

STATE OF CALIFORNIA  
TRANSCRIPT OF PROCEEDINGS

CALIFORNIA STATE LOTTERY COMMISSION  
COMMISSION MEETING

TIME: 10:08 a.m.  
DATE: Thursday, September 26, 2024  
PLACE: California State Lottery Headquarters  
700 North 10<sup>th</sup> Street  
Sacramento, California 95811

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

**California State Lottery Commission**

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Chair of the Commission  
Commissioner

Keetha Mills  
Vice Chair of the Commission  
Commissioner

Tiffani Alvidrez  
Commissioner

Alexandre Rasouli  
Commissioner

**Participating Lottery Commission Staff**

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Director

Fernando Aceves  
Chief Counsel

Sharon Allen  
Deputy Director of Sales & Marketing

Nicholas Buchen  
Deputy Director of Finance

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Acting Assistant to the Commission

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1                   **COMMISSIONER MILLS:** Yes.

2                   **MS. ESTRELLA:** Commissioner Alvidrez?

3                   **COMMISSIONER ALVIDREZ:** Yes.

4                   **MS. ESTRELLA:** Commissioner Rasouli?

5                   **COMMISSIONER RASOULI:** Yes.

6                   **MS. ESTRELLA:** Chair Garrison-Engbrecht?

7                   **CHAIR GARRISON-ENGBRECHT:** Yes. The next item on

8 the agenda, Number Five, is the Approval of the Minutes. Are

9 there any corrections to the Minutes? Hearing none, do I

10 have a motion to approve the Minutes from the June 27<sup>th</sup>, 2024

11 Commission Meeting?

12                   **COMMISSIONER MILLS:** I'll move to approve.

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

14                   **COMMISSIONER RASOULI:** Second.

15                   **CHAIR GARRISON-ENGBRECHT:** Will the Secretary

16 please call the roll?

17                   **MS. ESTRELLA:** Commissioner Mills?

18                   **COMMISSIONER MILLS:** Yes.

19                   **MS. ESTRELLA:** Commissioner Alvidrez?

20                   **COMMISSIONER ALVIDREZ:** Yes.

21                   **MS. ESTRELLA:** Commissioner Rasouli?

22                   **COMMISSIONER RASOULI:** Yes.

23                   **MS. ESTRELLA:** Commissioner Garrison-Engbrecht?

24                   **CHAIR GARRISON-ENGBRECHT:** Yes. The next item on

25 the agenda is Informational Items, with the first one up

1 Director's Comments from Harj.

2 **DIRECTOR CHIMA:** Good morning, Commissioners.

3 **COMMISSIONERS:** Good morning.

4 **DIRECTOR CHIMA:** A, I have a rather short report  
5 this month since we're only a couple of months into the  
6 fiscal year. Through mid-September, our total Lottery sales  
7 are just over \$1.7 billion. Scratchers are coming in just  
8 shy of our goals through the summer, but typically, the  
9 summer is our slowest time of year. Since the start of the  
10 new fiscal year, Powerball's jackpot has only reached \$212  
11 million, which is why our sales are so soft. You may recall  
12 last year we had some discussions about the groundbreaking  
13 jackpots that we had over the last fiscal year. On a more  
14 positive note, we were able to make a new multi-millionaire,  
15 \$44 million to be exact, in Dana Point back in August. Mega  
16 Millions did roll up to \$800 million a few weeks ago, and  
17 while that jackpot winner was in Texas, we do estimate that  
18 approximately \$66.8 million went to public schools as a  
19 result of that sequence, which started back in June. Now,  
20 I'm sure you've noticed in this table here that sales for  
21 our jackpot games are lower than they were last year at this  
22 time. This is really ultimately due to the really different  
23 jackpots that we have this year versus the ones last year.  
24 At this time last year, jackpot fever was in full effect.  
25 Powerball's jackpot rolled to \$785 million; Mega Millions

1 had already exceeded \$1.5 billion; and SuperLotto Plus had a  
2 high of \$82 million, which are all very high jackpots for  
3 their respective games, especially compared to the levels  
4 that I just mentioned to you that we've had so far this  
5 year. Lastly, the sales for the Daily Games and Hot Spot  
6 are coming in as expected. Over the first two months of the  
7 fiscal year, our estimated contributions to Education  
8 totaled \$282 million, and while we're not yet hitting our  
9 goals, we do anticipate that we'll see that increase.  
10 Primarily, we're not hitting goal right now as a result of  
11 the low jackpots that we just mentioned. You may remember  
12 back to the June meeting, we had increased our sales and  
13 profit goals from the jackpot games for the past year based  
14 on the rollover luck that we had last year.  
15 But since we can't really predict with any certainty when  
16 we'll have high jackpots, the monthly goals for these games  
17 are set as just a monthly average. And as the year  
18 progresses, and we have more time for jackpots to roll  
19 higher, we do expect that our profits will be closer to the  
20 profit goals. And that actually concludes my report, unless  
21 you have any questions.

22 **CHAIR GARRISON-ENGBRECHT:** Wonderful, thank you.  
23 Are there any questions? Commissioner -- oh.

24 **COMMISSIONER MILLS:** Thanks, Director. Thank you  
25 for that report. I know that the jackpot games are really

1   reliant on the jackpot sizes-led sales, but I was wondering  
2   if you could talk a little bit about, are there any other  
3   strategies or adjustments to our marketing strategies that  
4   we're making during periods where the jackpots aren't in our  
5   favor? Are there other adjustments that we can or are  
6   making during those periods?

7                   **DIRECTOR CHIMA:** Sure. I can start to address  
8   that, and then I'm going to ask Sharon Allen to give us an  
9   answer (inaudible), but I do know that we, as you all know  
10  and have heard over the past few years, we've worked on our  
11  Scratchers Repositioning Plan and are really working to get  
12  that in place. I'm going to turn it over to Sharon because  
13  I don't know if I can mention the next thing just yet.

14                   **DEPUTY DIRECTOR ALLEN:** Okay. I think we've  
15  talked it about it a little bit.

16                   **DIRECTOR CHIMA:** Okay.

17                   **DEPUTY DIRECTOR ALLEN:** But in terms of one of the  
18  things, you know, we want to make sure that we're constantly  
19  top of mind with our regular jackpot players, and we do that  
20  on an ongoing basis, reminding them about the jackpots  
21  through our social media, our email outlets. At our retail  
22  point of sale, we have extensive promotion, either through  
23  those window jackpot signs, and we are, through the IGT  
24  Contract, we are ordering additional signs, as I think Jim  
25  has talked about their importance as part of the Business



1 Plan. Those window signs do a tremendous lift for us for  
2 jackpots but also for Scratchers, so getting more signs,  
3 more presence at retail as well, and then also looking at  
4 ways that we can evolve the games. And there's more to come  
5 on that in the future. One more thing that's very important  
6 for us is we have this window where the jackpots get a  
7 little bit larger but not so large that everybody's talking  
8 about it, where we run an advertising effort called Jackpot  
9 Alerts to help give awareness, and so that helps fuel it,  
10 and then once it's in the zeitgeist, we pull back on the  
11 paid advertising because the organic buzz just takes it on  
12 its own. So, we're starting to get into threshold again  
13 with that, where we start advertising, and we'll continue to  
14 do that until it hopefully continues to roll.

15 **COMMISSIONER MILLS:** Great. That's super-helpful.  
16 Thank you.

17 **DEPUTY DIRECTOR ALLEN:** You're welcome

18 **DIRECTOR CHIMA:** Thanks, Sharon. Any other  
19 questions?

20 **CHAIR GARRISON-ENGBRECHT:** Any additional  
21 questions?

22 **DIRECTOR CHIMA:** Thank you.

23 **CHAIR GARRISON-ENGBRECHT:** Thank you so much. The  
24 next item on the agenda is the Consent Calendar. There are  
25 no items under the Consent Calendar, so we'll proceed to

1 Action Items. Our first Action Item is Investment Policy  
2 and Investment Strategy, Action Item #8a. Nick?

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

4 **COMMISSIONERS:** Good morning.

5 **DEPUTY DIRECTOR BUCHEN:** All right. I'm here  
6 today to request your approval for the Lottery's Investment  
7 Policy and Investment Strategy, and these two items work  
8 together to ensure sufficient cash flow to make scheduled  
9 payments to certain Lottery prizewinners. And these  
10 recurring payments are for our jackpot winners who choose  
11 the annuity payout option instead of a lump-sum payment for  
12 SuperLotto Plus, Mega Millions, and Powerball Jackpot  
13 winners and the top prizewinners of Scratchers games that  
14 offer an annuity payout option. The Lottery's Investment  
15 Policy requires both our investment strategy and policy to  
16 be reviewed and approved by the Commission annually. Our  
17 Investment Policy lays out the requirements of our  
18 Investment Program, which revolve around timeliness of  
19 payments to our annuity prizewinners and safety of  
20 principal. The policy includes permitted investment  
21 categories and places limits on certain securities to  
22 promote diversification and to reduce risk. The Investment  
23 Policy also includes requirements pertaining to changes in  
24 credit ratings, as well as the reinvestment of securities  
25 within our portfolio in certain situations. The Lottery's

1 Investment Policy requires our review annually to ensure  
2 that its guidelines remain consistent with current  
3 principles and standards for their investment of funds  
4 managed by a public entity. We review all investments  
5 within the Lottery's portfolio to verify that each continues  
6 to comply with the provisions of our Investment Policy. I'm  
7 certifying today that we've reviewed and verified all  
8 elements of the Lottery's Investment Policy, and we are  
9 recommending no changes. And the Lottery's Investment  
10 Policy provides the framework for the particular investment  
11 strategy that we employ, which is the second part of this  
12 agenda item.

13           The Lottery's Investment Strategy focuses on two  
14 main areas, Activity and Maintenance. The Investment  
15 Activity ensures sufficient cash flow to make scheduled  
16 payments to our top prizewinners who choose the annuity  
17 payout option. And the other aspect our of strategy is  
18 maintenance of our investment portfolio, which includes  
19 ongoing monitoring and mitigation of potential investment  
20 risk. Our current Investment Strategy, which has remained  
21 unchanged for more than 14 years, is to purchase United  
22 States Treasury Bonds for new annuity prizewinners, and we  
23 do this because these investments are backed by a repayment  
24 pledge from the United States government, which means they  
25 are essentially risk-free. Under our Investment Strategy,

1 we time the maturity of our investments with the scheduled  
2 payments of the annuity prizes. Our Investment Strategy  
3 continues to focus on keeping our investment portfolio safe  
4 and secure. And the primary function of both our Investment  
5 Policy and Strategy is to ensure the investments yield only  
6 what is needed for the scheduled annuity payments, and  
7 that's why we typically acquire such conservative  
8 securities. However, the Investment Policy allows us to  
9 look for opportunities to leverage other investment types  
10 with more risk to ultimately provide more funding to  
11 Education when it clearly makes sense for us to do so. We  
12 recommend that the Commission approve the Lottery's existing  
13 Investment Policy and Strategy, and I'm happy to answer any  
14 questions.

15 **CHAIR GARRISON-ENGBRECHT:** Thank you. Are there  
16 any questions or comments from the Commissioners?

17 **COMMISSIONER ALVIDREZ:** Thank you so much for this  
18 presentation, Nick. I know that I'd asked a couple of  
19 questions during our briefing, so I won't repeat those  
20 because you responded very well and gave me a degree of  
21 comfort in the responses to the questions. But I would like  
22 to ask again, for the sake of public record, about the  
23 consulting firm that we use or will need to use as it  
24 relates to the decline in the investment and how we make  
25 sure that we are tracking to maximize our investment to

1 Public Education.

2 **DEPUTY DIRECTOR BUCHEN:** Sure. So, I'll explain  
3 first, we use for just the everyday purchases of the United  
4 States Treasury Bonds, essentially, the State Treasurer's  
5 Office acts as our contractor, and we purchase through them.  
6 So, the Investment Policy actually has a similar kind of  
7 requirement for contracting with another entity to purchase  
8 securities, and it has to be a competitive process similar  
9 to what the Treasurer does before they purchase the bonds.  
10 So, it ensures that we would strike the appropriate balance  
11 between risk and return on investment if we chose to do so.

12 **COMMISSIONER ALVIDREZ:** Thank you.

13 **CHAIR GARRISON-ENGBRECHT:** Are there any  
14 additional questions?

15 **COMMISSIONER MILLS:** Just a question, please. So,  
16 are we using a consultant or we're using Treasurer's Office?

17 **DEPUTY DIRECTOR BUCHEN:** We're using the  
18 Treasurer's Office. What I alluded to, if the broader  
19 economic conditions were such that it would make sense for  
20 us to sell off a portion of our United States Treasury Bonds  
21 into higher risk but higher-yielding other types of  
22 securities, we would do a competitive process to consult  
23 with a firm to do that.

24 **COMMISSIONER MILLS:** Okay. I see. And then we  
25 would have to go out to RFP to engage one?

1           **DEPUTY DIRECTOR BUCHEN:** Exactly.

2           **COMMISSIONER MILLS:** We do not currently have a  
3 consultant engaged.

4           **DEPUTY DIRECTOR BUCHEN:** Correct.

5           **COMMISSIONER MILLS:** Okay, thank you.

6           **DEPUTY DIRECTOR BUCHEN:** Uh-huh.

7           **CHAIR GARRISON-ENGBRECHT:** Any other questions?  
8 Does anyone from the public want to address the Commission  
9 at this time regarding Action Item #8a?

10          **COMMISSIONER ALVIDREZ:** Just real quick. So, we  
11 have used consultants in the past?

12          **DEPUTY DIRECTOR BUCHEN:** Uh-huh.

13          **COMMISSIONER ALVIDREZ:** Currently not using  
14 external consultants. What are the thresholds, or what will  
15 be the triggers in which, at which point in that decline  
16 will we determine that we'll need to bring in other  
17 expertise again (inaudible) that process?

18          **DEPUTY DIRECTOR BUCHEN:** So, we've done it one  
19 time in the past. When we did it, it was during the Great  
20 Recession. So, the economy had softened to such a point  
21 where it made sense that -- it was only a matter of time  
22 before it was going to go back up, so, at that point, the  
23 outside consultant, you know, clearly demonstrated that,  
24 yes, it's worth taking a little bit of risk on to get a much  
25 greater return in the future. So, since that time, there

1 just hasn't been the same kind of broader economic  
2 conditions, and it kind of goes back to the primary purpose  
3 of our Investment Plan and Policy and Strategy are to just  
4 ensure that we have enough to pay the scheduled payments, so  
5 although, you know, we could make a little more here and  
6 there, it's not worth the risk when there's not like a  
7 greater economic condition like the Great Recession.

8 **COMMISSIONER ALVIDREZ:** And should there be kind  
9 of economic concerns because we're -- I think we can all  
10 acknowledge that we're possibly heading into some more  
11 uncertain economic times. Are there flashpoints or  
12 benchmarks in which we're, like, uh-oh, the decline and the  
13 economy dictate that we need to consider this? I mean, do  
14 we have some triggers in place, or?

15 **DEPUTY DIRECTOR BUCHEN:** There aren't like  
16 automated triggers per se, but certainly, there are enough  
17 firms in that space that do this type of work where they  
18 would certainly approach us if they felt that we could, you  
19 know, benefit from such consulting.

20 **CHAIR GARRISON-ENGBRECHT:** Any other questions?  
21 Seeing none, do I have a motion to adopt Action Item #8a?

22 **COMMISSIONER MILLS:** I'll move to approve.

23 **CHAIR GARRISON-ENGBRECHT:** Do I have a second?

24 **COMMISSIONER ALVIDREZ:** Second.

25 **CHAIR GARRISON-ENGBRECHT:** Will the Secretary

1 please call the roll?

2 **MS. ESTRELLA:** Commissioner Mills?

3 **COMMISSIONER MILLS:** Yes.

4 **MS. ESTRELLA:** Commissioner Alvidrez?

5 **COMMISSIONER ALVIDREZ:** Yes.

6 **MS. ESTRELLA:** Commissioner Rasouli?

7 **COMMISSIONER RASOULI:** Yes.

8 **MS. ESTRELLA:** Chair Garrison-Engbrecht

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

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

11 **CHAIR GARRISON-ENGBRECHT:** Thank you, Nick. The  
12 next item is Action Item #8b, Scientific Games, LLC Instant  
13 Ticket Printing Contract Extension, with Sharon.

14 **DEPUTY DIRECTOR ALLEN:** Hi. Good morning again.

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

16 **DEPUTY DIRECTOR ALLEN:** I'm here to present the  
17 next three items, so I'd first like to go to just a general  
18 overview of all three and then go into each one, if that's  
19 okay, because there's a lot of commonality among all three.  
20 And there are currently only three vendors in the entire  
21 world that provide the comprehensive, highly specialized  
22 printing services that can meet the quality, volume, and  
23 security requirements of the Lottery: Scientific Games,  
24 Pollard Banknote, and IGT Global Solutions, and the Lottery  
25 has contracts with each of them. After a competitive RFP



1 process, these three contracts were first awarded by the  
2 Commission in 2013, with an initial term of six years, with  
3 options to extend for one three-year term and three one-year  
4 terms. In 2019, the Commission approved the three-year  
5 extensions for each contract. In 2022, the Commission  
6 exercised the first one-year extension, and then last year,  
7 the Commission exercised the second extension, taking the  
8 contracts through November 30<sup>th</sup> of this year. All three  
9 vendors are strategic business partners and have helped the  
10 Lottery increase Scratchers sales from approximately \$3.3  
11 billion in Fiscal Year 2014 to over \$6.65 billion in the  
12 last fiscal year. With the contracts set to expire this  
13 November, we're here today to request approval to amend the  
14 three contracts to extend for one year and update the  
15 pricing for new innovation and price points, as well as to  
16 add funds into the contracts. This will ensure  
17 uninterrupted Scratchers sales as the Lottery prepares to  
18 release a Request for Proposal in the Spring of 2025, and  
19 I'd be happy to answer any questions now, or we can get into  
20 Item #8b?

21 **CHAIR GARRISON-ENGBRECHT:** Are there any questions  
22 regarding the oral summary for the next three items?

23 **COMMISSIONER MILLS:** Yes, a question. Thanks,  
24 Sharon, for the first part of the information. So, I think  
25 I've asked this before, but since there's only like three

1 vendors in the world who can meet our requirements, what are  
2 the processes and strategies we go through to make sure that  
3 we're getting best price on these contracts?

4 **DEPUTY DIRECTOR ALLEN:** Well, when we go out to  
5 the RFP, it'll be a competitive bid, and we will have that  
6 pricing, we also consult with our colleagues in other  
7 jurisdictions, and if possible, we can share pricing, but  
8 through the competitive RFP process is our best way to do  
9 that.

10 **COMMISSIONER MILLS:** Okay. Yes, and the  
11 comparison with other states seems like that (overlapping).

12 **DEPUTY DIRECTOR ALLEN:** Yes, and we talk with them  
13 on a range of issues, and it's a great thing about the  
14 Lottery industry is that we can share best practices. We're  
15 not competitive. As much as we like to compete with other  
16 lotteries, like in Florida, we're not actually, you know,  
17 competitive in that sense, and so we can share knowledge and  
18 best practices and other guidelines. And you know, when we  
19 put the RFP out, if there are other vendors who may feel  
20 that they're qualified and meet that, we would welcome that  
21 as well.

22 **COMMISSIONER MILLS:** Great, thank you.

23 **DEPUTY DIRECTOR ALLEN:** Okay. All right. We're  
24 ready to go into #8b. This is Scientific Games Instant  
25 Ticket Printing Contract Extension and increase in

1 expenditure authority. As the primary vendor, Scientific  
2 Games, or SG, plays a key role in the Lottery's overall  
3 success with Scratchers sales, and in turn, its  
4 contributions to Education. SG is responsible for printing  
5 a majority of Scratchers for the Lottery, as well as  
6 additional responsibilities, such as providing Lottery-  
7 dedicated staff and extended marketing support. SG is a  
8 reliable business partner, providing a unique product and  
9 industry-wide insights into Lottery's business. The current  
10 authorized expenditure is \$246.6 million. Staff estimates  
11 that approximately \$29 million will be available for the  
12 remainder of the current term to allow for sufficient  
13 funding through the current and proposed extension ending in  
14 November of 2025. An increase of the expenditure authority  
15 by \$19.6 million is recommended. We recommend that the  
16 Commission approve an extension of Scientific Games Printing  
17 Contract for one year and an increase of the expenditure  
18 authority. The new contract will expire November 30<sup>th</sup>, 2025,  
19 and have a maximum contract expenditure amount of \$266.2  
20 million. I'd be happy to answer any questions about this  
21 item, Scientific Games.

22 **CHAIR GARRISON-ENGBRECHT:** Do any Commissioners  
23 have any questions or comments regarding Action Item #8b?

24 **COMMISSIONER MILLS:** I have one other question,  
25 and it's actually probably going back to the broader

1 overview. How do you decide what vendor to use for what?  
2 How does the work get distributed among these three vendors?

3 **DEPUTY DIRECTOR ALLEN:** Sci Games is the primary  
4 vendor, so they do end up printing a majority, and that's  
5 from a pricing standpoint, but also, we have a dedicated  
6 Scratchers Product Development Team that works with all  
7 three vendors and looks for different innovations or what  
8 each one has to offer depending on our individual business  
9 goals. For example, Pollard, which we'll hear about in the  
10 next item, they print a lot of our extended-play crosswords  
11 because they have a specialty in that. So, it's a mix of  
12 what's on the printing schedule, what the offerings are.  
13 Some have different licensed properties. It just depends on  
14 objectives. We look at all of them and pick the best ones  
15 that are going to meet our business needs and our customer's  
16 needs in California.

17 **COMMISSIONER MILLS:** And is the pricing consistent  
18 between the three or does it fluctuate?

19 **DEPUTY DIRECTOR ALLEN:** It varies. The pricing  
20 for Scientific Games is on a percent of sales, whereas on  
21 the two secondary vendors, Pollard and IGT, it's based on a  
22 printing amount.

23 **COMMISSIONER MILLS:** Okay. So, is there also  
24 maybe kind of a cost assumption that goes -- or a cost  
25 estimate that goes into decision-making of which one you use

1 for what?

2 **DEPUTY DIRECTOR ALLEN:** Yes, absolutely, looking  
3 at the overall mix, like where we think there's going to be  
4 sales performance and revenue and the cost to make sure that  
5 we're balancing as a total.

6 **COMMISSIONER MILLS:** Got it. Okay, thank you.

7 **DEPUTY DIRECTOR ALLEN:** With a goal of getting the  
8 best product that's going to perform the best.

9 **COMMISSIONER MILLS:** Yes, best product, best  
10 price, best result.

11 **DEPUTY DIRECTOR ALLEN:** All of that, yes.

12 **COMMISSIONER MILLS:** Thank you. That was helpful.

13 **DEPUTY DIRECTOR ALLEN:** You're welcome.

14 **COMMISSIONER ALVIDREZ:** Real quick question, so,  
15 given for all three, if we kind of back out to the broader  
16 summary of all three, you're requesting that all three be  
17 granted this last of the one-year extensions. They've all  
18 been in place for now 11 years. And I'm going back to what  
19 my colleague commented, which is that there are only these  
20 three, really, that can provide this level of service for  
21 kind of what we do, and they're all due to expire around  
22 November of 2025. What is the process for putting these  
23 contracts out to bid when the universe is so tight? What's  
24 our timeline? I know that they expire in November 2025, so  
25 can you back me out to that bid process of when we start

1 crafting our scope of work, when we put it out to the  
2 public?

3 **DEPUTY DIRECTOR ALLEN:** We have already been  
4 working on that. The team has been working on it in  
5 anticipation for probably the last year, looking at the  
6 previous bid, talking to industry colleagues, and things  
7 like that, with an anticipated release date in the Spring.  
8 We haven't finalized the exact schedule, so I don't want to  
9 commit in the public forum yet, but looking at the Spring,  
10 well aware of the deadline to bring it to the Commission and  
11 get approval so we're in place well before the end of the  
12 contracts.

13 **COMMISSIONER ALVIDREZ:** And in consultation with  
14 our colleagues and other entities, we still have a degree of  
15 confidence that there have been no new entrants into the  
16 market in the last 11 years?

17 **DEPUTY DIRECTOR ALLEN:** We are not aware of any at  
18 this point. We're constantly looking, and just in talking  
19 to other colleagues, nothing's identified, and also, the  
20 volume that we produce is not consistent. You know it's not  
21 equal to a much smaller state, you know? Texas, Florida,  
22 obviously, they're big states, but there are many states  
23 that aren't even close to what we do.

24 **COMMISSIONER ALVIDREZ:** Thank you.

25 **CHAIR GARRISON-ENGBRECHT:** Additional questions

1 from the Commissioners? Is there anyone from the public  
2 who'd like to offer questions or comments on Action Item  
3 #8b? Seeing none, can I have a motion to approve Action  
4 Item #8b?

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

6 **CHAIR GARRISON-ENGBRECHT:** Is there a second?

7 **COMMISSIONER RASOULI:** Second.

8 **CHAIR GARRISON-ENGBRECHT:** Will the Secretary  
9 please call the roll?

10 **MS. ESTRELLA:** Commissioner Mills?

11 **COMMISSIONER MILLS:** Yes.

12 **MS. ESTRELLA:** Commissioner Alvidrez?

13 **COMMISSIONER ALVIDREZ:** Yes.

14 **MS. ESTRELLA:** Commissioner Rasouli?

15 **COMMISSIONER RASOULI:** Yes.

16 **MS. ESTRELLA:** Chair Garrison-Engbrecht?

17 **CHAIR GARRISON-ENGBRECHT:** Yes. Sharon, you're up  
18 next with Action Item #8c, Pollard Banknote Limited Instant  
19 Ticket Printing Contract Extension.

20 **DEPUTY DIRECTOR ALLEN:** All right. As one of our  
21 secondary Scratchers printing printers, Pollard plays a key  
22 role in the Lottery's overall success with Scratchers sales  
23 and, in turn, our contributions to Education. The current  
24 maximum authorized contract expenditure is \$116.6 million,  
25 and it's estimated that approximately \$11 million will be

1 available for the extended term. To allow for sufficient  
2 funding, an increase in funding of \$10.1 million is  
3 recommended. We recommend that the Commission approve this  
4 extension of Pollard's printing contract for one year and an  
5 increase in expenditure authority, taking the contract  
6 through November 30<sup>th</sup> of 2025 and a maximum contract  
7 expenditure amount of \$126.7 million. Any questions on  
8 Pollard?

9 **CHAIR GARRISON-ENGBRECHT:** Are there any questions  
10 regarding Action Item #8c from the Commissioners? Any  
11 public comment or questions on Action Item #8c? Seeing  
12 none, can I have a motion to adopt Action Item #8c?

13 **COMMISSIONER MILLS:** Move to approve.

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

15 **COMMISSIONER RASOULI:** Second.

16 **CHAIR GARRISON-ENGBRECHT:** Will the Secretary  
17 please call the roll?

18 **MS. ESTRELLA:** Commissioner Mills?

19 **COMMISSIONER MILLS:** Yes.

20 **MS. ESTRELLA:** Commissioner Alvidrez?

21 **COMMISSIONER ALVIDREZ:** Yes.

22 **MS. ESTRELLA:** Commissioner Rasouli?

23 **COMMISSIONER RASOULI:** Yes.

24 **MS. ESTRELLA:** Chair Garrison-Engbrecht?

25 **CHAIR GARRISON-ENGBRECHT:** Yes. Sharon set the



1 tone.

2 **DEPUTY DIRECTOR ALLEN:** This is it. All right.

3 **CHAIR GARRISON-ENGBRECHT:** Action Item #8d, IGT  
4 Global Solutions Corporation Instant Ticket Printing  
5 Contract Extension.

6 **DEPUTY DIRECTOR ALLEN:** All right. As our other  
7 secondary vendor, IGT also plays a very important role in  
8 the Lottery's overall success, with Scratchers sales and, in  
9 turn, our contributions to Education. With approximately  
10 \$13 million of funding remaining, we estimate it will be  
11 sufficient for this one-year extension, so with this one, we  
12 recommend the Commission approve an extension of IGT's  
13 Instant Ticket Printing Contract for one year and through  
14 November 30<sup>th</sup> of 2025, and the maximum expenditure authority  
15 will remain at \$25 million.

16 **CHAIR GARRISON-ENGBRECHT:** Thank you, Sharon. Are  
17 there any questions from the Commissioners? Anyone from the  
18 public who'd like to address the Commission regarding Action  
19 Item #8d? Seeing none, can I have a motion to approve  
20 Action Item #8d, IGT Global Solutions Corporation Instant  
21 Ticket Printing Contract Extension?

22 **COMMISSIONER MILLS:** Move to approve.

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

24 **COMMISSIONER RASOULI:** Second.

25 **CHAIR GARRISON-ENGBRECHT:** Will the Secretary

1 please call the roll?

2 **MS. ESTRELLA:** Commissioner Mills?

3 **COMMISSIONER MILLS:** Yes.

4 **MS. ESTRELLA:** Commissioner Alvidrez?

5 **COMMISSIONER ALVIDREZ:** Yes.

6 **MS. ESTRELLA:** Commissioner Rasouli?

7 **COMMISSIONER RASOULI:** Yes.

8 **MS. ESTRELLA:** Chair Garrison-Engbrecht?

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

10 **DEPUTY DIRECTOR ALLEN:** All right. Thank you very  
11 much.

12 **CHAIR GARRISON-ENGBRECHT:** Thank you, Sharon.  
13 We're going to move on to Action Item #9, Commissioner  
14 General Discussion.

15 **COMMISSIONER MILLS:** So, this was a very brief and  
16 efficient meeting, and I'm just wondering, when we have  
17 meetings like this where there aren't many agenda items,  
18 that that might be an opportunity to bring forward some  
19 informational-type items just to help us continue to learn  
20 and be, you know, good governors and good commissioners.  
21 So, I just wanted to kind of put that out there. I don't  
22 know how my colleagues feel. I know an efficient, short  
23 meeting is always good, but it's also bringing us all  
24 together from all over the State of California, and it  
25 feels like a lost opportunity not to try to use some of that

1 time in ways that would be helpful for us as Commissioners,  
2 so.

3 **DIRECTOR CHIMA:** I'll just share that we are  
4 working on informational items for the upcoming meeting.

5 **COMMISSIONER MILLS:** Excellent.

6 **DIRECTOR CHIMA:** For the rest of the fiscal year.

7 **COMMISSIONER MILLS:** Great, thank you.

8 **CHAIR GARRISON-ENGBRECHT:** I think also one of the  
9 things that we can maybe do over the next few weeks is  
10 identify some topics that would be helpful for learning,  
11 development, and onboarding for the Commissioners. If  
12 that's okay with you --

13 **DIRECTOR CHIMA:** Absolutely.

14 **CHAIR GARRISON-ENGBRECHT:** -- maybe we could pull  
15 some topics that might be helpful, looking I think through  
16 an operational lens, but maybe some also education regarding  
17 some of the ongoing work that the organization has been  
18 doing, various and past projects I think we've been briefed  
19 on over the last year: Mission, Vision, Values, some  
20 operational, along with regarding staffing that we've talked  
21 about. I know that we've had over the last few Commission  
22 meetings approval of additional positions. So, we can talk  
23 about some of those topics that we didn't add to the  
24 Informational Items for discussion.

25 **DIRECTOR CHIMA:** I think that'd be great if you

1 wanted to put together a short list of maybe the top topics  
2 that you'd be interested in, and we'd be happy to have staff  
3 put together some presentations for you all.

4 **COMMISSIONER MILLS:** And like, for today, because  
5 we were all focused on these contracts out of Sharon's -- it  
6 just would have been nice to have something maybe, you know,  
7 more overarching about like how these contracts impact, you  
8 know, the Lottery, you know, thinking about that, too, like  
9 tying stuff back to things that we're voting on --

10 **DIRECTOR CHIMA:** Okay. Uh-huh.

11 **COMMISSIONER MILLS:** -- to just give us more  
12 context in what we're approving.

13 **DIRECTOR CHIMA:** Okay. Thank you.

14 **COMMISSIONER MILLS:** Uh-huh.

15 **CHAIR GARRISON-ENGBRECHT:** Any other topics for  
16 Commissioner discussion? So, right now, (inaudible) has  
17 scheduled the next Commission meeting on November 21<sup>st</sup>, 2024,  
18 here in Sacramento. The next item is Action Item #11,  
19 Public Discussion. Is there anyone from the public who  
20 would like to address the Commission? And then we'll move  
21 to Adjournment. Seeing none, we'll move to adjournment.  
22 Before we adjourn, I'd like to take a few minutes to  
23 recognize someone who's not present today. Commissioner  
24 Gregory Ahern recently resigned from this body for personal  
25 reasons. We would be remiss to not honor his time serving

1 here on the California Lottery Commission. He was first  
2 appointed to the Commission by Governor Jerry Brown more  
3 than a decade ago in 2012. He served as Chair for at least  
4 half of that tenure. He was a big supporter of the good  
5 work that's been done here and across the State for the  
6 Lottery and its leadership, and he has always been a  
7 steadfast champion for the work that we've done at the  
8 California Lottery. On behalf of the Commission and the  
9 entire Lottery, we thank Commissioner Ahern for his service  
10 and his dedication to serving the State of California and  
11 wish him nothing but the best.

12 **COMMISSIONER ALVIDREZ:** Thank you so much for  
13 reading those comments into the record. I think it's  
14 especially important since he's not here to receive his  
15 flowers from the staff, right, that that is a matter of  
16 public record that we acknowledge his stellar service to the  
17 Commission. Thank you.

18 **CHAIR GARRISON-ENGBRECHT:** And we will find a time  
19 to celebrate his service to the Lottery Commission and the  
20 State of California in the upcoming weeks. And with that,  
21 we adjourn today's meeting in his honor. (End of Recording)

22 **(MEETING ADJOURNED)**

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