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Debbs Potts Oregon State Lottery Commission Building

500 Airport Road SE
Salem, OR 97301

**OREGON STATE LOTTERY COMMISSION MEETING, EXECUTIVE SESSION,
AND WORK SESSION
May 30, 2025**

Lottery Commission: Marty Ramirez, chair
Charlie Conrad
Jennifer Geller
Jeff Weller
Julie Wilcox

Director: Mike Wells

Chair Ramirez called the May 30, 2025, Oregon State Lottery Commission meeting to order and stated for the record that Commissioner Wilcox is excused, and a quorum of commissioners is present.

Commissioners present at roll call: Commissioners Conrad, Geller, Weller, and Chair Ramirez.

A. PUBLIC COMMENT

Chair Ramirez stated that members of the public had the opportunity to provide written public comment and confirmed with the clerk that no written public comments were received.

B. DIRECTOR'S REPORT, Exhibits 1-3

Presenter: Mike Wells, director

Lottery news

Director Wells provided a legislative update and reported that two Lottery-related bills have passed.

- HB 3115 that prohibits the purchase or sale of winning Lottery tickets, prohibits the deduction of the price paid for a winning Lottery ticket as a deduction for purposes or Oregon income tax, and prohibits the disclosure of a lottery winner's name and address. This bill has been signed into law by Governor Kotek.
- SB 914 will require Lottery to print a statement about the problem gambling helpline on future billboards and is still awaiting signature. Additional information is in the meeting materials (exhibit 2).

Lottery is undergoing a lobby refresh and is relocating staff to create space for a potential tenant to utilize unused space due to many Lottery employees working remotely.

Director Wells reported that Lottery sponsors the Educational Support Professional of the Year program and shared that this year's winner is John McIntyre, the lead custodian at Sacramento

Elementary School. McIntyre was awarded \$5,000 and a commemorative plaque for his outstanding contributions to the school community.

Lottery was recently awarded with Oregon's Chief Financial Office's Gold Star Certificate, which is the equivalent of the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting. Director Wells congratulated the finance team.

Sales - Director Wells reported the following sales statistics:

- Overall sales: down 3 percent from last year.
- Scratch-it sales: up 10 percent with the \$20 price point up 24.5%. The \$30, 40th Anniversary Pot of Gold remains the top selling game for 27 consecutive weeks.
- Powerball & Mega Millions: down due to smaller jackpots. Mega Millions sales are down 6.6 percent and Powerball sales are down 48.9 percent.
- Cash Pop: \$3.5 million in 19 weeks; outperforming Lucky Lines, which averaged \$1.8 million annually.
- Video Lottery: down 1.4 percent.
- Sports betting: up 15.4 percent in turnover compared to last year

Winners – Director Wells shared stories about the following winners:

- Liana S. of Portland won \$32,151.80 playing Keno.
- Ronda A. of Tualatin won \$6,712 playing Ocean's Magic.
- Lynn Z. of Portland won \$200,000 playing a \$20 Double Strike Scratch-it.

C. MINUTES OF THE PREVIOUS MEETING, Exhibit 4

Presenter: Marty Ramirez, chair

The Commission reviewed the April 25, 2025, Oregon State Lottery Commission meeting draft minutes, which were circulated in advance of the meeting. There were no recommended changes.

Chair Ramirez called for a motion.

Commissioner Conrad moved that the minutes of the April 25, 2025, Oregon State Lottery Commission meeting be approved as final, as presented today.

Commissioner Geller seconded the motion.

The motion passed by a 4-0 quorum vote, with Commissioners Conrad, Geller, Weller, and Chair Ramirez voting aye.

D. LOTTERY REVENUE FORECAST, Presentation

Presenter: Mitchell D'Sa, economist, Office of Economic Analysis

D'Sa presented the latest Lottery revenue forecast and provided an economic overview. D'Sa reported on inflation, the current labor market, actual and forecasted Lottery sales and revisions to the previous forecast. The forecast shows traditional sales are slightly up, video lottery sales are down, and sports betting sales are stable.

E. COMMISSIONER COMMUNICATIONS AND OTHER BUSINESS

No commissioner communications or other business were shared.

Chair Ramirez announced that the meeting will recess for a short break before beginning the work session and executive session.

COMMISSION WORK SESSION

Presenters: Mike Wells, director; Tai Calandriello, deputy director and strategy officer; Tiffany Corbett, assistant director of Business Services; Kristina Damschen Spina, senior manager, IT Governance; Lyn Davenport, regional manager, Retail Channel; Tina Erickson, manager, Lottery Products Portfolio; Stoyan Francis, senior manager, DEIB; CJ Green, assistant director of Operations; Spencer Haley, manager, Operational Excellence; Alex Hambelton, senior manager, Business Operations Strategy and Insights; Tessa Hergenreter, senior manager, Retail Contracts; Justin Hedlund, assistant director for Security; Sherri Lechner, senior organizational development consultant; Karl Strauss, controller

The work session was opened with introductions of the OSL Executive Team and Nate Carter from the Dept. of Justice. Director Wells explained that the morning session will include presentations from staff on the FY25 accomplishments and the afternoon will focus on the plans for FY26 and encouraged commissioners to ask questions.

The morning portion of the work session focused on the performance of the FY25 Strategic Plan, including progress updates on the goals and priority projects that were outlined in the plan. Updates were provided on the following topics:

- **FY25 SMART goals:** Calandriello shared the Q3 FY25 Strategic Plan dashboard and reported that some goals face timeline delays, but overall progress is being made. Calandriello discussed alignment with mission excellence strategy and the strategic planning process.
- **Lumen:** Green and Davenport reported that the project to convert the network to broadband is behind schedule. A project reset was initiated in March with an updated timeline that aims to complete all conversions by September 2026, but there are concerns about Lumen's ability to meet the deadline. Lottery is closely monitoring progress and is considering potential consequences if Lumen fails to meet the timeline, which could impact the new Retail Contract and Lottery's budget.
- **Retail Partner Management:** Hedlund and Hergenreter provided background information, adding that this has been an 18-month process of development and implementation with Deloitte. This Salesforce integration for case management and legacy system replacement, phase four is scheduled to go live with a minimum viable product on June 11, 2025. Hergenreter shared some of the benefits and noted that the system will be improved upon in future phases. Hedlund reported on the process and the different phases of the project.
- **Cash Pop:** Green and Erickson shared information about this game that replaced the underperforming Lucky Lines game. Erickson reported that the game was implemented in six months, which was faster than usual and added that the game is showing strong early performance. Lottery will continue to monitor the performance and may add promotions to increase sales.
- **Leadership Pipeline Institute (LPI):** Corbett and Lechner explained the principals behind LPI and added that the training program has been completed by 76 leaders across the organization, with plans to launch leadership accountability framework and continue developing leadership capabilities through additional training and coaching initiatives.
- **DEIB Strategic Plan:** Corbett and Francis shared the FY25 DEIB strategy objectives and progress, highlighting educational programs, accessibility improvements, and community partnerships, with

the PSU survey showing strong job satisfaction and inclusion metrics. The DEIB plan includes pay equity analysis, increased support for unrepresented businesses, and community engagement initiatives for year two, with maintenance and external impact focus for year three.

- IT Strategic Plan: Corbett and Damschen Spina provided an overview of the IT Strategic Plan that focuses on improving technology solutions to help business units achieve their goals. Key initiatives include improving player, retailer and staff experiences, enhancing data-driven decision making, and transitioning to a new support model. The plan aims to move IT from a reactive "firefighter" stage to becoming a mature operator and strategic partner by FY27. Objectives include improving communications with business units, optimizing the technology portfolio, prioritizing skill development, improving system reporting, and strengthening partnerships across departments. The strategy focuses on modernizing delivery practices, enhancing IT architecture, developing internal platform capabilities, and maturing IT operations. Measurable targets will be used to track progress and ensure financial responsibility.

Topics for the afternoon portion of the work session included:

- Top-level insights: Hambelton focused on the top-level insights that drive the enterprise strategy, which began with identifying the largest levers for administrative savings while continuing to strive towards maximizing the transfers to the state. Hambelton walked through the financial flow to show how the administrative savings are calculated, administrative expenses and major cost drivers, and product performance and profitability. Haley discussed the financial impact of changes to Video Lottery return-to-player (RTP) and shared that Lottery is exploring ways to optimize the Video Lottery ecosystem, focusing on quality and efficiency, rather than quantity of terminals and retailers. Haley shared that despite a gradual decrease in the number of retailers and terminals over the past 15 years, revenue has grown consistently at an average of 3.4% per year, demonstrating the resilience of the video lottery product.
- FY26 draft Strategic Plan and Strategy Delivery Action Plan: Calandriello walked the Commission through the draft strategic plan for FY26, outlining goals in financial sustainability, security and technology, team development, and community engagement. Director Wells walked through the list of prioritized projects that will be on the roadmap.
- FY26 budget: Strauss provided FY26 budget highlights, including improvements, trends, and an overview of the profit and loss statement. Strauss noted that more detailed budget documents are included in the meeting exhibits. Director Wells and the Commission discussed plans for using administrative savings, including funding video lottery terminal replacements, creating a PERS side account, and potentially increasing the contingency fund cap.

Commissioners expressed their appreciation for the insightful information provided in the work session.

EXECUTIVE SESSION

Over the lunch hour, the members of the Oregon State Lottery Commission and staff from the Department of Justice and Lottery met in executive session pursuant to ORS 192.660(2)(h), which allows the Commission to meet in executive session to consult with legal counsel concerning the legal rights and duties of a public body with regard to litigation likely to be filed.

Chair Ramirez stated that the next monthly commission meeting is scheduled on June 27, 2025, and adjourned the meeting.

The Oregon State Lottery Commission approved these minutes on June 27, 2025.

Alisa Zavala
Alisa Zavala (Jun 27, 2025 10:42 PDT)

Alisa Zavala, Senior Executive Assistant
Lottery Director's Office

Approved by:

Martin Ramirez
Martin Ramirez (Jun 27, 2025 12:34 PDT)

Commissioner Marty Ramirez, Chair
Oregon State Lottery Commission

OSL Commission meeting exhibits are available for one year on the [Oregon Lottery's website](#).