# Resolution No. 2026-FIN-004
# Resolution of the Lottery Commission of the State of California to Approve the Lottery's Investment Policy and Investment Strategy

WHEREAS, the Lottery Commission of the State of California operates and administers the California State Lottery (Lottery) in conformance with the California State Lottery Act; and

WHEREAS, pursuant to Government Code Section 8880.25.5, the Lottery Commission may invest funds on deposit in the State Lottery Fund within or outside the State Treasury system, and purchase and sell securities, including entering into bond purchase agreements with the State to purchase State General Fund obligations, or invest in other evidence of indebtedness issued by the State, including but not limited to, notes or warrants; and

WHEREAS, pursuant to the Lottery's investment program, for which the primary objectives are safety of principal and timeliness of payments to Lottery annuity prize winners, the Lottery shall undertake investments in a prudent manner that seeks to ensure the preservation of capital within the overall portfolio, while mitigating credit, reinvestment, and interest rate risk; and

WHEREAS, the Lottery's Investment Policy requires that the Lottery Commission review and adopt, by vote, the Lottery's Investment Strategy and Investment Policy not less than annually, including the approval of any changes to the Investment Policy, to ensure each remains consistent with current principles and standards for the investment of funds managed by a public entity; and

WHEREAS, the Lottery's Investment Policy includes permitted investment categories and places limits on certain securities to promote diversification and to reduce risk; and

WHEREAS, the Lottery's Investment Policy includes requirements pertaining to changes in credit ratings as well as the reinvestment of securities within the Lottery's investment portfolio in certain situations; and

WHEREAS, the Lottery's Investment Strategy focuses on (1) investment activity that ensures sufficient cashflow to make scheduled payments to top prize winners who choose the annuity payout option and (2) maintenance of the Lottery's investment portfolio, including ongoing monitoring and mitigation of potential investment risk; and

WHEREAS, the Lottery's current investment strategy is to purchase US Treasury bonds for new annuity prizewinners with the maturity of the investments timed with the scheduled payments of the annuity prizes; and

WHEREAS, the Lottery recommends that the Commission approve the existing Investment Policy with minor revisions and its investment strategy with no modifications for 2026.

NOW, THEREFORE, the Lottery Commission of the State of California does RESOLVE as follows:

1. The Lottery's Investment Policy and Investment Strategy are both approved for 2026.

APPROVAL RECOMMENDED

Nicholas Buchen, Deputy Director, Finance Division

INTRODUCED AND PASSED: November 19, 2026

AYES: Tiffani Alvidrez, Alexandre Rasouli, Anthony Garrison-Engbrecht

NOES:

ABSENT:

ABSTENTIONS:

Farida Osman, Assistant to the Commission

APPROVED AS TO FORM AND PROCEDURE:

Fernando Aceves, Chief Counsel

THIS IS TO CERTIFY that the foregoing Resolution was duly passed by the California State Lottery Commission at its meeting regularly called and held on the 19th day of November, 2026, in the City of Sacramento, California, and that the foregoing is a full and correct copy of the original Resolution.

Dated this 19th day of November, 2026.

Anthony Garrison-Engbrecht, Commissioner
CALIFORNIA STATE LOTTERY COMMISSION

Resolution No. 2026-FIN-005
Resolution of the Lottery Commission
of the State of California to
Increase the Contract Authority for Verliance, Inc.

WHEREAS, the Lottery Commission of the State of California operates and administers the California Lottery in conformance with the California State Lottery Act; and

WHEREAS, State Administrative Manual section 8293.1 enables the Lottery to utilize an outside collection agency to collect aged account receivables; and

WHEREAS, the Lottery contracts with Verliance, Inc. (Verliance), under Agreement #101501, for collection activities services; and pays commissions to Verliance based on successful collections on assigned accounts.

WHEREAS, the original contract term was May 1, 2024 to April 30, 2029, with an initial expenditure authority of $200,000; and

WHEREAS, Verliance provides excellent service, leading to a commission payout averaging $64,000 per year, which exceeds initial estimates of $40,000 per year on which the $200,000 in expenditure authority was based; and

WHEREAS, Lottery staff estimates, based on the total commissions paid during the first two years of the contract, that an additional $120,000 would be needed to continue services through the end of the base contract term; and

WHEREAS, the Lottery recommends that the Commission approve an additional $120,000 in contract expenditure authority for Agreement #101501. The new maximum contract expenditure authority will be $320,000.

NOW, THEREFORE, the Lottery Commission of the State of California does RESOLVE as follows:

1. An additional $120,000 to the maximum amount of Agreement #101501 is approved.

APPROVAL RECOMMENDED

Nicholas Buchen, Deputy Director, Finance Division

INTRODUCED AND PASSED: November 19, 2026

AYES: Tiffarii Alvidrez, Alexandre Rasouli, Anthony Garrison-Engbrecht

NOES:

ABSENT:

ABSTENTIONS:

Farida Osman, Assistant to the Commission

APPROVED AS TO FORM AND PROCEDURE:

Fernando Aceves, Chief Counsel

THIS IS TO CERTIFY that the foregoing Resolution was duly passed by the California State Lottery Commission at its meeting regularly called and held on the 19th day of November, 2026, in the City of Sacramento, California, and that the foregoing is a full and correct copy of the original Resolution.

Dated this 19th day of November, 2026.

Anthony Garrison-Engbrecht, Commissioner
CALIFORNIA STATE LOTTERY COMMISSION

# Resolution No. 2026-SLS-001
# Resolution of the Lottery Commission of the State of California to Approve a Contract Extension and Increase the Expenditure Authority for Victory International Group, LLC

WHEREAS, the Lottery Commission of the State of California operates and administers the California Lottery in conformance with the California State Lottery Act; and

WHEREAS, the Lottery contracts for the procurement of secure shipment bags with Victory International Group, LLC (Victory), under agreement #100642; and

WHEREAS, the Lottery utilizes the secure shipment bags to transport Scratchers® tickets to and from the distribution centers; and

WHEREAS, the Lottery's current agreement includes two one-year options to extend the term; and

WHEREAS, the Lottery, based on Victory's past performance, is electing to extend the contract for the second one-year extension period; and

WHEREAS, Lottery staff estimates, based on applicable contract pricing for the second, option year, that an additional $150,000 in expenditure authority would be needed to continue services through the end of the second extension period; and

WHEREAS, the Lottery recommends that the Commission approve a one-year extension to Victory's agreement through February 28, 2028, and an increase in expenditure authority of $150,000 brings the maximum expenditure authority to $671,000.

NOW, THEREFORE, the Lottery Commission of the State of California does RESOLVE as follows:

1. The one-year contract extension of Victory International Group, LLC contract (Agreement #100642), with an increase of $150,000 to the maximum expenditure authority, is approved.

APPROVAL RECOMMENDED

Richard McNeese, Deputy Director, Sales Division

INTRODUCED AND PASSED: November 19, 2026

AYES: Tiffani Alvidrez, Alexandre Rasouli, Anthony Garrison-Engbrecht

NOES:

ABSENT:

ABSTENTIONS:

Farida Osman, Assistant to the Commission

APPROVED AS TO FORM AND PROCEDURE:

Fernando Aceves, Chief Counsel

THIS IS TO CERTIFY that the foregoing Resolution was duly passed by the California State Lottery Commission at its meeting regularly called and held on 19th day of November, 2026, in the City of Sacramento, California, and that the foregoing is a full and correct copy of the original Resolution.

Dated this 19th day of November, 2026.

Anthony Garrison-Engbrecht, Commissioner
CALIFORNIA STATE LOTTERY COMMISSION