

STATE OF CALIFORNIA  
TRANSCRIPT OF PROCEEDINGS

CALIFORNIA STATE LOTTERY COMMISSION  
COMMISSION MEETING

**TIME:** 10:05 a.m.  
**DATE:** Thursday, March 26, 2026  
**PLACE:** California State Lottery Headquarters  
700 North 10<sup>th</sup> Street  
Sacramento, California 95811

Transcription Service: Tamyra Morgan  
Foothill Transcription Company  
PO Box 597  
Sloughhouse, California 95683  
(916) 892-9869

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**A P P E A R A N C E S**

**California State Lottery Commission**

Anthony Garrison-Engbrecht  
Chair of the Commission  
Commissioner

Keetha Mills  
Vice Chair of the Commission  
Commissioner

Tiffani Alvidrez  
Commissioner

Ukau Dungca  
Commissioner

**Participating Lottery Commission Staff**

Harjinder K. Shergill-Chima  
Director

Fernando Aceves  
Chief Counsel

Nicholas Buchen  
Deputy Director of Finance

Chris Lopez  
Deputy Director of Information Technology  
Services Division

Sharon Allen  
Deputy Director of Sales & Marketing

Farida Sarwari  
Assistant to Commission

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1 **Thursday, March 26, 2026**

2 **Sacramento, California**

3 **--oOo--**

4 **CHAIRMAN GARRISON-ENGBRECHT:** The meeting of the  
5 California Lottery Commission is now called to order.

6 Please rise and join me in the Pledge of  
7 Allegiance.

8 *(Recitation of the Pledge of Allegiance.)*

9 **CHAIRMAN GARRISON-ENGBRECHT:** Item number three is  
10 roll call of the Commissioners.

11 Will the secretary please call the roll?

12 **MS. SARWARI:** Good morning.

13 Commissioner Mills?

14 **VICE CHAIR MILLS:** Here.

15 **MS. SARWARI:** Commissioner Alvidrez?

16 **COMMISSIONER ALVIDREZ:** Here.

17 **MS. SARWARI:** Commissioner Rasouli?

18 Commissioner Dungca?

19 **COMMISSIONER DUNGCA:** Here.

20 **MS. SARWARI:** Chairman Garrison-Engbrecht.

21 **CHAIRMAN GARRISON-ENGBRECHT:** Here.

22 We have a change to today's agenda. Action item  
23 9b, Statewide Furniture CMAS Contract will not be heard  
24 today. This action item will be presented at a future  
25 meeting. Thank you for understanding.

1           Commissioners, does anyone have any other changes  
2 to today's agenda in any respect?

3           Hearing none, do I hear a motion to adopt the  
4 revised agenda?

5           **COMMISSIONER ALVIDREZ:** Motion to adopt.

6           **VICE CHAIR MILLS:** Second.

7           **CHAIRMAN GARRISON-ENGBRECHT:** Will the secretary  
8 please call the roll?

9           **MS. SARWARI:** Commissioner Mills?

10          **VICE CHAIR MILLS:** Yes.

11          **MS. SARWARI:** Commissioner Alvidrez?

12          **COMMISSIONER ALVIDREZ:** Yes.

13          **MS. SARWARI:** Commissioner Dungca?

14          **COMMISSIONER DUNGCA:** Yes.

15          **MS. SARWARI:** Chairman Garrison-Engbrecht?

16          **CHAIRMAN GARRISON-ENGBRECHT:** Yes.

17                 The next item on the agenda is item number five,  
18 Approval of the Revised Minutes of the Commission Meeting on  
19 November 20<sup>th</sup>, 2025. Are there any additional corrections to  
20 the minutes?

21                 Hearing none, do I have a motion to approve the  
22 revised minutes from the November 20<sup>th</sup>, 2025, Commission  
23 Meeting?

24                 **VICE CHAIR MILLS:** I'll move to approve.

25                 **COMMISSIONER DUNGCA:** Second.

1                   **CHAIRMAN GARRISON-ENGBRECHT:** Will the secretary  
2 please call the roll?  
3                   **MS. SARWARI:** Commissioner Mills?  
4                   **VICE CHAIR MILLS:** Yes.  
5                   **MS. SARWARI:** Commissioner Alvidrez?  
6                   **COMMISSIONER ALVIDREZ:** Yes.  
7                   **MS. SARWARI:** Commissioner Dungca?  
8                   **COMMISSIONER DUNGCA:** Yes.  
9                   **MS. SARWARI:** Chairman Garrison-Engbrecht?  
10                  **CHAIRMAN GARRISON-ENGBRECHT:** Yes.  
11                  The next item on the agenda is item number six,  
12 Approval of the minutes from the January 22, 2026,  
13 Commission Meeting. Do I hear any corrections to the  
14 minutes?  
15                  Hearing none, do I hear a motion to approve the  
16 minutes from the January 22<sup>nd</sup>, 2026, Commission Meeting?  
17                  **COMMISSIONER DUNGCA:** Motion to approve.  
18                  **VICE CHAIR MILLS:** I'll second.  
19                  **CHAIRMAN GARRISON-ENGBRECHT:** Will the secretary  
20 please call the roll?  
21                  **MS. SARWARI:** Commissioner Mills?  
22                  **VICE CHAIR MILLS:** Yes.  
23                  **MS. SARWARI:** Commissioner Alvidrez?  
24                  **COMMISSIONER ALVIDREZ:** Yes.  
25                  **MS. SARWARI:** Commissioner Dungca?

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**COMMISSIONER DUNGCA:** Yes.

**MS. SARWARI:** Chairman Garrison-Engbrecht?

**CHAIRMAN GARRISON-ENGBRECHT:** Yes.

Thank you for getting through the business of our meeting pretty quickly.

The next item on our information items starting with our Director's Comments.

**DIRECTOR SHERGILL-CHIMA:** You all talk amongst yourselves.

All right. Good morning, Commissioners. I'm pleased to report that fiscal year sales through mid-March are over \$6.6 billion and we are currently exceeding our goal. The majority of our games have sales close to or exceeding our revised goals for this year. However, I do want to note that since late November, our weekly Scratcher sales have softened and have been lower than their prior years' levels. And I'll have a little more to say on this a little bit later in this report.

And thanks to Scratchers, Powerball, SuperLotto Plus, and Hot Spot, we are seeing year over year growth. Of special note this month, we're currently running the first Hot Spot promotion in 10 years. Hot Spot players have the chance to win bullseye prizes that are 50 percent higher than normal through mid-April, and we have already seen a nice boost to the game as each week since the promotion

1 began, we've seen record sales for this game.

2 Most importantly, through February, estimated  
3 contributions to education are at \$1.4 billion. We are not  
4 only \$100 million above goal but also more than \$150 million  
5 higher than last year's estimates after eight months.

6 I wanted to provide a lottery industry update. In  
7 our last meeting question, I shared an update that our sales  
8 during the first quarter of the fiscal year were the highest  
9 among all US lotteries. At this time, we now have second  
10 quarter sales, and I'll be providing another update on the  
11 industry and how we compared for the first half of the year,  
12 July through December.

13 With sales of over \$4.894 billion over those six  
14 months, unfortunately, California has returned to the number  
15 two spot. Florida had a particularly strong quarter two  
16 that exceeded our levels by over \$150 million. While we  
17 fully support the work of all US lotteries, we're working  
18 really hard to get back up to that number one spot.

19 For draw, looking deeper into the sales for the  
20 fall period of September through December, nearly all states  
21 saw a year over year increase due to the large jackpots that  
22 we had in our multistate games. If you'll recall, there was  
23 a \$1.7 billion Powerball jackpot on Christmas Eve, that was  
24 one in Arkansas, and a \$980 million Mega Millions jackpot in  
25 quarter two, so that definitely increased our sales. All

1 states saw higher sales for this past fall than they did the  
2 year prior when we didn't have these significant jackpots.  
3 Our sales growth of 3 percent year over year in total sales  
4 was just about average among all US lotteries, as well as  
5 for the top selling lotteries.

6           The differentiator really came down to instant  
7 tickets or, as we call them here in California, Scratchers.  
8 Florida was one of the few states to see instant ticket  
9 sales grow year over year in quarter two. That's actually  
10 what helped them push them back into their number one spot.

11           On the other hand, the majority of US states,  
12 including California, saw Scratcher sales decline in the  
13 fall of 2025 compared to the prior year. The above table  
14 shows that the top 10 states all saw sales dips year over  
15 year in the second quarter, with Florida as the only  
16 positive gain.

17           Because this appears to be a nationwide pattern,  
18 we believe at least part of the problem is the softening  
19 week -- excuse me, we believe at least part of the softening  
20 we experienced reflects broad issues like economic  
21 conditions and competitive factors, rather than anything  
22 specific with our own efforts.

23           Florida likely offset this trend by launching an  
24 additional \$50 game early in the year, a product that they  
25 hadn't offered the year prior.

1           That's it for my update today. I'm happy to  
2 entertain any questions.

3           **COMMISSIONER ALVIDREZ:** So we're not competitive  
4 at all as a state. Doesn't sound like we're competing with  
5 Florida at all.

6           **DIRECTOR SHERGILL-CHIMA:** We don't pay attention  
7 at all.

8           **COMMISSIONER ALVIDREZ:** Not at all, not at all.  
9 But the numbers are strong, so thank you.

10          **DIRECTOR SHERGILL-CHIMA:** Yes, they are. All  
11 right. Thank you.

12          **CHAIRMAN GARRISON-ENGBRECHT:** Thank you so much.  
13 It does feel like a long walk.

14          **DIRECTOR SHERGILL-CHIMA:** It's a long walk. Go  
15 about your business.

16          **CHAIRMAN GARRISON-ENGBRECHT:** The next item on the  
17 agenda is the consent calendar. There are no items under  
18 the consent calendar, so we'll proceed to the action items.

19                 Our first action item is Request to Add Position  
20 to the Finance Division presented by Nick. Good morning.

21          **DEPUTY DIRECTOR BUCHEN:** Good morning. All right.

22                 I'm requesting your approval for two new permanent  
23 positions in the Lottery's Finance Division. One is in our  
24 taxes unit and the other is in our budgets unit. And the  
25 primary responsibilities of our taxes unit are to remit

1 federal taxes withheld on behalf of prize winners to the IRS  
2 on a daily basis and to validate, reconcile, and issue tax  
3 forms to lottery retailers, vendors, and prize winners.

4           The number of claimable prizes for which taxes are  
5 withheld has increased over the last several years,  
6 primarily due to the gradual introduction of higher price  
7 point Scratchers games, along with increased sales we  
8 experienced in these games. While staffing in the taxes  
9 unit has remained unchanged over this period, this has  
10 prevented the team from addressing system gaps, making  
11 process improvements, or implementing new ways of providing  
12 a higher level of customer service.

13           The addition of the requested new position will  
14 enable the taxes team to shift from taking a reactive  
15 approach to instead being proactive in strengthening the  
16 Lottery's tax compliance posture, mitigating risk, and  
17 enhancing the experience for our internal and external  
18 customers.

19           This new position will help to build stronger  
20 relationships across Lottery divisions, to provide  
21 awareness, analysis, and change management for tax-related  
22 topics that are constantly changing due to federal and state  
23 tax policies. This position also will enable the taxes team  
24 to have the ability to research and implement mandatory tax  
25 changes, all while ensuring prize winner, vendor, and

1 retailer information continues to be accurately reported.

2 I'm requesting this position now, rather than  
3 including it as part of the budget for the coming fiscal  
4 year, to allow recruitment efforts to be completed and for  
5 the incumbent to be onboarded and trained before the 2026  
6 tax year end process. The onboarding and training of a tax  
7 analyst is particularly lengthy due to the complex nature of  
8 state and federal tax compliance.

9 And now shifting to our budgets unit, I'm  
10 requesting your approval to convert an existing limited term  
11 position to permanent. The primary responsibility of the  
12 budgets unit is to develop and administer the Lottery's  
13 annual financial plan, and over the last several years, the  
14 team has worked to refine and mature our financial planning,  
15 forecasting, and analytics functions. The limited term  
16 position was established to assist the budgets team with  
17 designing, coding, and configuring new enterprise tools such  
18 as advanced budgeting and forecasting methods, as well as  
19 tools to improve Lottery position controls and to protect  
20 the integrity of employee data used in budgeting.

21 When we established the limited term position, the  
22 workload was viewed as temporary in nature to get these  
23 various tools up and running. However, as the collection of  
24 resources available to the budgets team has continued to  
25 evolve and expand, there's an ongoing need to perform

1 database management, including designing and deploying data  
2 structures to enable the Lottery to implement and maintain  
3 advanced data analytics, automation, and system innovation.

4           Converting the limited term position to permanent  
5 will enable the Lottery to effectively allocate and evaluate  
6 finite fiscal resources in the Lottery's annual financial  
7 plan.

8           I, therefore, ask that the Commission approve the  
9 establishment of the requested new permanent position in the  
10 taxes unit and to convert the existing limited term position  
11 to permanent in the budgets unit. This will result in  
12 additional estimated costs in this current fiscal year of  
13 approximately \$11,000 and costs of approximately \$238,000  
14 annually. And I'd be happy to answer any questions.

15           **CHAIRMAN GARRISON-ENGBRECHT:** Thank you. Does any  
16 member of the public want to address the Commissioners at  
17 this time regarding Action Item 9a?

18           Seeing none, do any of the Commissioners have any  
19 questions or comments on action item 9a? Do we hear a  
20 motion to approve action item 9a, a Request to Add Positions  
21 to the Finance Division?

22           **VICE CHAIR MILLS:** Motion to approve.

23           **COMMISSIONER DUNGCA:** Second.

24           **CHAIRMAN GARRISON-ENGBRECHT:** Will the secretary  
25 please call the roll?

1           **MS. SARWARI:** Commissioner Mills?

2           **VICE CHAIR MILLS:** Yes.

3           **MS. SARWARI:** Commissioner Alvidrez?

4           **COMMISSIONER ALVIDREZ:** Yes.

5           **MS. SARWARI:** Commissioner Dungca?

6           **COMMISSIONER DUNGCA:** Yes.

7           **MS. SARWARI:** Chairman Garrison-Engbrecht?

8           **CHAIRMAN GARRISON-ENGBRECHT:** Yes. Thank you,  
9 Nick.

10                   I know we're not competitive, but Chris has a few  
11 presentations today, so thank you for being here. Shannon,  
12 I think that next time, I don't know what your numbers are  
13 for next time -- well, I've been keeping track.

14           **DEPUTY DIRECTOR ALLEN:** (Inaudible) today,  
15 leaving the best for last.

16           **CHAIRMAN GARRISON-ENGBRECHT:** Action Item 9b has  
17 been moved. We're going to move to action 9c, Juniper  
18 Network Switch Support Renewal. All right.

19           **DEPUTY DIRECTOR LOPEZ:** Good morning,  
20 Commissioners.

21           **CHAIRMAN GARRISON-ENGBRECHT:** Good morning.

22           **DEPUTY DIRECTOR LOPEZ:** We'll be here for a bit,  
23 so let's settle in.

24                   For my first item, which is 9c, we're requesting  
25 approval to renew our Juniper Network Switch agreement for a

1 three-year term. Our Juniper Network Switches are a  
2 critical component of our IT infrastructure. These switches  
3 are responsible for connecting all devices within Lottery-  
4 owned locations, as well as connections between locations.  
5 This includes connecting all workstations, printers, IoT  
6 devices, Wi-Fi access points, you name it, any device on our  
7 network is connected via these switches.

8 We have nine district offices, two distribution  
9 centers, Lottery Headquarters, and then two ancillary sites  
10 that house these switches. To ensure our network  
11 communications infrastructure can meet the network  
12 connectivity needs of the Lottery, Juniper Network Switch  
13 Support services are required. This support includes  
14 monitoring software, 24 by 7 premium care, expedited  
15 hardware replacement, and access to critical security  
16 updates and patches.

17 Lottery business operations require reliable and  
18 always available network communication services. We really  
19 can't do business without network communications supporting  
20 us, and so these Juniper Network Switch Support Services  
21 will ensure we can meet our operational needs.

22 This renewal seeks to co-term the support of all  
23 of our existing network switches through the end of their  
24 respective vendor support dates. For this renewal, we used  
25 a leverage procurement agreement requesting offers from

1 multiple resellers that participate in the state's  
2 enterprise technology statewide contract. The lowest offer  
3 was submitted by Allied Network Solutions.

4 The Lottery recommends the Commission approve  
5 renewing Juniper Networks Switch Support for a three-year  
6 term. Total agreement amount is \$517,876.25 with a turn  
7 date beginning May 10<sup>th</sup>, 2026, and running through May 31<sup>st</sup>,  
8 2029.

9 With that, I'm happy to answer any questions the  
10 Commission might have for this request.

11 **CHAIRMAN GARRISON-ENGBRECHT:** Thank you. Does any  
12 member of the public want to address the Commission at this  
13 time regarding action item 9c?

14 Seeing none, do any of the Commissioners have  
15 questions or comments about action item 9c?

16 **COMMISSIONER ALVIDREZ:** Good morning.

17 **DEPUTY DIRECTOR LOPEZ:** Good morning.

18 **COMMISSIONER ALVIDREZ:** I was reading some of the  
19 briefing materials from November. And if I recall  
20 correctly, we approved or authorized a Juniper Switch in  
21 November so, and if I recall correctly, we were talking in  
22 November about the need to ultimately, kind of pull all of  
23 the kind of agreements under one approval process to kind of  
24 align some of those terms. Is this that that we're talking  
25 about?

1           **DEPUTY DIRECTOR LOPEZ:** We are, yeah. We have the  
2 four core switches that we approved in November.

3           **COMMISSIONER ALVIDREZ:** Right.

4           **DEPUTY DIRECTOR LOPEZ:** And then this covers all  
5 of what we call our floor switches. And then we actually  
6 technically have another set of switches, which are our  
7 server farm switches, which we're going to procure in May.  
8 So we're going to time the purchase of those to get a three-  
9 year renewal so that it will expire at the end of this  
10 renewal for the floor switches.

11           **COMMISSIONER ALVIDREZ:** Got it. So that it makes  
12 more sense sequentially.

13           **DEPUTY DIRECTOR LOPEZ:** Right. And then that'll  
14 time up all of this switches, except for the core, which  
15 lasts for 10 years, us revisiting whether or not we want to  
16 continue with Juniper or move to another product. So we  
17 will be doing a market analysis around 2027, 2028 to revisit  
18 our floor switches.

19           **COMMISSIONER ALVIDREZ:** And Juniper is a part of  
20 this bright star Rhode Island data center piece right where  
21 they're all kind of piped into kind of the data center in  
22 Rhode Island, and they're the maintainers of all of the data  
23 and the information.

24           **DEPUTY DIRECTOR LOPEZ:** Well, for the equipment  
25 that we have in Rhode Island is to support the security and

1 control systems to meet muscle rule two requirements. So in  
2 the Rhode Island data center, we have our backup ICS system  
3 housed there. And so the switches and the firewalls that we  
4 have there are used to protect those systems and maintain  
5 full control over those. So they are separate from the  
6 gaming system components, but they're housed with the gaming  
7 system to ensure that network outages don't affect the  
8 ability for us to balance the draw. So it's located with  
9 the gaming system that's in Rhode Island.

10 **COMMISSIONER ALVIDREZ:** Got it. Thank you.

11 **DEPUTY DIRECTOR LOPEZ:** You're welcome.

12 **CHAIRMAN GARRISON-ENGBRECHT:** Any additional  
13 questions? Do I hear a motion to approve action item 9c,  
14 Juniper Network Switch Support Renewal?

15 **COMMISSIONER DUNGCA:** Motion to approve.

16 **COMMISSIONER ALVIDREZ:** Second.

17 **COMMISSIONER ALVIDREZ:** Will the secretary please  
18 call the roll?

19 **MS. SARWARI:** Commissioner Mills?

20 **VICE CHAIR MILLS:** Yes.

21 **MS. SARWARI:** Commissioner Alvidrez?

22 **COMMISSIONER ALVIDREZ:** Yes.

23 **MS. SARWARI:** Commissioner Dungca?

24 **COMMISSIONER DUNGCA:** Yes.

25 **MS. SARWARI:** Chairman Garrison-Engbrecht?

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**CHAIRMAN GARRISON-ENGBRECHT:** Yes.

Next is action item 9d, Microsoft 365 renewal.

**DEPUTY DIRECTOR LOPEZ:** Okay. Thank you. And for this request, we're requesting approval to renew our Microsoft agreement, or Microsoft 365 agreement, previously known as Office 365, for a five-year term.

The Lottery relies on Microsoft software to conduct daily business and to meet operational needs. The Lottery currently leverages an enterprise agreement for Microsoft 365 software products through the state's Department of Technology. Microsoft 365 products that we use as part of this agreement include our operating system for our windows workstations and includes Office productivity software such as Teams, Outlook, Word, Excel, PowerPoint, OneDrive.

In fact, nearly all Lottery employees rely on Office software on a day to day basis to perform their job functions. The agreement also includes Microsoft Project and Visio, as well as Power BI Premium, which is used for our enterprise analytics and reporting. Last we're adding to the agreement Copilot 365, which is an AI productivity software that helps staff complete tasks more efficiently and effectively.

The Microsoft 365 agreement includes annual true-up processes to address any license increases or

1 addons, based on projected growth and historical usage. The  
2 Lottery is determined that allocating 50 percent of the  
3 renewal costs as contingency is sufficient to cover the  
4 anticipated true-up expenses over the five-year term of this  
5 agreement.

6 The current agreement has been in place since  
7 2021. Maintaining the agreement with the Department of  
8 Technology continues to offer the Lottery cost savings that  
9 benefit us, while ensuring staff have the necessary tools to  
10 be productive and efficient as they strive to achieve our  
11 important mission.

12 For this renewal, the Lottery will be leveraging  
13 an agreement with the State's Department of Technology,  
14 their master agreement, and the lowest bid for this was SHI  
15 International Corp.

16 The Lottery recommends the Commission approve  
17 renewing the Microsoft 365 agreement for a five-year term.  
18 Total agreement amount is \$4,470,127.60 with a term date  
19 beginning April 1<sup>st</sup>, 2026, through March 31<sup>st</sup>, 2031.

20 And with that, I'm happy to answer any questions  
21 you may have regarding this request.

22 **CHAIRMAN GARRISON-ENGBRECHT:** Thank you. Does  
23 any member of the public want to address the Commission at  
24 this time regarding action item 9d?

25 Do any of the Commissioners have questions or

1 comments regarding action item 9d?

2 **COMMISSIONER ALVIDREZ:** Yes, question. So this  
3 term is for a solid five years. Does this rate lock us into  
4 kind of -- does the term lock us into this rate for the five  
5 years given, all of the annual updates that Microsoft 365  
6 experiences, all of the price increases that we're  
7 constantly dealing with, locked in for five years for  
8 whatever the evolution of that technology.

9 **DEPUTY DIRECTOR LOPEZ:** Correct, it does. And  
10 some of the rates are staggered. Like the Copilot, it  
11 starts at like a certain amount, it then increases over the  
12 five-year terms. But we also have the ability to de-true-  
13 up, so we can remove licenses, too. So we're free to add or  
14 remove licenses within the agreement. We just are going to  
15 be capped at that 15-percent contingency that we've baked  
16 into this agreement over the five-year term. But we're  
17 going to strive to try and make sure that we've optimized  
18 our license allocation.

19 So we're going to focus on that to make sure we  
20 have the right number of licenses for the right number of  
21 people that are really using it, so we can keep the need to  
22 increase.

23 **COMMISSIONER ALVIDREZ:** Thank you for saying that  
24 because that was going to be my next question about mapping  
25 that 15 percent to kind of projected growth for the Lottery,

1 as far as employees' head count.

2 And then a question about the Copilot 365. I know  
3 that that is kind of an AI tool. I think you mentioned that  
4 we're in piloting phase for the Lottery to use that AI tool  
5 for various aspects of work. Can you give us some  
6 information about that piece, given kind of AI tools are so  
7 hotly debated about their usage and value kind of just  
8 within the legislature, but also across the country?

9 **DEPUTY DIRECTOR LOPEZ:** Yeah. We've been piloting  
10 Microsoft's licensed Copilot products since August on a  
11 limited basis. We started out with 50 folks for the pilot,  
12 and we've increased it over time to about 130 folks that are  
13 using Copilot. As a prerequisite of being able to  
14 participate in the pilot, we had the Deputy Director select  
15 the best candidates to try out this new product and help us  
16 identify the best use cases for this tool.

17 We also ensure that everyone that participated in  
18 the pilot took a responsible AI for professionals course  
19 that's offered by the California Department of Human  
20 Resources. And then we also developed proof of concept  
21 guidelines for everyone that participated in the pilot and  
22 made sure that everyone who participated in the pilot  
23 acknowledged and signed those the terms of the guidance.

24 And then what we've done since then is we've had  
25 -- since we launched the pilot is we had working sessions

1 where we facilitated learning sessions with all of the pilot  
2 participants. We did surveys to try and gauge how well it's  
3 working and how they're using it. We've been analyzing  
4 metrics to identify what we believe were the most used  
5 features of the product. We've been measuring utilization,  
6 which is a gage of like adoption, how many people are really  
7 using it.

8           And then in parallel to that, we've been working  
9 on a recently finalized new policy on the use of Gen AI in  
10 general, which covers all AI, generative AI, in addition to  
11 what we are using Copilot for.

12           **COMMISSIONER ALVIDREZ:** And what's the term for  
13 the pilot? When will that end?

14           **DEPUTY DIRECTOR LOPEZ:** We don't know yet. What  
15 we're doing right now is we noticed that the utilization  
16 isn't as high as we'd like it to be, and when we rolled it  
17 out, we actually kept it pretty locked down where it only  
18 accessed Lottery information. So what we're going to do is  
19 open it up to include web searches, and we find that by  
20 adding that feature, that it's going to increase the  
21 usefulness of the outputs through the prompts.

22           I think we were a little too security focused and  
23 kept it too restrictive, which reduced the benefits of the  
24 product.

25           **COMMISSIONER ALVIDREZ:** So once you assess that

1 data and those metrics, if you determine that it is a viable  
2 tool that needs to be rolled out department wide, what's the  
3 plan there? Is that going to be kind of a train the trainer  
4 concept? Are you planning to bring someone in to provide  
5 kind of some department wide training or have you -- are we  
6 not (overlapping)?

7 **DEPUTY DIRECTOR LOPEZ:** We're not that far along  
8 down the road. But there is actually two key considerations  
9 we have right now, which is there's actually a free version  
10 of Copilot, and so we're assessing what are the best use  
11 cases and to what extent do we provide the free version to  
12 Lottery employees, whether it's all or some depending on  
13 what their job functions are. And then which ones have  
14 specialized use cases that would require the license  
15 version. So that's the point we're at right now is just  
16 figuring out which of the products best meets different  
17 types of job functions and roles.

18 We haven't really thought through yet how full  
19 rollout will look like and the best approach to ensure that  
20 everyone is properly trained, whether it's taking just the  
21 responsible use of AI or if there's additional training that  
22 we need to provide, such as prompting and things like that,  
23 so that they can get the most out of the product.

24 **COMMISSIONER ALVIDREZ:** Last question, sorry.

25 **DEPUTY DIRECTOR LOPEZ:** Yeah.

1                   **COMMISSIONER ALVIDREZ:** Don't mean to dominate  
2 this time, but this is interesting to me. And so how is our  
3 pilot matching up with the rest of the state and some of  
4 their efforts to determine the usefulness or the value in  
5 the Copilot products?

6                   **DEPUTY DIRECTOR LOPEZ:** I don't know how it  
7 compares to the rest of state, but I do know many of the --  
8 or some of the state departments that I'm aware of, like  
9 Public Health and Health Care Services, they just went all  
10 in up front, where they just --

11                   **COMMISSIONER ALVIDREZ:** I don't mean state  
12 departments. I mean our state agencies.

13                   **DEPUTY DIRECTOR LOPEZ:** Oh, state agencies. Yeah.

14                   **COMMISSIONER ALVIDREZ:** Broadly the 40 million in  
15 the state. I meant state I meant state agencies and  
16 departments.

17                   **DEPUTY DIRECTOR LOPEZ:** Yeah, I don't know that.  
18 But I know how well we compare against most state  
19 departments. But I do know some of the state departments,  
20 they went in just straight in where they gave everyone  
21 licenses.

22                   I don't know, though, how well it's being utilized  
23 and what adoption rates are, though.

24                   **COMMISSIONER ALVIDREZ:** Thank you.

25                   **DEPUTY DIRECTOR LOPEZ:** You're welcome. But I

1 will dig into that. Those are some fair questions to see  
2 how we compare relative. We are a little different than  
3 most state departments in the way in which we conduct  
4 business in our types of cases, but it's still nice to know  
5 what our cousins in the other departments are doing.

6 **COMMISSIONER ALVIDREZ:** And also it's just kind of  
7 an important gauge also as it relates to the state and how  
8 it builds or develops its AI strategy for kind of how public  
9 servants use the tools that the rest of the residents in the  
10 state are being encouraged to use, so the government can  
11 meet residents where they're at. In our case, meet our  
12 customers where they're at.

13 **DEPUTY DIRECTOR LOPEZ:** Yeah, absolutely.

14 **CHAIRMAN GARRISON-ENGBRECHT:** Are there additional  
15 questions?

16 **VICE CHAIR MILLS:** I have a comment. I really  
17 appreciate the questions that you posed, and it's making me  
18 think about my ongoing request for more informational-type  
19 presentations at this meeting. And I feel like the topic of  
20 AI is much bigger than this contract and this particular  
21 tool.

22 **DEPUTY DIRECTOR LOPEZ:** It is, yeah.

23 **VICE CHAIR MILLS:** And so this is like a prime  
24 informational item that would be really great to bring  
25 forward to the Commission to share a bit more about how the

1 agency is thinking about AI beyond this particular tool.  
2 You know, what are the opportunities that we see, not only  
3 in, you know, kind of the, you know, the back office part of  
4 our operations, but also, you know, kind of the front office  
5 part of delivery and sales and whatever else. Understanding  
6 maybe how other lotteries across the nation are thinking  
7 about AI and utilizing AI.

8           So maybe I'm going to make a specific request that  
9 we have an informational item on AI, and how you guys are  
10 thinking about it. And also understanding that our  
11 organization is in the same place. A lot of it is like we  
12 just don't know what we don't know. But it would be good to  
13 just kind of understand where we are as an organization, and  
14 maybe what the possibilities could be, you know, down the  
15 road. Thank you.

16           **COMMISSIONER ALVIDREZ:** Just to kind of double  
17 down on that piece, I think you're right about the fact that  
18 we don't know what we don't know. But what we do know is  
19 that there is a lot of information out there.

20           **VICE CHAIR MILLS:** Yeah.

21           **COMMISSIONER ALVIDREZ:** And there are a lot of use  
22 cases, and given the Lottery is very different, very  
23 differently situated from other state agencies and  
24 departments, I absolutely agree with you. It would benefit  
25 us to hear more about how we're using some of these tools,

1 especially given we're in such a unique position.

2 **DEPUTY DIRECTOR LOPEZ:** Fair question. I will  
3 add, yeah, this is definitely the most of what I answered is  
4 relative to the Copilot. But what we have seen in terms of  
5 just all the products that we currently own, each one of  
6 those is already incorporating AI into their products to  
7 make them better products. So we've definitely seen lots of  
8 productivity gains just from those products adding to their  
9 platforms' AI capabilities and taking advantage of that.

10 But fair point about how we're looking at the  
11 application of AI across the board to support our business  
12 operations and supporting our players, retailers, and our  
13 employees.

14 **CHAIRMAN GARRISON-ENGBRECHT:** We must have synced  
15 up brains. I wrote a note info item. So do I a motion to  
16 approve action item 9d, Microsoft 365 Renewal?

17 **VICE CHAIR MILLS:** I'll move to approve.

18 **COMMISSIONER DUNGCA:** Second.

19 **CHAIRMAN GARRISON-ENGBRECHT:** Will the secretary  
20 please call the roll?

21 **MS. SARWARI:** Commissioner Mills?

22 **VICE CHAIR MILLS:** Yes.

23 **MS. SARWARI:** Commissioner Alvidrez?

24 **COMMISSIONER ALVIDREZ:** Yes.

25 **MS. SARWARI:** Commissioner Dungca?

1                   **COMMISSIONER DUNGCA:** Yes.

2                   **MS. SARWARI:** Chairman Garrison-Engbrecht?

3                   **CHAIRMAN GARRISON-ENGBRECHT:** Yes. Thank you,  
4 Chris.

5                   The next item is action item 9e, ServiceNow  
6 Renewal.

7                   **DEPUTY DIRECTOR LOPEZ:** Thank you. And for this  
8 action item, we're requesting approval to renew our  
9 ServiceNow subscription service for a two-year term.

10                   ServiceNow is an essential tool used to deliver  
11 high quality IT and business services. It is a key driver  
12 in promoting operational efficiency through the automation  
13 and digitization of business processes and workflows.

14                   It's the product we use to support the -- we came  
15 back two months ago for the HRSC or was it a few months ago,  
16 so this is the platform we're using to drive those kind of  
17 efficiencies. And as of today, we have numerous business  
18 services spanning multiple divisions that continue to  
19 benefit from ServiceNow that includes IT for our service  
20 management functions such as services ticketing, incident  
21 reporting, and service notifications.

22                   We also have groups such as our Security and Law  
23 Enforcement Division, our Public Affairs and Communications  
24 using it for background tracking, badge access request,  
25 public records request. So it's an integral part now of

1 many of our business processes, and we're going to continue  
2 to expand its use.

3           The renewal of the ServiceNow subscription will  
4 ensure that we have these services, continue to benefit from  
5 these services that are automated and, more importantly,  
6 ensure that we have the tools and the capabilities needed to  
7 continue to meet growing business demands as we pass Florida  
8 and we continue to improve operational efficiencies across  
9 the board.

10           The renewal of the ServiceNow subscription covers  
11 current licensing needs, plus it includes moderate license  
12 expansion over the next two years. This one we're very  
13 conservative with what we're projecting out.

14           For this renewal, we use the leverage procurement  
15 agreement, requesting offers for multiple resellers that  
16 participate in the state's software licensing program. The  
17 lowest offer was submitted by Integra, the LLC. The Lottery  
18 recommends the Commission approve renewing our ServiceNow  
19 subscription service for a two-year term. Total amount is  
20 \$1,726,508.25, with the term beginning May 30<sup>th</sup>, 2026,  
21 running through May 29<sup>th</sup>, 2028.

22           With that, I'm happy to answer any questions the  
23 Commission may have regarding this request.

24           **CHAIRMAN GARRISON-ENGBRECHT:** Thank you, Chris.

25           Does any member of the public want to address the

1 Commission at this time regarding action item 9e?  
2 Seeing none, do any of the Commissioners have  
3 questions or comments regarding action item 9e?  
4 Hearing none, do I hear a motion to approve action  
5 item I 9e, ServiceNow Renewal?  
6 **VICE CHAIR MILLS:** I'll move to approve.  
7 **COMMISSIONER DUNGCA:** Second.  
8 **CHAIRMAN GARRISON-ENGBRECHT:** Will the secretary  
9 please call the roll?  
10 **MS. SARWARI:** Commissioner Mills?  
11 **VICE CHAIR MILLS:** Yes.  
12 **MS. SARWARI:** Commissioner Alvidrez?  
13 **COMMISSIONER ALVIDREZ:** Yes.  
14 **MS. SARWARI:** Commissioner Dungca?  
15 **COMMISSIONER DUNGCA:** Yes.  
16 **MS. SARWARI:** Chairman Garrison-Engbrecht?  
17 **CHAIRMAN GARRISON-ENGBRECHT:** Yes. Rounding home,  
18 Chris.  
19 Action item 9f, Palo Alto Networks Enterprise  
20 Agreement.  
21 **DEPUTY DIRECTOR LOPEZ:** We're almost there, yes.  
22 For my last request, I'm requesting approval to purchase a  
23 Palo Alto Networks Enterprise Agreement for a three-year  
24 term.  
25 Palo Alto firewalls are the most important

1 component of our security architecture. They are utilized  
2 to protect our technology infrastructure, all our  
3 environments and systems from external and internal threats.  
4 This includes protecting all Lottery-owned sites as well as  
5 Lottery managed technical environments and systems.

6           The Lottery currently has multiple maintenance and  
7 support agreements in place for its current inventory of  
8 Palo Alto firewalls. These agreements include hardware  
9 warranties, software licenses, and specialized support  
10 services. All Palo Alto firewall support and maintenance  
11 agreements expire in 2026, and the firewall hardware that we  
12 have will reach end of life in 2028.

13           So instead of renewing the current maintenance and  
14 support agreements for two more years and then purchasing  
15 new hardware around the second half of 2027, we're looking  
16 to enter into a enterprise agreement with Palo Alto for a  
17 three-year term. The EA will cover all Lottery-owned  
18 hardware support through the end of the three year term, but  
19 moreover, it will include replacing the hardware our  
20 firewalls with the latest and greatest firewalls at the time  
21 we need to replace it.

22           And then last, it's going to include professional  
23 services for the installation and configuration of the  
24 replacement hardware, as well as training for staff on the  
25 new hardware when we purchase it down the road. So all

1 that's included in the agreement.

2 We assess that by procuring the enterprise  
3 agreement, we will save at least \$600,000 over the next  
4 three years, when compared to buying the support agreement  
5 and the hardware separately. This represents a substantial  
6 cost savings to the Lottery, in addition to some intangible  
7 benefits, which is, we get access to the entire software  
8 library available, some that we're not using, and any new  
9 software that's released over the three-year term.

10 For this renewal, the Lottery is leveraging  
11 another state contract. We requested multiple bids or  
12 offers from multiple resellers that participate in the  
13 state's enterprise technology statewide contract. The  
14 lowest offer was submitted by NW Corporation

15 The Lottery recommends the Commission approve  
16 purchasing the Palo Alto Networks Enterprise Agreement with  
17 a three-year term. The total agreement amount of the  
18 agreement will be \$1,999,990.53. That was a mouthful.

19 **CHAIRMAN GARRISON-ENGBRECHT:** Yeah.

20 **DEPUTY DIRECTOR LOPEZ:** It's a fire sale. I did  
21 tell them to keep it under 2 million, and they did it. And  
22 the term date is starting May 22<sup>nd</sup>, 2026, and runs through  
23 May 21<sup>st</sup>, 2029.

24 And with that, I'm happy to answer any questions  
25 you may have regarding this request to purchase the EA from

1 Palo Alto.

2 **CHAIRMAN GARRISON-ENGBRECHT:** Does any member of  
3 the public want to address the Commission at this time  
4 regarding Action Item 9f?

5 Seeing none, do any of the Commissioners have any  
6 questions or comments on action item 9f?

7 Do I hear a motion to approve action item 9f, Palo  
8 Alto Networks Enterprise Agreement?

9 **COMMISSIONER ALVIDREZ:** I'll move to approve.

10 **COMMISSIONER DUNGCA:** Second.

11 **CHAIRMAN GARRISON-ENGBRECHT:** Will the secretary  
12 please call the roll?

13 **MS. SARWARI:** Commissioner Mills?

14 **VICE CHAIR MILLS:** Yes.

15 **MS. SARWARI:** Commissioner Alvidrez?

16 **COMMISSIONER ALVIDREZ:** Yes.

17 **MS. SARWARI:** Commissioner Dungca?

18 **COMMISSIONER DUNGCA:** Yes.

19 **MS. SARWARI:** Chairman Garrison-Engbrecht?

20 **CHAIRMAN GARRISON-ENGBRECHT:** Thank you, yes.  
21 Chris, thank you.

22 One comment, and this might be a future  
23 informational item, and I will share my poorly written  
24 notes. But thinking about how we might be able to do some  
25 mapping, about how all the platform security firewalls -- we

1 talked about switches today. I think there's a way to map  
2 it and how they're connected.

3 And I know that, obviously, I think I have more  
4 familiarity with Microsoft 360 because I meet with you all  
5 on Teams and use Outlook, but I think providing some  
6 information about how these contracts and agreements are  
7 connected and the use case scenarios in which it helps us to  
8 operate as an agency I think would be helpful.

9 And I can give you some more notes, but I think it  
10 might be helpful because I know that we've reviewed memos  
11 and contracts over the last few years that all are connected  
12 to IT infrastructure. It's absolutely important, both on  
13 the security element but also the operations of our games  
14 and supporting our vendors and players. So I can follow up  
15 on maybe what that might look like.

16 **DEPUTY DIRECTOR LOPEZ:** Okay. You got it. Yeah,  
17 I can definitely see, because you're asked to approve like  
18 stuff that's low level as like network hardware all the way  
19 up to big purchases for software licenses. Fair ask.

20 **CHAIRMAN GARRISON-ENGBRECHT:** Great job. Thank  
21 you for all the work that you and your team do. Appreciate  
22 it.

23 **DEPUTY DIRECTOR LOPEZ:** All right. Thank you for  
24 your time.

25 **COMMISSIONER ALVIDREZ:** Thank you. All right,

1 Sharon. How are you? Good morning.

2 **DEPUTY DIRECTOR ALLEN:** Good morning.

3 **CHAIRMAN GARRISON-ENGBRECHT:** The next item is  
4 action of item 9g, Go-Getters Delivery, Incorporated,  
5 Contract Extension.

6 **DEPUTY DIRECTOR ALLEN:** Thank you. This one's  
7 like much more tangible about trucks and the real highway,  
8 not the information highway and digital systems and things  
9 like that.

10 **CHAIRMAN GARRISON-ENGBRECHT:** But equally  
11 important.

12 **DEPUTY DIRECTOR ALLEN:** Absolutely, absolutely.

13 This item is a request to approve a one-year  
14 extension to the existing agreement with Go-Getters  
15 Delivery, Incorporated. In June 2022, the Commission  
16 approved a three-year purchase order agreement with Go-  
17 Getters with the option for two additional one-year  
18 extensions. The first option was exercised last year, and  
19 the agreement is currently to set to expire in June.

20 Go-Getters provides bulk delivery services for the  
21 Lottery's Northern Distribution Center and the four Northern  
22 California District Offices, supporting more than 8900  
23 retailers. They handle shipments of Scratchers tickets, and  
24 point-of-sale materials. And the size and the frequency of  
25 these deliveries varies depending on sales activity and

1 promotional needs.

2 Over the life of the contract, Go-Getters has  
3 completed more than 240 bulk carrier shipments for the  
4 Lottery. They have been responsive, and their performance  
5 has been consistently reliable and timely, while the  
6 agreement has also allowed us to maintain stable pricing  
7 over the entire period.

8 While the Lottery could go out to bid for these  
9 services, it isn't necessary at this time. We have a  
10 capable, proven vendor and an option to extend the current  
11 agreement. Exercising the second one-year extension will  
12 ensure uninterrupted delivery services in Northern  
13 California.

14 Staff estimates that the remaining \$160,000 of the  
15 expenditure authority will be sufficient to cover these  
16 services during the extension period. Lottery staff  
17 recommends that the Commission approve the one-year  
18 extension of the Go-Getters delivery incorporated agreement  
19 extending the term through June 14, 2027. The expenditure  
20 authority will remain at \$320,000.

21 And with that, I'm happy to answer any questions.

22 **CHAIRMAN GARRISON-ENGBRECHT:** Thank you. Does any  
23 member of the public want to address the Commissioners at  
24 this time regarding action item 9g? Sorry -- yes, 9g.

25 Do any of the Commissioners have any questions or

1 comments regarding this action item?

2 Do I hear a motion to approve action item 9g, Go-  
3 Getters Delivery, Incorporated, Contract Extension?

4 **COMMISSIONER DUNGCA:** Motion to approve.

5 **COMMISSIONER ALVIDREZ:** Second.

6 **CHAIRMAN GARRISON-ENGBRECHT:** Will the secretary  
7 please call the roll?

8 **MS. SARWARI:** Commissioner Mills?

9 **VICE CHAIR MILLS:** Yes.

10 **MS. SARWARI:** Commissioner Alvidrez?

11 **COMMISSIONER ALVIDREZ:** Yes.

12 **MS. SARWARI:** Commissioner Dungca?

13 **COMMISSIONER DUNGCA:** Yes.

14 **MS. SARWARI:** Chairman Garrison-Engbrecht?

15 **CHAIRMAN GARRISON-ENGBRECHT:** Yes.

16 **DEPUTY DIRECTOR ALLEN:** Thank you.

17 **CHAIRMAN GARRISON-ENGBRECHT:** The next item on the  
18 agenda is item 10, Public Discussion. Secretary, do we have  
19 any public discussion cards?

20 **MS. SARWARI:** No.

21 **CHAIRMAN GARRISON-ENGBRECHT:** Thank you.

22 Next on the agenda is Commissioner General  
23 Discussion. Do any of the Commissioners have anything to  
24 bring up at this time for discussion?

25 Thank you for being here. We have tentatively

1 scheduled the next Commission meeting for May 21<sup>st</sup>, June  
2 16<sup>th</sup>, September 24<sup>th</sup>, and November 9<sup>th</sup>. All meetings will be  
3 held here in Sacramento.

4 **COMMISSIONER DUNGCA:** November 19<sup>th</sup>.

5 **CHAIRMAN GARRISON-ENGBRECHT:** November 19<sup>th</sup>. Thank  
6 you. I do have a script, by the way.

7 And all meetings will be held here in Sacramento.

8 This meeting is adjourned.

9 **(MEETING ADJOURNED)**

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This is to certify that I transcribed the foregoing pages 1 to 39 to the best of my ability from an audio recording provided to me by the California State Lottery Commission.

I have subscribed this certificate at Sloughouse, California, this 6<sup>th</sup> day of April, 2026.



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Tamyra Morgan

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