

STATE OF CALIFORNIA
TRANSCRIPT OF PROCEEDINGS

CALIFORNIA STATE LOTTERY COMMISSION
COMMISSION MEETING

TIME: 10:09 a.m.
DATE: Tuesday, September 1, 2026
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

Harjinder K. Shergill-Chima
Director

Fernando Aceves
Chief Counsel

Farida Osman
Assistant to Commission

Rebecca Estrella
Recording Secretary

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1 **Tuesday, September 1, 2026**

2 **Sacramento, California**

3 **--oOo--**

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

5 **ALL:** Good morning.

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

7 **ALL:** Good morning.

8 **CHAIRMAN GARRISON-ENGBRECHT:** Thank you. The
9 meeting of the California Lottery Commission is now called
10 to order. Please rise and join me for the Pledge of
11 Allegiance.

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

13 **CHAIRMAN GARRISON-ENGBRECHT:** I'm going to pre-
14 apologize. I'm a little congested today. The allergies are
15 allergy-ing.

16 Item Number 3 is the roll call of the
17 Commissioners. Will the secretary please call the roll?

18 **MS. OSMAN:** Good morning.

19 Commissioner Mills?

20 **VICE CHAIR MILLS:** Present.

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

22 **COMMISSIONER ALVIDREZ:** Present.

23 **MS. OSMAN:** Commission Rasouli? Commissioner
24 Dungca?

25 **COMMISSIONER DUNGCA:** Present.

1 **MS. OSMAN:** Chairman Garrison-Engbrecht?

2 **CHAIRMAN GARRISON-ENGBRECHT:** Present.

3 The next item on the agenda is the Election of
4 Chair of the California State Lottery Commission, Chair and
5 Vice Chair.

6 Chief Counselor Fernando Aceves, can you please
7 review the rules on running the elections?

8 **CHIEF COUNSEL ACEVES:** Thank you, Chair. The
9 California State Lottery provides that the Commission shall
10 elect annually from its membership the chairperson. The
11 Commission may also elect a vice chairperson of the
12 Commission. Any commissioner can put the name of any
13 commissioner into nomination, and a commissioner can
14 nominate himself or herself to serve as the chairperson or
15 vice chairperson.

16 The Lottery Act does not require a particular
17 method of making nominations. Once nominations have been
18 made, Chair Garrison-Engbrecht shall declare the nominations
19 closed. The votes are asked of each commissioner on the
20 nomination, as with all commission votes under the Lottery
21 Act, and it takes three votes to take an action. Chair
22 Garrison-Engbrecht will then declare the results of the
23 election.

24 **CHAIRMAN GARRISON-ENGBRECHT:** Thank you. We shall
25 open nominations for position of chair and vice chair of the

1 Commission. We have received one nomination for chair of
2 the Commission, Commissioner Garrison-Engbrecht, as a
3 nominee. We have received two nominations for vice chair of
4 the Commission, Commissioner Alvidrez and Commissioner
5 Mills, are the two nominees.

6 **CHIEF COUNSEL ACEVES:** Thank you, Chair Garrison-
7 Engbrecht. I would like to note for the for the record that
8 Commissioner Garrison-Engbrecht has received a nomination
9 for commission chair, and Commissioners Alvidrez and Mills
10 have received a nomination for commission vice chair.

11 Now other than Commissioner Garrison-Engbrecht,
12 are there any other nominations for the position of chair of
13 the Commission?

14 Hearing none, we can move to the nomination for
15 vice chair. Other than Commissioners Alvidrez and Mills, are
16 there any other nominations for the position of vice chair
17 of the commission?

18 **VICE CHAIR MILLS:** I'd like to withdraw the
19 nomination for Mills.

20 **CHIEF COUNSEL ACEVES:** Okay.

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

22 **CHIEF COUNSEL ACEVES:** Very well. Thank you. We
23 can now proceed with the election.

24 **CHAIRMAN GARRISON-ENGBRECHT:** I declare the chair
25 and vice chair nominations closed at this time. Can we

1 please have a vote by roll call for the chair of the
2 Commission?

3 **MS. OSMAN:** Commissioner Mills?

4 **VICE CHAIR MILLS:** Yes.

5 **MS. OSMAN:** Commissioner Alvidrez?

6 **COMMISSIONER ALVIDREZ:** Yes.

7 **MS. OSMAN:** Commissioner Dunca?

8 **COMMISSIONER DUNGCA:** Yes.

9 **MS. OSMAN:** Chairman Garrison-Engbrecht?

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

11 The election of Commissioner Garrison-Engbrecht,
12 this is a little strange, as Chair of the California State
13 Lottery Commission, is approved.

14 Now can we please have a vote by roll call for the
15 vice chair of the Commission?

16 **MS. OSMAN:** Commissioner Mills?

17 **VICE CHAIR MILLS:** Yes.

18 **MS. OSMAN:** Commissioner Alvidrez?

19 **COMMISSIONER ALVIDREZ:** Yes.

20 **MS. OSMAN:** Commissioner Dunca?

21 **COMMISSIONER DUNGCA:** Yes.

22 **MS. OSMAN:** Chairman Garrison-Engbrecht?

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

24 The election of Commissioner Alvidrez as Vice
25 Chair of the California State Lottery Commission is

1 approved. Thank you, Commissioners.
2 Would you like to speak?
3 **VICE CHAIR ALVIDREZ:** I wasn't planning to share
4 anything, but since you've given me the mic, which is always
5 a dangerous thing to do, thank you so much. Thank you,
6 Commissioner Mills, for your vote. I appreciate you. Thank
7 you, Mr. Chair, for the nomination, and Commissioner Dunca.
8 I'm just looking forward to continuing service in the way
9 that I always have but hopefully leading in just a little
10 bit more to leadership, so thank you.
11 **CHAIRMAN GARRISON-ENGBRECHT:** And thank you to
12 Commissioner Mills for your years of service as Vice Chair.
13 Do I hear a motion to adopt the Agenda?
14 **VICE CHAIR ALVIDREZ:** Motion to approve.
15 **CHAIRMAN GARRISON-ENGBRECHT:** And the second?
16 **COMMISSIONER DUNGCA:** Second.
17 Will the secretary please call the roll?
18 **MS. OSMAN:** Commissioner Mills?
19 **COMMISSIONER MILLS:** Yes.
20 **MS. OSMAN:** Commissioner Alvidrez?
21 **VICE CHAIR ALVIDREZ:** Yes.
22 **MS. OSMAN:** Commissioner Dunca?
23 **COMMISSIONER DUNGCA:** Yes.
24 **MS. OSMAN:** Chairman Garrison-Engbrecht?
25 **CHAIRMAN GARRISON-ENGBRECHT:** Yes.

1 The next item on the agenda is Item Number 6,
2 Approval of the Minutes. Are there any corrections to the
3 minutes from the June 16, 2026 meeting? Do I hear a motion
4 to approve the minutes of the June 16, 2026, commission
5 meeting?

6 **COMMISSIONER DUNGCA:** Motion to approved.

7 **VICE CHAIR ALVIDREZ:** Second.

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

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

11 **COMMISSIONER MILLS:** Yes.

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

13 **VICE CHAIR ALVIDREZ:** Yes.

14 **MS. OSMAN:** Commissioner Dunca?

15 **COMMISSIONER DUNGCA:** Yes.

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

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

18 The next item on the agenda is the Informational
19 Item, and I'd like to invite Director Chima to provide the
20 director's comments. We should have had walk-up music ready
21 for you.

22 **DIRECTOR SHERGIL-CHIMA:** Okay. Let's see if I can
23 do this. Good morning, Commissioners.

24 Total sales stand at \$1.3 billion, which is 100
25 percent of goal, and it's actually up 2 percent versus last

1 year. Scratchers remain our largest category at 972
2 million, pacing at around 97 percent of goal, with a 3
3 percent year-over-year decline.

4 On the other hand, the multi-jurisdictional games,
5 Powerball, and our California-only game, Super Lotto Plus,
6 have experienced strong momentum, with each of them
7 exceeding expectations. We're also seeing steady results
8 from our daily games and Hot Spot as their sales through the
9 summer have been stronger than they were last year.

10 Ultimately, we saw steady performance through the
11 summer with strong draw game momentum offsetting early
12 softness in our Scratchers category, and this is why our
13 draw games were bringing the heat in July. The United
14 Kingdom officially joined Powerball, expanding the player
15 base and helping to grow jackpots faster. The summer
16 momentum continued as the Powerball jackpot then rolled to
17 \$1 billion by August 12th, when it was won by a single ticket
18 in Illinois.

19 California sales for the entire sequence, which
20 started back in May, totaled 175 million dollars, which is
21 actually 12 percent of international sales. Out of those
22 sales, 26.8 million went back out to players as prizes, and
23 10 million to retailers through commission and bonuses. The
24 contributions to education from this entire Powerball
25 sequence is estimated to be more than \$70 million.

July 17th was the official National Lottery Day and kicked off National Lottery Week. This was created by the North American Association of State and Provincial Lotteries, also known as NASPL, to acknowledge the collective contributions the lotteries make to their communities every day. In celebration, we used our social media platforms to ask players to visit their local retailer and play their favorite games, give the gift of play, or learn more about the California Lottery and our mission of supporting public education.

That week also happened to coincide with two big summer fairs: One, the California State Fair, and the other, the Orange County Fair. Despite the hot summer heat, fair goers were eager to join the fun at our bright blue and orange booth, purchase and play the newest games, spin the large lottery wheel, and create memorable in-person experiences. These events are a great way for the Lottery to bring a little fun out to the community, and I was lucky enough to be able to stop by both events and meet with players and experience the excitement firsthand. Here's a little video of the first day.

22	(Video Played)
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23 **DIRECTOR SHERGIL-CHIMA:** Didn't know I was going
24 to be a TV star, too. No, it was actually a great time, and
25 the picture there in the lower corner is us at the Orange

1 County Fair, along with the retailer that helps us out
2 there.

3 Also, over the past couple of months, we've been
4 hard at work implementing our business plan, which you all
5 had approved at the June meeting. After the Strategic Plan
6 for fiscal year '26-'27, the business plan and budget were
7 all approved by you in June. We focused on sharing these
8 priorities lottery wide, so we had an all staff meeting
9 where staff received the information. And we also had it
10 presented through division meetings, employee newsletters,
11 and where we walked through the purpose behind each new
12 objective and outlined our organizational goals for the
13 year.

14 Providing this level of transparency not only
15 helps our staff understand what we are aiming to accomplish,
16 but also the why of why these initiatives matter. And it
17 created space for questions, it encouraged a dialog, and it
18 strengthened trust amongst our employees by allowing them to
19 feel informed, included, and connected to the broader
20 direction of the organization.

21 All of these efforts were meant to encourage
22 alignment and build a shared vision, ensuring staff see how
23 their daily work contributes to our long-term goals, and
24 empowering everyone to move forward with clarity and
25 purpose. From the more public perspective, in support of

1 our objective to break down barriers to play, for infrequent
2 players, we launched several new fun and easy games meant to
3 build perceptions, such as the soccer-themed goal that you
4 see there, and it was perfect timing for the World Cup
5 events in Los Angeles.

6 And for our core players, we rolled out a lineup
7 of favorites, including the ever-popular Mystery Crossword,
8 ensuring that our most loyal fans always have something new
9 to look forward to. And to spark interest in our draw
10 games, even when the jackpots aren't hitting the billion-
11 dollar mark, we introduced the Super Lotto Plus multiplier
12 game, paired with a special second chance promotion, and
13 this innovation combination brings together the instant
14 thrill of Scratchers with the anticipation of a draw game.

15 And later this morning, I'm going to be sharing a
16 little bit more about the exciting work done on the
17 education campaign over this summer.

18 I also wanted to provide you an update on another
19 key business plan project that we've made significant
20 headway on to further break down barriers to play, and that
21 is the pilot to accept debit cards at approximately 350
22 lottery vending machine locations, and I'm happy to report
23 that we're actually very close to going live. The necessary
24 software is undergoing customer acceptance testing and is
25 approximately 75 percent complete with no major issues

1 identified, and it is on track to be rolled out on September
2 26th. On the hardware side, 92 percent of debit card readers
3 have already been installed on the vending machines. They
4 currently have covers over them, so they can't be used until
5 we're fully ready. Lottery staff and retailers are working
6 through training on the system processes and reporting to
7 ensure a smooth rollout on go live.

8 The first pilot locations will go live on
9 September 28th, and these few sites will operate for about
10 two weeks to ensure that the customer interface and
11 reporting systems are going as planned. And if everything
12 goes smoothly, we plan to roll out the remaining 347
13 locations for them all to be active by our next commission
14 meeting.

15 The performance of this pilot will be analyzed on
16 a variety of metrics including sales, retailer and player
17 satisfaction, adoption, staff efficiencies, and of course,
18 profitability to ensure that we're not cannibalizing any of
19 our existing sales. And we'll look at that over the next
20 six months to determine how and when to expand the program.

21 And onto our profit update, my most important
22 update since August just ended yesterday, I don't have the
23 latest contribution estimates for that, but in July, our
24 first month of the fiscal year, our contributions to
25 education were more than \$150 million, and that is \$34

1 million than it was last July.

2 And with that, that's my report. I'm happy to
3 take any questions that you all might have.

4 **COMMISSIONER MILLS:** I just have a comment. Thank
5 you, Director Chima. That was your best report ever. I
6 love that, and that you really focused more on the why that
7 we're here and the impact that we're having on education and
8 the community. I know we'll hear more about education
9 later. The sales are important, and we need to know that,
10 but the other parts are just -- that's why we are all here.
11 And I love that you are grounding us in that mission from
12 the start of the meeting, so thank you.

13 **DIRECTOR SHERGIL-CHIMA:** Thank you. I actually
14 agree with you wholeheartedly. I've had the opportunity now
15 to attend several community events, and you'll be hearing a
16 couple of them later today. But I think it's such a great
17 experience, and we'll work to include all of you in those if
18 you'd like to as well. All right. Thank you. Any other
19 questions?

20 **CHAIRMAN GARRISON-ENGBRECHT:** We'll move on to the
21 next informational item, which is the Audit Committee
22 Update, presented by Commissioner Mills.

23 **COMMISSIONER MILLS:** Thank you. So first, I want
24 to congratulate our two officers, and I'm thrilled to be
25 succeeded by this fine woman next to me, and I was super

1 happy to learn of your interest in moving into the
2 leadership role. I've sat in the seat. We're so small, as
3 I've sat in the seat for a number of years and think it is
4 really good governance to switch up the leadership roles, so
5 happy to support you in that.

6 And I hope that my other fellow commissioners will
7 also be interested in moving into leadership positions
8 because we are really small, and I do think it is good
9 governance for us to, you know, take turns in those
10 leadership positions. So super excited about what's to
11 come.

12 So my report is on the work of the audit
13 committee, and our audit committee charter requires that we
14 report out on the work of the audit committee on an annual
15 basis. And just as a reminder, the audit committee's role
16 is to really support governance at the Lottery by helping to
17 oversee internal controls, the effectiveness of our internal
18 audit function, and compliance with laws and policies. And
19 our work is governed by a very robust kind of risk
20 assessment process to ensure that our work is prioritized in
21 a way that really focuses on the largest risks of the
22 organization. So my report will summarize a few activities
23 and some key themes of our work over this last year.

24 So first, I want to start by congratulating our
25 new internal audit deputy director, Emily Nguyen. Is Emily

1 here with us today? Oh, she's on vacation. Well, good for
2 her. See, that's the way to start a new job is take a
3 vacation. We should all learn from Emily on that. And I
4 see she's a bird of a feather from with Sara. So it sounds
5 like neither one of them like to be recognized. But just
6 really thrilled for this opportunity for Emily. She
7 absolutely earned it and deserved it, and it's been a
8 pleasure to work with Emily alongside Sara in this role for
9 the last several years.

10 I also want to take a moment to recognize Sara.
11 Anyone who knows Sara knows that she absolutely despises
12 being recognized in any way, so I will try to honor that
13 somewhat, but she's not here, so. She was just a joy to
14 work with, and I think she moved into this role maybe about
15 a year after I joined or shortly after I joined the
16 Commission. And so we worked really closely together, me as
17 chair of the audit committee, and her new to the position to
18 really kind of reshape and reimagine what the role of the
19 internal audit function here is at the Lottery and what the
20 role of the audit committee is, and I just really appreciate
21 her work on that. And I know that she has trained Emily
22 well, and that we will be in good hands with Emily at the
23 helm. And I just want to wish Sara all the best and say
24 that I'm very jealous of her retirement.

25 Okay. So this year the audit committee held four

1 scheduled meetings, and so that maintained kind of our
2 consistent oversight of the audit plan, our progress on the
3 different audit engagements, and the status of kind of the
4 corrections and findings throughout the year. And so while
5 there were audit findings in several of the engagement, none
6 of those findings really rose to the level of significance,
7 requiring kind of escalation at this level.

8 So most of the findings are really around like
9 strengthening processes, strengthening controls, improving
10 kind of access technology, access controls, or access
11 controls to kind of privileged information. Some findings
12 around enhancing documentation and policy, leadership
13 engagement and continuity, and then just kind of some
14 follow-up activities.

15 So, really, this year was again another year about
16 continuous improvement and really working really
17 collaboratively with the different program functions to
18 continue to maximize efficiencies and to ensure that we're
19 maximizing our contribution to education.

20 So, in closing, I will just say that it is an
21 honor to serve as the chair of the audit committee. I want
22 to thank my partner in crime here, our fearless leader, for
23 partnering with me in that effort. We are the small but
24 mighty two people audit committee, and appreciate his
25 partnership on that, and also just appreciate the way that

1 the Lottery really embraces the function of internal audits.
2 I think in many organizations it could be seen as the you
3 know kind of policing and coming in and trying to find all
4 the things wrong, and I really appreciate that the Lottery
5 embraces the internal audit function for what it is. It's
6 about ensuring excellence and continuous improvement but
7 also celebrating all of the really great things that are
8 happening as well.

9 So in every one of our meetings, we end the
10 meeting -- we go through all the findings and all the
11 things, and then we always end the meeting with and here are
12 all of the really positive things that we found and that we
13 celebrated as part of our engagements. And I think that's
14 really special and really important.

15 So, and that concludes my report. Thank you.

16 **CHAIRMAN GARRISON-ENGBRECHT:** Commissioners, are
17 there any questions about the audit committee update?

18 Thank you. I just want to thank you. I think
19 over the last two years, seeing how you've been able to
20 transform the process and really focusing on process
21 improvement and efficiencies, but also the celebratory
22 aspect of -- I know internal audits probably doesn't sound
23 very fun. I will say we do have fun in our meetings. I
24 think Emily and Sara have been incredible partners, but also
25 big thank you to all of the teams who go in to do the

1 internal documentation, to do the summaries for us, but also
2 that you're making progress, so thank you for it. I know
3 it's not probably the most fun part of the work, but it's
4 really important, and so we really appreciate the efforts
5 that you put into that.

6 The next item on the information items is the
7 Education Campaign, which I'm really excited about.

8 **DIRECTOR SHERGIL-CHIMA:** Okay. I know I've like
9 teased the heck out of this, so I know you guys are all
10 waiting. So, for the past couple of years, the Mission
11 Education Campaign has reached out to schools across
12 California to highlight the innovative ways that educators
13 and administrators are using California Lottery funds in
14 their communities. These are real stories that are told by
15 the students, the educators, and leaders at every level of
16 public education, and I think that this is one of the most
17 effective ways and the best way of featuring how lottery
18 dollars are spent.

19 And you know, I think the best thing about the
20 education campaign is that we're not focusing so much on
21 lottery funds, but we're talking about celebrating the work
22 of the institutions, the students, and the educators who use
23 the funds to improve experiences and the environment for
24 their students.

25 They're explaining it in a way that I think only

those closest to education can actually explain it, and so that fully comes through in all of the pieces that we've shot. These are ways that don't come through on a regular educational budget lines because they're unique and important to the individual schools and the student communities who are affected by them.

The education campaign provides the stories that prove what we already knew, schools win every time someone plays the Lottery in California. And I know I've teased this up so many times, so I'm now excited to share with you two videos from our recent visit to CSU Sacramento. And as you will see in the next video, at Sacramento State, California Lottery funds open doors for students who rely on ASL interpreters. With this support, students who use ASL can take part in campus life, from classroom discussions to events and activities that they wouldn't otherwise be able to participate in.

This program not only helps these students connect with their peers and the wider campus community but also fosters a more inclusive environment where everyone has the chance to participate fully.

(Video Played)

DIRECTOR SHERGIL-CHIMA: So as the team worked on that video, it quickly became clear that the most powerful way to share the story of the ASL program was to let a

1 student who had actually benefited from it speak for
2 himself, in the format that the interpreters have supported
3 throughout his college career, and so quite literally in his
4 own voice, just as we've been doing in the rest of the
5 mission education campaign. And so I'd like to share that
6 with you now.

7 **(Video Played)**

8 **DIRECTOR SHERGIL-CHIMA:** You'll see that it was
9 directed by our student, who is actually here with us today,
10 Kevin Wade, Jr. And that was actually the idea of our
11 education campaign media company, who thought what a great
12 way to give him a credit that he can use later in his life.

13 I now want to take the opportunity to introduce
14 some visitors that we have with us from Sacramento State.
15 We have Dr. Nate Dutra, who is one of the professors in the
16 ASL program. We have Michelle MJ Vincent, who is one of the
17 ASL interpreters that you just saw in the commercial. And
18 we have our student Kevin Way, Jr. And I'd like to invite
19 them up to the podium to say a few words.

20 **MR. WADE THROUGH DR. DUTRA:** Where did you want me
21 to stand? Hello, Commissioners. It's so nice to meet all
22 of you. My name is Kevin Wade Jr. I am a senior at Sac
23 State, majoring in film programs. I am so thrilled that we
24 have the opportunity to do this.

25 The reason why I wanted to do this is because we

1 want to support our ASL English interpreters for things that
2 are happening on campus that aren't course related. I am
3 the first deaf student majoring in film production, so
4 having interpreters come with me to interpret things for
5 events, festivals, fraternity activities, student club
6 organizations, and things like that. We would love to
7 expand the interpreting pool, and we can do it. All right,
8 I think that's it. I'm a little nervous. I don't know what
9 else to say. Thank you.

10 **DR. DUTRA:** Hi. My name is Nate Dutra, and I have
11 been a professor at Sac State since 2019. It's been
12 amazing. It's a wonderful video. I'm so impressed. Thank
13 you. I really appreciate this campaign spotlighting Sac
14 State because we are one of the biggest universities with
15 deaf students in the state.

16 And I remember when I started working at Sac
17 State, we only had one staff ASL interpreter at the time,
18 and it was really tough to get them a team interpreter for
19 different meetings, research projects, and so on. So I'm so
20 thankful to the California Lottery for getting the funds to
21 establish an interpreter team, so that I can access
22 communication in order to do my job well. So thank you so
23 much, and I appreciate your partnership and support. Thank
24 you.

25 **MS. VINCENT:** Hi, I'm MJ Vincent. You saw me in

1 the video. This experience was so amazing, and I'm so happy
2 to be able to explain my unique perspective.

3 I've been a sign language interpreter for almost
4 30 years, most of it here in Sacramento, most of it in
5 either professional settings or in educational settings.
6 And when I started at Sac State, I was the only staff sign
7 language interpreter, and it was really difficult to do the
8 kinds of things we wanted to do. But with the California
9 lottery funding, I was able to (inaudible) and have a team
10 so that we always have at least one, but usually two
11 interpreters available for anything that happens outside the
12 classroom, Which means that deaf students, faculty, staff,
13 community members can come onto campus and access that
14 unwritten curriculum. All the things that happen on campus
15 that make college life and our community richer.

16 The other thing that I think is kind of something
17 that is unique to Sac State is that all of the hearing
18 people on campus get to access the rich culture and
19 diversity that comes with having deaf people on campus.
20 It's very commonplace to see a sign language interpreter, to
21 see deaf people in the quad or library, or students who are
22 using sign language on campus in various places. Not just
23 in our deaf studies program, but in geography and women's
24 studies and in a fraternity or sorority, and that's
25 something really unique to Sac State that makes us special.

1 So thank you again for your support. This was really
2 awesome, and yeah. I'm really grateful. Thank you.

3 **DIRECTOR SHERGIL-CHIMA:** So thankful to have you
4 all here to join us today, and what great commercials we got
5 out of it, and also Stingers Up. Okay. How do you follow
6 that up, right?

7 The education campaign isn't just about
8 advertising on social media. It's also a broader effort to
9 share the Lottery's story and further support California's
10 public education and our communities. And so this past
11 Saturday, I had the privilege, along with our chair, Anthony
12 Garrison-Engbrecht, and our chief deputy director, Florence
13 Bernal, of visiting Alliance Judy Ivey Burton Technology
14 Academy High School in Los Angeles, where we were all warmly
15 welcomed by a really inspiring community.

16 Alliance College Ready Public Schools stands out
17 as one of the largest and most successful nonprofit public
18 charter networks in the country with 25 tuition-free middle
19 and high schools serving students across the Los Angeles
20 area. And their commitment to supporting their student
21 communities is truly remarkable. They have a 97 percent
22 college acceptance rate, and that really is a testament to
23 the dedication of their educators, their students, and their
24 families.

25 It was a pleasure to meet with the educators of

1 Burton Tech, who clearly care so much about their students,
2 and they worked with their students so that each one feels
3 supported in their education. We were talking about the
4 college application process, and they were telling us how
5 they assist them with writing their personal statements and
6 ensuring that they feel supported every step of the way,
7 which I thought was really fantastic.

8 And they really encouraged them all to apply to a
9 variety of colleges, four-year colleges, and they were
10 saying that they really ask for a minimum of 24, and they
11 said, you know, that may sound like a lot, but we want to
12 make sure they have choices, and we want to make sure that
13 they have a variety. And so I thought that was really
14 amazing.

15 The Chair shared with us that we had gone into one
16 of the educators' room, and he had like a list, you know, of
17 probably 30 names of letters that he had to write for their
18 college application, which I thought was fantastic as well.

19 It really was also incredible to see with the
20 students at Burton Tech because they were fabulous. Not
21 only are they actively engaged in their school community,
22 but they're engaged in their broader community as well.
23 Students regularly prepare care packages for the most
24 vulnerable people in their community, and they also work
25 with their city council members to ensure that ensure that

1 their voices are being heard about changes that are being
2 made to their community. And the Lottery funds supplement
3 their teachers' salaries and instructional materials at
4 Burton Tech. In fiscal year '24-'25, that amounted to
5 approximately \$163,000 in overall funding from the
6 California Lottery.

7 And of that amount, Burton Tech used about \$1,000
8 in lottery funds to bring this beautiful mural that you see
9 there, called Unity and Solidarity to Life, in collaboration
10 with two local nonprofits, I Discover and LA Versus Hate.
11 The mural involved 100 students from Burton Tech who helped
12 ideate the theme from the mural and execute it. Incredibly,
13 this mural was completed in only two weeks during the summer
14 months or during the summer. And so it's hard to see on
15 here. But we'll send you the PowerPoint. You can zoom in,
16 and every time I look at this mural, I see something new,
17 and it is just beautiful. So I have a little video to share
18 with you about our Saturday.

19 **(Video Played)**

20 **DIRECTOR SHERGIL-CHIMA:** So art is at the heart of
21 Burton Tech's mission, and it blends technology, community
22 pride, and student expression. And it's so rewarding to see
23 Lottery dollars making a difference in this way, supporting
24 creative projects like this one in schools across
25 California. And seeing the student stories today, the Sac

1 State story, the Burton Tech, seeing the real impact that
2 the extra Lottery funds can make on students' lives makes me
3 honored to be part of the Lottery mission and legacy.

4 Thank you. And I'm happy to answer any questions
5 that you might have.

6 **VICE CHAIR ALVIDREZ:** No questions. But a couple
7 of comments. Thank you so much for that phenomenal report.
8 It really is exciting to know that we are a part of, when I
9 think about the Sac State experience, to know that we're a
10 part of catalyzing kind of equity and expanding access to
11 foundational services and experiences. So thank you, Kevin,
12 for being here, for sharing your story. I'm really excited
13 to see what you're going to do in the future. So thank you
14 so much.

15 And then as it relates to the mural in South LA,
16 seeing that diversity kind of reflected in the mural and the
17 ability to support kind of educational artistic experiences
18 feels as though it's really rounding out our mission in a
19 critical way. So thank you so much for that report. It was
20 very encouraging.

21 **COMMISSIONER DUNGCA:** Yeah. I have something as
22 well. I don't speak much, so I'm going to get up. So first
23 of all, Stingers Up. Let's go. Sac State alumni, right?
24 So it's awesome for me to see this connection between Sac
25 State and this Commission I serve. Unlike Commissioner

1 Mills, I'm not a numbers guy, right? So we're all here for
2 a collective goal, right? For supplemental funding, and the
3 numbers are absolutely important. But for me personally, to
4 see what the numbers do, it rejuvenates me. It's awesome,
5 and I just want to say thanks for sharing that.

6 **COMMISSIONER MILLS:** Well said. You should say
7 that more often. I just want to just say I'm just so proud
8 right now to serve in this capacity, and it's so wonderful
9 to hear the stories and to see the videos. But it's just so
10 powerful to meet our beneficiaries in person. So thank you.
11 Thank you for taking the time out of your day to be here
12 with us. Thank you for being in the video. So brave. I
13 don't like that, so you all did so great. And
14 congratulations to our student. That was amazing to see
15 your work in action, and I can't wait to see all you will
16 accomplish into the future. Thank you so much for being
17 here.

18 I have one more thing. Like more of this, more of
19 this. We need more of this.

20 **DIRECTOR SHERGIL-CHIMA:** Noted. I do really want
21 to give a special thank you to Dr. Dutra, to MJ, and to
22 Kevin because it's the first week of school for them, and so
23 you can only imagine how busy they are, and they took time
24 from their busy day to drive all the way across town to come
25 visit with us. I'm so glad that you did but thank you so

1 much because we know it was an effort.

2 And just on a personal note, I would like to say
3 that going to these events where we're hearing from the
4 students and the educators, that has been so revitalizing
5 for me as well. And like I mentioned, we'll have
6 opportunities for the other commissioners to go as well. So
7 super excited about that. Thank you.

8 **CHAIRMAN GARRISON-ENGBRECHT:** And I just want to
9 say, first of all, thank you for being here. Thank you for
10 sharing your story. Thank you, Dr. Dutra, all the work
11 you're doing at Sac State, the interpreters, the teams that
12 are there.

13 I work in university administration. I look at
14 how we create spaces of belonging for our students, both in
15 the classroom, outside the classroom. So it's to see you
16 bring it to life. You mentioned being fraternity events.
17 I'm a fraternity man myself, and so having those
18 opportunities to engage in the complete life of the
19 university is so important. So thank you for being here.
20 Thank you for all that you do.

21 And thank you to the entire Lottery team. I know
22 that these spots of be able to highlight our beneficiaries,
23 the impact that we do. Like Commissioner Mills said, this
24 is why we're here. This is what we do. I had the
25 opportunity on Saturday to stand in about two hours of heat

1 with Flo and Harjinder and our communications team. Thank
2 you for being there as well. But to see the students' faces
3 and the community's faces, be able to light up and talking
4 about the mural, how they see themselves reflected like Harj
5 said in the mural. There are so many powerful statements,
6 but they came up with the ideas themselves. They worked
7 with teachers like Mr. J and Francisco Huesca, who helped to
8 champion their ideas. The principal is absolutely amazing,
9 Greg Perez, who helps with their community coordination.

10 But it's an entire community event, and to be able
11 to see that really come to life with popsicles and a taco
12 truck. I got to meet some students there who are about to
13 embark on their own college application process. But
14 hearing how Burton Tech supports them in that process is
15 absolutely incredible, and it's such an honor to be able to
16 contribute to their learning and their experience there but
17 also see how it impacts a community.

18 Being in South LA, where art is so important for
19 students to be able to see as they come into school, as they
20 leave school, but also for the community members that it
21 impacts to see signs of hope and messaging around belonging,
22 really claiming space for their own is so important. So
23 thank you for the invitation.

24 We look forward to participating in future events
25 and well done to the entire team. It absolutely like, it

1 was hard to not get emotional during the video as an
2 educator myself to see how we're able to bring this all to
3 life. And thank you for making the double walk. I mean, I
4 know we have Lottery '25-'26, accomplishments, but this is a
5 huge accomplishment, so well done to the entire Lottery
6 team.

7 **DIRECTOR SHERGIL-CHIMA:** Yes. Sorry, you guys.
8 It's the hard show today. I forgot. I don't know how I
9 forgot. Sorry. Here we go. That this is actually very
10 important as well. I want to share with you all of the
11 amazing accomplishments that we achieved in the last fiscal
12 year thanks to the hard work and dedication of every Lottery
13 employee.

14 October marked the Lottery's 40th anniversary, in
15 which we celebrated the contributions our players,
16 retailers, and staff have made towards fulfilling our
17 important mission. We continue to evolve our education
18 campaign, sharing with California public our story and the
19 impact we all make, showcasing real local stories about how
20 California Lottery has helped fund important school
21 programs.

22 We continue to evolve the education campaign
23 showcasing real local stories about how the California
24 Lottery has helped fund important school programs. We
25 upgraded outdated signage and equipment. We rolled out

1 better inventory management systems and reporting to
2 maximize our success at retail. We shifted our Scratchers
3 shipments orders to FedEx, ensuring that essentially all
4 23,000 plus retailers would have Scratchers to sell within
5 two days of a new game launching, and we continued facility
6 improvements here in Sacramento and across the state to
7 improve cost efficiencies, sustainability, employee
8 wellness, and safety.

9 For our players, fun was at the forefront. The
10 Scratchers category repositioning effort continued to break
11 down barriers to play by showing how Scratchers can be a
12 little form of fun and entertainment even without a win.
13 This included several advertising campaigns and unique
14 Scratchers games launched throughout the year aimed at
15 improving player perceptions. And in the fall, through an
16 exclusive partnership with the Los Angeles Rams, San
17 Francisco 49ers, and the Los Angeles Chargers, we offered
18 players exciting Scratchers games, and through a second
19 chance promotion, a chance to win team merchandise and
20 tickets to the Super Bowl. Post analysis showed that these
21 sponsorships helped improve the Lottery's brand reputation,
22 future purchase intent, and player advocacy.

23 And we also successfully launched the Jaws
24 Scratchers game, which broke record sales for \$5 Scratchers
25 at the time, and it was paired with the eye-catching

1 advertising at retail and a one-of-a-kind experiential prize
2 package for a second chance promotion. It brought
3 excitement and interest.

4 And we sparked some new enthusiasm for Hot Spot
5 with the first promotion in 10 years, and this contributed
6 to fiscal year '25-'26 becoming the highest selling year for
7 the game in Lottery history.

8 And what you are seeing here is the best of the
9 best of our games last year. Our \$40, 40 years of play was
10 a huge success and brought in almost \$400 million in sales,
11 gorgeous ticket, too. And it made it the top-selling
12 Scratchers game of the year.

13 Our fan favorite, \$10 Mystery Crossword, continued
14 its reign as the most profitable Scratchers game. This game
15 alone contributed almost \$50 million to public schools and
16 universities throughout California last fiscal year.

17 And not to be forgotten, Powerball offered 10
18 jackpots over the year that were \$1 billion or more, and the
19 largest being \$1.8 billion in early September 2025.

20 But I would be remiss not to mention all of the
21 work that is done every day by our Lottery team. It's not
22 just about the new flashy advertising games, and we wouldn't
23 be able to achieve our goals without the day-to-day work of
24 every Lottery employee. I'm proud to share that last year
25 we received three financial reporting awards from the

1 Government Finance Officers Association.

2 We had over 150 new Lottery employees hired and
3 onboarded over the course of the year, and they were filling
4 much needed vacant positions. Sixty people were recognized
5 as part of our Superior Accomplishment Awards Program.
6 Operations processed over 300 contracts and purchase orders
7 to meet our business and operational needs. And to uphold
8 the most integrity, SLED conducted more than 400 background
9 and disclosure investigations on new employees and
10 contractors, and to support our retailers and directly boost
11 our contributions to education, the Scratchers Inventory
12 Management Center and our distribution centers built,
13 processed, and shipped over 1.1 million orders. Not
14 tickets, orders.

15 Our field district and road sales representatives
16 made over 430,000 visits to retailers, ensuring that they
17 had the support and the product that they needed. And our
18 theft unit handled over 1,000 theft calls from retailers.
19 Our call center fielded more than 200,000 calls and emails,
20 providing the best customer service support. And the prize
21 payments team processed over 125,000 claims to lucky winners
22 throughout California.

23 And last year, we also conducted our latest
24 employee engagement survey. Half of all Lottery employees
25 took the time to share their thoughts on a variety of

1 workplace engagement metrics, and I'm happy to report that
2 the overall level of engagement compared to the previous
3 survey administration continues to increase.

4 As seen on this chart, overall engagement, which
5 is somewhat or fully engaged, increased from 72 percent in
6 2019-'20 to 80 percent in '23-'24, and now 82 percent in
7 '25-'26. Notably, those reporting as fully engaged rose
8 from 25 percent to 39 percent alongside a decline in not
9 engaged responses, indicating a continued positive shift.
10 The average scores for the engagement metrics have steadily
11 increased and remain favorable, indicating that Lottery is
12 operating with and fostering an engaging workforce.

13 Additionally, employee retention has a positive
14 outlook. Only 16 percent of employees said that they would
15 consider looking for work outside the Lottery in the next
16 fiscal year, and that is down from 23 percent in 2020 and 19
17 percent in 2024. And the top three reasons for people to
18 consider leaving the Lottery is really for career
19 advancement, better pay and benefits, and better supervisor
20 relationships. These three reasons have remained the top
21 three reasons for the past three surveys.

22 This year's positive results are more than just
23 numbers. They're the outcome of years of unwavering
24 dedication to creating an environment where every individual
25 feels supported and empowered, and it appears that our

1 collective efforts are paying off.

2 To continue building a knowledgeable and inspiring
3 leadership team, over 30 supervisor training classes were
4 conducted by our Human Resources Division last year, and we
5 introduced a new Lottery Leadership Development Program, and
6 we launched California's first chapter of Women in Lottery
7 Leadership Mentorship Program.

8 Our mission, vision, and values program
9 (inaudible) Us Together, aligning everyone around shared
10 goals and principles. The unity is fueling our progress and
11 strengthening our sense of purpose. So together, we're not
12 just achieving milestones. We're actually building a
13 culture that motivates, educates, and inspires.

14 All of these efforts combined in alignment with
15 our prior strategic plan and business objectives have
16 brought us here with a 3 percent growth in sales. We
17 exceeded \$9 billion in sales last year, and this marks the
18 third year that we've hit this milestone. More than \$6
19 billion went out to players in the form of prizes, and
20 another 630 million to California communities through
21 retailer commissions and bonuses.

22 We had 23,296 retail partners after welcoming more
23 than 699 to the fold this last fiscal year. And that
24 included 72 new retailers in our social trade channel that
25 are prime locations for our Hot Spot game.

1 We had more than 22 million California adults play
2 a lottery game last year, and as barriers to play were
3 eliminated, Scratchers playership grew to 56 percent of
4 California adults, once again seeing growth year over year.
5 Four out of 10 California adults are also now aware of our
6 important mission, significantly up from the prior year.

7 And my most important update is that we provided
8 more than \$2 billion to public education for California's
9 public schools and universities last fiscal year, and that
10 makes it the fourth year, out of the past five, that the
11 Lottery has provided over \$2 billion in supplemental
12 funding, and it brings our cumulative total to over \$50
13 billion to California public education since the Lottery's
14 inception in 1985.

15 And that concludes my report.

16 **VICE CHAIR ALVIDREZ:** No questions, but a comment.
17 Really appreciate the employee retention outlook and the
18 fact that that needle is moving in the right direction,
19 especially over kind of a five or six-year kind of look
20 back. I really appreciate that.

21 I think also when you mentioned the top reasons
22 for potentially leaving have remained consistent, and you
23 talked about career advancement, I think that directly
24 speaks to the fact that people are wanting to remain in
25 place. So anytime you have employees who kind of hunker

1 down and want to stay for the right reasons, that naturally
2 creates less opportunity for advancement because people
3 aren't moving on. So those are good problems to have, I
4 think. So thank you so much for this.

5 **DIRECTOR SHERGIL-CHIMA:** Of course.

6 **CHAIRMAN GARRISON-ENGBRECHT:** Well done. Thank
7 you, Harj.

8 Next item on the agenda is the Consent Calendar.
9 There are no items under the consent calendar.

10 So we'll proceed to Action Items. There are also
11 no Action Items to be voted on today.

12 So we'll proceed to Public Discussion. With no
13 comment cards, we will open up to Commissioner General
14 discussion.

15 I know that Sara isn't here today, and thank you,
16 Commissioner Mills, for teeing up an incredible accomplished
17 career for Sara, but I want to take a moment just to
18 recognize her. I know she isn't here, so if you see her,
19 you might not.

20 **COMMISSIONER MILLS:** She's actively avoiding us.

21 **CHAIRMAN GARRISON-ENGBRECHT:** She's actively
22 avoiding all of us. I just want to recognize and
23 congratulate Sara, the Lottery's Deputy Director of Internal
24 Audits, on her retirement. She's always been a strategic
25 thinker. So much so that she conveniently planned to be on

1 vacation during our commission meeting today.

2 Although I told she didn't want any attention,
3 absolutely none, I couldn't resist, especially since I'm the
4 one holding the gavel. Sara's retirement includes 31 years
5 of state service including seven years at the California
6 Lottery.

7 A little bit about her career: She's held
8 management roles at the California Department of Tax and Fee
9 Administration and the Tax Franchise Board. She also serves
10 on the board of the California Association of State
11 Auditors, who focuses on the professional development of
12 state audit staff. Throughout her career, she's
13 consistently set a high standard for audit excellence across
14 the state. Sara has also played a key role in operations of
15 the Lottery since 2019 as Deputy Director of Internal
16 Audits. She's evaluated internal controls, identified
17 improvements, and safeguarded Lottery assets. Responsibly,
18 Sara has led with vision and diligence.

19 I've appreciated her sensible approach, including
20 conducting audits, her collaborative spirit, attention to
21 detail, as we've seen, and the respect she has earned
22 amongst her colleagues and commission members. As a staff
23 to the commission's audit committee, she's also facilitated
24 productive discussions and has supported commissioners
25 throughout through analysis and enhanced transparency.

Many of you may not know this, but in the green room behind this wall, Sara's also consistently brought in gourmet level pastries, all home baked, and she really did spoil us over the last few years. I'm going to miss her. I know the commission is going to miss her. Thank you, Sara. Hopefully, I'll text her later for her unwavering dedication, integrity, accountability, and public trust throughout her career. On behalf of the Lottery Commission, we wish Sara a joyful and fulfilling retirement.

And I just want to close today's meeting by saying thank you again to our guests for being here and showing us the impact of the work that we do day in and day out to support supplemental funding to education.

Kevin, I live in LA, so I expect to get your contact after this as a future film maker. So I'll come by and say hi before I depart today. But thank you all for being here, and I will call this commission meeting to a close.

(MEETING ADJOURNED)

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This is to certify that I transcribed the foregoing pages 1 to 41 to the best of my ability from an audio recording provided to me by the California State Lottery Commission.

I have subscribed this certificate at Sloughhouse, California, this 12th day of September, 2026.



Tamyra Morgan

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