North Carolina Education Lottery
<u>Commission Meeting</u>
Electronic Meeting (WebEx/Teleconference)
Meeting Minutes
Wednesday, June 24, 2026

Commissioners Attending in Person:	Lindsey Griffin	
Commissioners Attending Electronically:	Ripley Rand	
	Chris Hayes	
	Randy Jones	
	Jason Roth	
	Pamela Whitaker	
	Cari Boyce	
Commissioners Absent from Meeting:	Nigel Long	
	Joshua Malcolm	
Others in Attendance:	Gus Fritschie	GLI, SVP Information Security Services
	Martina Young	Gallagher Benefit Services
Select Staff:	Mark Michalko	Chief Executive Officer and Executive Director
	William Traurig	Chief Legal Officer
	Frances Little	Executive Assistant to CEO & Executive Director
	Eric Snider	Chief Regulatory Officer
	Cantina Lucus	Director of Human Resources
	Greg Bowers	Chief Financial Officer
	Kimberly Thomas	Director of Internal Audit
	Randy Spielman	Chief Product Officer
	Terri Rose	Chief Brand Officer
	Terri Avery	Chief Sales Officer
	Hayden Bauguess	Chief Government Affairs Officer

The North Carolina State Lottery Commission meeting was held on Wednesday, June 24, 2026, at 10:01 a.m. in-person and electronically via WebEx.

Chair Ripley Rand opened the meeting by calling on William Traurig, Chief Legal Officer, to proceed with the electronic meeting announcements.

Chair Rand made the standard ethics announcements. Chair Rand asked if anyone had a known conflict of interest with respect to any matter coming before the Commission at the current meeting. No conflicts were identified.

Roll call of the Commissioners was taken. Commissioner Nigel Long and Commissioner Joshua Malcom were absent from the meeting.

Approval of Minutes

Commissioner Pamela Whitaker moved to approve the March 25, 2026, minutes. Commissioner Cari Boyce seconded the motion, which passed unanimously.

External Security Audit Report

Gus Fritschie, SVP for Gaming Laboratories International (GLI) Information Security Services presented the recently administered external audit to the Commission in detail.

Revenue Generating Committee Report

Chair Rand reported in absence of Commissioner Nigel Long, and called on Randy Spielman to present the product development update.

Product Development

Randy Spielman, Chief Product Officer, gave a Product Development update that covered leveraging prize payouts; NCEL outpacing the industry by more than 2.5X in returns growth; Digital Instant update and performance; game performance by category; 4th Qtr. Scratch-off launches; draw game introduction; and omni-channel game launches.

Mr. Spielman also provided an RFP update for scratch-off ticket printing and related services.

Brand Management

Terri Rose, Chief Brand Officer, gave a Brand Management and Communications update which covered the 20 Year Celebration ticket; history of the profits for education; NCEL 20th anniversary lunchbreak; Pick 3 Boomerang Bonus commercial; Jungle Cashword point-of-sale, TV, social media and game highlights; the Bucks Loaded Edition; promotions for Millionaire for Life; multiple details for Moving NC Students Forward; social media benchmark; sponsorship impact; lottery winner's big plans; new school construction impact of lottery proceeds; and Play Smart online tool initiatives.

Sales

Terry Avery, Chief Sales Officer, gave a Sales update which covered the improvement of vending out of stock; new game penetration maximizing sales; increase in retailer applications; Keno promotions raising play at social establishments; project updates on SciQ dispensers, digital menu boards and vending machines; the new corporate account with Walgreens; sales team fun facts were shared, claims processed, retailer visits, and miles driven; also covered was the conversion installation from older to newer equipment.

Finance and Audit Committee Report

Commissioner Jason Roth called on Greg Bowers to present the financial update.

Finance

Greg Bowers, Chief Financial Officer, gave a finance update that included the preliminary financial results through May 2026 (unaudited); FY2026 sales by category compared to FY2025 and the 2026 budget; distribution of revenue FY2026 versus FY2025 through April; schedule of net earnings per month versus last year budget FY2026 versus FY2025; transfers to education since inception to FY2026 estimation over $13.5 billion; and additional financial highlights for FY2026.

Mr. Bowers also presented the FY2027 Budget to the Commission. The details covered the FY2027 budget revision; sales/prize payout; salaries and benefits, along with a comparison of the FY2027 budget versus the Commission-approved FY2026 budget.

Commissioner Roth moved on behalf of the Finance and Audit Committee that the full Commission approve the FY2027 budget as presented. With no further questions or discussion, the motion passed unanimously.

Internal Audit

Kimberly Thomas, Director of Internal Audit, provided the Commission with details for internal and external audits; the quality assurance improvement program (QUIP); and the improved rating for the Council of Internal Auditing.

Ms. Thomas also referenced the internal audit charter and risk assessment audit plan for FY2027, action items that had been approved by the committee.

Operations and Personnel Committee Report

Commissioner Whitaker reported that the Operations and Personnel Committee met on June 17, 2026, covering several action items.

Compensation Study

Commissioner Whitaker provided a brief overview of the reasons for the recent compensation study. She introduced Martina Young, Principal Consultant, Human Resources & Compensation from Gallagher Benefit Services. Ms. Young presented in detail the recommendations and findings from the study.

Commissioner Whitaker moved on behalf of the Operations and Personnel Committee that the full Commission approve the recommendations made by Gallagher in the Compensation Study and direct staff to implement them.

Chair Rand asked Commissioner Whitaker, as the Operations and Personnel committee chair, to look into and address comments made regarding employee benefits to be discussed at a future meeting.

A vote was then taken upon the motion of Commissioner Whitaker, which passed unanimously.

Policy Updates

Mr. Traurig detailed the changes for the Contracting and Bidding Dispute Process (Policy 6.02) to the Commission. Commissioner Whitaker moved on behalf of the Operations and Personnel Committee that the full Commission approve the changes to the Contracting and Bidding Dispute Process (Policy 6.02) as proposed by staff, which passed unanimously.

Mr. Traurig advised that there were no recommended changes for the Commission and Executive Policies (Policies 10.1 to 10.5) at this time. Commissioner Whitaker moved on behalf of the Operations and Personnel Committee that the full Commission approve the recommendation of staff that there be no changes to the Commission and Executive Policies (Policies 10.1 to 10.5), which passed unanimously.

Proposed Commission Bylaws

Mr. Traurig advised the Commission in detail of the proposed Commission Bylaws to replace the existing Commission Charters. Commissioner Whitaker moved on behalf of the Operations and Personnel Committee, that the full Commission approve the proposed Commission Bylaws as presented, which passed unanimously.

Commissioner Whitaker suggested a meeting break. The Commission entered break at 11:54 am and returned at 12:07 pm. Commissioner Hayes exited the meeting, and Commissioner Whitaker transitioned from WebEx to telephone attendance.

Regulated Gaming Committee Report

Commissioner Cari Boyce reported that the Regulated Gaming Committee met the prior week, and called on Eric Snider to give the Regulated Gaming update.

Regulated Gaming Update

Eric Snider, Chief Regulatory Officer, gave the Regulated Gaming update. The information covered the revenue report for June 2026; the regulatory status report, and information for licensees.

Mr. Snider presented in detail the proposed Commission Resolution regarding the Director as Enforcement Agent to the Commission. Commissioner Boyce moved on behalf of the Regulated Gaming Committee, that the full Commission approve the proposed Commission Resolutionas presented by staff, which passed unanimously.

Hayden Bauguess, Chief Government Affairs Officer, presented the proposed Licensing and Regulatory Platform RFP. Commissioner Boyce moved on behalf of the Regulated Gaming Committee, to recommend that the full Commission approve the recommendation of the CEO and the Evaluation Committee to designate GL Solutions, Inc. as the apparent successful vendor for the Licensing and Regulatory Platform RFP and to direct staff to negotiate and execute a contract on terms and conditions in the best interests of the Commission and the State subject to the approval of the Chair of the Regulated Gaming Committee and the Chair of the Commission, which passed unanimously.

Executive Director's Report

Mark Michalko, Chief Executive Officer and Executive Director, called on Hayden Bauguess to present the Legislative update.

Legislative

Mr. Bauguess, Chief Government Affairs Officer, presented a legislative update to the Commission.

Closed Session

Commissioner Boyce moved for the Commission to go into a closed session to confer with its legal counsel regarding certain privileged and confidential legal matters, and to seek legal advice. Pursuant to North Carolina General Statute §143-318.11, the information to be discussed in closed session concerns administrative procedures of the Commission and is confidential pursuant to North Carolina General Statute §132-1.1. Commissioner Griffin seconded the motion, which passed unanimously.

The Commission entered closed session at 12:24 p.m. and returned to open session at 12:55 p.m.

Other Business – Building Furniture

Commissioner Whitaker, moved that the Commission direct staff to negotiate and execute an agreement under a state term contract for the purchase of building furniture in the best interests of the Commission and the State at a cost not to exceed the budgeted line item for building furniture included in the FY 2027 budget that the Commission approved earlier during this meeting. Commissioner Jones seconded the motion, which passed unanimously.

Adjournment

Commissioner Jones moved to adjourn the meeting. Commissioner Roth seconded the motion, which passed unanimously. The meeting adjourned at 1:01 p.m.

Signed by:
Bryan Starnes
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9/24/2026

Chair Bryan Starnes

Date