

STATE OF CALIFORNIA
TRANSCRIPT OF PROCEEDINGS

CALIFORNIA STATE LOTTERY COMMISSION
COMMISSION MEETING

TIME: 10:04 a.m.
DATE: Thursday, November 20, 2025
PLACE: California State Lottery Headquarters
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Sacramento, California 95811

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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

Florence Bernal
Chief Deputy Director

Fernando Aceves
Chief Counsel

Jim Hasegawa
Deputy Director of Business Planning & Research

Sharon Allen
Deputy Director of Sales and Marketing
(Did not present. Responded to question during Business
Review Highlights presentation)

Nicholas Buchen
Deputy Director of Finance

Chris Lopez
Acting Deputy Director of Information Technology
Services Division

Farida Sarwari
Assistant to Commission

Rebecca Estrella
Recording Secretary

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1 was previously held by Commissioner Ahern for quite a long
2 time.

3 But again, welcome, and we are looking forward to
4 a great year ahead with you on board. Thank you.

5 **CHAIR GARRISON-ENGBRECHT:** Item three is the roll
6 call of the commissioners. Will the secretary please call
7 the roll?

8 **MS. SARWARI:** Sure. Good morning. Commissioner
9 Mills?

10 **VICE CHAIR MILLS:** Present.

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

12 **COMMISSIONER ALVIDREZ:** Present.

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

14 Commissioner Dungca?

15 **COMMISSIONER DUNGCA:** Present.

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

17 **CHAIR GARRISON-ENGBRECHT:** Present. Thank you.

18 We have one change to make in today's agenda.
19 Action item 8(c), Quantasy and Associates, LLC. contract
20 extension will not be heard today. This action will be
21 presented at a future meeting.

22 Commissioners, does anyone want to suggest any
23 other changes in today's agenda with any respect?

24 Hearing none, do I hear a motion to adopt the
25 agenda?

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

2 **VICE CHAIR MILLS:** Second.

3 **CHAIR GARRISON-ENGBRECHT:** Will the secretary
4 please call the roll?

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

6 **VICE CHAIR MILLS:** Yes.

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

8 **COMMISSIONER ALVIDREZ:** Yes.

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

10 **COMMISSIONER DUNGCA:** Yes.

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

12 **CHAIR GARRISON-ENGBRECHT:** Yes. Thank you.

13 The next item on the agenda is item number five,
14 approval of the minutes. Are there any corrections to the
15 minutes from our last meeting, September 25th, 2025?

16 Hearing none, do I hear a motion to approve the
17 minutes from the September 25th, 2025, California State
18 Lottery Commission meeting?

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

20 **COMMISSIONER ALVIDREZ:** Second.

21 **CHAIR GARRISON-ENGBRECHT:** Will the secretary
22 please call the roll?

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

24 **VICE CHAIR MILLS:** Yes.

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

1 **COMMISSIONER ALVIDREZ:** Yes.

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

3 **COMMISSIONER DUNGCA:** Yes.

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

5 **CHAIR GARRISON-ENGBRECHT:** Yes.

6 The next item on the agenda is the informational
7 items. We'll have Flo present the Director's Comments today
8 in Harj's place.

9 Thank you, Flo.

10 **CHIEF DEPUTY DIRECTOR BERNAL:** Thank you. All
11 right.

12 Good morning, Commissioners. Thank you for being
13 here today.

14 As you can see, unfortunately, Director Chima is a
15 little bit under the weather so I will be presenting her
16 report.

17 But we've got a great report for you today and
18 wanted to start with letting you know that the total sales
19 are over \$3.6 billion through mid-November, exceeding last
20 year's sales by 13 percent.

21 Roughly, three-quarters of these sales come from
22 Scratchers, which is performing better than our budgeted
23 goal. Successful sales of several price points including
24 the new \$40 price point has helped grow sales over last
25 year's levels. The multi-state games have seen continued

1 excitement over the past several months, leading to sales
2 over \$600 million.

3 At the last Commission meeting, Director Chima --
4 thank you, Jim, sorry. At the last Commission meeting,
5 Director Chima shared how the Powerball jackpot reached \$1.8
6 billion in early September.

7 This year, Mega Millions had its time to shine
8 with the jackpot rolling to \$980 million before being won by
9 a lucky player in Georgia last Friday. It is the first time
10 since the game enhancements took place in April that Mega
11 Millions has rolled to these levels.

12 That Mega Millions sequence began at the start of
13 the fiscal year, leading to \$218 million in sales and an
14 estimated \$87 million in contributions to California's
15 public schools, all from this Mega Millions sequence alone.

16 Super Lotto Plus has been along for the ride,
17 benefiting from that extra buzz. Its sales are also
18 exceeding goal in last year's sales. Hotspot is performing
19 on pace with expectations while daily games are lagging just
20 a little bit behind.

21 All in all, this is a promising start to the
22 fiscal year and sets us up for another strong holiday
23 gifting season. Historical trends and player research have
24 shown that Scratchers can make fun gifts for those 18 and
25 older. According to our communications effectiveness

1 tracking study, roughly half of California adults feel that
2 Scratchers make good gifts, and Scratchers were given as a
3 gift by nearly a quarter of California adults last holiday
4 season.

5 In fact, Scratchers gifting grew to \$28 million in
6 revenue last year, resulting in almost \$5 million in
7 contributions to education. This was attributed to
8 Scratchers given as gifts.

9 This year's festive and seasonally themed
10 Scratcher games are available at many retail locations.
11 More mass media marketing began this week, reminding
12 Californians that Scratchers games can make a fun gift
13 during the holidays.

14 Most importantly, contributions to education for
15 our first quarter are estimated at \$762 million. We are
16 pacing more than \$144 million more than last year's first
17 quarter and 24 percent higher than budgeted.

18 On October 15th, the Lottery held an event to
19 celebrate its 40th anniversary. The celebration included
20 employees along with distinguished guests from the
21 Legislature, the education community, and key business
22 partners.

23 At the event, we honored staff as well as the
24 Lottery's success over its 40-year history. Most
25 importantly, we highlighted our contribution of more than

1 \$48 billion to California public education.

2 We also recognized how this amount has grown over
3 the years. In its first fiscal year of operations, the
4 Lottery provided about \$692 million to California schools.
5 Our best year in terms of contributions was fiscal year
6 2022-2023 when more than \$2.3 billion was provided to public
7 education.

8 The event also marked the first time that all
9 staff could gather together in one event, regardless of
10 where they were located, whether it was headquarters at one
11 of our nine district offices or two distribution centers, or
12 teleworking from home.

13 After Director Chima provided opening remarks at
14 the 40th anniversary event, congratulatory messages were
15 delivered from many dignitaries. Assembly Member Blanca
16 Rubio, Chair of the Assembly Governmental Organization
17 Committee, provided a special joint resolution to
18 commemorate the Lottery's achievements over the last four
19 decades. As a former grade school teacher, she emphasized
20 how Lottery funding has enhanced learning environments to
21 keep critical programs running.

22 A joint resolution was also signed by Senator
23 Angelique Ashby and Assembly Member Maggy Krell, who both
24 sent representatives to the event.

25 Senator Christopher Cabaldon, a member of the

1 Senate Committee on Education and also Chair of the Senate
2 Budget Committee on State Administration and General
3 Government, provided a congratulatory video and a
4 certificate to Lottery employees recognizing their hard work
5 in supporting the operations of the Lottery.

6 Assembly Member Mike Fong, Chair of the Higher --
7 Assembly Higher Education Committee, also sent a video
8 message and certificate focusing on the funding that Lottery
9 has provided to California community colleges. He noted how
10 the funds have played an instrumental role in supporting
11 students' career pathways and higher education goals.

12 We also had important state agency partners, and
13 their representatives join us from the California Department
14 of Education and the State Controller's Office. They both
15 presented proclamations recognizing the Lottery's success.

16 The Lottery's contributions were also acknowledged
17 through certificates of recognition from Lieutenant Governor
18 Eleni Kounalakis, Senator Akilah Weber Pierson, Assembly
19 Member Stephanie Nguyen, and Sacramento County Supervisor
20 Phil Serna.

21 Other notable guests included former Lottery
22 Director Alva Johnson, Eric Johnson, Principal Consultant
23 for the Assembly Governmental Organization Committee, Jackie
24 Wong, Executive Director of First 5 California, and the
25 executive team from the KVIE show entitled "Inside

1 California Education.”

2 Congratulatory videos from some of our key
3 business partners, Brightstar, Pollard Banknote, and
4 Scientific Games, were also part of the program.

5 I would also like to thank Commissioner Keetha
6 Mills for leading us in an apple cider toast to the
7 Lottery’s 40 years of success. She was a wonderful addition
8 to our program.

9 There was a video highlighting various major
10 events and big winners during the Lottery’s 40-year history
11 and another video showcasing the Lottery’s staff and the
12 ways each division contributes to the Lottery’s mission.

13 That is the end of my update today, and I’m happy
14 to answer any questions you may have.

15 All right. Thank you so much.

16 **CHAIR GARRISON-ENGBRECHT:** Thank you so much.
17 Congratulations on a wonderful 40th anniversary celebration.

18 **CHIEF DEPUTY DIRECTOR BERNAL:** It’s a lot of fun.

19 **CHAIR GARRISON-ENGBRECHT:** The next item on the
20 agenda -- the next informational item is our Lottery
21 Business Review Highlights presented by Jim.

22 **DEPUTY DIRECTOR HASEGAWA:** All right. Good
23 morning.

24 **CHAIR GARRISON-ENGBRECHT:** Good morning.

25 **DEPUTY DIRECTOR HASEGAWA:** Mr. Chair and

1 Commissioners. All right.

2 So, research staff in business planning they
3 analyze like volumes of data as we review the Lottery's
4 business trying to gain some insights to help grow Lottery
5 sales and maximize our contributions to public education in
6 the future.

7 Today I'll just present some of the highlights
8 from this business review. This will include a review of
9 sales trends, key programs at the Lottery, as well as
10 comparisons with other major U.S. lotteries.

11 This chart shows the Lottery sales by fiscal year
12 from its beginning through the fiscal year that ended June
13 30th, 2025. You'll notice that, over the first 25 years,
14 sales above the \$3 billion threshold only occurred once.

15 After legislation removed the price payout
16 restrictions in the Lottery Act, sales and contributions to
17 California public education grew significantly. However, in
18 the 2020s sales growth has slowed with sales being fairly
19 flat the last few years.

20 Now breaking down sales between our two major
21 product categories, Scratchers and draw games, a more
22 descriptive picture is revealed. Over the past 15 years,
23 while Scratcher sales have more than tripled, sales from all
24 draw games combined have seen just modest increases.

25 From another perspective, a way to showcase this

1 is to compare sales for the three years between fiscal year
2 '21-'22 and '23-'24, and during those years sales grew by an
3 annual average of more than \$2.2 billion when compared to
4 the three-year period prior to the pandemic.

5 Now of that \$2.2 billion annual increase over
6 three year, we saw that more than three quarters of that
7 increase is coming from our Scratchers game. So, you can
8 see the bulk of our sales growth is coming from our
9 Scratchers category.

10 Now this past fiscal year total sales were lower
11 than the prior year. Now, the key reason for the weaker
12 sales comes from fewer big jackpots in Mega Millions and
13 Powerball.

14 Last year we experienced just two draws where the
15 jackpot was \$1 billion or more, both in Mega Millions. Now,
16 this compares to 13 such draws in the fiscal year prior to
17 last year and seven draws with a jackpot of a billion or
18 more during fiscal '22-'23.

19 Our tracking study provides estimates of Lottery
20 playership, and it's based on surveys of a representative
21 sample of all California adults. Now, over the past three
22 fiscal years 70 percent of California adults have played at
23 least one Lottery game in the past year and this rate is
24 statistically higher than the playership level seen in the
25 late 2010s and early 2020s.

1 In terms of playership of specific games, you
2 know, more than half of California adults played at least
3 one of our jackpot games, Powerball, Mega Millions, and/or
4 Super Lotto Plus, in the past year and more than half of all
5 California adults are Scratcher players.

6 Now that we know the playership estimates, so we
7 take the fiscal year sales figures and divide it into that
8 estimate of players to kind of get an idea of the average
9 amount a typical player spends. So, this past fiscal year
10 the average Lottery player spent about \$420 during the year
11 or about \$8 per week. The per player spending levels for
12 each of our draw games is pretty modest, typically averaging
13 less than a dollar a week with the exception of Hotspot.

14 Now all of the player spending figures slightly
15 declined in fiscal '24-'25, not only for the total but for
16 each individual game comparing to the amounts from the prior
17 fiscal year.

18 Now this colorful chart shows the Scratcher sales
19 by price point for each quarter dating back to 2009. So,
20 from this chart, you can very visually see that Scratcher
21 sales growth has been fueled by players adopting and then
22 buying more of the higher price point games over time.

23 Now I'd like to point out one interesting note
24 from this data. So, the \$20 price point became our top
25 selling price point back in the winter of 2021. However, in

1 the spring of 2024, a shift in consumer behavior begins,
2 probably due to the rising inflation and tighter
3 discretionary dollars.

4 Sales from our \$10 games started to rise versus
5 sales from our \$20 games declining, and in the summer of
6 2024 the \$10 price point replaced the \$20 price point as our
7 leading seller, kind of reversing a trend from years ago.

8 Now in the spring of 2025, probably as a sign of
9 reversing the softer sales that we've been seeing in
10 Scratchers, the \$20 price point reemerged as the top selling
11 price point, and this continues into the current fiscal
12 year.

13 So, let's look at some of the Lottery's key
14 programs and their performance. So, one of the Lottery's
15 major initiatives for the past few years has been the
16 Scratchers category repositioning efforts.

17 By breaking down a perceptual barrier, this
18 program is primarily designed to increase play among casual
19 Scratcher players but also could generate new Scratcher
20 players. It repositions the game as a simple form of fun,
21 you know, something that can add a little play to your day.

22 These efforts include strategic game launches,
23 advertising campaigns, and promotional efforts, and these
24 have proven effective in moving the needle. So, on this
25 chart you can see that Scratchers playership has increased

1 to the highest level seen in over a decade as a result of
2 the repositioning effort.

3 Now a deeper dive into the data that is not
4 pictured here shows that some of our casual Scratcher
5 players have moved up to become core Scratcher players, as
6 well as some nonplayers becoming casual Scratcher players.

7 Now shown in the table on this slide, you can see
8 that more California adults feel that Lottery games are fun,
9 that playing Scratchers is worth the money just for the
10 entertainment, they're fun even if they don't win, and they
11 feel less guilty about spending money on Scratchers.

12 These perceptual changes were also seen among
13 casual and lapsed Scratcher players. The table before you
14 is amongst all California adults, but we broke it down and
15 we do see it amongst the groups that we were most interested
16 in changing perceptions, our casual players and our lapsed
17 Scratcher players, and that's really what's needed to reduce
18 the barrier to play Scratchers amongst these groups.

19 Another major initiative has been the effort to
20 let Californians know about our mission, you know, how the
21 Lottery provides supplemental funds to California public
22 schools.

23 One of the key objectives was to increase
24 knowledge of who the beneficiary is of Lottery dollars, and
25 as you can see from this chart, these efforts have moved the

1 needle as well, resulting in more California adults knowing
2 that education is our beneficiary.

3 Now how this metric works is not simply a
4 respondent agreeing that education is our beneficiary. We
5 take it a step further than that. We first ask people if
6 they know the Lottery's beneficiary, and if they say yes,
7 then they are asked a follow-up question about who is that
8 beneficiary from a list of options.

9 So, the 40 percent that you see under the
10 August/September '25 data means that 40 percent means the
11 percentage who identified education as our beneficiary from
12 that list. And a year ago just 34 percent of California
13 adults knew and correctly identified education as a
14 beneficiary.

15 Through our various public communications, various
16 attitudes for the Lottery organization have also become more
17 positive over the past several years. From the tables and
18 the chart, you can see that more people rate us highly on
19 attitudes as the way Lottery prizes are paid is fair and
20 honest; the Lottery is dedicated to supporting education; I
21 trust the Lottery; the Lottery is committed to the
22 community. So, all of those measures they've definitely
23 trending in a much more positive direction.

24 From a product standpoint, a major initiative this
25 past fiscal year was the launch of our very first \$40

1 Scratchers game. It was launched in January of 2025 as part
2 of the Lottery's 40th Anniversary celebration and from it you
3 can see that in its first 12 weeks it brought in 50 percent
4 more in profits than the prior \$30 Scratchers game launched
5 in its first 12 weeks.

6 The \$40 game in its first 12 weeks sold more than
7 \$220 million in sales. It turns out that almost one-third
8 of Scratchers players bought the \$40 game and that's on par
9 with trial for a typical \$30 game. And hearing from our
10 players in all, this ticket and this game was seen as unique
11 and improved their perceptions of the Scratchers category
12 overall.

13 So recently fiscal year 2024-25 sales information
14 for all U.S. lotteries became available through the La
15 Fleurs organization, so I'm going to present some highlights
16 of that.

17 So, California continued to be the second largest
18 lottery in the United States based on sales. We couldn't
19 quite surpass Florida this past fiscal year. We were over
20 \$183 million shy of Florida sales.

21 However, this gap actually widened slightly
22 compared to the prior fiscal year. You can see the \$184
23 million in the past fiscal year; it was \$133 million the
24 fiscal year prior to that so the gap slightly widened.

25 And digging deeper into the data we saw that the

1 quarter encompassing April, May, and June of 2025 is where
2 the largest difference between the two lotteries emerged.
3 Florida outsold us by \$146 million during that one quarter
4 in the spring.

5 Now, the prior three-quarters of the fiscal year
6 combined found us trailing Florida by only \$37 million so
7 you can really see how that last quarter of the fiscal year
8 really widened the gap.

9 Now I don't have it in the PowerPoint deck, but
10 I'd like to queue up a little drum roll since I'm pleased to
11 announce that California became the number-one Lottery in
12 the U.S. for selling instant tickets or what we call
13 Scratchers here in California. (Applause.)

14 We moved up from number three and passed Florida
15 and Texas during this past fiscal year. We did this by
16 having the second highest growth rate for instant ticket
17 sales in all the U.S.

18 Now one thing to note is this past fiscal year
19 more than half of all U.S. lotteries actually saw a decline
20 in their instant ticket sales. So, this 5 percent increase
21 that we were able to attain is particularly noteworthy and
22 quite an achievement for all the Lottery team.

23 Now when it comes to instant tickets, I do want to
24 point out that many of the other top leading lotteries, the
25 top 10 selling lotteries, they have tickets priced higher

1 than what we have in California. Eight of the top 10 have a
2 ticket that is \$50 or higher, and Texas right now does have
3 a \$100 ticket.

4 And the final thing on this slide is we'll talk a
5 little bit more about per capita sales, but you can see
6 that, for per capita sales of instant tickets, we tend to be
7 in the middle of all U.S. lotteries and lowest amongst the
8 top 10.

9 And then speaking about per capita sales so, you
10 know, in lotteries as a lot of state-by-state comparisons
11 are done, the industry uses per capita sales and per capita
12 sales in this case is defined as sales divided by the total
13 population in the state.

14 So, for California, we represent the twenty-fourth
15 best in per capita sales, so pretty much roughly in the
16 middle of all U.S. lotteries.

17 Now, Massachusetts is the leader in terms of per
18 capita sales, selling at over 3.6 times the rate in
19 California. And to kind of put that into perspective with
20 per capita sales, if we sold at the rate of Florida, which
21 is seventh in the U.S. in terms of per capita sales, our
22 sales would be over \$15 billion. And if we sold at the rate
23 of Texas, and I choose Texas because it's another very large
24 jurisdiction and it's also a western jurisdiction because if
25 you'll look at the per capita sales, the states in the east

1 tend to have much higher per caps than all states in the
2 west so Texas might be a good comparable for us. So, if we
3 sold at the rate of Texas, California sales would be nearly
4 \$10 billion.

5 Now another thing we wanted to look at in terms of
6 comparing us to other top lotteries is where our sales are
7 coming from. So, this chart shows the share of sales by the
8 different game categories in all the top 10 selling
9 lotteries.

10 Now one thing that we all have in common is the
11 fact that pretty much all the top selling states they have
12 at least half of their sales coming from instant tickets.
13 That is the big driver of sales in all U.S. lottery
14 jurisdictions.

15 But I do want to point out a few other things. So
16 one is that California has a bigger share of its sales
17 coming from Mega Millions and Powerball compared to all of
18 the other top selling Lottery jurisdictions, and this is not
19 just because this year was a lower jackpot year, as we
20 called it. We also looked back at the prior fiscal year
21 where we had all those big jackpots and there 17 percent of
22 our sales came from Powerball and Mega Millions combined and
23 other lotteries don't have any percentage close to that as
24 well. So we tend to rely much more on games like Mega
25 Millions and Powerball that have big jackpots in it than

1 other jurisdictions.

2 **VICE CHAIR MILLS:** Jim, can you remind us what
3 monitor games are?

4 **DEPUTY DIRECTOR HASEGAWA:** Monitor games in
5 California, that's our Hotspot game, they're games that the
6 draw, if you want to call it, are displayed on the monitor.
7 They're typically sold in social trade channels,
8 bars, restaurants, bowling centers, places, like where
9 people hang out for, you know, more than four or five, ten
10 minutes and all.

11 **VICE CHAIR MILLS:** Thank you.

12 **DEPUTY DIRECTOR HASEGAWA:** And that's why you can
13 see, you must have been reading my mind, because you can see
14 there is quite a big difference in the share of sales coming
15 from monitor games.

16 Massachusetts, 22 percent of their sales, over a
17 billion dollars in sales is coming from monitor driven
18 games. They do have more than one monitor game in
19 Massachusetts. We have one.

20 So, again, this information we're working with the
21 sales and marketing team because it can lead to areas where
22 we feel we can grow in the future and leading into our
23 planning efforts.

24 Another thing I will point out, of course, I think
25 I did at another prior meeting, is that some of the

1 different games that is offered in some jurisdictions, like
2 there's a game called Cash Pop and all that's been going
3 pretty well in many jurisdictions.

4 Those are games that really don't fit based on the
5 various restrictions in our state because we have to run our
6 games on a pari-mutuel basis rather than having a fixed
7 prize amount.

8 And so certain games just don't work or don't work
9 either because it's hard to communicate the prize to a
10 person where you can't tell them what the dollar amount is.
11 It's just, well, it's growing, or it's going to be this
12 amount, roughly this amount this for this draw, so those
13 don't quite fit in our current environment.

14 In terms of other industry rankings so, again, as
15 a point we're number two in total lottery sales. We're
16 number one now in instant ticket sales. We're also the top
17 seller for Mega Million sales, kind of alluding to the prior
18 slide we talked about, and we're also the number-one state
19 in terms of dollars of Powerball sales last fiscal year.

20 However, we are number six in terms of monitor
21 sales and that's just raw dollars, not in per capita. And
22 while we don't have the actual dollar amounts from all the
23 jurisdictions, it's likely that we'll end up also being
24 second, not only in sales but second in the nation in terms
25 of the estimated contributions to our beneficiary as well.

1 Now we've always been looking at sales data from
2 the La Fleurs organization but through this upcoming
3 planning effort and all we've taken it a further step. We,
4 on our own, did a survey across the U.S. to try and
5 understand the playership levels in different lottery
6 jurisdictions. We can't really get similar data from other
7 lotteries either because they don't do such a study on an
8 ongoing basis or sometimes the definitions and their
9 sampling is different, so it's not comparing apples to
10 apples.

11 So, we embarked in doing that type of study
12 internally across the U.S. It doesn't have the robust
13 sample size and we're not continuously doing it like our own
14 tracking study, but it does give us a comparative measure.

15 And so, for Scratchers, our rate of past year play
16 was higher than what's found in Texas. We actually have
17 more Scratcher players in California by our estimates on a
18 statistical basis than what's found in Texas and we're on
19 par with the levels of other leading lotteries such as
20 Florida, New York, Massachusetts, Georgia, et cetera.

21 So, really, none of the top lotteries have a
22 higher rate of play in terms of Scratchers than we do so
23 that's not the reason why maybe their per capitas are
24 higher.

25 For jackpot games, past year play in California

1 did have similar levels compared to other top lotteries.
2 However, New York does have significantly a higher rate of
3 playership for their type of jackpot games than what we do.
4 But on the other hand, we're on par with Florida and Texas
5 and some of the other ones that we're kind of competing
6 against for that top spot.

7 And so, we're continuing to work on this type of
8 data because really looking at how other lotteries, you
9 know, find their success, you know, presents very good
10 opportunities for us. So, we're digging deeper into this
11 data to make some comparisons that we'll, you know, share
12 with the Commission as we start talking about the strategic
13 plan for the next three to five years and, obviously, the
14 annual business plan.

15 And with that, I can answer any questions.

16 **CHAIR GARRISON-ENGBRECHT:** Are there any questions
17 from the commissioners?

18 **VICE CHAIR MILLS:** I have a question. Thanks,
19 Jim, for the presentation. I always learn a ton when I hear
20 you go over this data. It's really, really important data.

21 A couple of questions. Do we have goals around
22 the image campaign to change minds? I see that minds are
23 changing and that the statistics are moving in the right
24 direction. But it would be interesting to see, like, what
25 our expectation was and what our goals are around what we

1 would like those stats to look like.

2 **DEPUTY DIRECTOR HASEGAWA:** Yeah, because this has
3 to be done through survey measurement, one of the key goals
4 is to make sure that we have statistical changes. You know,
5 there could be numerical changes, but they might be due to
6 sampling and so forth.

7 So, to be able to measure a significant change in
8 some of these measures we have to have, you know, several
9 percentage points differences. And really, it's more
10 translating the -- it's not just the perceptual changes but
11 it's the perceptual changes with behavioral changes that
12 we're trying to look at.

13 So, we don't have, for just the perceptual
14 changes, at least from business planning, I don't know if
15 the marketing team established their own internal metrics
16 for it, but the business planning didn't have changes in
17 terms of the actual perceptual changes, what perceptual
18 changes we need to actually get playership changes.

19 **VICE CHAIR MILLS:** Yeah, that might be an
20 interesting collaboration going forward to kind of
21 understand what those expectations are and to be able to
22 report against kind of here's what we hoped because we're
23 spending money, right, to administer these campaigns and so
24 here's kind of how we hope to move the needle and then to
25 measure that against what's actually happening.

1 And then that actually kind of leads to my next
2 kind of comment or request because I know that this
3 information is used to help inform planning and budgeting
4 and that sort of thing.

5 But it seems like we get the information separate
6 and apart. And it would be really great to be able to marry
7 that together and to really show us when you're showing the
8 trends, here are the actuals and then here's also what we're
9 budgeting. And so, when next year's budget comes forward to
10 be able to see here are the historical trends and then
11 here's, you know, kind of what our budget looks like for the
12 places where you can do that to really marry together.

13 And then to really show us some examples of how
14 some of this data translated into decision making or goal
15 setting and to help us just kind of connect the dots between
16 kind of the richness of the data that you're gathering and
17 how then it's actually used to inform budgeting, inform
18 decision making, inform strategy.

19 **DEPUTY DIRECTOR HASEGAWA:** Okay. Well, then brace
20 yourself for a much longer meeting, I guess.

21 **VICE CHAIR MILLS:** Well, I'm not saying 100
22 percent of the time but a few examples of how. I'm not
23 saying for every single slide, Jim. But give us an example
24 or two about how it translates.

25 We don't need to be all in your operations, but I

1 think as commissioners it helps us. I mean, the more that
2 we can connect the dots, it helps us be better commissioners
3 and better informed.

4 **DEPUTY DIRECTOR HASEGAWA:** Yeah. Obviously, this
5 is prior to the planning cycle so it's giving you the first
6 blush at what we're understanding.

7 But going back to the business plan presentations
8 that I do, it does recap the data as well, and it's
9 organized there by the objective so how we got to that
10 objective.

11 We can work with Nick's group in terms of how that
12 might relate to the budget side since I don't present the
13 budget, but we can work on that.

14 **VICE CHAIR MILLS:** Thank you.

15 **COMMISSIONER ALVIDREZ:** Quick question.

16 Good morning. Thank you so much for this. I
17 appreciate the comprehensive nature of the surveys and the
18 strategies and the state-by-state comparison.

19 I particularly appreciate when you identify apples
20 to apples versus apples to oranges because that's always
21 important to me to kind of see the comparison.

22 If we go back to the first slide where we're
23 talking about kind of the years of tremendous growth, the
24 flashpoint of legislation, I think it's that very first.
25 Yeah, there it is right there as well.

1 So when you went through this slide and you talked
2 about various flashpoints that indicated growth, I think you
3 indicated initially you said that there was some legislation
4 that happened.

5 We saw some relatively flat growth, some growth
6 but it was relatively flat, and then we saw a catalytic
7 moment of legislation that then made growth jump. I think
8 another catalytic moment kind of reflected in the slides is
9 COVID, right?

10 **DEPUTY DIRECTOR HASEGAWA:** Yes.

11 **COMMISSIONER ALVIDREZ:** So, we saw the pandemic.

12 **DEPUTY DIRECTOR HASEGAWA:** You can see the decline
13 there, yes.

14 **COMMISSIONER ALVIDREZ:** Then another instance for
15 catalytic growth. Is there a way for us to anticipate? I
16 know pandemic unanticipated. No one could have accounted
17 for any of that, right?

18 But is there a way in which we can determine other
19 points in which we can, not so much control, but just kind
20 of ignite? Kind of be an influencer for that next level of
21 growth so that we can continue to see the ratchet up and
22 continue to see kind of ways in which we can increase our
23 contributions to public education?

24 **DEPUTY DIRECTOR HASEGAWA:** Yeah. I mean, since I
25 was here back in 2010, 2011, when AB 142 was passed, I mean,

1 so going into that we did have basically estimates and
2 projections of what would happen to Scratchers sales and all.

3 So I think as we look through some of the barriers
4 or some of the reasons why our growth hasn't been as robust,
5 you know, particularly it would now switch, particularly
6 based on this, the focus needs to kind of come in the draw
7 game area, as you'll see as we start talking more about
8 planning and all because we've been able to take the effects
9 of removing the price restrictions, which primarily benefits
10 games like Scratchers and Hotspot because people play not
11 just to win a big jackpot. They play to win more frequent,
12 smaller prizes. And so that's why those games are very
13 impacted by changes in price payout compared to jackpot
14 games.

15 So, now in draw games, we've got to find similar
16 types of things by unlocking this door or doing this other
17 type of activity that can help that growth, and we do have
18 -- and some might require changes in the way, you know, or
19 control or have laws, and we can let the Commission be aware
20 of that.

21 And I think we've alluded to some of them. The
22 fact that we can't have fixed prizes; we have to have pari-
23 mutuel prizes does present a barrier for us and all and we
24 can look at trying to estimate what that would do.

25 It may be a little more difficult than the

1 Scratchers exercise we did more than a dozen years ago, but
2 we can try and do that so you can understand, if this were
3 lifted, how would that -- you know, what type of level of
4 growth that would be and that's something that we can look
5 into.

6 **COMMISSIONER ALVIDREZ:** That would be helpful.

7 Thank you.

8 **DEPUTY DIRECTOR HASEGAWA:** Okay.

9 **CHAIR GARRISON-ENGBRECHT:** Any additional
10 questions?

11 **COMMISSIONER DUNGCA:** Yeah, I have a question.

12 And excuse me if this has been covered already. I'm brand
13 new and I don't think the ink on my name placard is dry yet.

14 I do have a question. Is there any data on
15 younger players? You know, I've seen some trends that
16 younger players are not engaging in traditional gambling, as
17 much and I was thinking is there any correlation of that as
18 far as the lotteries.

19 **DEPUTY DIRECTOR HASEGAWA:** Yes, we do look at
20 that. This is not presented here but we do have that.
21 Playership amongst, say, 18 to 34 years is by far lower than
22 playership with Gen Xers and Millennials. Gen Z definitely
23 has a lower playership.

24 However, unfortunately, being old enough to
25 remember a generation ago, we found the same situation also

1 with Millennials when they were in their 18- to 25-year-old
2 range as well, but we definitely have.

3 The one thing that we also looked at that I didn't
4 report here is on other forms of gaming. So, yes, a lot of
5 other forms of gaming are lower for younger people with the
6 exception of the prop betting on sports, as you're probably
7 well aware, particularly making out the news headlines
8 recently.

9 But prop betting on sports is legal in California.
10 It's not betting on the outcome of the sporting event. It's
11 betting on what a player might do, how many points they
12 might score in a game, and so forth. Those are legal in
13 California and those have pretty high popularity amongst
14 tend to be younger and male.

15 **COMMISSIONER DUNGCA:** Perfect. And just a follow-
16 up question. Obviously, this might be a little bit too much
17 for the time we have today but what's the vision on
18 increasing engagement with that younger population?

19 **DEPUTY DIRECTOR HASEGAWA:** Yeah. Well, again, not
20 being the marketer anymore but similar to, I think, what
21 occurred with Millennials is you have to make it relevant to
22 them, engaging with them in their forms of communication.
23 So that's why eons ago we started things like websites which
24 was novel back 20, 25 years ago.

25 But you have to reach them where they obviously

1 become aware of the Lottery and start bringing in ideas,
2 themes, and places where they buy that are relevant to them.
3 And then as the life cycle changes from the activities you
4 do as an 18-, 25- or 30-year-old switches, as you become,
5 you know, married with kids and so forth then they're more
6 open to Lottery and more apt to play. Because not to say
7 that no 18- to 34-year-olds play. It's just the rate is
8 lower than with the other rates.

9 So, it's really trying to keep relevance and keep
10 communicating to them. Even though they may not be playing
11 today, you have to look forward to the future and invest and
12 communicate and make sure that they're aware of the Lottery
13 and its benefits and talking to them on their own terms.

14 And that's kind of my philosophy. I don't know.

15 **CHIEF DEPUTY DIRECTOR BERNAL:** Great question. I
16 think, you know, notoriously, 18 to 24 demographic is very
17 hard to reach no matter what product or what you're trying
18 to sell as they're entering young adulthood and college, and
19 it's been a struggle no matter what cohort it is.

20 But we work, you know, developing our marketing
21 plans to make sure we're being relevant and salient across
22 all demographics. But also, we have some other restrictions
23 legislatively that don't allow us, and you'll learn this as
24 you become our commissioner for a longer period of time,
25 where we can't offer digital sales, for example. There's

1 some inconveniences in their mind because everything lives
2 in our phones. And we are a traditional, you know, product
3 that is sold only in brick and mortar locations. And even
4 some of the ways that we can display and offer our products
5 regardless of sales are restricted to technology from 1984.

6 So those are some of our challenges that we still
7 work through to try to become relevant by offering programs,
8 prizes, games, and make sure that we're communicating and
9 reaching them in the areas that they are.

10 Like the days of just being on TV advertising, for
11 example, are way long gone. We have to be wherever
12 consumers are and making sure that we have a relevant
13 message that they can engage with to create interest and
14 excitement to get them to purchase.

15 **DEPUTY DIRECTOR HASEGAWA:** Thank you for that.

16 **DEPUTY DIRECTOR ALLEN:** So, it's a long
17 conversation and I'm sure we'll have a lot more but that's
18 just a snapshot.

19 **DEPUTY DIRECTOR HASEGAWA:** Thank you.

20 **COMMISSIONER ALVIDREZ:** So then am I hearing --
21 just to summarize, Sharon, real quick before you go --
22 sorry.

23 So, what I'm --

24 **DEPUTY DIRECTOR ALLEN:** I'm on break.

25 **COMMISSIONER ALVIDREZ:** Come back, please.

1 So, what I think I hear you saying, and correct me
2 if I'm wrong, is that there are some technological
3 challenges that are a lot of times driven by statutory
4 challenges that keep us from being able to really
5 consistently be where kind of that target demographic is for
6 us to reach them.

7 And so statutorily, we're not able to keep up.
8 Well, from a marketing perspective we're not able to keep up
9 with kind of those technological advances that newer,
10 younger generations are actually accessing with more
11 frequency than we're able to meet them at. Have I --

12 **DEPUTY DIRECTOR ALLEN:** Yeah.

13 **COMMISSIONER ALVIDREZ:** Do I have that? Okay.

14 **DEPUTY DIRECTOR ALLEN:** Yeah, that's true. And
15 one thing I forgot to mention that we are working on is a
16 pilot for cashless. All of our self-serve vending machines
17 and most of our retailers too, but all of our vending
18 machines are only accepting cash, and we know that's a
19 barrier, right?

20 We know planned purchases people will bring their
21 cash if they know it. But we do all this work on creating
22 interest among our more casual players, like, oh, I want to
23 buy a lottery ticket. Oh my God, I don't have cash, right?

24 And so, we are working actively now to bring
25 cashless to our vending machines, first through a pilot and

1 then we will hopefully be able to roll that out. So that's
2 very much in the works because we know that and that cuts
3 across all generations. I don't have cash and I'm a
4 Gen X'er. But we know that that's another thing, too. So
5 there's the statutory things, there's the kind of perception
6 and access, and then there's the kind of mechanics of it and
7 the competition -- the prop betting, other types of dollars.
8 We're competing for, you know, share of wallet, share of
9 mind, you know, share of heart, too.

10 So, we've got to be -- get that emotional
11 connection with our consumers, give them the products, and
12 make sure that they know about it.

13 **COMMISSIONER ALVIDREZ:** I think the statutory
14 limitations are much more harder to navigate because they
15 just are, right --

16 **DEPUTY DIRECTOR ALLEN:** Yes.

17 **COMMISSIONER ALVIDREZ:** -- because there's 120
18 minds you have to change including, you know, the governor.

19 But from a technological perspective, I know that
20 technology is advancing, what feels like, in some instances,
21 the speed of light.

22 But it does seem as though there should be an
23 ability to be a bit more nimble from a technological
24 perspective, to be able to at least anticipate some of these
25 trends given we've been at this at this point for 40 years.

1 And one of the many things that we do well is we anticipate,
2 right? And so, from a technological perspective, it seems
3 as though we should be able to capture and harness some of
4 those pieces that we do really well.

5 **DEPUTY DIRECTOR ALLEN:** And we have to just
6 balance what we can do from the statutory percept. You
7 know, an example that I think most people know that I'm
8 really passionate about is the play slips. Right now, we
9 have paper play slips. All draw games are played through
10 the play slip or just directly through the terminal, and in
11 many jurisdictions, they've had success offering a play
12 slip, you fill it out on your phone, and it enters a
13 barcode, and you go to the store and pay it.

14 That's something that we cannot offer and so
15 that's just a small example of something that we are just
16 not allowed to do. We have the technology, but we can't do
17 it. So, it's identifying the things that we can do and
18 maximize and leverage those to make some progress.

19 **COMMISSIONER ALVIDREZ:** Thank you very much.

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

21 **CHAIR GARRISON-ENGBRECHT:** Any additional
22 questions for Jim?

23 And thank you, Sharon. I know that you weren't
24 officially present today, but you did a great job. I did
25 make a note, and this might be helpful, maybe borrowing,

1 echoing Commissioner Mills' comment but maybe we can talk
2 about -- I know before we do the business plan for next
3 year, we'll talk about marketing and sales.

4 But I think some of the things that I remember
5 from last year's presentation are partnerships with NFL,
6 sporting games.

7 I think, borrowing from what Sharon said, trying
8 to find opportunities to have and build brand awareness,
9 beneficiary awareness, but also to your point, being where
10 they are and kind of capturing the opportunities where we're
11 able to provide opportunities for that connection, right?
12 If you're a Chargers fan, I'm in L.A. so, or if you're a
13 Dodgers fan. Sorry, I -- but I think that could be a great
14 informational item of what does that look like, and we can
15 probably look at how that breaks down by demographic.

16 And I also know that we've had some really
17 intentional efforts looking at regionality, race and
18 ethnicity, other opportunities to connect with players,
19 casual players across California.

20 So, I think that'd be great information for us to
21 share both with you as you onboard but also with the rest of
22 the Commission about what does that look like over the last
23 few years. Thank you, Sharon.

24 Jim, you're off the hook. All right. Thank you
25 so much. Thank you for the presentation today.

1 The next informational item is our Audit Committee
2 update presented by Commissioner Mills.

3 **VICE CHAIR MILLS:** Thank you. So, it is my
4 pleasure to serve as the chair of the Audit Committee for
5 the California Lottery Commission, and I want to start by
6 thanking my colleague Chair Garrison-Engbrecht for also
7 serving on the Audit Committee as well.

8 So, we're a small but mighty committee of two but
9 do really important work. I also want to give a shout out
10 to Sara who I see here in the crowd. Is Emily here? I
11 don't see Emily. I really appreciate their leadership over
12 the internal audit function and it's super important.

13 So, the Audit Committee we really play a critical
14 role in helping to support the Lottery's governance by
15 really overseeing internal controls, the effectiveness of
16 the internal audit function, and compliance with applicable
17 laws and regulations, timely, as we were just chatting about
18 some of those. And as part of our charter, we are required
19 to report out on an annual basis so I'm happy to do that.

20 One of the things that I would say about the
21 internal audit function here at the Lottery is that in many
22 ways it's a bit unique. I would say as a recovering auditor
23 myself I know firsthand that these audit functions aren't
24 always the most popular functions in an organization, and I
25 would say under Sara's leadership she really works to make

1 the function a really collaborative function, a
2 collaborative effort, a value-added effort, to where it's
3 not a, you know, I'm coming in, I'm looking over your
4 shoulder, I'm trying to get you, I'm trying to find all the
5 things wrong.

6 It really is -- the approach is really a strategic
7 approach to how do -- what are the things that we need to
8 look at that have the higher risk that will make all ships
9 rise and that will ultimately create more efficiency within
10 the organization, stronger controls and protections over the
11 assets of the organization. But ultimately, what are the
12 things and improvements that we can put in place that will
13 help drive our greater contribution to public education in
14 California?

15 And I think it's for those reasons that, while
16 Sara and her team do an amazing job of doing risk
17 assessments and trying to identify where are the most
18 important places they should be, they also get requests from
19 departments who call them and say, hey, I'm not sure about
20 this, or maybe I'm a little worried about that or I just
21 need a fresh eye on this to see is there a better way to do
22 it.

23 And I will say from my own experience, that does
24 not happen very often, and so I just want to commend not
25 only Sara and her team but really the organization as a

1 whole for the value that is placed on protecting the assets
2 of this organization, the value that is placed on generating
3 efficiencies and cost savings, but also most importantly the
4 value that is placed on really maximizing our contribution
5 to education. I think that's really important.

6 So, over this last year, Anthony and I have met
7 with the team on a quarterly basis. As part of that, we
8 have a charter that describes our role and responsibilities,
9 and we review that on an annual basis.

10 We also review the audit plan that is put forward
11 by Sara and her team, which is accompanied by a
12 comprehensive risk assessment and accompanied by requests
13 that come in. So all of that goes together to then create
14 an audit plan for the year.

15 Every quarter Anthony and I sit down with the
16 team, and we monitor all the audits that are ongoing, any
17 findings, the resolutions to the findings, and really make
18 sure there is a lot of accountability around that.

19 And I would say that while there are lots of
20 audits that happen across the organization and as you can
21 imagine there are, you know, a number of findings that
22 happen in connection with those audits, there were no
23 findings that really raised to the level of, like,
24 reportable to the public. They are really mostly kind of
25 continuous improvement and just kind of those marginal

1 improvements in controls and efficiencies.

2 The other thing that happened this year is that
3 the team went through an external quality assurance review,
4 so our internal audit department was audited. So that gives
5 us another, I think, kind of sense of comfort that the work
6 that the internal audit team is doing meets kind of industry
7 standards and peer review standards as well.

8 So as with any audit, of course, there are
9 findings and opportunities for continuous improvement, and
10 Sara and her team have taken those very seriously and have
11 worked to implement the improvements identified through that
12 audit of our internal audit function.

13 In January of '25, we did successfully transition
14 to new global internal audit standards. Again, another
15 commitment to continuous improvement and staying on top of
16 industry trends and standards.

17 So, I'm going to end with just reiterating the
18 overall value that this function brings to the organization.
19 Really, we're working to strengthen internal controls and
20 mitigate risk, enhancing operational effectiveness and
21 efficiency, and elevating enterprise-wide risk awareness and
22 accountability.

23 So, thank you for the opportunity to report out on
24 this important work and that concludes my presentation.

25 **CHAIR GARRISON-ENGBRECHT:** Thank you for being

1 such a great partner and such a great lead as chair of the
2 Audit Committee, and thank you, Sara, and to Emily and
3 everyone who contributes to getting the information to Sara
4 that we request and the continuous follow-up. It's
5 incredible and oftentimes we get treats, so thank you.

6 The next item on the agenda is the consent
7 calendar. There are no items under the consent calendar, so
8 we'll proceed to the action items.

9 The first action item is going to be presented by
10 Deputy Director Chris Lopez. Item 8(a), Juniper Network
11 Switch Refresh.

12 **DEPUTY DIRECTOR LOPEZ:** Good morning,
13 Commissioners. A pleasure to see you in person.

14 For the audits I've learned that no findings means
15 great job, so I really like hearing that.

16 So, for action item 8(a), the Lottery is
17 requesting approval to purchase new Juniper Core Network
18 switches with a three-year support term.

19 The Lottery's network infrastructure is essential
20 to conducting Lottery business operations and the Juniper
21 Core Network switches are a critical component of this
22 infrastructure. These switches are responsible for routing
23 all internal and external network traffic including
24 connectivity to the gaming system, our 11 remote locations,
25 and all internet-based services.

1 This purchase will refresh existing switches that
2 have been in service since 2018 and are reaching end of
3 life. After this date, the manufacturer will cease
4 providing hardware support, software updates, security
5 patches, and technical assistance.

6 The procurement will include two Juniper QFX 5700
7 models, a comprehensive three-year support agreement
8 covering hardware warranties, software licensing, 24/7
9 technical support, and professional installation and
10 configuration services.

11 The new Core Network switches allow the Lottery to
12 meet current and future networking demands while improving
13 performance, reducing downtime, and lowering operational
14 overhead.

15 For this purchase, the Lottery will be using a
16 leveraged procurement agreement where we requested bids from
17 multiple resellers that participate in the enterprise
18 technology statewide contract administered by the state's
19 Department of General Services. The lowest bid was
20 submitted by Allied Network Solutions, Inc.

21 The Lottery recommends the Commission approve the
22 purchase of the new Juniper Core switches with a 36-month
23 support term. Total contract amount will be \$372,664.78
24 with the support term beginning upon receipt of the
25 hardware.

1 With that, I'm more than happy to take questions
2 from the Commission.

3 **CHAIR GARRISON-ENGBRECHT:** Any questions?

4 **VICE CHAIR MILLS:** Thank you for the presentation.
5 I wondered if you could just talk a little bit about the
6 difference between the term of the support agreement and the
7 term of the life of the equipment and is the term of the
8 service agreement sufficient to cover what you need for the
9 life of the equipment.

10 **DEPUTY DIRECTOR LOPEZ:** It is not. We do plan --
11 we have another set of switches which are mainly, what we
12 call the floor switches, not the core switches, that are due
13 for renewal and so what we plan to do is co-term both sets
14 of support when we renew in three years.

15 **VICE CHAIR MILLS:** Great. Thank you.

16 **DEPUTY DIRECTOR LOPEZ:** But the life of these core
17 switches is roughly 10 years, so we purchased them
18 originally, the ones we currently use, back in 2017. It
19 took us about eight months to deploy in 2018, so we want to
20 get ahead of the expiration which is in 2027 by getting them
21 early 2026.

22 **VICE CHAIR MILLS:** Thank you.

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

24 **CHAIR GARRISON-ENGBRECHT:** Does any member of the
25 public want to address the Commission at this time regarding

1 action on 8(a)?

2 Seeing none, do I hear a motion to approve action
3 on 8(a) Juniper Network Switch Refresh?

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

5 **VICE CHAIR MILLS:** I second.

6 **CHAIR 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 **CHAIR GARRISON-ENGBRECHT:** Yes. Chris, you're up
16 next.

17 **DEPUTY DIRECTOR LOPEZ:** All right, thank you.

18 For my second item, 8(b), the Lottery is
19 requesting approval to renew our DocuSign subscription and
20 support services for a two-year term. We first implemented
21 DocuSign in 2020 and since then it has become an essential
22 tool enabling operational efficiencies throughout the
23 department.

24 We now have deployed over 90 e-signature templates
25 and automated workflows, and we continue to prioritize and

1 develop additional e-signature templates and automated
2 workflows as business needs evolve.

3 Digitizing signature-based processes has reduced
4 costs of printing, distribution, and storage of hardcopy
5 documents by an estimated \$4.30 per document. It has also
6 reduced our environmental footprint. The last three years
7 the Lottery has reduced over 200,000 pounds of carbon
8 emissions, 260,000 gallons of water, saved over 90,000
9 pounds of wood, and eliminated over 14,000 pounds of waste.

10 DocuSign ensures that sensitive and confidential
11 documents are managed and handled in a more secure manner
12 compared to hardcopy manual processes. DocuSign provides
13 robust authentication mechanisms, which protect electronic
14 documents from unauthorized access. Documents are encrypted
15 and alterations are easily detectable. Last, DocuSign
16 provides detailed audit trails, enhancing transparency and
17 accountability.

18 For this renewal, the Lottery will be using a
19 leveraged procurement agreement where we requested several
20 bids from resellers that participate in the state's software
21 licensing program administered by the state's Department of
22 General Services. The lowest bid was submitted also by
23 Allied Network Solutions, Inc., for this item.

24 The Lottery recommends the Commission approve
25 renewing the subscription and support services for DocuSign

1 for the two-year term. Their total amount is \$652,935 with
2 a term date of January 31st, 2026, through January 30th,
3 2028.

4 And with that, I'm more than willing to take
5 questions from the Commission.

6 **COMMISSIONER ALVIDREZ:** Just a quick comment. I
7 deeply appreciate the way you've captured savings from kind
8 of this environmental impact perspective. I deeply
9 appreciate that. So, thank you so much.

10 That is something that is not easy to do,
11 90,000 pounds of wood, et cetera. That is not an easy thing
12 but it's absolutely necessary as we try to meet kind of some
13 of our environmental standards from a state perspective and
14 just globally. So thank you so much.

15 **DEPUTY DIRECTOR LOPEZ:** You're most welcome.

16 **CHAIR GARRISON-ENGBRECHT:** Does any member of the
17 public wish to address the Commission at this time regarding
18 action on 8(b), DocuSign renewal?

19 Seeing none, do I hear a motion to approve action
20 on 8(b), DocuSign renewal?

21 **COMMISSIONER ALVIDREZ:** Motion to approve.

22 **CHAIR GARRISON-ENGBRECHT:** And a second?

23 **COMMISSIONER DUNGCA:** I'll second.

24 **CHAIR 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 **CHAIR GARRISON-ENGBRECHT:** Yes. Thank you, Chris.
9 Thank you very much.
10 The next item is action item 8(d), revised fiscal
11 year 2025-2026, presented by Deputy Director Nick Buchen.
12 **DEPUTY DIRECTOR BUCHEN:** All right. Thank you.
13 **CHAIR GARRISON-ENGBRECHT:** Hi, Nick.
14 **DEPUTY DIRECTOR BUCHEN:** Hello. Commissioner
15 Mills, I'll try to get you out of here on time.
16 So, I'm presenting the Lottery's revised fiscal
17 year 2025-2026 budget for your approval. You'll recall that
18 our June 2025 Commission meeting was canceled and the time
19 frame for our May meeting was moved up to May 13th.
20 We were, therefore, missing more than a month's
21 worth of revenue and expenditure data that we otherwise
22 would have incorporated into our projections. So due to the
23 shortened time frame, I told you in May that I'd likely
24 present a revised budget at a future Commission meeting so
25 here I am.

1 With a little more than seven months remaining in
2 this current fiscal year, this was a great opportunity to
3 revise the budget to better align with anticipated revenues
4 and expenditures. So, here's the full revised budget.

5 Don't worry about trying to make out any of the
6 detail. I'll walk through each section separately. This
7 slide and others I will cover compare our revised revenues
8 and expenditures for this current fiscal year to those that
9 you adopted for the same fiscal year in May.

10 As a reminder, all dollar amounts on this, and the
11 other slides are in thousands and feel free to stop me at
12 any time if you have questions. Keep in mind the Lottery's
13 budget is a basic formula comprised of four major elements.
14 Our projected ticket sales revenues, minus the associated
15 prize expense, minus our administrative expenses, equals our
16 contribution to education.

17 So, for the first of those major components,
18 sales, you can see at the bottom of the middle dollar column
19 we are now projecting a total of \$9.55 billion in sales
20 revenue for this current fiscal year.

21 The bottom of the far right column shows that this
22 is an increase of \$450 million from the total sales included
23 in the budget you adopted in May. This represents an
24 increase of 4.9 percent and is attributable to a revised
25 projection for Scratchers and Powerball.

1 For Scratchers the sales projection reflected in
2 the budget you adopted in May did not consider sales trends
3 beyond February of 2025 and we subsequently saw an uptick in
4 Scratchers sales in the latter months of last fiscal year.

5 The revised Scratchers sales goal of \$7.07 billion
6 incorporates sales trends from the spring and early summer
7 and reflecting stronger sales performance than what you
8 adopted in May.

9 For Powerball, the fact that we had four draws for
10 which the advertised jackpot was \$1 billion or more in the
11 first quarter of this fiscal year presented a good
12 opportunity to increase the projection.

13 The revised sales goal of \$730 million reflects
14 our year-to-date Powerball sales and assumes we'll be
15 slightly below the 50th percentile for rollover luck for the
16 remainder of the fiscal year.

17 This means slightly less than half of the
18 scenarios in the simulation that was run for the remainder
19 of this current fiscal year yielded more draw-to-draw rolls
20 leading to higher jackpots while slightly more than half of
21 the scenarios were less favorable in terms of rollovers and
22 high jackpots.

23 For all other games, we have no reason at this
24 time to deviate from the sales goals that you adopted in
25 May.

1 And the next major area of the budget is prize
2 expense, which is now projected to total more than \$6.35
3 billion in this current fiscal year.

4 This is an increase of \$326.1 million or 5.4
5 percent from the budget you adopted in May. And although
6 this increase is driven by the increased sales projection,
7 it's disproportionately higher due to having a more
8 realistic estimate for the prize payout percentage for
9 Scratchers.

10 You can see on the first row of this slide, we are
11 now projecting Scratchers payout to total 72.3 percent of
12 the revised Scratchers goal, while the budget you adopted in
13 May assumes Scratchers prize payout would be 71.6 percent of
14 the projected Scratchers sales.

15 You can see on the second to last row of this
16 slide the total estimated prize expense for this current
17 fiscal year now represents 66.5 percent of the total revised
18 sales projection.

19 This is within the range of 65 percent to 67
20 percent that was recommended as being optimal in the
21 analysis that was most recently conducted for the Lottery.

22 Therefore, the revised budget still complies with
23 the Lottery's policy requiring the director to determine the
24 optimal prize payout levels across all games for the coming
25 fiscal year to ensure that funding for education is

1 maximized.

2 I'll now move on to our administrative expense,
3 which the Lottery Act caps at 13 percent of our total annual
4 sales. The first area within administrative expense is
5 retailer compensation which reflects the commissions we pay
6 to our retailer partners for selling Lottery tickets,
7 cashing eligible winning tickets, redeeming free ticket
8 prizes and replays, and earning incentive bonuses for
9 selling certain prizes.

10 Retailer compensation is now estimated to total
11 \$649.4 million in this current fiscal year, which is an
12 increase of \$32.4 million from the budget you adopted in
13 May.

14 While the main driver of this change is the
15 increased sales projection, we also added \$2 million to the
16 incentives category to better estimate the bonuses retailers
17 will earn for selling eligible winning jackpot and top prize
18 tickets, as well as certain winning tickets worth \$1 million
19 or more.

20 Also included within administrative expense and
21 shown on this slide are gaming costs, which are used to pay
22 our contractual gaming system provider and to print and
23 distribute Scratchers tickets.

24 These costs are now estimated to total \$170.3
25 million in this current fiscal year, which is an increase of

1 \$13.1 million from the budget you adopted in May. And this
2 increase is due to a few factors including the increased
3 sales projection for both Scratchers and Powerball,
4 additional funding to allow for the reorder of popular
5 Scratchers games, and higher costs to support new contract
6 rates for printing Scratchers tickets.

7 And the final area within administrative expense
8 is operating costs, which are now projected to total \$421.8
9 million in the current fiscal year. Excluding the reserves,
10 which I'll talk about in a moment, operating costs are
11 projected to increase by \$31.7 million compared to the
12 budget you adopted in May.

13 Because many of the projections in that May budget
14 lacked refinement due to the compressed time frame, we
15 didn't fully fund all expenditure requests to be fiscally
16 prudent, and we instead included more funding in the
17 administrative spending reserve.

18 The increased sales projection included in the
19 revised budget now allows us to make needed investment to
20 maintain momentum with efforts currently underway to drive
21 future sales.

22 Specifically, we are adding \$25 million to support
23 the marketing efforts originally planned for this current
24 fiscal year. In addition, we are adding \$3.6 million to
25 fully fund the Lottery's education campaign that is designed

1 to uplift the Lottery's mission and position the Lottery
2 more favorably among California adults.

3 These two increases total \$28.6 million and make
4 up the vast majority of the increases reflected on the
5 marketing budget plan line and contractual services line
6 combined.

7 The increases in personal services, depreciation,
8 and operating expense reflect refinement and address some
9 oversights we had in the budget you adopted in May.

10 The last two items within operating costs are the
11 reserves. For the reserve for insurable risk, we are
12 maintaining \$5 million to cover fiscal exposure for the
13 areas of our organization that we are self-insuring, and
14 this amount is unchanged from the level you adopted in May.

15 For the administrative spending reserve, the
16 revised current year budget includes \$76.3 million, which is
17 \$18.7 million less than what was in the budget you adopted
18 in May.

19 Thirteen percent of the revised sales projection
20 would yield \$58.5 million more for the administrative
21 spending reserve with all else being equal.

22 Subtracting out the \$45.5 million added to
23 retailer and gaming costs that I outlined on the previous
24 slide, as well as the \$31.7 million added to the various
25 operating costs showing above the reserves on this current

1 slide, yields the \$18.7 million decrease in the
2 administrative spending reserve.

3 In a normal fiscal year following the close of the
4 first quarter we would have compiled costs in excess of the
5 Commission-approved budget for that same time period and
6 requested director approval to transfer from the
7 administrative spending reserve to cover those costs.

8 We didn't follow that process for the first
9 quarter of this year since we knew we'd be presenting you
10 with the revised budget, so this allows for more
11 transparency into all expenditure changes that have occurred
12 since the budget was adopted in May.

13 Now this slide brings it all home. Sales minus
14 prize expense, minus administrative expenses actually equals
15 our net operating income. There are a few additional items
16 that determine the final contribution to education.

17 Specifically, both unclaimed prizes and interest
18 earnings on our cash sitting within the state treasury are
19 mandated to be transferred directly to education.

20 In addition, any unspent funds within both reserve
21 line items also will be transferred to education since the
22 Lottery Act prevents us retaining earnings from year to
23 year.

24 So, assuming both reserves remain unspent, the
25 total contribution to public education in this current

1 fiscal year is now estimated to be \$2.112 billion. This
2 represents an increase of \$36.7 million over the amount of
3 funding that we were estimating to provide to education in
4 the budget you adopted in May.

5 But that really isn't an apples-to-apples
6 comparison since we purposely held back certain expenditures
7 to include a larger reserve in May. This revised budget is,
8 therefore, a much more realistic financial plan for the
9 Lottery. And I'm happy to report that this revised budget
10 meets the Lottery Act's requirement that the net revenues
11 allocated to public schools as reflected in the Commission-
12 approved budget be at least as much as were allocated on
13 average in the prior five fiscal years.

14 With us now having final figures for the 2024-25
15 fiscal year, the average of the contributions to education
16 for the preceding five years decreased slightly compared to
17 what we were projecting in May.

18 This, combined with the increased contribution to
19 education we are now projecting in the revised budget,
20 indicates that we will exceed the five-year average in this
21 current fiscal year by approximately \$16 million.

22 And my final slide shows how our projected sales
23 and contribution to education for this current fiscal year
24 compared to what we achieved last fiscal year. We expect
25 the audit of our financial statements for the 2024-25 fiscal

1 year to be issued tomorrow, and the figures should not
2 change.

3 You can see that our revised budget for this
4 current fiscal year projects our sales will be more than
5 \$617 million higher than we achieved last fiscal year and,
6 more importantly, the revised budget projects that our
7 contribution to education will be more than \$180 million
8 higher than we achieved last fiscal year.

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

10 **VICE CHAIR MILLS:** Thanks, Nick, for the
11 presentation.

12 I think, just to follow on to a comment that I
13 made during Jim's presentation, I think it would be helpful
14 to see, like, trends and how some of Jim's data translates
15 here and so I would, I'm just going to say it again, I would
16 love to see more collaboration there and to see that kind of
17 come out in the presentations just to provide just a bit
18 more context and to, not just point in time, but over time
19 how have the financial numbers evolved.

20 And then I just want to confirm, and I think you
21 said this, but I just want to confirm that this revised
22 budget does comply with all Lottery rules and regulations.

23 **DEPUTY DIRECTOR BUCHEN:** Correct, yes.

24 **VICE CHAIR MILLS:** There are no exceptions. Okay.
25 Okay.

1 And then the last comment, and this is something
2 that I think I probably say every time you bring forward a
3 budget, but I feel like especially in this budget where we
4 were -- I felt like we were very conservative when we
5 brought forward the first budget. You didn't have all the
6 data but then we went with the most conservative answer, and
7 it resulted in a pretty significant cut to the marketing
8 budget.

9 And I feel like we're overvaluing conservatism to
10 reality of -- to the business reality and to kind of, you
11 know, what we need to do to make sure that we are meeting
12 all of our regulatory requirements and continuing to grow
13 our revenues and our contribution to education.

14 So, I would just ask us to be mindful for that
15 because now, you know, there was a big cut to marketing a
16 few months ago which has significant operational challenges
17 I could imagine, and we just saw a presentation about how
18 effective the marketing was.

19 And so I would just ask that we be a bit more
20 mindful of that and to make sure that that we're not being
21 over conservative in a way that really impacts, you know,
22 our ability to exceed our budget or to meet a budget and
23 that we have some aspiration in that, right?

24 That our budget should be real and achievable, but
25 it also should have some level of aspiration in it, I

1 believe, and especially if we're making decisions that
2 impact operations in a negative way that's not helpful to
3 grow revenue.

4 So, I'm really happy to see the marketing budget
5 put back whole. I think that's really important. We've
6 seen that it's working and really pleased to see that we now
7 have a compliant budget that I feel comfortable voting on.

8 But I hope that we can just kind of continue to
9 refine some of our philosophical things that we are leaning
10 on to build our budget and better tie it all together.

11 Thank you.

12 **CHAIR GARRISON-ENGBRECHT:** Are there any
13 additional questions from the commissioners?

14 Nick, I just want to make a comment.

15 I know that presenting this earlier in the year
16 was a time crunch and I know that that was part and parcel
17 due to us, and so I appreciate the effort and time that you
18 put in earlier in this year and to revise.

19 I just want to stack on what Commissioner Mills
20 said. I think that having, and this might be a conversation
21 with commissioners about a philosophical perspective or
22 framework, I think I appreciate the commentary being
23 aspirational.

24 I'm also a realist so I appreciate the
25 conservative approach. I understand it does make an impact

1 on operations. I know that that is felt across the agency
2 and so I don't want to undermine that. I'm looking at you
3 specifically, Sharon.

4 And I also want to be really mindful that I agree
5 that there should be an aspirational aspect in making sure
6 that we have every opportunity to maximize the contribution
7 back to education and the state of California.

8 And I want to be realistic about what's possible
9 with human capital, our physical capital presence in
10 California, what we're able to do with vendors and marketers
11 and our sales team across the state and be really pragmatic
12 in our approach.

13 And so this might be an ongoing conversation, and
14 I would welcome to hear your thoughts at a future date about
15 your perspective on fiscal management and planning and
16 business responsibility for the California Lottery as we go
17 forward. But I know that this is not an easy effort, so I
18 really appreciate you and your team and everyone who helped
19 to contribute to this revised budget.

20 The last comment I'll make is I'm really proud
21 that we will meet the state average requirement based on our
22 statutes, and I will publicly share again that I do not
23 agree with that. I think that it's flawed. I understand
24 the spirit of the regulation. I think it, based on what we
25 saw earlier from Jim, that it's possible. I also think it

1 puts us in a really problematic perspective.

2 I've shared this with the director and the
3 executive team already, but I'm really proud, and so thank
4 you to the team for maximizing our current contribution, and
5 I don't want that to set the new threshold of every year
6 that we're able to achieve that and I want to be really
7 honest with the Governor's office and the people of the
8 state of California that we will do our best effort to be
9 good and transparent and fair and focused on our work in
10 supporting education.

11 Thank you, Nick.

12 Do I hear a motion to approve action on 8(d),
13 revised fiscal year 2025-2026 budget?

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

15 **CHAIR GARRISON-ENGBRECHT:** Second?

16 **COMMISSIONER ALVIDREZ:** Second.

17 **CHAIR GARRISON-ENGBRECHT:** Will the secretary
18 please 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?

1 **CHAIR GARRISON-ENGBRECHT:** Yes.

2 Thank you, Nick.

3 **DEPUTY DIRECTOR BUCHEN:** Thank you.

4 **CHAIR GARRISON-ENGBRECHT:** And as always, thank
5 you to Brett and the budget team.

6 And I apologize. There was one comment
7 specifically regarding action item 8(d), but I'll move to
8 public discussion. Comments are limited three minutes per
9 person and must relate to matters within the subject matter
10 jurisdiction of the Commission.

11 For routine personnel matters the Lottery has
12 existing complaint avenues that should be utilized by
13 bringing these concerns to our human resources office or the
14 EEO offices.

15 And, finally, for duplicate comments from a group,
16 please designate one person in that group to present the
17 comments during public discussion so as not to have multiple
18 speakers making the same comment.

19 And I do have one comment card, Paulina Vasquez,
20 regarding action item 8(d) budget revision.

21 Paulina, can you please state your name? And you
22 have three minutes.

23 **MS. VASQUEZ:** Okay. So, this isn't the closing
24 comments. This is questions and comments, because typically
25 you ask if there are members of the public who have

1 questions and comments about any of the action items and so
2 I had some questions and comments about the action item that
3 you just passed.

4 There seems to be an unintended consequence to
5 stopping mid-fiscal year and calling a time out and then
6 moving the budget. Because the goal, \$9.1 billion, is used
7 to set the sales goals for your Lottery sales team, there's
8 four quarters so that \$9.1 billion is used to determine
9 quarterly sales goals and we've already closed out quarter
10 one. We're in the middle of quarter two.

11 So, by the time you guys dump that projected
12 increase, we're going to have to carry it in two quarters,
13 quarter three and quarter four, and it doesn't seem fair.

14 And I understand that there was a delay and, you
15 know, you cancelled the June meeting, and the May meeting
16 was moved forward and so the budget wasn't what it was. It
17 wasn't as refined as it needed to be.

18 But it doesn't seem fair to the little guy, those
19 of us who actually work in the sales field, where our bonus
20 goals, which is a part of our compensation and our pay,
21 during a time where we've had to forego our cost of living
22 pay increase now we're being told time out, we're going to
23 increase the budget halfway through the fiscal year.

24 And then there is this increase of \$250 million,
25 it looks like, for Scratchers goals and we're going to have

1 two quarters left.

2 And if this had been correct back in May and June,
3 I'm not blaming you guys, but it's not our fault either.
4 But if this had been correct in May and June, we would have
5 had to carry it over four quarters and not the last two
6 quarters, which puts our goals further out of reach, and it
7 makes the sales team feel like we're being cheated.

8 So, I don't know if that's been taken into
9 consideration. I know that there is a lot of impact, but it
10 feels like this is an unintended consequence and in the
11 spirit of being fair and transparent, I'd like to put this
12 on record.

13 We really need you guys to look closely at this.
14 It doesn't seem fair that we're going to have to carry the
15 bulk of that in the last two quarters.

16 Thank you.

17 **CHAIR GARRISON-ENGBRECHT:** Duly noted. Thank you
18 for your comment.

19 Is there anyone else who would like to address the
20 Commission during this time during public discussion?

21 Seeing none, next on the agenda is the Commission
22 general discussion.

23 **MS. VASQUEZ:** Sorry. I did have a comment for
24 public discussion, which is separate from action item (d).
25 But I just wanted to say that first of all, I'm Paulina

1 Vasquez. I am a Lottery sales representative in the Central
2 Valley area. I'm also a chief union steward with SEIU 1000.

3 Commissioner Dungca, welcome. It's good to have
4 you. Thank you for your service to law enforcement.

5 We happen to have a really great SLED team here
6 led by John Lowden and Steve Combre. We hear nothing but
7 great things about them, and since Thanksgiving is next week
8 and you guys are usually used to hearing me show up here to
9 complain about something, I wanted to just say that we're
10 really thankful.

11 It's not always about complaining about something.
12 We do also have some wonderful managers and supervisors at
13 the Lottery, and as the chief union steward I hear a lot
14 about these great people and how they truly embrace the
15 MVPs, how they're respectful to their employees, how they
16 treat them, you know, with an open door and they're very
17 transparent and honest and there's a lot of great people.

18 So, every time you see me at this microphone, it's
19 not that I'm here to complain but I wanted to say a quick
20 shout out to a quick list of people I made here.

21 Some of you are in this room. You do a wonderful
22 job. We hear wonderful things from your people about you.
23 And Nick Buchen, Jim Hasegawa, Brandon Thomas, Michael
24 Maffei, Rose Wong, Francisco Perez, Marissa Fernandez,
25 Ginger Tyler, Christina Torres, Tristan Armendariz, Scott

1 Smith, Wendi Fedena, Danny Hamilton, Kim Wong, Corey
2 Chappell, Cole Tom, David Bennewitz, Chris Lopez, Jerry
3 Cisneros, Hector Avalos, Kathy Uribe, Adela Pattison, Tony
4 Quinones, Abe Gonzalez, John Reading, Henry Hernandez,
5 Richard Lopez, Judy Ames, Dean Bacon, Carl Ornalez.

6 So, and that's just a short list but there are a
7 -- you have a lot of great managers and supervisors. So
8 every time you see me here it's not that I'm complaining
9 because we do appreciate those managers and supervisors who
10 do a wonderful job, too.

11 So, thank you and have a wonderful Thanksgiving.

12 **CHAIR GARRISON-ENGBRECHT:** Thank you. You as
13 well.

14 **COMMISSIONER ALVIDREZ:** Thank you so much for
15 that. I appreciate your acknowledgement of the hard work of
16 our managers and our supervisors. I appreciate hearing your
17 acknowledgement that every time you step to the mic it's not
18 to complain. Thank you for that acknowledgement.

19 And I just appreciate all of the efforts of the
20 California State Lottery, the department, the sales agents,
21 the sales team. You all do a fantastic job. I think you
22 all were acknowledged publicly during our 40th year
23 anniversary celebration.

24 So just to double down on that and thank you so
25 much for that.

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CHAIR GARRISON-ENGBRECHT: Thank you.

Any topics for general commission discussion?

Next, as we have tentatively scheduled the next Commission meetings for January 22nd, March 26th, May 21st, June 16th, September 24th, and November 19th of 2026, which feels too soon.

All meetings will be held in Sacramento. Again, I just want to extend my congratulations and welcome to the team, Commissioner. And I'm wishing everyone a really wonderful Thanksgiving holiday.

Meeting is adjourned. (End of Recording)

(MEETING ADJOURNED)

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