accounts from credential stuffing attacks. It will enhance username and password controls and allow Lottery admins and ITSD to lock accounts if necessary. Additional features like IP rate limiting, quota limiting, and improved player activity logging will strengthen the Lottery's capacity to manage and prevent cyber-attacks, reducing IT security risks and associated costs. The Player Direct / 2nd Chance Replacement project is part of Brightstar's modernized omnichannel ecosystem, which is crucial for implementing new functionalities and supporting innovation to boost playership and sales.

Sales & Marketing Division: Cashless Vending Pilot

The proposed 100-store pilot aims to enhance the efficiency and appeal of Lottery transactions through cashless technologies. The primary business goal is to increase sales and player engagement by removing the cash-only barrier, thereby aligning with the strategic objective of boosting Lottery play among casual players. By facilitating easier purchases, the project seeks to increase overall sales, which in turn supports supplemental funding for public education. The initiative is designed to adapt to modern consumer preferences for cashless payments, ultimately benefiting both the retailers and the California Lottery through improved transaction processes and reporting.

California Public Schools Benefit

The impact of budgeting to control costs and manage reserve funds is witnessed by the Lottery business resulting in 95 cents for every dollar in sales being returned to the community in the form of contributions to education, prizes, and payments to California businesses that act as retail outlets for Lottery products.

The mission of the California Lottery is to *raise supplemental funding for public education*.

As of June 2024, the Lottery has generated more than \$46 billion for California's public schools since we began in 1985. For the third consecutive time in California Lottery history, we raised a record of more than \$2 billion for education beginning in fiscal year 2023-24. While that's an unprecedented figure, it's a modest number for the state's annual budget for public schools. Remember, Lottery funds are meant to supplement public education, not replace state and local funding.

Since Lottery funds are largely discretionary, they help schools do things they otherwise couldn't, such as attracting and retaining more quality teachers, buying state-of-the-art equipment, enhancing learning environments, and keeping critical programs running.


Schools are not our only beneficiary! Approximately 95 cents of every dollar spent on Lottery games goes back to the community through contributions to public schools and colleges, prizes, and retail compensation. Thank you to our players and our retail partners for making it all possible!

Positively impacting communities across California is just part of our commitment to corporate social responsibility, and every member of the Lottery team shares this dedication.

Allocation of Lottery Funding

The State Controller's Office determines how much Lottery funds are dispersed to public education institutions. Lottery funding is based on the Average Daily Attendance (ADA) for K-12 and community college school districts and by full-time enrollment for higher education and other specialized institutions. These are the schools that have received funds, along with their percentages of cumulative distributions:

| GRADE LEVEL | DISTRIBUTION PERCENTAGE |
|------------------------------------|-------------------------|
| K-12th Grade | 79.9% |
| Community Colleges | 14.0% |
| California State University System | 3.7% |
| University of California | 2.3% |
| Other Educational Entities | 0.1% |



228

imagine the
Possibilities
calottery

Economic Outlook*

The U.S. economy has continued on a steady, stable growth path despite slowing job growth and still-elevated interest rates. The outlook for the U.S. and California economies have improved as U.S. real Gross Domestic Product (GDP) growth has been more robust than projected, inflation has cooled more rapidly, and job growth has been stronger, leading to an overall upgraded personal income forecast.

Economic growth is expected to continue in the forecast, driven by strong but slowing personal consumption. The projected slowdown stems from somewhat lower expected growth in consumption and investment spending as interest rates are projected to remain well above their pre-pandemic levels. The end of the temporary boost from federal manufacturing incentives, such as the Creating Helpful Incentives to Produce Semiconductors (CHIPS) Act, is also expected to hinder new business investments.

U.S. consumer price inflation slowed sharply from its most recent peaks in June 2022 of 9.1 percent year-over-year to 8.3 percent, and in California, from 2.6 percent to 2.5 percent respectively, in October 2024, due mainly to deflation in gasoline prices. The annual average state inflation rate in 2025 is projected at 2.3 percent due to lower projected inflation in a number of components such as household fuels and medical care. In response to slowing inflation, the Federal Reserve reduced its target interest rate range by 0.5 percentage point in September after holding it steady for over a year, by 0.25 percentage point in November and again in December to the range of 4.25 percent to 4.5 percent. The target federal funds rate is projected to be in the range of 2.5 percent to 2.75 percent over the long term.

**Department of Finance, excerpted from the 2025 2026 Governor's Proposed Budget Summary, Economic Outlook section.*

California's job market has rebounded from sluggish growth in 2023 while nationwide jobs continued to grow at a slowing but healthy pace. Through November 2024, California added 167,000 jobs (0.9 percent year-to-date growth), significantly higher than during the same period in 2023 when the state gained just 113,000 jobs, but still well below the 2015-19 pre-pandemic average of about 326,000 jobs added for the comparable period. The projected California unemployment rate in the forecast is 0.1 percentage point higher in 2024 and is projected to stay at around 5.3 percent through the first quarter of 2025 before moderating thereafter. The Federal Reserve is expected to continue to loosen its still-restrictive monetary policy, which, in turn, is expected to stimulate economic activity and employment (including self-employment).

With inflation cooling and seemingly in check following its recent highs, policy uncertainty appears to present the biggest risk to the forecast stemming from potentially disruptive trade and immigration policies proposed by the incoming federal administration. The forecast is based on current law and does not incorporate any assumptions of potential future policy changes. There also remains the risk that the trajectory of monetary policy shifts, especially if inflation reverses course due to federal policy changes. Finally, geopolitical risks remain, including possible further escalation in the Middle East or the Russian invasion of Ukraine.



Budget Tools



Out-of-State Travel Plan

Proposed FY 2025-26 Out-of-State Travel Requests - California State Lottery

All trips require submission via Individual Trip Request

PART 1: MISSION CRITICAL - APPROVED BY LOTTERY DIRECTOR

■ Austin, Texas

The purpose of this trip is to conduct site visits at the **Brightstar Primary Data Center** to add/review physical and logical security policies, procedures, and protections in place for the primary data center. Brightstar, the Lottery's gaming system vendor, is contractually obligated to maintain a certain level of security to conduct business with the Lottery. Additionally, Lottery representative's inspections of gaming system facilities are required to satisfy Multistate Lottery Association membership requirements for the sale of Powerball products in California.

Travel Month: TBD

Number of Days: 2

Number of Travelers: 2

Class Titles of Travelers: Security and Law Enforcement Division (SLED), Chief, Gaming Services and Investigator, Information Technology Services Division (ITSD), IT Manager or IT Specialist

Funding: Lottery Fund

Cost: \$2,400

■ West Greenwich, Rhode Island

The Multistate Lottery Association (MUSL) requires annual inspections of gaming system facilities for the sale of Powerball products to continue in California. Representatives from ITSD will conduct the site inspection at the **IGT Backup Data Center**, to review physical and logical security procedures and policies, and protections in place.

Travel Month: TBD

Number of Days: 3

Number of Travelers: 5

Class Titles of Travelers: SLED, Investigator and Analyst, ITSD, Information Technology Specialist, Information Security Office (ISO) Information Security Manager and Analyst

Funding: Lottery Fund

Cost: \$7,500

PART 2: DISCRETIONARY

■ Montreal, Quebec, Canada or Alpharetta, Georgia

Contingent upon the task necessary, appropriate Lottery staff will travel throughout the fiscal year to conduct "press checks" and approve Scratchers ticket quality and audit the physical and logical security controls at **Scientific Games International** plant, Lottery's primary Scratchers ticket vendor. The request is for state time only; the cost of the trips is fully reimbursed by the vendor.

Impact if trip is denied:

Travel costs associated with press checks are reimbursed by each instant ticket vendor. If these trips are denied, the Lottery is unable to represent that it is engaging in customary industry efforts to promote and ensure integrity, security, honesty, and fairness in the operation and administration of the Lottery through the evaluation of quality and security of product at press by subject matter experts.

Impact of travelers' absence on regularly assigned duties:

Division designee will be named to handle routine matters. Technology will enable travelers to participate in the ordinary course through use of issued mobile devices.

Travel Month: TBD

Number of Days: 3

Number of Travelers: 2

Class Titles of Travelers: SLED Chief, Gaming Services and Manager, Draw Management

Funding: Reimbursed by Vendor

Cost: \$0

■ Winnipeg, Montreal Canada or Ypsilanti, Michigan

Contingent upon the task necessary, appropriate Lottery staff will travel throughout the fiscal year to conduct "press checks" and approve Scratchers ticket quality and audit the physical and logical security controls at **Pollard Banknote** instant ticket printing facilities, the Lottery's secondary Scratchers ticket printing vendor. The request is for state time only; the cost of the trips is fully reimbursed by the vendor.

Impact if trip is denied:

Travel costs associated with press checks are reimbursed by each instant ticket vendor. If these trips are denied, the Lottery is unable to represent that it is engaging in customary industry efforts to promote and ensure integrity, security, honesty, and fairness in the operation and administration of the Lottery through the evaluation of quality and security of product at press by subject matter experts.

Impact of travelers' absence on regularly assigned duties:

Division designee will be named to handle routine matters. Technology will enable travelers to participate in the ordinary course through use of issued mobile devices.

Travel Month: TBD

Number of Days: 3

Number of Travelers: 2

Class Titles of Travelers: SLED Chief, Gaming Services and Manager, Draw Management

Funding: Reimbursed by Vendor

Cost: \$0

■ Louisville, Kentucky

North American Association of State and Provincial Lottery's (NASPL) **NASPL '25 Professional Development Seminar** is the pre-eminent annual NASPL event that brings together lottery professionals and suppliers from across North America. The forum includes multiple workshops dedicated to the primary disciplines in the Sales & Marketing division, including product management, sales, and marketing and utilizes case studies and peer interactions provides attendees with tangible information about how to take advantage of the industry's biggest opportunities and find solutions to its biggest challenges. Overall, it provides invaluable opportunity for divisional leadership to gain insights, knowledge and find collaborative partners for future projects.

Impact if trip is denied:

The Lottery will miss the opportunity to participate in the small group, hands-on format that allows for candid discussions and information sharing among participating staff from other US lotteries and provides attendees with tangible information about how to take advantage of the industry's biggest opportunities, research and find solutions to its biggest challenges via problem solving, case study research presentations and sharing best practices among peers.

Impact of travelers' absence on regularly assigned duties:

Division designee will be named to handle routine matters. Technology will enable travelers to participate in the ordinary course of business through use of issued mobile devices.

Travel Month: July 28 - Aug 1

Number of Days: 5

Number of Travelers: 4

Class Titles of Travelers: Sales and Marketing Division (SMD), Assistant Deputy Director Marketing, Assistant Deputy Director Sales, Chief Scratchers Products, Chief District Sales

Funding: Lottery Fund

Cost: \$11,500

■ Niagara Falls, Ontario Canada

North American Association of State and Provincial Lottery's (NASPL) **NASPL '25 Annual Conference** is the pre-eminent annual NASPL event that brings together lottery professionals and suppliers from across North America. Sessions will be hosted by industry leaders and experts and will focus on best practices, advertising and marketing achievements and the latest advancements in lottery. This year's conference will also include a trade show element and provides an opportunity to see and evaluate new offering from all of the major industry vendors. Overall, it provides invaluable opportunity for divisional leadership to gain insights, knowledge and find collaborative partners for future projects.

Impact if trip is denied:

The Lottery will miss the opportunity to participate in the small group, hands-on format that allows for candid discussions and information sharing among participating staff from other US lotteries and provides attendees with tangible information about how to take advantage of the industry's biggest opportunities, research and find solutions to its biggest challenges via problem solving, case study research presentations and sharing best practices among peers.

Impact of travelers' absence on regularly assigned duties:

Division designee will be named to handle routine matters. Technology will enable travelers to participate in the ordinary course of business through use of issued mobile devices.

Travel Month: Sep 7 - 12

Number of Days: 5

Number of Travelers: 5

Class Titles of Travelers: Sales and Marketing Division (SMD), Deputy Director, Assistant Deputy Director Marketing, Assistant Deputy Director Sales, Director, Chief Deputy Director

Funding: Lottery Fund

Cost: \$21,750

■ Austin, Texas & TBD

LaFleur's Fall and Spring Conferences are for the leading lottery industry trade publication that programs two conferences per year that are focused primarily on topics related to marketing and sales, including product development, advertising, digital marketing, social media, retail signage, equipment placement and optimization, and second chance/loyalty programs among other topics. This conference provides three full days of educational programming focused on the lottery industry and will provide attendees with invaluable opportunities to learn best practices, industry developments, innovations and establish connections and partners for future initiatives.

Impact if trip is denied:

If the Lottery's leadership cannot participate, Lottery leadership would be less equipped to address industry issues and challenges and administer and operate the Lottery with the latest product and strategic information.

Impact of travelers' absence on regularly assigned duties:

Division designee will be named to handle routine matters. Technology will enable travelers to participate in the ordinary course of business through use of issued mobile devices.

Travel Month: Nov 17 - 20/25 & TBD

Number of Days: 4 each trip

Number of Travelers: 4 each trip

Class Titles of Travelers: Sales and Marketing Division (SMD) Chief, Product Development, Chief, Key Accounts, Chief, Sales Support & Distribution, Chief, Business Development and Chief, Engagement & Retention Marketing

Funding: Lottery Fund

Cost: \$7,200 each trip; \$14,400 total

■ Cleveland, Ohio

North American Association of State and Provincial Lottery's (NASPL) **Lottery Leadership Institute** is a three-day training event that is lottery industry specific, with a leadership focus. Instructor-led training will provide attendees with approachable methods and actionable tools that can be applied immediately to ensure personal and professional growth, focusing on the foundation for effective leadership, and diversity and inclusion to create greater team effectiveness.

Impact if trip is denied:

The Lottery will miss the opportunity to participate in the small group, hands-on format that allows for candid discussions and information sharing among participating staff from other US lotteries and provides attendees with tangible information about how to take advantage of the industry's biggest opportunities, research and find solutions to its biggest challenges via problem solving, case study research presentations and sharing best practices among peers.

Impact of travelers' absence on regularly assigned duties:

Division designee will be named to handle routine matters. Technology will enable travelers to participate in the ordinary course of business through use of issued mobile devices.

Travel Month: April 2026

Number of Days: 5

Number of Travelers: 2

Class Titles of Travelers: Sales and Marketing Division (SMD), Manager, Marketing Department and Manager, Sales Department

Funding: Lottery Fund

Cost: \$6,600

■ Las Vegas, Nevada

The **Gartner** 2026 Chief Sales Officer and Sales Leader conference, delivers industry leading research and advisory insights and analysis to businesses, governments, and nonprofits, and is unique in that it focuses specifically on Chief Sales Officers and higher-level sales leaders. The conference features content on such subjects as sales strategy and planning, pipeline management, customer acquisition, account management and more to help address priorities like adjusting to the rapidly changing environment and providing sales leaders the skills to perform mid-year strategy shifts.

Impact if trip is denied:

The Lottery will miss the opportunity to participate in the small group, hands-on format that allows for candid discussions and information sharing among participating staff from other US lotteries and provides attendees with tangible information about how to take advantage of the industry's biggest opportunities, research and find solutions to its biggest challenges via problem solving, case study research presentations and sharing best practices among peers.

Impact of travelers' absence on regularly assigned duties:

Division designee will be named to handle routine matters. Technology will enable travelers to participate in the ordinary course of business through use of issued mobile devices.

Travel Month: May 2026

Number of Days: 4

Number of Travelers: 4

Class Titles of Travelers: Sales and Marketing Division (SMD), Assistant Deputy Director Marketing, Chief Sales Support & Distribution, Chief District Sales-South, Chief District Sales-North

Funding: Lottery Fund

Cost: \$16,600

GRAND TOTAL OF ALL TRIPS: \$80,750

How to choose the correct accounting code when creating a procurement, paying a vendor invoice, or submitting a CalCard statement for payment. If you need assistance to determine the proper coding, please contact either your Divisional liaison or the Budget Analyst assigned to your division using the list below:

Francisco Soto
fsoto@calottery.com

Lee Kitching
lkitching@calottery.com

Greg Urbani
gurbani@calottery.com

Ranjosh Waraich
rwaraich@calottery.com

Jeneah Stringer
jstringer@calottery.com

Ruth Soto
rsoto@calottery.com

Larry Matias
lmatias@calottery.com

The key to providing an accounting coding for procurement processing or expenditure payment is understanding it's components. The first part of the code is a five (5) digit number that defines what type of expense it is:

A chart of accounts (COA) is a financial organizational tool that provides a complete listing of every account used in an accounting system. An account is a unique record for each type of asset, liability, equity, revenue and expense. The ARM procurement system requires the use of an account code for this purpose. Furthermore, each Lottery program area is allotted funds each fiscal year to use for procuring goods and services. Choosing the correct code is important for the following reasons:

1. It provides direction and information for all related departments (program, accounting, budgets, audits, etc.), as to what type of product or service is being procured.
2. The purchase is being identified so that the correct budget allocation or line-item is used to draw funds from for accounting purposes.
3. Provides that an accurate history of expenditures exists to guide the monitoring of the current budget and the building of future departmental budgets.

It is the responsibility of all Lottery program areas to identify and use the correct account code for goods and services procured.

* * Account codes for marketing expenditures have not been included below as they are strictly used by the Marketing Department and should not be used prior to consulting with Budgets staff.

| | |
|---|---|
| 67000 - General Expense | Office supplies, janitorial supplies, and other administrative expenses which include dues or membership fees, professional periodical subscriptions fees that support work-related efforts and/or provide useful information. |
| 67100 - Printing | Expenses such as copier supplies, copier maintenance, stationery, and pre-printed forms. Examples: Reams of copier paper, toner, preprinting for letterhead stationery and envelopes, copier repair. |
| 67700 - Postage | Mailing expense such as stamps, postage meter refills, and meter maintenance. Other postage related expenses are parcel delivery via United Parcel Service or other such vendors. |
| 67900 - Insurance | Building, vehicle, technological, and liability insurance. |
| 68100 - In-State Travel | Expenses for travel In-State which would include car rental, vehicle expense reimbursement (mileage), air fare, meals, and lodging. |
| 68500 - Training | The cost of training classes and professional education for Lottery employees. |
| 68900 - Facility Maintenance & Operations | Repair and maintenance activities include keeping spaces, structures and infrastructure in proper operating condition in a routine, scheduled, or anticipated fashion to prevent failure and/or degradation. This includes one-to-one replacement of components and systems not requiring professional engineering or permitting. |
| 68910 - Alterations & Remodeling | Costs to changes in building structures that cannot be capitalized by accounting rule or law. As an example, a change to the floor plan of the Northern Distribution Center through a change to the front façade will be charged to this account. |
| 69300 – Utilities | Vendors providing for services of electric, gas, water, etc. Refuse collection or paper shredding is not considered a utility. |
| 69700 - Expendable Equipment | Items with Unit costs under \$5,000. These are tangible long-term assets that typically benefit the Lottery for a year or more. Examples: Janitorial or maintenance equipment (i.e., a floor machine); cubicle parts, tables, and chairs (office furniture). These are items that do not meet the \$5,000 threshold for depreciable items (fixed assets). |

| | |
|--|---|
| 69900 - Vehicle Maintenance & Operations | Vehicle Fuel, maintenance, repairs, parts, and other types of vehicle operation expenses. Example: Just about any expense that has to do with the operation and maintenance of the Lottery's fleet. Brakes, batteries, wiper blades, tires, fuel, parts, repair, and labor. |
| 70900 - Special Items of Expense | Examples include Scratchers packaging materials and providing Lottery branded clothing for Sales Department staff and Custodial Staff and Engineering staff Footwear per Bargaining Unit contracts. |
| 63200 - Professional Service - External | Contractual services provided by external vendors such as facility security services. Other Examples include consulting services for LEED certification, IT maintenance & support, legal services, accounting/auditing services. |
| 63300 - Professional Service – Interdepartmental | Services provided by other state agencies including training provided by CalHR, auditing provided by CA State Controller, or Legal services provided by CA Department of Justice. |
| 63400 – Legal Services – Contracted | Legal services contracted as needed for representation by outside legal professionals who provide a service that the Lottery requires. Used by only by Legal Services. |
| 64300 - Gaming System Contract | Contracted costs for the Lottery's gaming system (ITSD only) . |
| 64303 - Scratchers Delivery Fees | Delivery services to distribute Lottery products to participating retailers (Sales Dept. only). |
| 64304 - Scratchers Destruction Fees | This is a non-divisional (0000) gaming cost for the shredding and recycling of discontinued or damaged Lottery Scratchers tickets (non-Divisional only) |
| 99997 – Lease Asset Clearing | This code is used when procuring for leased vehicle assets, primarily for Enterprise Fleet Management vehicles. Financial Accounting and Reporting uses this account to reclass costs into various accounts. |
| 99998 – Fixed Asset Clearing | Capitalized equipment - individual or group asset which cost over \$5,000. Examples are Lottery owned vehicles, technical equipment (computers), audio/video equipment, gaming equipment. |

FY 2025-26 ACCOUNT CODE CHART

LOTTERY DIVISIONS

| | DIRECTORATE | LEGAL SERVICES | INTERNAL AUDITS | EXTERNAL AFFAIRS | BUSINESS PLANNING & RESEARCH | PUBLIC AFFAIRS & COMMUNICATIONS | FINANCE | HUMAN RESOURCES |
|--------------------|-------------|----------------|-----------------|------------------|------------------------------|---------------------------------|---------|-----------------|
| DIVISION CODE | 01 | 01 | 01 | 01 | 01 | 01 | 02 | 03 |
| DIVISION UNIT CODE | 1110 | 1120 | 1130 | 1140 | 1150 | 1180 | 1200 | 1300 |

COA OPERATING EXPENSES

| | | | | | | | | |
|-------|---|---|---|---|---|---|---|---|
| 67000 | General Expense | X | X | X | X | X | X | X |
| 67100 | Printing | | | | | | X | |
| 67500 | Telephone | | | | | | | |
| 67700 | Postage | | | | | | | |
| 67800 | Internal Freight - Shipping | | | | | | | |
| 67900 | Insurance | | | | | | | |
| 68100 | In-State Travel | X | X | X | X | X | X | X |
| 68300 | Out-of-State Travel | | | | | | X | |
| 68500 | Training | X | X | X | X | X | X | X |
| 68750 | Asset Rental Expense | | | | | | | |
| 68775 | Lease Asset Amortization of Expense | | | | | | | |
| 68875 | SBITA Amortization Expense | | | | | | | |
| 68900 | Facility Maintenance & Operations | | | | | | | |
| 69300 | Utilities | | | | | | | |
| 69700 | Expendable Equipment | | | | | | | X |
| 69900 | Vehicle Maintenance & Operations | | | | | | | |
| 70600 | Interest Expense | | | | | | X | |
| 70700 | Taxes and Assessments | | | | | | | |
| 70900 | Special Items of Expense | | | | | | | |
| 71200 | Event Sponsorship | | | | X | | | |
| 63200 | Professional Services - External | X | X | | | X | X | X |
| 63300 | Professional Services - Interdepartmental | X | | X | X | | X | X |
| 63400 | Attorney Fees - Contracted | | X | | | | | |
| 64300 | Gaming Systems Expenses | | | | | | | |
| 64303 | Scratchers Delivery Fees | | | | | | | |
| 64304 | Scratchers Destruction Fees | | | | | | | |
| 99997 | Lease Asset Clearing | | | | | | | |
| 99998 | Fixed Asset Clearing | | | | | | | |

FY 2025-26 ACCOUNT CODE CHART (CONT.)

| LOTTERY DIVISIONS | | OPERATIONS | SECURITY & LAW ENFORCEMENT | INFORMATION TECHNOLOGY SERVICES | SALES & MARKETING DEPUTY DIRECTOR'S OFFICE | MARKETING DEPARTMENT | SALES DEPARTMENT | NON-DIVISIONAL |
|--------------------|---|------------|-------------------------------|---------------------------------------|--|-------------------------|---------------------|----------------|
| DIVISION CODE | | 04 | 06 | 07 | 08 | 08 | 08 | 00 |
| DIVISION UNIT CODE | | 1400 | 1600 | 1700 | 1800 | 1805 | 1900 | 0000 |
| COA | OPERATING EXPENSES | | | | | | | |
| 67000 | General Expense | X | X | X | X | X | X | X |
| 67100 | Printing | X | | X | | | | |
| 67500 | Telephone | | | X | | | | |
| 67700 | Postage | X | | | | | | |
| 67800 | Internal Freight - Shipping | | | | | | X | |
| 67900 | Insurance | X | | | | | | |
| 68100 | In-State Travel | X | X | X | X | X | X | |
| 68300 | Out-of-State Travel | | | | | | | |
| 68500 | Training | X | X | X | X | X | X | X |
| 68750 | Asset Rental Expense | X | | | | | | |
| 68775 | Lease Asset Amortization of Expense | X | | | | | | |
| 68875 | SBITA Amortization Expense | | | X | | | | |
| 68900 | Facility Maintenance & Operations | X | | | | | | |
| 69300 | Utilities | X | | | | | | |
| 69700 | Expendable Equipment | X | X | X | | X | X | |
| 69900 | Vehicle Maintenance & Operations | X | | | | | | |
| 70600 | Interest Expense | X | | X | | | | |
| 70700 | Taxes and Assessments | X | | | | | | |
| 70900 | Special Items of Expense | X | | | | | X | X |
| 71200 | Event Sponsorship | | | | | X | | |
| 63200 | Professional Services - External | X | X | X | | | | X |
| 63300 | Professional Services - Interdepartmental | | X | X | | | | |
| 63400 | Attorney Fees - Contracted | | | | | | | |
| 64300 | Gaming Systems Expenses | | | X | | | | |
| 64303 | Scratchers Delivery Fees | | | | | | X | |
| 64304 | Scratchers Destruction Fees | | | | | | | X |
| 99997 | Lease Asset Clearing | | | | | | | X |
| 99998 | Fixed Asset Clearing | | | | | | | X |

FY 2025-26 ACCOUNT CODE CHART (CONT.)

Segment Coding

| <u>Division Codes / Division Unit Codes</u> | | | <u>Division Codes (Continued)</u> | | | <u>Location Codes</u> | |
|---|--------------|--------------|---|--------------|--------------|--|------|
| Division | Div. Code | Unit Code | Division | Div. Code | Unit Code | Location | Code |
| Executive - Directorate | 01 | 1110 | Security & Law Enforcement | 06 | 1600 | General Location | 00 |
| Executive - Legal Services | 01 | 1120 | Information Technology Services | 07 | 1700 | Headquarters | 10 |
| Executive - Internal Audits | 01 | 1130 | Sales & Marketing Department Deputy Director's Office | 08 | 1800 | Milpitas District Office | 20 |
| Executive - External Affairs | 01 | 1140 | Sales & Marketing Assistant Deputy Director | 08 | 1805 | Sacramento District Office | 21 |
| Executive - Business Planning & Research | 01 | 1150 | Sales Assistant Deputy Director | 08 | 1900 | Richmond District Office | 22 |
| Executive - Public Affairs & Communications | 01 | 1180 | Sales Support & Distribution | 08 | 1905 | Fresno District Office | 23 |
| Finance | 02 | 1200 | Business Development | 08 | 1911 | Chatsworth District Office | 30 |
| Human Resources | 03 | 1300 | District Sales | 08 | 1925 | Rancho Cucamonga District Office | 31 |
| Operations | 04 | 1400 | Non-Divisional | 00 | 0000 | Santa Fe Springs District Office | 32 |
| | | | | | | Costa Mesa District Office | 33 |
| | | | | | | San Diego District Office | 34 |
| | | | | | | Northern Distribution Center | 50 |
| | | | | | | Southern Distribution Center | 51 |

Coding structure - A Complete code has four segments: Natural Account - Division - Location - Unit Code (ex., 67000-04-10-1400)

| Natural Account (5 digit number) | Division (2 digit number) | Location (2 digit number) | Unit (4 digit number) |
|-------------------------------------|--------------------------------|---------------------------|--------------------------------------|
| 67000 - General Expense | 04 - Operations Division | 10 - Headquarters | 1400 - Operations Deputy Director |

Statistical Section



WEEKLY SALES ACTIVITY

| DATE | SALES | PROFIT | EXPENSES | TOTAL |
|-------|-------|--------|----------|-------|
| 01/01 | 1000 | 200 | 500 | 700 |
| 01/02 | 1200 | 240 | 600 | 840 |
| 01/03 | 1500 | 300 | 750 | 1050 |
| 01/04 | 1800 | 360 | 900 | 1260 |
| 01/05 | 2000 | 400 | 1000 | 1400 |
| 01/06 | 2200 | 440 | 1100 | 1540 |
| 01/07 | 2500 | 500 | 1250 | 1750 |
| 01/08 | 2800 | 560 | 1400 | 1960 |
| 01/09 | 3000 | 600 | 1500 | 2100 |
| 01/10 | 3200 | 640 | 1600 | 2240 |
| 01/11 | 3500 | 700 | 1750 | 2450 |
| 01/12 | 3800 | 760 | 1900 | 2660 |
| 01/13 | 4000 | 800 | 2000 | 2800 |

Monthly Report



CALIFORNIA STATE LOTTERY
Change in Net Position
Last Ten Fiscal Years

| Revenues, Costs, Expenses | 2015 | 2016 | 2017 | 2018 |
|--|------------------------|------------------------|------------------------|------------------------|
| Operating revenues: | | | | |
| Lotto games | 1,064,489,378 | 1,337,129,994 | 1,041,071,687 | 1,234,092,648 |
| Scratchers games | 3,915,381,412 | 4,351,826,436 | 4,576,028,713 | 5,077,397,175 |
| Hot Spot | 206,439,141 | 232,286,264 | 255,808,131 | 288,701,169 |
| Daily games | 338,540,662 | 354,354,594 | 360,559,892 | 365,601,121 |
| Total operating revenues | 5,524,850,593 | 6,275,597,288 | 6,233,468,423 | 6,965,792,113 |
| Prizes | 3,501,745,873 | 3,955,791,373 | 3,963,453,360 | 4,476,580,353 |
| Game costs: | | | | |
| Retailer costs | 380,344,945 | 432,985,606 | 433,656,258 | 480,545,143 |
| Gaming system costs | 68,881,598 | 78,276,791 | 81,566,527 | 90,998,838 |
| Scratchers game costs | 29,990,183 | 36,485,518 | 34,819,169 | 36,600,840 |
| Total game costs | 479,216,726 | 547,747,915 | 550,041,954 | 608,144,821 |
| Operating expenses: | | | | |
| Salaries, wages and benefits | 70,480,064 | 79,415,769 | 91,254,303 | 101,054,859 |
| Advertising | 62,273,530 | 74,280,130 | 76,690,663 | 68,113,747 |
| Promotion, public relations and point of sale | 10,664,151 | 10,990,631 | 8,657,038 | 9,552,414 |
| Other professional services | 11,843,044 | 14,367,836 | 14,266,695 | 15,321,484 |
| Depreciation and amortization | 8,950,492 | 13,528,573 | 16,889,648 | 18,310,965 |
| Other general and administrative expenses | 16,435,133 | 19,806,524 | 18,036,889 | 12,658,281 |
| Total operating expenses | 180,646,414 | 212,389,463 | 225,795,236 | 225,011,750 |
| Operating income | 1,363,241,580 | 1,559,668,537 | 1,494,177,874 | 1,656,055,189 |
| Non-operating (expenses) revenues: | | | | |
| Investment earnings ² | (5,633,320) | 55,232,507 | (54,067,894) | (22,715,200) |
| Other income | 53,155 | 193,432 | 93,932 | 124,554 |
| Allocation to Education Fund ³ | (1,364,542,013) | (1,563,149,876) | (1,499,004,485) | (1,664,887,295) |
| Total non-operating (expenses) revenues | (1,370,122,178) | (1,507,723,937) | (1,552,978,447) | (1,687,477,941) |
| Total change in net position | (6,880,598) | 51,944,600 | (58,800,573) | (31,422,752) |

(1) Beginning net position was reduced \$155,152,000 in fiscal year 2017-18 due to changes in net OPEB liability reporting requirements. Please refer to Note 10 of the financial statements.

(2) Investment earnings include interest expense imputed on annuitized prize liability.

(3) For more information on the total allocation to Education Fund, please refer to Note 7 of the financial statements.

CALIFORNIA STATE LOTTERY
Change in Net Position
Last Ten Fiscal Years

| 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| 1,526,370,543 | 888,372,887 | 1,198,771,157 | 1,185,499,008 | 1,819,304,484 | 1,861,671,725 |
| 5,170,791,532 | 5,029,765,509 | 6,409,463,025 | 6,830,109,188 | 6,574,494,639 | 6,561,264,485 |
| 313,779,077 | 311,848,814 | 373,301,793 | 401,837,336 | 410,942,023 | 424,739,564 |
| 377,109,164 | 392,016,195 | 436,407,842 | 435,804,636 | 434,612,165 | 427,438,318 |
| 7,388,050,316 | 6,622,003,405 | 8,417,943,817 | 8,853,250,168 | 9,239,353,311 | 9,275,114,092 |
| 4,715,592,673 | 4,403,715,159 | 5,610,605,541 | 5,825,673,018 | 5,960,301,724 | 6,031,571,558 |
| 505,903,081 | 460,706,639 | 585,861,906 | 614,710,750 | 633,200,226 | 632,678,900 |
| 92,088,597 | 82,692,866 | 97,963,148 | 102,320,421 | 109,720,587 | 110,124,193 |
| 39,207,904 | 36,567,321 | 44,601,524 | 41,836,793 | 50,428,558 | 42,411,509 |
| 637,199,582 | 579,966,826 | 728,426,578 | 758,867,964 | 793,349,371 | 785,214,602 |
| 99,664,223 | 111,146,383 | 104,757,919 | 101,243,980 | 100,871,997 | 123,281,104 |
| 66,773,171 | 40,856,926 | 59,135,920 | 92,849,859 | 89,181,811 | 101,755,246 |
| 9,305,841 | 9,385,619 | 7,490,496 | 8,529,662 | 11,095,793 | 12,229,984 |
| 16,898,286 | 16,225,755 | 17,728,391 | 18,129,419 | 18,072,617 | 21,662,247 |
| 18,814,684 | 18,428,535 | 16,765,127 | 15,982,732 | 14,961,644 | 14,518,446 |
| 14,080,465 | 17,123,347 | 15,302,967 | 16,924,217 | 20,464,419 | 26,712,119 |
| 225,536,670 | 213,166,565 | 221,180,820 | 253,659,869 | 254,648,281 | 300,159,146 |
| 1,809,721,391 | 1,425,154,855 | 1,857,730,878 | 2,015,049,317 | 2,231,053,935 | 2,158,168,786 |
| 53,177,645 | 82,091,722 | (53,382,892) | (95,791,722) | (15,049,106) | 45,912,870 |
| 22,036 | 195,722 | 1,823,112 | 611,692 | 6,897 | 194,418 |
| (1,825,224,100) | (1,437,183,846) | (1,863,146,589) | (2,019,682,408) | (2,256,837,541) | (2,220,804,693) |
| (1,772,024,419) | (1,354,896,402) | (1,914,706,369) | (2,114,862,438) | (2,271,879,750) | (2,174,697,405) |
| 37,696,972 | 70,258,453 | (56,975,491) | (99,813,121) | (40,825,815) | (16,528,619) |

Note: In each of the displayed fiscal years, individual wagers for all SuperLotto Plus, Hot Spot, and all daily games, with the exception of Daily Derby, are \$1 each. Daily Derby, Mega Millions, and Powerball wagers are \$2 each. Scratchers games have price points of \$1, \$2, \$3, \$5, \$10, \$20, and \$30.

CALIFORNIA STATE LOTTERY
Net Position by Component
Last Ten Fiscal Years

| Component | 2015 | 2016 | 2017 | 2018 |
|---------------------------------------|------------------|-------------------|--------------------|----------------------|
| Invested in capital assets | 129,585,496 | 163,916,171 | 185,709,466 | 197,306,299 |
| Restricted by legislation | 94,228,359 | 146,172,959 | 87,372,386 | 55,949,634 |
| Unrestricted deficit | (219,795,908) | (254,126,583) | (275,919,878) | (442,668,711) |
| Total net position¹ | 4,017,947 | 55,962,547 | (2,838,026) | (189,412,778) |

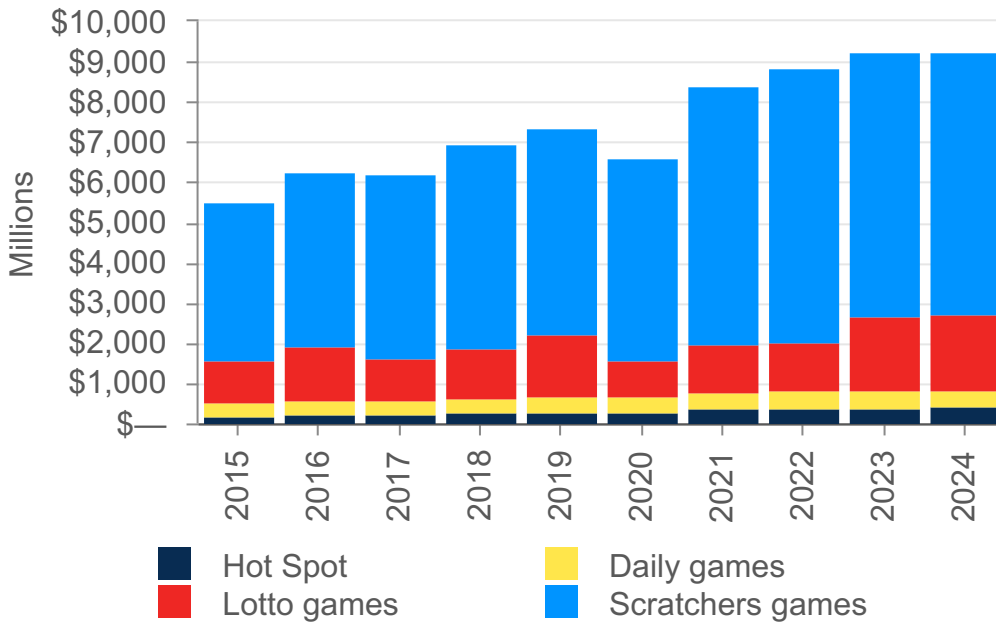
| 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|----------------------|---------------------|----------------------|----------------------|----------------------|----------------------|
| 208,971,820 | 214,519,651 | 204,847,726 | 191,966,405 | 179,671,839 | 171,072,647 |
| 93,646,606 | 163,905,059 | 106,929,568 | 7,116,447 | (33,709,368) | (50,237,987) |
| (454,334,232) | (459,882,063) | (450,210,138) | (437,328,817) | (425,034,251) | (416,435,059) |
| (151,715,806) | (81,457,353) | (138,432,844) | (238,245,965) | (279,071,780) | (295,600,399) |



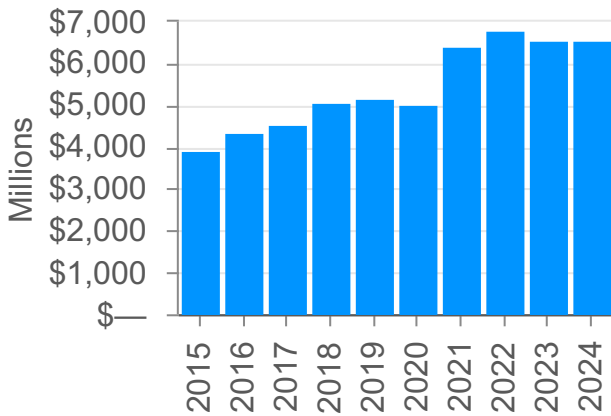
CALIFORNIA STATE LOTTERY

Sales by Product

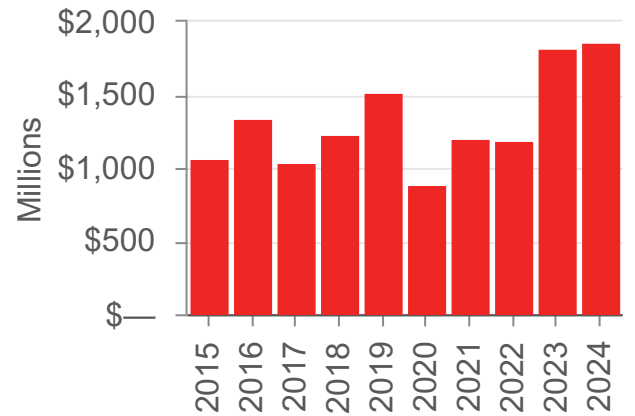
Last Ten Fiscal Years



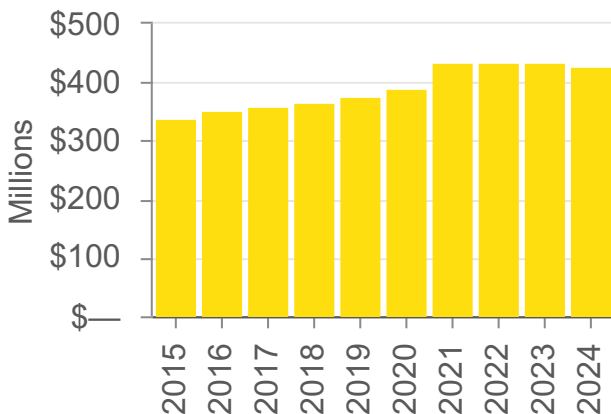
Scratchers Games



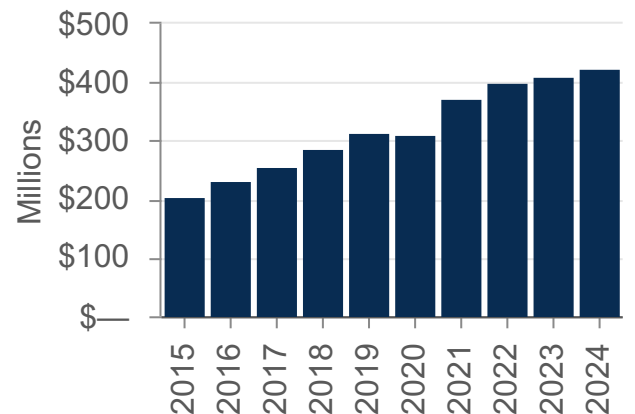
Lotto Games



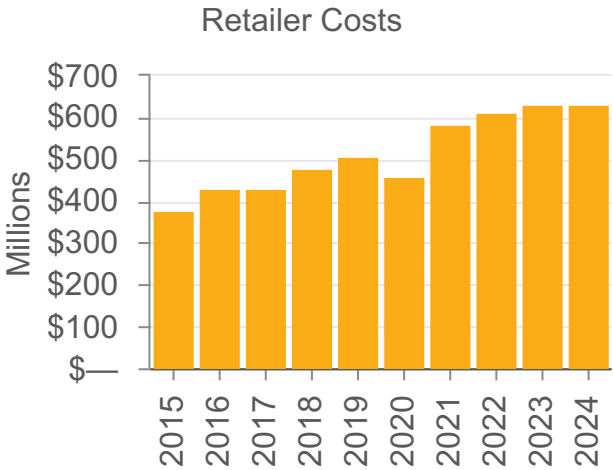
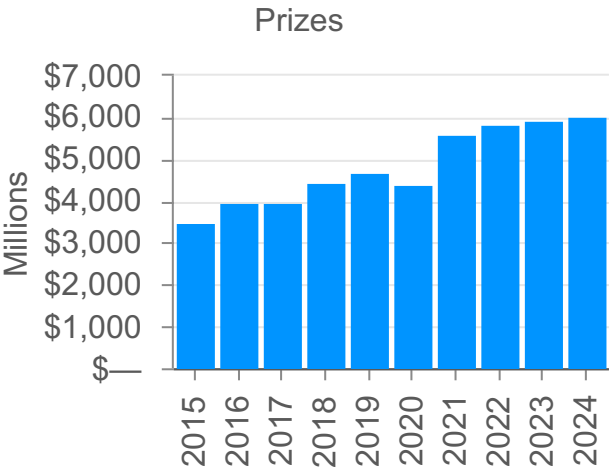
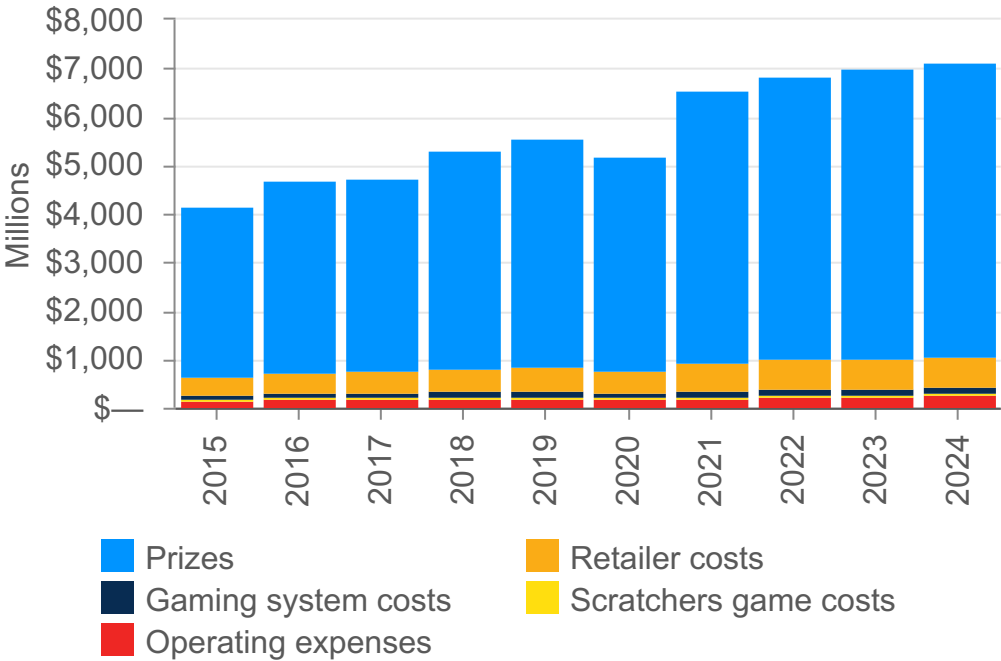
Daily Games



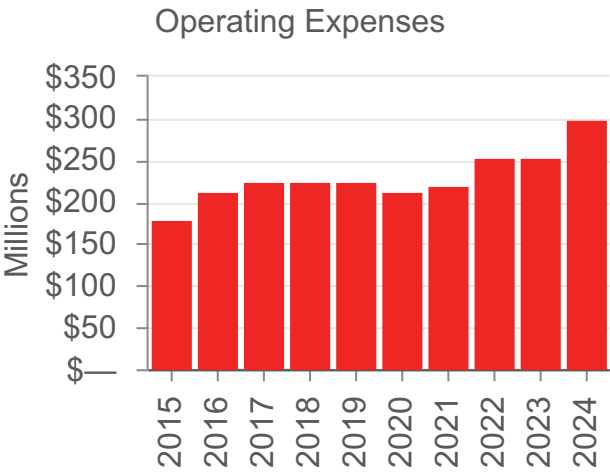
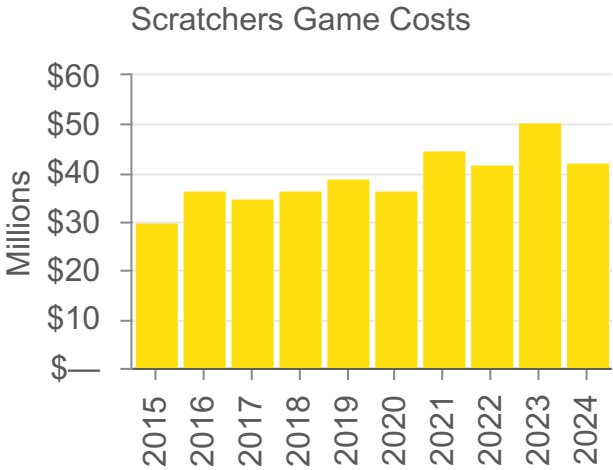
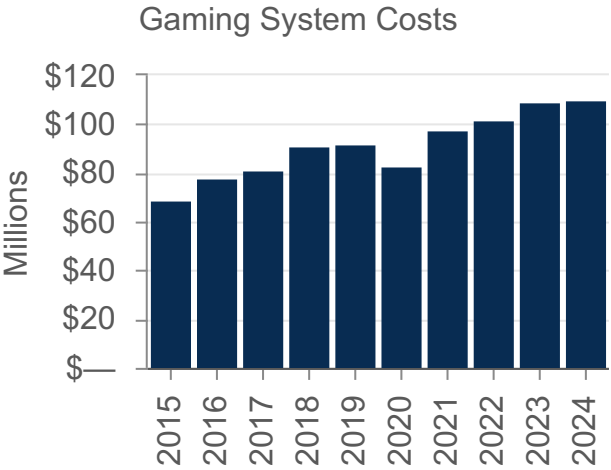
Hot Spot



CALIFORNIA STATE LOTTERY **Expenses by Type** **Last Ten Fiscal Years**



CALIFORNIA STATE LOTTERY
Expenses by Type
Last Ten Fiscal Years



CALIFORNIA STATE LOTTERY
California Demographics and Economic Information
2014-2023

| Year | Population (in thousands) | Personal Income (in thousands) | Per Capita Personal Income | Unemployment Rate |
|-------------|--------------------------------------|---|---------------------------------------|------------------------------|
| 2014 | 38,803 | \$1,944,369 | \$50,109 | 6.8% |
| 2015 | 39,145 | \$2,103,669 | \$53,741 | 5.7% |
| 2016 | 39,250 | \$2,212,691 | \$56,374 | 5.0% |
| 2017 | 39,636 | \$2,409,537 | \$60,792 | 4.2% |
| 2018 | 39,625 | \$2,558,708 | \$64,574 | 4.1% |
| 2019 | 39,545 | \$2,673,410 | \$67,603 | 3.7% |
| 2020 | 39,349 | \$2,769,079 | \$70,372 | 9.1% |
| 2021 | 39,171 | \$2,983,478 | \$76,166 | 5.0% |
| 2022 | 38,988 | \$3,058,731 | \$78,454 | 4.8% |
| 2023 | 38,953 | \$3,210,090 | \$82,408 | 5.1% |

Source: All data except unemployment rate is from the Bureau of Economic Analysis, United States Department of Commerce; unemployment rates from Labor Market Information Division, California Employment Development Department. Note: 2024 information is not available and therefore not presented.



CALIFORNIA STATE LOTTERY
California Industry Number of Employees by Size Category
2014-2023

| Industry | 2014 | 2015 | 2016 | 2017 | 2018 |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
| Agriculture, Forestry, Fishing, Hunting | 467,923 | 471,566 | 474,766 | 473,554 | 410,315 |
| Mining | 29,142 | 25,668 | 21,218 | 20,130 | 20,614 |
| Utilities | 57,829 | 57,577 | 58,008 | 57,766 | 56,068 |
| Construction | 691,811 | 748,872 | 789,841 | 830,446 | 877,644 |
| Manufacturing | 1,283,779 | 1,303,651 | 1,304,915 | 1,318,709 | 1,324,696 |
| Wholesale Trade | 713,642 | 719,576 | 718,853 | 723,984 | 705,541 |
| Retail Trade | 1,615,557 | 1,645,332 | 1,654,247 | 1,670,450 | 1,728,821 |
| Transportation and Warehousing | 455,070 | 488,428 | 517,790 | 553,571 | 619,572 |
| Information | 459,781 | 486,838 | 517,275 | 526,390 | 550,261 |
| Finance and Insurance | 514,826 | 523,933 | 540,844 | 544,423 | 540,296 |
| Real Estate and Rental and Leasing | 265,335 | 271,617 | 278,001 | 285,957 | 299,221 |
| Services | 7,056,066 | 7,247,138 | 7,442,898 | 7,630,490 | 7,969,114 |
| Nonclassifiable Establishment | 63,478 | 102,851 | 119,680 | 82,201 | 1,807 |
| Federal, State and Local Government | 2,317,813 | 2,388,336 | 2,434,565 | 2,346,343 | 2,520,424 |
| Total for All Industries | 15,992,052 | 16,481,383 | 16,872,901 | 17,064,414 | 17,624,394 |

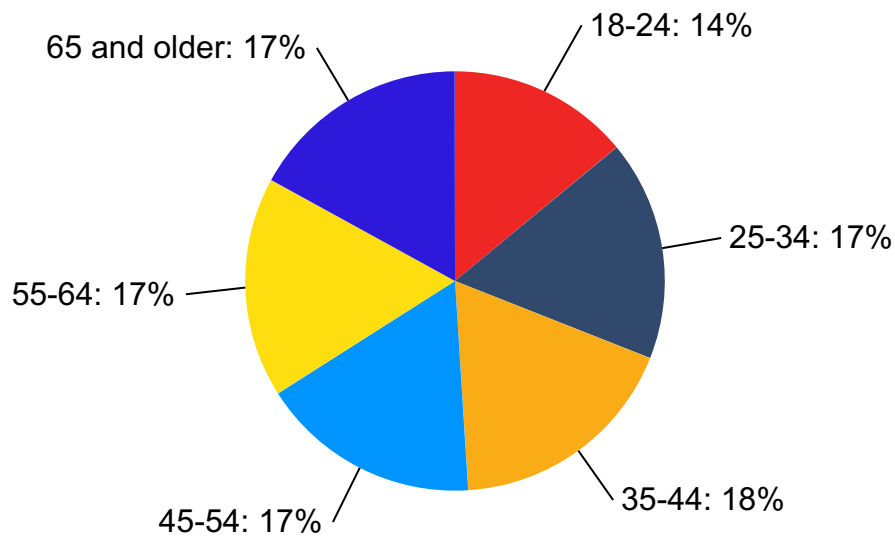
| | | | | | |
|---|-----------|-----------|-----------|-----------|-----------|
| Agriculture, Forestry, Fishing, Hunting | 408,703 | 397,377 | 404,736 | 396,541 | 405,183 |
| Mining | 19,920 | 16,797 | 16,980 | 17,402 | 16,953 |
| Utilities | 56,963 | 59,571 | 60,113 | 62,469 | 65,920 |
| Construction | 901,215 | 872,915 | 896,376 | 912,111 | 925,510 |
| Manufacturing | 1,319,877 | 1,255,814 | 1,299,211 | 1,341,547 | 1,318,188 |
| Wholesale Trade | 693,780 | 644,899 | 660,675 | 673,841 | 666,062 |
| Retail Trade | 1,706,454 | 1,608,512 | 1,659,808 | 1,650,348 | 1,638,839 |
| Transportation and Warehousing | 670,993 | 714,235 | 773,084 | 794,536 | 779,399 |
| Information | 573,610 | 539,790 | 587,668 | 605,429 | 540,338 |
| Finance and Insurance | 543,498 | 538,676 | 544,205 | 528,784 | 504,375 |
| Real Estate and Rental and Leasing | 309,413 | 281,141 | 302,754 | 310,240 | 307,037 |
| Services | 8,154,351 | 7,179,567 | 7,968,242 | 8,310,307 | 8,440,970 |
| Nonclassifiable Establishment | 985 | 661 | 3,878 | 1,760 | 1,606 |
| Federal, State and Local Government | 2,548,014 | 2,389,784 | 2,454,756 | 2,518,775 | 2,607,840 |

Source: California Employment Development Department.

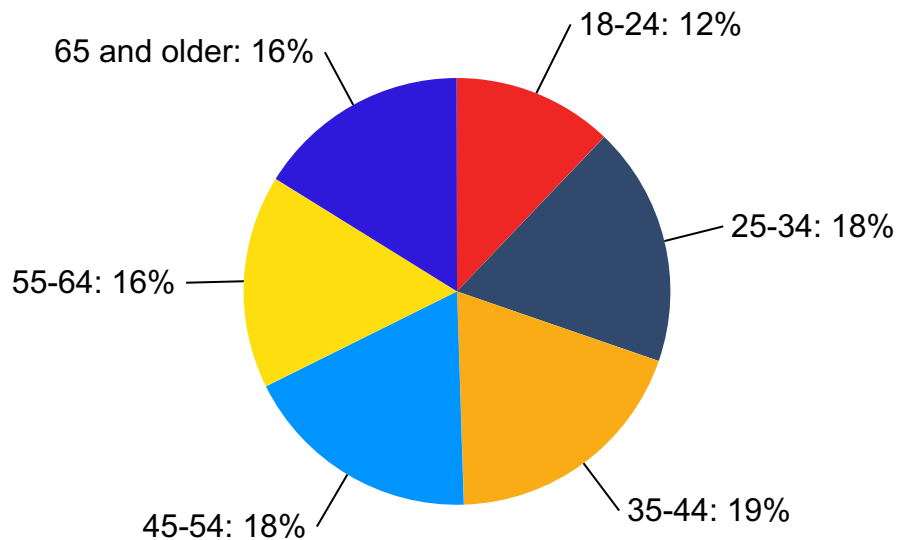
Definitions of Terms and Source Notes at www.labormarketinfo.edd.ca.gov. The industry data provided are intended to provide similar alternative information regarding the concentration of employment in various sectors of the California economy. Due to confidentiality issues, the names of the top individual employers are not available.

Note: Businesses are designated as "Non classifiable Establishments" when there is insufficient information to determine the appropriate industry classification.

CALIFORNIA STATE LOTTERY
California Demographics for Population and Players
Age of Adult Population

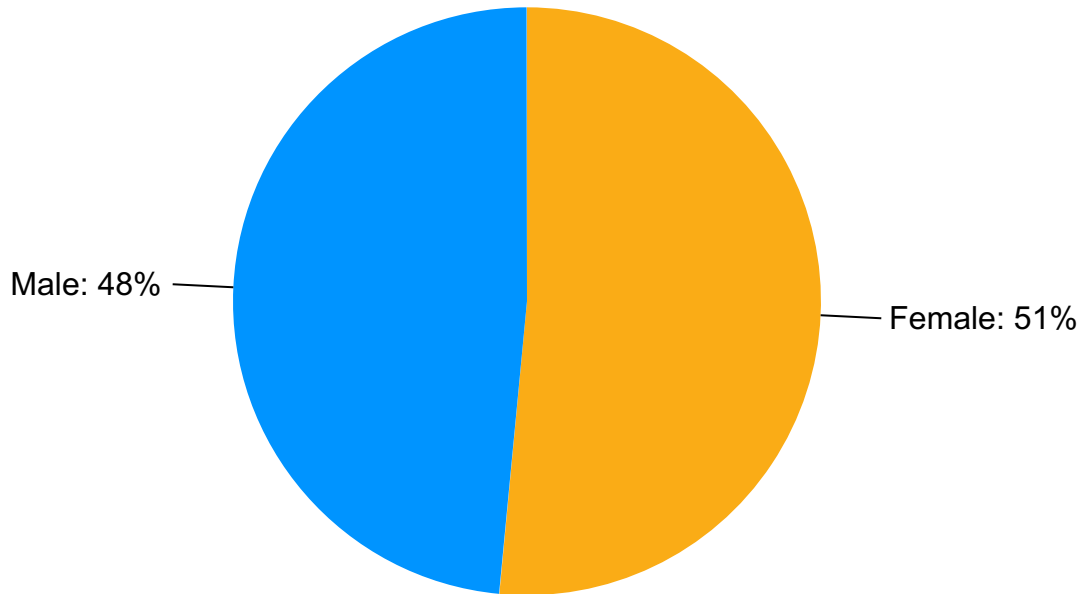


Age of Lottery Players

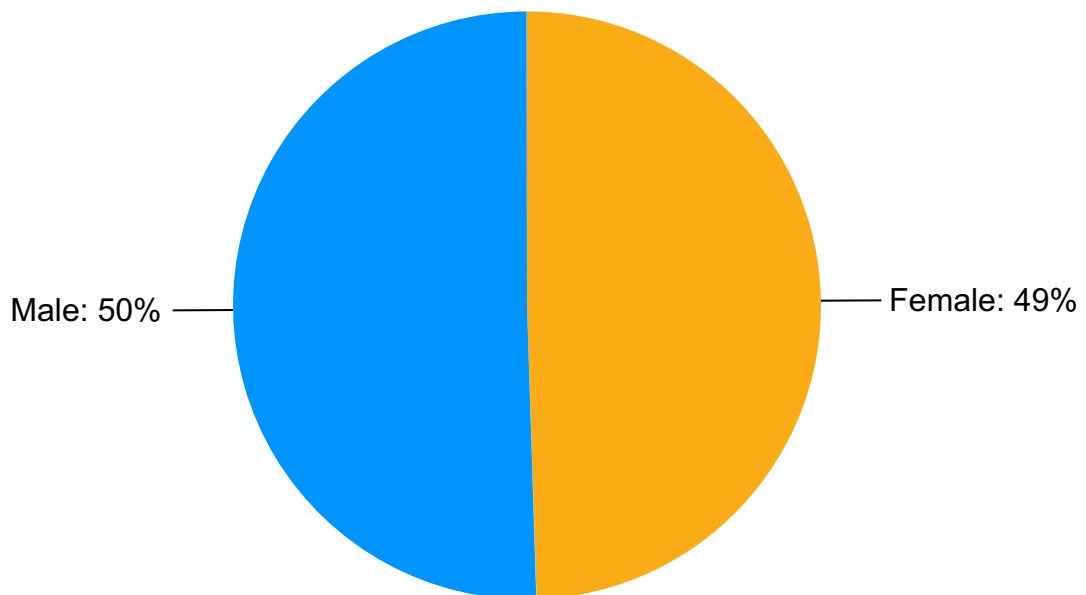


Note: All data are from the Continuous Tracking Study commissioned by the Lottery and provided by an external vendor for fiscal year 2023-24. Percentages are based on self-reported information from the respondents and may not equal to 100% of the total.

CALIFORNIA STATE LOTTERY
California Demographics for Population and Players
Gender of Adult Population

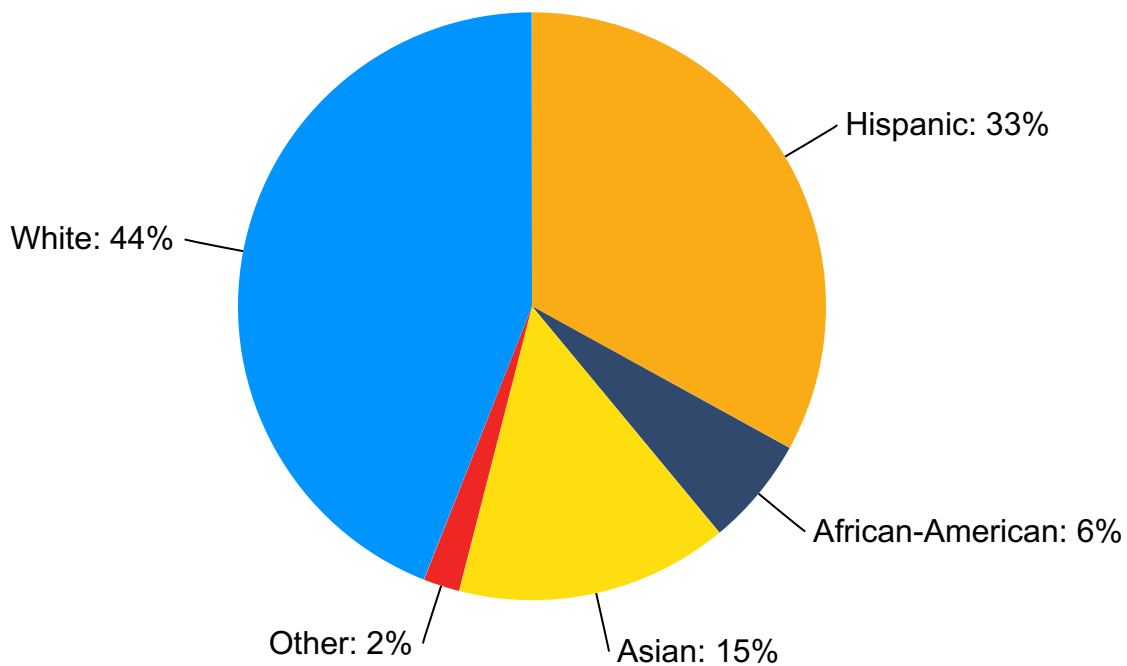


Gender of Lottery Players

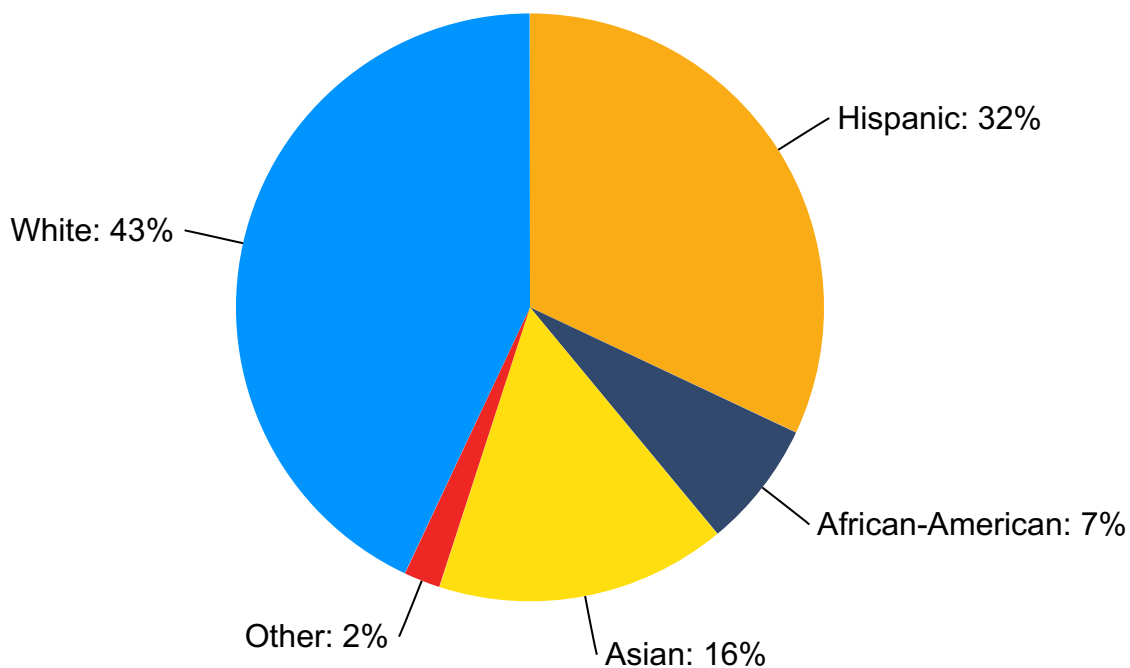


Note: All data are from the Continuous Tracking Study commissioned by the Lottery and provided by an external vendor for fiscal year 2023-24. Percentages are based on self-reported information from the respondents and may not equal to 100% of the total.

CALIFORNIA STATE LOTTERY
California Demographics for Population and Players
Ethnicity of Adult Population

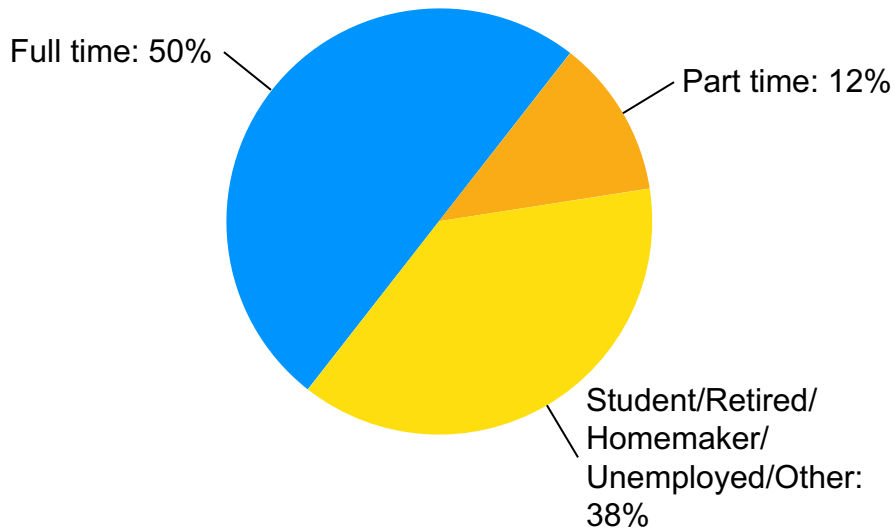


Ethnicity of Lottery Players

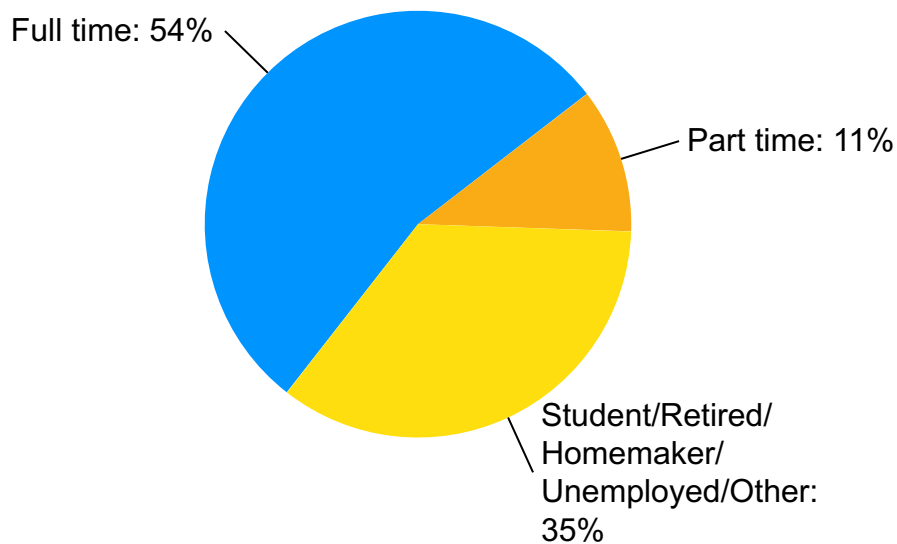


Note: All data are from the Continuous Tracking Study commissioned by the Lottery and provided by an external vendor for fiscal year 2023-24. Percentages are based on self-reported information from the respondents and may not equal to 100% of the total.

CALIFORNIA STATE LOTTERY
California Demographics for Population and Players
Employment Status of Adult Population

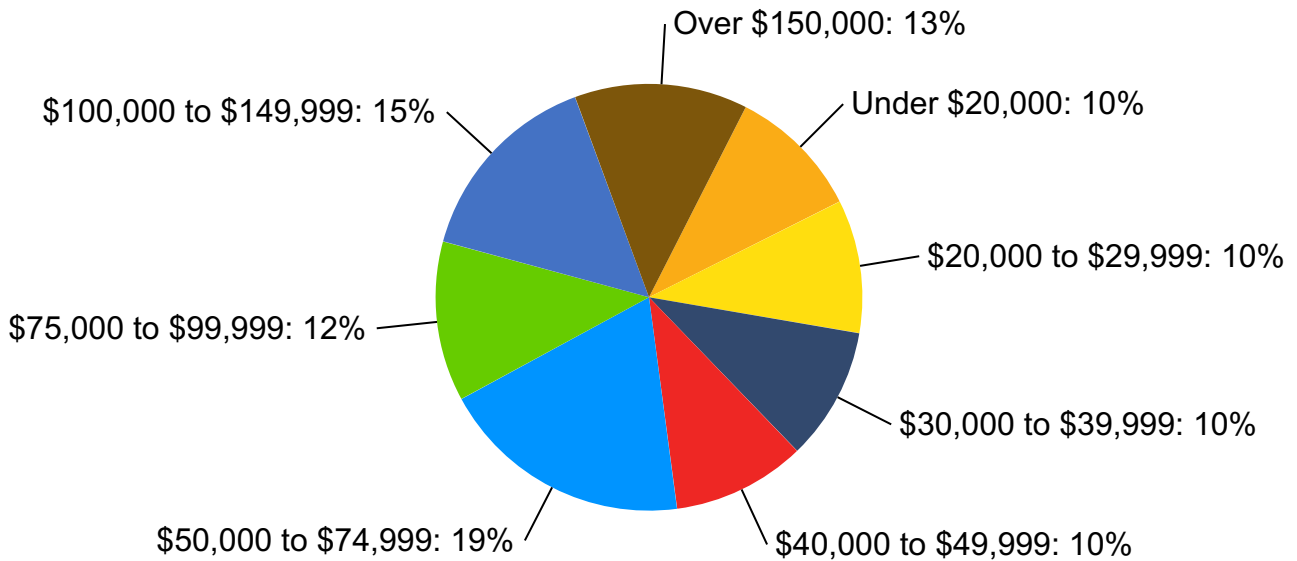


Employment Status of Lottery Players

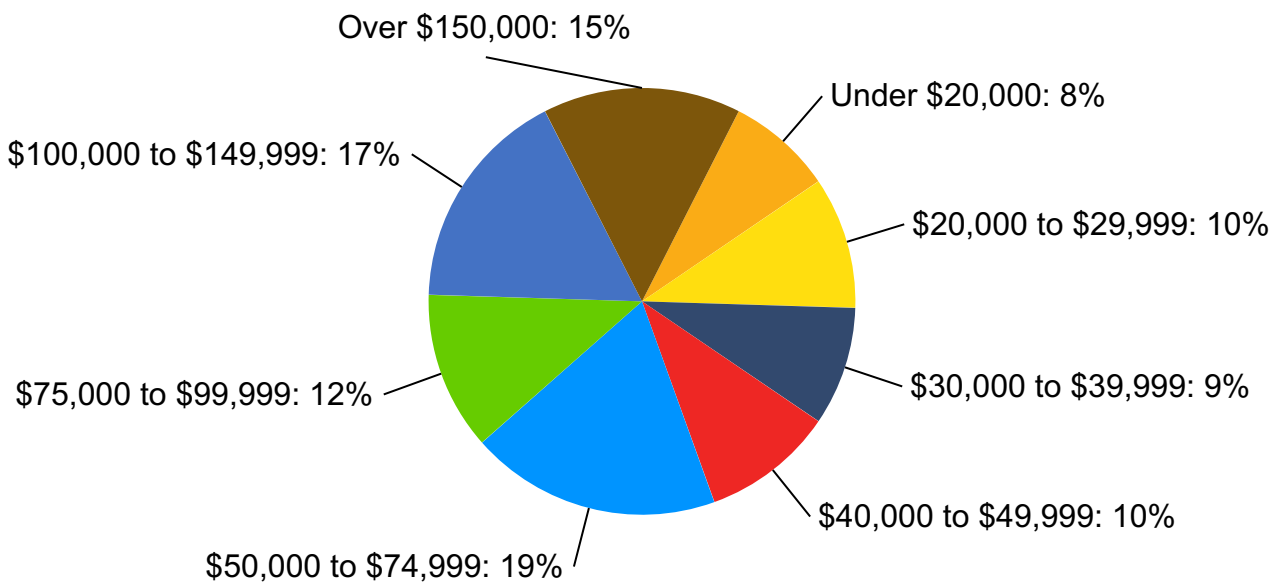


Note: All data are from the Continuous Tracking Study commissioned by the Lottery and provided by an external vendor for fiscal year 2023-24. Percentages are based on self-reported information from the respondents and may not equal to 100% of the total.

CALIFORNIA STATE LOTTERY
California Demographics for Population and Players
Household Income of Adult Population



Household Income of Lottery Players



Note: All data are from the Continuous Tracking Study commissioned by the Lottery and provided by an external vendor for fiscal year 2023-24. Percentages are based on self-reported information from the respondents and may not equal to 100% of the total.

This page is intentionally left blank.

U.S. Lottery Data For Fiscal Year 2023
Excludes Video Lottery Terminal (VLT) sales
(in millions)

| States | Population | Sales | Prizes | Profit | Sales/Capita |
|-----------------------------------|------------|-----------|-----------|---------|--------------|
| Arizona | 7.4 | \$1,516.7 | \$1,020.7 | \$318.4 | \$206 |
| Arkansas | 3.0 | 607.6 | 416.8 | 114.8 | 200 |
| California++ | 39.0 | 9,239.4 | 5,960.3 | 2,308.7 | 237 |
| Colorado | 5.8 | 889.8 | 575.5 | 195.3 | 152 |
| Connecticut | 3.6 | 1,451.2 | 902.5 | 401.3 | 400 |
| Delaware ^{2, 3} | 1.0 | 254.7 | 144.4 | 239.6 | 250 |
| District of Columbia ⁴ | 0.7 | 197.3 | — | — | 294 |
| Florida | 22.2 | 9,801.8 | 6,698.1 | 2,454.1 | 441 |
| Georgia | 10.9 | 6,136.9 | 3,852.9 | 1,516.4 | 562 |
| Idaho | 1.9 | 422.6 | 285.9 | 82.0 | 218 |
| Illinois | 12.6 | 3,609.6 | 2,364.9 | 881.6 | 287 |
| Indiana | 6.8 | 1,746.3 | 1,146.1 | 370.2 | 256 |
| Iowa | 3.2 | 481.5 | 305.3 | 108.2 | 150 |
| Kansas | 2.9 | 351.3 | 205.0 | 85.1 | 120 |
| Kentucky | 4.5 | 1,499.8 | 950.9 | 384.3 | 332 |
| Louisiana | 4.6 | 652.4 | 373.1 | 212.1 | 142 |
| Maine | 1.4 | 410.3 | 284.0 | 73.2 | 296 |
| Maryland ^{2, 3} | 6.2 | 2,764.4 | 1,732.9 | 714.3 | 448 |
| Massachusetts | 7.0 | 6,111.5 | 4,483.7 | 1,175.8 | 875 |
| Michigan ^{1, 4} | 10.0 | 4,864.0 | 3,041.8 | 1,273.0 | 485 |
| Minnesota | 5.7 | 787.2 | 488.0 | 196.1 | 138 |
| Mississippi | 2.9 | 467.7 | 256.9 | 122.4 | 159 |
| Missouri | 6.2 | 1,644.5 | 1,089.6 | 425.0 | 266 |
| Montana | 1.1 | 87.6 | 49.4 | 24.6 | 78 |
| Nebraska | 2.0 | 220.2 | 129.0 | 55.8 | 112 |
| New Hampshire | 1.4 | 548.0 | 340.3 | 186.9 | 393 |
| New Jersey | 9.3 | 3,899.0 | 2,230.5 | 1,300.0 | 421 |
| New Mexico | 2.1 | 168.5 | 91.9 | 50.6 | 80 |
| New York ^{2, 3, 4} | 19.7 | 8,292.3 | 4,924.1 | 3,685.3 | 421 |
| North Carolina | 10.7 | 4,342.7 | 2,863.7 | 1,015.3 | 406 |
| North Dakota | 0.8 | 39.3 | 20.2 | — | 50 |
| Ohio ^{2, 3} | 11.8 | 4,463.7 | 2,800.3 | 1,464.2 | 380 |
| Oklahoma | 4.0 | 379.8 | 234.2 | — | 95 |
| Oregon ^{2, 3} | 4.2 | 440.6 | 270.8 | 99.3 | 104 |
| Pennsylvania | 13.0 | 5,136.0 | 3,317.5 | 1,102.5 | 396 |
| Rhode Island ^{2, 3} | 1.1 | 316.3 | — | 434.7 | 289 |
| South Carolina | 5.3 | 2,402.7 | 1,582.6 | 599.7 | 455 |
| South Dakota ^{2, 3} | 0.9 | 85.2 | 50.4 | 17.1 | 94 |

U.S. Lottery Data For Fiscal Year 2023
Excludes Video Lottery Terminal (VLT) sales (cont.)
(in millions)

| States | Population | Sales | Prizes | Profit | Sales/Capita |
|-------------------------------|------------|---------|---------|---------|--------------|
| Texas ^{1, 4} | 30.0 | 8,725.7 | 5,818.1 | 2,161.5 | 291 |
| Vermont | 0.6 | 161.5 | — | — | 250 |
| Virginia | 8.7 | 2,774.0 | 1,582.1 | 867.4 | 319 |
| Washington | 7.8 | 1,003.5 | 618.8 | 384.6 | 129 |
| West Virginia ^{2, 3} | 1.8 | 265.2 | 164.7 | 53.5 | 149 |
| Wisconsin | 5.9 | 981.7 | — | — | 167 |
| Wyoming | 0.6 | 44.3 | 12.3 | 6.5 | 76 |

2023 data source: La Fleur's Magazine September/October 2023

Footnotes:

¹ Estimated Sales

² Doesn't include VLT prizes

³ Includes Lottery and VLT profit

⁴ Fiscal year ends June 30 except New York (March 31), Texas (August 31), District of Columbia and Michigan (September 30)

⁺⁺ Audited figures with the exception of population/sales per capita

U.S. Lottery Data For Fiscal Year 2024
Excludes Video Lottery Terminal (VLT) sales
(in millions)

| States | Population | Sales | Prizes | Profit | Sales/Capita |
|-----------------------------------|------------|-----------|-----------|---------|--------------|
| Arizona | 7.4 | \$1,528.2 | \$1,027.9 | \$— | \$206 |
| Arkansas | 3.1 | 613.0 | 420.0 | 129.2 | 200 |
| California ⁺⁺ | 39.0 | 9,275.1 | 6,031.6 | 2,287.9 | 238 |
| Colorado | 5.9 | 900.8 | 577.8 | 196.4 | 153 |
| Connecticut | 3.6 | 1,414.6 | 1,136.5 | 387.0 | 391 |
| Delaware ^{2, 3} | 1.0 | 251.4 | 145.5 | 246.3 | 244 |
| District of Columbia ⁴ | 0.7 | 196.1 | — | — | 289 |
| Florida | 22.6 | 9,417.5 | 6,374.7 | 2,386.6 | 417 |
| Georgia | 11.0 | 5,355.3 | 3,798.6 | 1,490.7 | 486 |
| Idaho | 2.0 | 421.6 | 282.5 | 84.0 | 215 |
| Illinois | 12.5 | 3,857.7 | 2,585.5 | 883.8 | 307 |
| Indiana | 6.9 | 1,744.2 | 1,141.7 | 373.1 | 254 |
| Iowa | 3.2 | 490.0 | 274.7 | 106.6 | 153 |
| Kansas | 2.9 | 350.1 | 202.4 | 88.5 | 119 |
| Kentucky | 4.5 | 1,463.0 | 963.0 | 405.4 | 323 |
| Louisiana | 4.6 | 639.6 | 370.1 | 204.8 | 140 |
| Maine | 1.4 | 430.2 | 288.8 | 90.1 | 308 |
| Maryland ^{2, 3} | 6.2 | 2,715.7 | 1,715.5 | 699.6 | 439 |
| Massachusetts | 7.0 | 6,129.8 | 4,525.2 | 1,156.6 | 876 |
| Michigan ^{1, 4} | 10.0 | 4,630.0 | 3,026.1 | 1,257.7 | 461 |
| Minnesota | 5.7 | 775.7 | 476.2 | 196.5 | 135 |
| Mississippi | 2.9 | 477.6 | 264.3 | 125.1 | 162 |
| Missouri | 6.2 | 1,605.9 | 1,069.2 | 389.8 | 259 |
| Montana | 1.1 | 92.5 | 54.9 | 19.5 | 82 |
| Nebraska | 2.0 | 220.6 | 129.1 | 55.3 | 112 |
| New Hampshire | 1.4 | 520.9 | 338.4 | 203.7 | 372 |
| New Jersey | 9.3 | 3,818.0 | 2,157.8 | 1,100.0 | 411 |
| New Mexico | 2.1 | 170.2 | 93.6 | 51.1 | 81 |
| New York ^{2, 3, 4} | 19.6 | 8,197.9 | 4,917.9 | 3,775.4 | 419 |
| North Carolina | 10.8 | 4,241.3 | 2,811.6 | 1,092.3 | 391 |
| North Dakota | 0.8 | 40.1 | 20.8 | — | 51 |
| Ohio ^{2, 3} | 11.8 | 4,543.9 | 3,018.7 | 1,477.7 | 386 |
| Oklahoma | 4.1 | 354.7 | 219.9 | — | 87 |
| Oregon ² | 4.2 | 460.6 | 282.7 | — | 109 |
| Pennsylvania | 13.0 | 4,861.0 | 3,215.4 | 1,220.5 | 375 |
| Rhode Island ^{2, 3} | 1.1 | 321.0 | — | 425.5 | 293 |
| South Carolina | 5.4 | 2,384.7 | 1,571.7 | 593.4 | 444 |
| South Dakota ^{2, 3} | 0.9 | 86.7 | 42.9 | 184.0 | 94 |

U.S. Lottery Data For Fiscal Year 2024
Excludes Video Lottery Terminal (VLT) sales (cont.)
(in millions)

| States | Population | Sales | Prizes | Profit | Sales/Capita |
|----------------------------|------------|---------|---------|---------|--------------|
| Texas ⁴ | 30.5 | 8,389.8 | 5,655.5 | 2,007.3 | 275 |
| Vermont | 0.6 | 168.6 | — | — | 261 |
| Virginia | 8.7 | 2,617.0 | 1,649.9 | 934.1 | 300 |
| Washington | 7.8 | 1,029.0 | 636.3 | 392.7 | 132 |
| West Virginia ² | 1.8 | 258.0 | 156.7 | — | 146 |
| Wisconsin | 5.9 | 954.8 | 588.8 | — | 162 |
| Wyoming | 0.6 | 41.1 | 15.9 | 6.1 | 70 |

2024 data source: La Fleur's Magazine September/October 2024

Footnotes:

¹ Estimated Sales

² Doesn't include VLT prizes

³ Includes Lottery and VLT profit

⁴ Fiscal year ends June 30 except New York (March 31), Texas (August 31), District of Columbia and Michigan (September 30)

⁺⁺ Audited figures with the exception of population/sales per capita

CALIFORNIA STATE LOTTERY
Number of Employees
Last Ten Fiscal Years

| Divisions | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|------------|------------|------------|------------|------------|------------|------------|--------------|--------------|--------------|
| Executive ² | 43 | 44 | 40 | 41 | 49 | 48 | 58 | 60 | 60 | 60 |
| Finance | 78 | 80 | 82 | 83 | 88 | 91 | 118 | 126 | 137 | 141 |
| Human Resources | 28 | 27 | 29 | 29 | 31 | 37 | 50 | 50 | 53 | 53 |
| Operations ¹ | 77 | 88 | 42 | 43 | 43 | 59 | 59 | 71 | 78 | 77 |
| Public Affairs & Communications ^{2, 3} | 24 | 24 | 25 | 24 | 0 | 7 | 7 | 7 | 7 | 7 |
| Security & Law Enforcement | 59 | 58 | 65 | 64 | 66 | 68 | 74 | 80 | 85 | 87 |
| Information Technology Services | 95 | 101 | 110 | 112 | 112 | 114 | 115 | 121 | 137 | 140 |
| Sales & Marketing ^{1, 2} | 399 | 399 | 448 | 448 | 470 | 485 | 489 | 550 | 559 | 559 |
| Total | 803 | 821 | 841 | 844 | 859 | 909 | 970 | 1,065 | 1,116 | 1,124 |

Source: California State Lottery, Annual Administrative Support Budget for each relevant year.

Note: Staffing levels are based on Lottery Commission approval as of that year.

Footnotes:

¹ In fiscal year 2016-17, the Lottery underwent a reorganization. The warehouse staff were redirected from the Operations Division to the Sales & Marketing Division.

² In fiscal year 2018-19, the Lottery underwent a reorganization. The Corporate Communications Division staff were redirected to the Executive Division and the Sales & Marketing Division.

³ In fiscal year 2019-20, the Lottery underwent a reorganization. The Public Affairs & Communications Division was established, formerly known as Corporate Communications Division.

CALIFORNIA STATE LOTTERY

Information about Operating Indicators

In fiscal year 2023-24, the Lottery continued to improve productivity and engagement to responsibly grow sales and maximize the supplemental funding we provide to our beneficiary. For the fourth year in a row, the Lottery surpassed the records it set in the prior year in sales. The new record-breaking sales were more than \$9.27 billion. The Lottery transferred approximately \$2.3 billion to California's K-12 schools, community colleges, California State University and University of California campuses, and several specialized schools. The Lottery is proud to note that fiscal year 2023-24 was the third consecutive year it provided more than \$2 billion and the 24th consecutive year that it provided more than \$1 billion to its beneficiary.

Going forward, the Lottery's fiscal year 2024-25 business plan balances long-term projects that will continue enabling future sales growth with initiatives that address more immediate needs and focus on the Lottery's mission, vision, and values. The four primary objectives developed in support of the business plan continues to be:

- Expand Scratchers sales by removing barriers to play among infrequent players
- Grow draw game sales particularly in jackpot games and Hot Spot
- Explore new ways to expand and utilize the Lottery's strong retail network
- Continue to improve knowledge and perceptions about the Lottery

The Lottery will be commemorating its 40th anniversary in calendar year 2025 with celebrations planned throughout the year featuring Lottery museum artifacts and past employees, as well as introducing the Lottery's first \$40 price point Scratchers game. These celebrations are designed to reach audiences with the awareness of the Lottery's history and its mission to generate more supplemental funding for California public schools.

The economy continues to bring inherent uncertainties when planning for the future such as high interest rates and inflation. The Lottery's solid business plan, which focuses on players, retailers, product, and initiatives within the Lottery organization itself, creates the balanced approach needed to continue to reach record sales levels. The result will be increased contributions to California public education.

CALIFORNIA STATE LOTTERY
Capital Assets, Net
Last Ten Fiscal Years

| Assets | 2015 | 2016 | 2017 | 2018 |
|------------------------------------|--------------------|--------------------|--------------------|--------------------|
| Land | 9,743,325 | 11,577,348 | 15,893,968 | 18,798,281 |
| Gaming Equipment | 14,504,545 | 29,726,121 | 32,743,102 | 28,709,712 |
| Software ² | — | — | — | — |
| Vending Machines | 25,905,293 | 36,245,295 | 41,240,019 | 42,691,156 |
| Buildings | 70,189,200 | 78,818,382 | 90,566,226 | 100,553,839 |
| Data Processing Equipment | 4,125,357 | 2,850,624 | 1,046,034 | 1,683,868 |
| Office Furniture and Equipment | 1,482,826 | 606,197 | 610,104 | 666,223 |
| Leasehold Improvements | 5,318 | 2,939 | 1,299 | 186 |
| Vehicles ¹ | — | — | — | — |
| Audio/Video Equipment ² | — | — | — | — |
| Warehouse Equipment ² | — | — | — | — |
| Mobile Equipment ² | — | — | — | — |
| Other | 3,629,632 | 4,089,265 | 3,608,714 | 4,203,034 |
| Total Capital Assets | 129,585,496 | 163,916,171 | 185,709,466 | 197,306,299 |

CALIFORNIA STATE LOTTERY
Contributions to Education
Last Ten Fiscal Years

| Contributions | 2015 | 2016 | 2017 | 2018 |
|---|----------------------|----------------------|----------------------|----------------------|
| Allocations to Education Fund | 1,364,542,013 | 1,563,149,876 | 1,499,004,485 | 1,664,887,295 |
| Unclaimed Prizes | 27,177,013 | 24,266,723 | 46,520,996 | 36,049,311 |
| Total Contributions to Education | 1,391,719,026 | 1,587,416,599 | 1,545,525,481 | 1,700,936,606 |

Footnotes:

¹ Prior to fiscal year 2018-19, "Other" capital assets included vehicles.

² The Lottery adopted new asset types in fiscal year 2021-22. This included recategorizing the prior year's asset cost and accumulated depreciation. For more information, see Note 5.

CALIFORNIA STATE LOTTERY
Capital Assets, Net
Last Ten Fiscal Years

| 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| 18,798,281 | 18,798,281 | 18,798,281 | 18,798,281 | 18,798,281 | 18,798,281 |
| 21,347,423 | 14,820,418 | 10,017,625 | 6,689,136 | 4,742,641 | 2,977,383 |
| — | — | — | 10,952,992 | 10,263,513 | 8,666,443 |
| 36,443,593 | 30,327,101 | 24,584,159 | 18,928,541 | 13,211,169 | 7,835,817 |
| 124,353,366 | 138,719,630 | 136,374,440 | 132,014,719 | 128,236,374 | 128,102,940 |
| 3,647,573 | 6,426,088 | 9,725,778 | 239,374 | 677,002 | 656,980 |
| 725,378 | 535,718 | 375,018 | 49,259 | 68,801 | 399,520 |
| — | — | — | — | — | — |
| 3,372,987 | 4,666,505 | 4,747,361 | 3,569,426 | 2,687,916 | 1,585,853 |
| — | — | — | 94,390 | 50,746 | 32,094 |
| — | — | — | 10,508 | 6,567 | 2,627 |
| — | — | — | — | — | — |
| 283,219 | 225,910 | 225,064 | 619,779 | 928,829 | 2,014,709 |
| 208,971,820 | 214,519,651 | 204,847,726 | 191,966,405 | 179,671,839 | 171,072,647 |

CALIFORNIA STATE LOTTERY
Contributions to Education
Last Ten Fiscal Years

| 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| 1,825,224,100 | 1,437,183,846 | 1,863,146,589 | 2,019,682,408 | 2,256,837,541 | 2,220,804,693 |
| 45,523,184 | 75,396,516 | 19,407,816 | 57,691,492 | 51,827,506 | 67,128,165 |
| 1,870,747,284 | 1,512,580,362 | 1,882,554,405 | 2,077,373,900 | 2,308,665,047 | 2,287,932,858 |





Resources

Glossary

| | |
|-----------------|---|
| AB | Assembly Bill |
| ADA | Americans with Disabilities Act |
| ADA | Average Daily Attendance |
| AI | Artificial Intelligence |
| AMMS | Advance Maintenance Management System |
| API | Application Programming Interface |
| ARIMA | Autoregressive Integrated Moving Average |
| ARM | Advanced Requisitions Management |
| AV | Audio/Visual |
| B/U | Back-up |
| BAR | Budget Adjustment Request |
| BEAR | Budget Expenditure Analysis Report |
| BETS | Budget Expenditure Tracking System |
| BP&R | Business Planning & Research |
| BPP | Business Plan Proposals |
| CA | California |
| CDPH | California Department of Public Health |
| CDT | California Department of Technology |
| CHIPS | Creating Helpful Incentives to Produce Semiconductors |
| CHP | California Highway Patrol |
| CISSP | Certified Information Systems Security Professional |
| CLAS | California Leave Accounting System |
| CLIC | California Lottery Information Center |
| COA | Chart of Accounts |
| CPA | Certified Public Accountant |
| CSAT | Controlled Substance Abuse Testing |
| DAC | Disability Advisory Committee |
| DCTS | Discrimination Complaint Tracking System |
| DNS | Domain Name System |
| DO | District Office |
| DOF | Department of Finance |
| DOJ | Department of Justice |
| EA | Enterprise Architecture |
| EEO | Equal Employment Opportunity |
| EFT | Enhanced File Transfer |
| EPMO | Enterprise Project Management Office |
| ERM | Enterprise Risk Management |
| EROS | Enterprise Risk & Optimization Section |
| ERP | Enterprise Resource Planning |
| ETS | Error, Trend, Seasonality |
| EXEC | Executive Division |
| FTB | Franchise Tax Board |
| FTP | File Transfer Protocol |
| FY | Fiscal Year |
| GAAP | Generally Accepted Accounting Principles |
| GC | Government Code |

| | |
|----------------|--|
| GDP | Gross Domestic Product |
| GL | General Ledger |
| GT | GameTouch Lottery Vending Machine |
| HPE | Hewlett Packard Enterprise |
| HQ | Headquarters |
| HR | Human Resources |
| HRD | Human Resources Division |
| HRSC | Human Resources Service Center |
| HW | Hardware |
| ICFN | ICF Next |
| ICS | Internet Caching System |
| IP | Internet Protocol |
| ISO | Information Security & Privacy Office |
| IT | Information Technology |
| ITSD | Information Technology Services Division |
| JP | Jackpot |
| JPA | Jackpot Alert |
| LAUSD | Los Angeles Unified School District |
| LC | Limited Company |
| LEARN | Law Enforcement Archival Reporting Network |
| LEED | Leadership in Energy and Environmental Design |
| LGE | Legislative, Judicial, and Executive |
| LLP | Limited Liability Partnership |
| M&O | Maintenance & Operations |
| MIRS | Management Information Retrieval System |
| MUSL | Multi-State Lottery Association |
| NASPL | North American Association of State and Provincial Lotteries |
| NCRSTC | Northern California Regional Public Safety Training Center |
| NDC | Northern Distribution Center |
| NFL | National Football League |
| NGA | New Game Announcements |
| NSF | Non-sufficient funds |
| OPEB | Other Post-Employment Benefits |
| OPF | Official Personnel File |
| PAC | Public Affairs & Communication |
| PCDO | Paying Claims at District Offices |
| PMI | Project Management Institute |
| PMIA | Pooled Money Investment Account |
| PMIB | Pooled Money Investment Board |
| PMP | Project Management Professional |
| PO | Purchase Order |
| POS | Point-of-Sale |
| POST | Peace Officer Standards and Training |
| PR | Public Relations |
| RAP | Retailer Access Program |
| RFP | Request for Proposal |
| ROI | Return on Investment |
| RPA | Request for Personnel Action |

| | |
|--------------|---|
| RPP | Retailer Product Plan |
| SA | Service Agreement |
| SBITA | Subscription-Based Information Technology Arrangement |
| SC1 | Lottery Payroll Report |
| SCO | State Controller's Office |
| SCR | Scratchers |
| SDC | Southern Distribution Center |
| SLED | Security & Law Enforcement Division |
| SMD | Sales & Marketing Division |
| SPB | State Personnel Board |
| SPSS | Statistical Product & Service Solutions |
| SSM | Services Systems Manager |
| SW | Software |
| TBD | To Be Determined |
| TV | Television |
| UPS | Uninterruptible Power Supply |
| VCC | Virtual Contact Center |
| VLT | Video Lottery Terminal |
| WLA | World Lottery Association |
| ZBB | Zero-Based Budgeting |

Lottery District Offices

| Office | Address | Phone |
|--------------------|--|----------------|
| 1 Milpitas | 900 Hanson Court Milpitas, CA 95035 | (408) 214-4204 |
| 2 Sacramento | 4106 East Commerce Way Sacramento, CA 95834 | (916) 830-0292 |
| 3 Richmond | 618 South 8th Street, Suite 300A Richmond, CA 94804 | (510) 806-8960 |
| 4 Fresno | 7620 North Del Mar Avenue Fresno, CA 93711 | (559) 449-2430 |
| 5 Chatsworth | 9710 Topanga Canyon Boulevard Chatsworth, CA 91311 | (818) 722-1602 |
| 6 Rancho Cucamonga | 11138 Elm Avenue Rancho Cucamonga, CA 91730 | (909) 803-6232 |
| 7 Santa Fe Springs | 9807 Bell Ranch Drive Santa Fe Springs, CA 90670 | (562) 777-3434 |
| 8 Costa Mesa | 235 Baker Street East Costa Mesa, CA 92626 | (714) 716-4076 |
| 9 San Diego | 5656 Ruffin Road San Diego, CA 92123 | (858) 492-1700 |





Address:

700 North 10th Street Sacramento,
CA 95811

Contact Us:

P: 1-800-LOTTERY (568-8379) TDD:

1-855-591-5776

W: www.calottery.com