

California State Lottery Commission

Minutes – January 22, 2026

Sacramento, California

1. Call to Order

Commissioner Chair Anthony Garrison-Engbrecht called the meeting of the California State Lottery Commission to order at 10:03 a.m.

2. Pledge of Allegiance

Chairman Garrison-Engbrecht led the Pledge of Allegiance.

3. Roll Call

Chairman Garrison-Engbrecht asked Farida Sarwari to call the roll.

Commission Members Present:

Chairman Anthony Garrison-Engbrecht

Vice Chair Keetha Mills

Commissioner Tiffani Alvidrez

Commissioner Ukau Dungca

California State Lottery Staff and Presenters:

Harjinder K. Shergill-Chima, Director

Fernando Aceves, Chief Counsel

Nicholas Buchen, Deputy Director, Finance

Jim Hasegawa, Deputy Director of Business Planning & Research

Kayla Kassis, Assistant Deputy Director of Business Planning & Research

Chris Lopez, Deputy Director of Information Technology Services Division

Sharon Allen, Deputy Director, Sales and Marketing Division

Farida Sarwari, Assistant to the Commission

Rebecca Estrella, Recording Secretary

4. Consider Approval of the Agenda

Chairman Garrison Engbrecht asked the Commissioners if there were any proposed changes to the day's agenda. Hearing none, Commissioner Mills made a motion to approve the agenda, and Commissioner Alvidrez seconded the motion.

5. Approval of Minutes

Chairman Garrison-Engbrecht asked if there were any corrections to the minutes of the November 20, 2025, Commission meeting. Commissioner Mills noted a correction was needed in the minutes. Action item 8(a) Juniper Network Switch Refresh incorrectly indicated that she made both first and second motions to approve. Ms. Sarwari stated that the minutes would be reviewed and corrected

accordingly after verification. Chairman Garrison-Engbrecht stated that this item would be voted on at the next commission meeting.

6. Informational Items

a. Director's Comments

Director Chima reported that Lottery sales surpassed \$5 billion during the first half of the fiscal year, exceeding the revised goal and representing 10% growth compared to the same period last year.

A major Powerball jackpot sequence that rolled 46 times reached \$1.7 billion on Christmas Eve, contributing significantly to year-end sales. Although the winning ticket was sold in Arkansas, a Chino Hills player won \$2.8 million prize. The Powerball run generated approximately \$18 million in commissions and bonuses for retail partners and more than \$126 million for California public schools.

SuperLotto Plus sales exceeded goals due to increased player traffic from multi-state games. Scratchers experienced strong holiday sales, generating nearly \$700 million in December alone, contributing about \$100 million to education. Daily games were slightly below goal due to smaller-than-expected rolling prizes. Hot Spot achieved its highest weekly sales on record in December and is performing as expected.

More than \$1 billion has been contributed to supplemental funding for public education in the first half of the fiscal year, \$155 million above projections and approximately 17% higher than last year.

California historically ranks as the second-largest lottery in the U.S., behind Florida, but recent first-quarter data shows California has moved into the number one position, with \$2.49 billion in sales compared to Florida's \$2.43 billion. Growth in draw game sales, particularly Powerball, was a key factor in surpassing Florida.

Vice Chair Mills congratulated the Director and staff on the achievement and asked about the broader impact of the sales figures.

Director Chima explained that higher sales directly increase contributions to public education programs, including community college firefighting academies, English as a Second Language programs, nursing programs, and arts education.

7. Consent Calendar

There were no items on the consent calendar.

8. Action Items

a. Weaver & Tidwell, LLP Contract Extension

Deputy Director Buchen requested Commission approval to extend the contract with Weaver & Tidwell LLP for independent financial audit services and to increase the contract authority by \$186,500, bringing the total to \$914,500, and to extend the term through March 31, 2027.

Commissioner Mills asked about plans for the new RFP process and encouraged efforts to increase competition among providers.

Chair asked if any member of the public had any questions or comments regarding Action Item 8(a). No public comments were received.

Commissioner Mills moved to approve the item, and Commissioner Alvidrez seconded the motion. The motion passed unanimously following a roll call vote.

b. Communications Effectiveness Tracking Study Agreement - Alter Agents

Deputy Director Hasegawa and Assistant Deputy Director Kassis presented a request to approve a new contract for the Communication Effectiveness Tracking Study, a key research study that measures public attitudes, player demographics, and the effectiveness of Lottery communications.

Following a competitive procurement process, Alter Agents was selected as the recommended vendor. They are also the current provider and received the highest evaluation score and the lowest cost proposal.

Commissioners discussed the value of expanded analytics, including additional demographic insights and Asian language sampling, to better inform outreach and public education.

The Chair asked if any member of the public had any questions or comments regarding Action Item 8(b). No public comments were received.

Commissioner Alvidrez moved to approve the item, seconded by Commissioner Dungca. The motion passed unanimously following a roll call vote.

c. Varonis Renewal

Deputy Director Lopez requested Commission approval to renew the Varonis data security platform subscription for a three-year term to continue protecting

the Lottery's computer systems from cybersecurity threats and unauthorized data access.

The contract, awarded to ePlus Technology, Inc., will total \$765,336 and run from March 31, 2026, to March 30, 2029. Staff recommended the multi-year term to lock in pricing and reduce administrative overhead from annual renewals.

Commission Alvidrez asked about the increase in cost and was informed that pricing has risen gradually over time.

The Chair asked if any member of the public had any questions or comments regarding Action Item 8(c). No public comments were received.

A motion to approve was made by Commissioner Dungca and seconded by Commissioner Alvidrez. The motion passed unanimously following a roll call vote.

d. Adobe Campaign Standard Renewal

Deputy Director Lopez requested approval to renew the Adobe Campaign Standard subscription for one year to support the Lottery's email marketing and communications, including jackpot alerts, promotions, responsible gaming messages, and Second Chance player notifications.

The one-year renewal allows time for the Lottery to complete an RFP process for a new email services platform with expanded capabilities.

The contract with Allied Network Solutions, Inc. will total \$470,244 and run from March 1, 2026, to February 28, 2027.

The Chair asked if any member of the public had any questions or comments regarding Action Item 8(d). No public comments were received.

Commissioner Mills moved to approve the item, and Commissioner Dungca seconded the motion. The motion passed unanimously following a roll call vote.

e. Microsoft Enterprise License Agreement

Deputy Director Lopez requested Commission approval to renew the Microsoft Enterprise License Agreement for a three-year term to support the Lottery's core IT infrastructure, including server software, development tools, system monitoring, and cloud services.

The agreement will total \$8,556,432.66 and run from March 1, 2026, to February 28, 2029, with the contract awarded to Crayon Software Experts, LLC through a state cooperative procurement process.

The Chair asked if any member of the public had any questions or comments regarding Action Item 8(e). No public comments were received.

Commissioner Alvidrez moved to approve the item, and Commissioner Dungca seconded the motion. The motion passed unanimously following a roll call vote.

f. Astute Contract Extension

Deputy Director Lopez requested Commission approval to exercise the first one-year extension of the contract with Astute Solutions, LLC to continue the modernization of the lottery's BIBA analytics platform. The work includes completing complex data model development and report migration to a cloud-based system.

The one-year extension adds \$500,000, bringing that total contract to \$1.9 million and extending the term through February 14, 2027. The extension ensures Astute's support is available to complete the modernization work while allowing remaining tasks to be handled in-house if needed.

The Chair asked if any member of the public had any questions or comments regarding Action Item 8(f). No public comments were received.

Commissioner Mills moved to approve the item, and Commissioner Dungca seconded the motion. The motion passed unanimously following a roll call vote.

g. Quantasy & Associates, LLC Contract Extension

Deputy Director Allen requested Commission approval to exercise the first one-year extension of the contract with Quantasy & Associates for African American advertising and marketing services.

The contract, originally awarded in 2021 through a formal procurement for a five-year term with a \$15 million expenditure authority, is set to expire at the end of this month. Quantasy provides market analysis, strategy development, and positioning of the Lottery brand and its programs within the African American consumer market. Exercising the extension will allow these marketing efforts to continue without interruption.

The contract term would extend through January 31, 2027, with the expenditure authority remaining at \$15 million.

The Chair asked if any member of the public had any questions or comments regarding Action Item 8(g). No public comments were received.

Commissioner Alvidrez moved to approve the item, and Commissioner Dungca seconded the motion. The motion passed unanimously following a roll call vote.

h. Victory International Group, LLC Contract Extension

Deputy Director Allen requested Commission approval to exercise the first of one-year extension of the contract with Victory International Group for dedicated Scratcher's shipping bags.

The original three-year contract included a \$376,000 expenditure authority and two optional one-year extensions. The bags are used to ship tickets to over 21,000 retailers and to transport expired tickets to the northern distribution center for destruction.

Due to projected usage, an additional \$145,000 is needed during the extension, bringing the total expenditure authority to \$521,000. The contract term would extend through February 28, 2027.

The Chair asked if any member of the public had any questions or comments regarding Action Item 8(h). No public comments were received.

Commissioner Dungca moved to approve the item, and Commissioner Mills seconded the motion. The motion passed unanimously following a roll call vote.

i. FedEx Corporate Inc., Scratchers® Ticket Delivery Services Contract

Deputy Director Allen requested Commission approval of a new contract with FedEx Corporate Incorporated to provide all Scratchers ticket delivery services.

The Lottery's previous contract with Unity Courier Services is expiring, and FedEx has been handling monthly auto ship deliveries since June, demonstrating improved delivery performance and enhanced tracking. FedEx's capacity and service levels will support weekly deliveries to retailers and allow a return to a just-in-time inventory model.

The new contract term will run through November 27, 2026, with an option to extend contingent on the NASPO agreement. The contract includes an

additional \$6.8 million in expenditure authority, bringing the total to \$9.8 million.

The Chair asked if any member of the public had any questions or comments regarding Action Item 8(i). No public comments were received.

Commissioner Alvidrez moved to approve the item, and Commissioner Mills seconded the motion. The motion passed unanimously following a roll call vote.

Chairman Garrison-Engbrecht commended Deputy Director Allen and his team for their diligence in ensuring timely deliveries, meeting vendor and retailer expectations, and supporting the Lottery's mission.

Deputy Director Allen acknowledged the team effort and specifically recognized Rich McNeese, Sean Longwood, Antonio Herrera, and other distribution and field staff for their contributions to implementing the new FedEx contract.

9. Public Discussion

There was no public discussion.

10. Commissioner General Discussion

Chairman Garrison-Engbrecht recognized Deputy Director of Public Affairs Carolyn Becker, noting that this would be her last Commission meeting. He thanked her for her extraordinary service, highlighting her leadership in restructuring the Public Affairs team, strengthening operations, launching a paid media program, and building strong relationships with local media. He also acknowledged her contributions to statewide COVID-19 messaging and her consistent support of the department's mission and leadership.

Ms. Becker expressed her gratitude, noting it has been an honor to serve for five and a half years and that she is taking a professional pause to consider her next steps. She praised the Lottery's values-based culture and leadership team.

11. Scheduling Next Meetings

The next Commission Meeting dates are tentatively scheduled for March 26, May 21, June 16, September 24, and November 19, 2026. All meetings will be held in Sacramento.

12. Adjournment

Chairman Garrison-Engbrecht adjourned the meeting at 10:56 a.m.