

**Stakeholder Lottery Modernization Committee
Official Minutes of 05/07/2025 SLMC Meeting**

**Stakeholder Lottery Modernization Committee Meeting
Official Meeting Minutes**

DATE: Wednesday, May 7, 2025

TIME: 1:30 p.m.

All Attendees Participated Remotely through Zoom Conferencing System

MEMBERS PRESENT: Peter Brennan, Executive Director, New England Convenience Store and Energy Marketers Association (NECSEMA), Chair
Ryan Kearney, General Counsel, Retailers Association of Massachusetts (RAM)
Jessica Moore, Director of Government Affairs, Massachusetts Restaurant Association (MRA)
Marlene Warner, Chief Executive Officer, Massachusetts Council on Gaming & Health (MACGH)

MEMBERS ABSENT: Alain Hauvuy, Lottery Sales Agent, Wine Beer and More, Bridgewater

ALSO PRESENT: Mark William Bracken, Executive Director, Lottery
Sheila Capone-Wulsin, Chief Executive Officer, Lottery
Gregory Polin, General Counsel, Lottery
Steven Martins, Chief Revenue Officer, Lottery
Christian Teja, Chief iLottery Officer, Lottery
Christian Gonsalves, Deputy General Counsel, Lottery
Delwin Dickinson, Director of Modernization, Innovation and Performance, Lottery
Liz Giffen, Director, Digital Operations, Lottery
Rachel Guerra, Deputy Director, Communications, Lottery
Benjamin Wood, Assistant Director, Stakeholder Engagement, Lottery
Judy Rampino-Moore, Executive Assistant, Lottery
Leslie Zella, Legal Assistant, Lottery

I. Opening of Meeting

a. Notice regarding recordings

Chairman Peter Brennan opened the Stakeholder Lottery Modernization Committee (“Committee”) meeting at 1:33 p.m.

Chairman Brennan stated:

“Pursuant to the Commonwealth’s Open Meeting Law, Massachusetts General Laws, Chapter 30A, Section 20, the Committee would like to advise that any person may make a video or audio recording of this open meeting. However, the Committee is obligated to inform attendees of any recording at the beginning of the meeting, so we ask that those who are making any recording identify themselves now as doing so.”

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Judy Rampino-Moore, Lottery Executive Assistant, identified herself as making a recording.

b. Notice regarding remote participation

Chairman Brennan referenced the Massachusetts Open Meeting Law, Massachusetts General Laws, Chapter 30A, section 20, and identified the Committee members as present: General Counsel Ryan Kearney, Chief Executive Officer Marlene Warner, and himself Chairman Peter Brennan. Chairman Brennan indicated that the Committee members will be participating remotely for this meeting pursuant to Chapter 2 of the Acts of 2025, which permits remote participation by all Committee members and allows the use of adequate alternative means, such as audio or video conferencing, to ensure public access to the deliberations of the Committee.

Chairman Brennan noted that the Committee members are all participating by a conference call and asked the Committee members to identify any sort of technical difficulty. Chairman Brennan also stated that the Committee members may participate in any votes scheduled to take place at today's meeting. All votes must be taken by roll call.

II. Approval of the minutes from meeting held on Tuesday, April 1, 2025

Chairman Brennan sought a motion to accept the minutes from the meeting held on April 1, 2025. General Counsel Ryan Kearney made a motion to accept the minutes and Chief Executive Officer Marlene Warner seconded the motion.

Chairman Brennan, recognizing there was no further discussion, moved the motion to a roll call vote. General Counsel Ryan Kearney: yes; Chief Executive Officer Marlene Warner yes; and Executive Director Peter Brennan: yes. The Motion carried.

The minutes were approved at 1:35 p.m.

III. Discussion regarding the Stakeholder Lottery Modernization Committee enabling language and how the Committee should proceed to complete its statutory objectives

Chairman Brennan stated that the primary objective of the meeting was to clarify what the Committee aims to accomplish. He emphasized that rather than meeting indefinitely without clear outcomes, the Committee should produce a tangible work product. He suggested this would likely take the form of a written document submitted to the legislature. The key questions he noted are who will take the lead in drafting this document, what its format should be, whether it's a report, a letter, or a document with bullet points and specific recommendations and what content it should include. While the language establishing this Committee and the subject of online lottery impose certain constraints, Chairman Brennan indicated that the Committee appears to have the discretion to advise the legislature on its views and intended outcomes.

Lottery Executive Director Mark Bracken informed the Committee that, in accordance with the statute, recommendations should be directed to the Executive Director of the Lottery rather than to the Legislature. Chairman Brennan thanked Executive Director Bracken for the clarification and remarked that the Committee could still consider copying the Legislature on the submission. He noted that, since Executive Director Bracken has participated in each Committee meeting, one positive aspect would be that no additional background information would be necessary. Chairman Brennan also acknowledged the valuable insights gained from presentations by several other states

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regarding the development of online lottery programs. He emphasized the importance of balancing retailer support with the promotion of Responsible Gaming and invited Committee members to share their ideas on how best to achieve these goals.

He then inquired of General Counsel Polin whether drafts and related materials could be circulated via email or if such communications must occur one-on-one. General Counsel Polin responded that the answer depends on the manner of communication. Specifically, if three or more Committee members are included in an email exchange involving substantive discussion related to the Committee's responsibilities, such correspondence would constitute a meeting under the Open Meeting Law and would require proper public notice. Therefore, such communication would not be permissible without adhering to open meeting law requirements.

CEO Warner shared her experience working with the Office of Problem Gambling Services, noting that discussions often happen in pairs outside of formal meetings, with the key points from those conversations brought back to the full Committee in the open meeting. Regarding timing, she stated it is her understanding that the Committee intends to produce a document that includes both recommendations and possibly components of an evaluation. However, she noted that the timeline remains unclear, specifically when the Request for Responses ("RFR") will be issued. She suggested the Committee approach the work in phases. Phase one would be completed prior to the release of the RFR, establishing certain standards. Once the RFR responses are received and under review, the Committee could then make further recommendations to the Lottery Director and potentially the Lottery Commission on how elements should be assessed and incorporated. She added that the Committee could continue to evaluate what's working based on those recommendations.

CEO Warner also reminded members that the Committee is scheduled to continue meeting for six months following the launch of iLottery, which she viewed as the third and final phase of their work.

Chairman Brennan agreed that a final document is not required at this stage. He noted that the Committee still has other states to examine and additional topics to address. For now, the focus should be on creating an initial working draft to begin the process.

Director Jessica Moore joined the meeting at 1:40 p.m.

Executive Director Bracken provided a rough timeline and announced that the RFR has been released and is already in the question phase for potential vendors. There is a due date in June for the responses for the RFR, scoring will begin over a five-week period through the end of June through mid-July, followed by a two week presentation period with potential vendors, an award notice going out in August and hopefully a signed contract by the end of September, followed by a nine to ten month build with a go-live sometime in the summer of 2026.

Executive Director Bracken informed the Committee that there is no immediate deadline for submitting recommendations, as no formal action will be taken by the Lottery until a contract is signed at the end of September, at which point building will begin. He emphasized that while nothing needs to be finalized in the coming months, certain types of input, particularly CEO Warner's expertise on Responsible Gambling, would be helpful to have before then. This feedback would be part of the build as the Lottery sets up the Responsible Gambling platform, which will be built to reflect best practices and Committee priorities.

Executive Director Bracken noted that the Lottery is already working together with the Attorney General's Office on problem gambling issues and believed CEO Warner was aware of that ongoing work.

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Executive Director Bracken encouraged the Committee to submit its Responsible Gambling recommendations by the end of September, as that timing would allow the Lottery to align the Committee's expectations to what the Lottery is going to do. In addition, he highlighted the importance of including retail integration considerations in any recommendations related to trade associations.

Executive Bracken also clarified a scheduling matter, stating that he had originally expected to present during this month, but that during the April meeting, the Committee decided instead to hold this current session. He stated that he had planned to share information regarding the Lottery's infrastructure. He stated that both the Governor and House budgets included an outside section that would allow the Lottery to sell new games that the Lottery is not currently able to sell at retail, such as the NFL Powerball game. However, the Senate did not include that amendment in their budget. If that amendment ultimately does not pass, the Lottery will only be authorized to sell the NFL Powerball game online, and that would exclude retail sales and commissions directly impacting retailers. He reminded the Committee of prior conversations regarding the advocacy role that the organizations the Committee represented could play in supporting efforts to push for the inclusion of this provision. He expressed frustration that the Senate had omitted the language, especially given that both the House and the Governor had supported it.

Executive Director Bracken shared an update regarding recent budget developments and the overall status of the Lottery. He explained that the Senate reduced the Lottery's operational budget by approximately \$2.5 million. To contextualize this figure, it represents the equivalent of selling \$2.5 million worth of instant tickets and is especially difficult given the already limited inventory. Instant tickets are a vital component of Lottery revenue, currently accounting for about 68 percent of total sales.

Executive Director Bracken acknowledged that Lottery sales have been down overall, with a decline of approximately \$170 million from last year. Of that total, \$140 million is attributed solely to Powerball and Mega Millions, due to the absence of large jackpot runs. He emphasized that there are certain issues that are not related to online Lottery initiatives. It's unclear what online will do to exacerbate the situation even further. He emphasized that the current focus should be on "Lottery" modernization as a whole, not just "iLottery" or online operations. While it's understandable that the Committee gravitates towards what iLottery might mean for the future, it's also important to address the modernization of the traditional Lottery system, which still generates \$6.2 billion in annual retail sales. Executive Director Bracken urged the group to keep these priorities in mind throughout the planning process.

Looking ahead, the Lottery is awaiting responses from vendors to better assess which options might be most effective in terms of the ecosystem between retail and online through retail partnerships and Omniwallets, which could help drive online players into retail. However, until iLottery is officially up and running, and a contract is signed, the Lottery remains uncertain about what specific steps it will be able to take. Executive Director Bracken concluded by expressing his openness to ideas from retail partners on what solutions might work best for their operations.

Chairman Brennan offered his apologies to Executive Director Bracken for the scheduling oversight. Executive Director Bracken expressed his understanding but emphasized that the Committee should not lose sight of the broader issues that he raised, particularly those that require partnership and collaboration. He cited the NFL Powerball game as a key example. He reiterated that the Lottery is fully prepared to move forward with this new game and intends to offer it online. While the Lottery is permitted to sell the game online and pay the associated fees, state law prohibits

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it from being offered at retail locations. He added that although both the Governor and the House have supported a change in the law to allow retail sales, the Senate did not include the provision. That said, Executive Director Bracken noted the possibility that it could still emerge from the conference committee. The Lottery is currently working on proposing this change as an amendment, and although such amendments are rarely taken up in large numbers, Executive Director Bracken was hopeful that it would be included in the final legislation. He stressed that this situation is a clear example of the challenges the Lottery faces. If the law is not changed, the NFL Powerball game will only be accessible online potentially attracting a new kind of player but excluding retailers from benefiting from this opportunity. Chairman Brennan stated that the Committee would support Executive Director Bracken on this issue and that there could follow up to discuss the process of filing the amendment. He added that the Committee would continue to monitor the progress.

Chairman Brennan acknowledged that, based on Executive Director Bracken's comments, the RFR had been released. He inquired about feedback from the Committee and its incorporation into the RFR. Executive Director Bracken explained that the RFR is primarily a request for a system. The vendors will respond by proposing what they can offer, so there is limited detail the Lottery can include at this stage. He noted that aside from outlining general expectations around the technical stack and types of services sought, there wasn't much room to incorporate detailed suggestions from the Committee. However, he emphasized that this does not mean the Committee's input is no longer relevant. The aspects the Committee may want to influence, such as program features or implementation approaches, can still be considered later and are not constrained by what was included in the RFR. Much of the RFR relates to the financial and operational backend systems needed for the Lottery to function, and Executive Director Bracken assured the group that "the ship has not sailed." Chairman Brennan suggested that, as the Lottery begins to analyze the incoming bids, it could be beneficial for the Committee to provide recommendations. These could include input from the retailer community or perspectives on Responsible Gaming, with the goal of informing what the Committee would like to see reflected in the final winning bid.

Executive Director Bracken fully agreed and suggested that the Committee aim to provide the Lottery with initial ideas by the end of June. Chairman Brennan confirmed that timeline, stating that by the end of June, the Committee will submit its recommendations outlining what it would like to see included in the winning vendor's proposal, particularly elements that address some of the Committee's key concerns. Chairman Brennan noted that this would serve as a strong starting point for what will likely become an ongoing dialogue. Referring to CEO Warner's earlier suggestion, he proposed that this initial submission could represent the first of potentially three phased, written recommendations from the Committee to the Lottery as the process moves forward. He emphasized the value of having a clear timeline and direction. General Counsel Kearney and CEO Warner agreed, and Chairman Brennan emphasized, that the group should be prepared to submit their initial recommendations in writing by mid- to late June. Chairman Brennan also discussed how the sections of the recommendations should be divided. He noted that Committee member Sales Agent Hauvuy, given his direct retail experience, would be well suited to contribute from an on-the-ground perspective. Chairman Brennan further acknowledged that he, General Counsel Kearney, and Director Moore were similarly positioned, as their respective members are retailers actively engaged in navigating this process. He also confirmed that CEO Warner would be responsible for drafting the section on Responsible Gambling. He stated that the next meeting would be dedicated to reviewing the draft sections prepared by each member, with the goal of finalizing and submitting the recommendations approximately two weeks thereafter.

Chairman Brennan asked Executive Director Bracken if the Committee could review their progress with him during the next meeting, followed by an overview of Lottery operations provided by Executive Director Bracken. Executive Director Bracken indicated he was going to check his schedule regarding his availability. He also stated that he would like to review the statute to ensure

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that issues related to interchange fees and retailer protections are appropriately addressed. Executive Director Bracken agreed and noted that the interchange fee represents a significant issue that needs to be resolved. He added that if the Committee could develop a proposal or recommendation on the matter, it would be both helpful and relevant, as it is strictly a retail-focused issue. He clarified that this issue is not tied to the timeline of the online Lottery contract and can be addressed independently. Executive Director Bracken emphasized that the matter is multi-faceted and involves coordination among the Lottery, the Lottery Commission, the Executive Office of Administration and Finance, and the Ways and Means Committee.

General Counsel Polin then read from the FY2025 Budget, Section 203(a), which outlines the statute establishing the Stakeholder Lottery Modernization Committee, and then from Sections (b), (c), and (d), which pertain to the Committee's recommendations. Chairman Brennan noted that the statute was helpful and emphasized that modernization efforts should not be limited to the online lottery but should also focus on modernizing brick-and-mortar operations. He further stated that the Committee's recommendations should address the issue involving the NFL Powerball game and the Senate amendment, which supports the inclusion of such games at retail locations. Chairman Brennan added that he would have a conversation with Sales Agent Hauvuy to better understand their day-to-day concerns and what they would like to see from the Lottery when iLottery goes live.

Chairman Brennan asked Committee members if there were any specific sections they would like to volunteer to draft. He stated that he would begin with a general introduction and include a summary of the concerns raised by NECSEMA members, including a recommendation that the Legislature consider increased funding for the Lottery. This would allow the Lottery to offer more frequent promotions and drive higher sales, even in the absence of large, unpredictable jackpots. General Counsel Kearney volunteered to draft the section on processing fees, while CEO Warner agreed to take the lead on the Responsible Gaming portion. Director Moore stated that she would draft the section addressing concerns observed in bars and restaurants, particularly those related to Keno. Chairman Brennan added that he would take responsibility for the section focused on convenience store operations.

CEO Warner emphasized the importance of having a written outline and asked if someone on the Committee could take the lead on drafting it. She noted that while the Executive Director will understand the content, the document should also be accessible to other readers. To that end, the Committee should provide context explaining why and how it is developing its recommendations to avoid the material feeling disjointed. Chairman Brennan agreed and stated that he would reach out to each Committee member individually to begin organizing the outline based on the sections they plan to submit. He stressed the importance of keeping it simple and clear, especially with the possibility that the legislature may eventually review the document. The goal is to clearly communicate what the Committee hopes to achieve within the evolving ecosystem and in collaboration with lottery partners. He suggested that the Committee should aim to complete a draft within the next six weeks, allowing time to share it with the Executive Director before any vendor decisions are made.

General Counsel Kearney stated that, unless there were objections from the group, he had been considering CEO Warner's concern about potentially being overinclusive. He expressed the view that the Committee should err on the side of inclusion initially and then refine the content as a group. For example, regarding interchange options, he noted there are three primary paths the Committee could consider. He stated that he plans to draft a write-up of all three options, acknowledging that not all may be viable, but believing it is important to present the full range of possibilities for discussion. He added that he would also like to hear the full spectrum of input from those involved in responsible gambling initiatives, even if some ideas may later be excluded due to conflicts or differing opinions. The goal is to start broad and narrow down collectively. Chairman Brennan agreed and stated that the Committee would review and edit the document at the next meeting. He emphasized that this will be a working document and evolving reflection of the Committee's thinking to date. He encouraged

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members to refer to previous meeting minutes, which he described as excellent, for context and continuity. Chairman Brennan also suggested the document should summarize what the Committee has accomplished so far, outline its goals going forward, and he acknowledged that the modernization of the Lottery is a long-term effort. He reiterated the importance of the Committee's role in shaping this process as it continues to unfold.

General Counsel Kearney recommended that Chairman Brennan use the introduction of the report to acknowledge some of the key concerns raised by the Executive Director and the Commission, specifically regarding the Lottery's overall budget and its advertising budget. He suggested that this initial context would help "level set" the discussion, demonstrating that the Committee is aware of and understands these ongoing challenges. General Counsel Kearney emphasized that while the current report may not address all these issues, it should note that the Committee intends to continue addressing them in its future work. Including this information would not only provide clarity on the broader budgetary pressures, particularly those challenges with the interchange piece, but also help outline the Committee's direction of moving forward. Director Moore stated that she had a lot of information regarding interchange fees, and she invited General Counsel Kearney to reach out to her, and she'd be happy to contribute that information to the relevant section of the draft.

IV. Discussion of agenda items for future meetings

The Committee discussed scheduling the next meeting, as conflicts prevented it from being held on the usual first Tuesday of the month. The Committee agreed to hold the next meeting on Monday, June 2, 2025, at 1:30 p.m.

Chairman Brennan stated that the agenda for the June meeting will focus on reviewing the draft report and making additions or revisions as the Committee deems appropriate.

General Counsel Kearney asked Executive Director Bracken where he could locate the relevant procurement information. Executive Director Bracken explained that the Commonwealth's procurement records could be accessed online via the COMMBUYS system by searching for "Lottery" and then select "Full-Service iLottery Platform and Related Services." General Counsel Polin stated that he would distribute the document in .pdf format to the Committee.

CEO Warner asked whether there was anything the Committee should send directly to the Lottery Commission. Executive Director Bracken responded that while the Committee is free to communicate with any entity, formal decisions by the Commission are made through votes involving Commission-level hearings and contracts involving a cost of \$250,000 or more. Outside of these instances, the Executive Director is responsible for overseeing Lottery operations. CEO Warner then asked whether the Commission would be involved in selecting a vendor for the iLottery platform. Executive Director Bracken confirmed that the Commission will vote at the end of the summer on the recommendation made by the Executive Director. He clarified that the Commission would vote on the Executive Director's final recommendation but would not otherwise be involved in the procurement process. CEO Warner agreed and affirmed that the Committee should submit its report directly to the Executive Director.

Chairman Brennan asked if he could receive a copy of the information included in the proposed amendment that the Lottery would like to see passed in the Senate. He added that he believed this would be something his members would support. Executive Director Bracken agreed. CEO Warner cautioned against the Committee engaging in any form of advocacy through the Committee. Chairman Brennan responded that the information could be included as part of the Committee's recommendations, framed in a way that emphasizes the need for the Lottery to offer more products

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that consumers want to purchase. He cited the new NFL Powerball game as a relevant example and stated that it is the type of product he, and certainly his members, would not want to be excluded from offering.

General Counsel Polin clarified that, as he understood it, CEO Warner was emphasizing that nothing in the statute prohibits individual members of the Stakeholder Lottery Modernization Committee from making their own independent recommendations to the Executive Director of the Lottery. He clarified that he did not want to speak on her behalf but suggested that her concern might be that a Committee member could advocate for legislation while giving the impression that they were speaking on behalf of the entire Committee despite there being no official vote or formal action taken. CEO Warner confirmed that this was indeed the point she was cautioning against.

V. Other Business – Reserved for Matters not Reasonably Anticipated at the Time of Posting

After asking if there was any other business to discuss, Chairman Brennan sought a motion to adjourn the meeting. General Counsel Ryan Kearney moved to adjourn and Director Jessica Moore seconded the motion.

Chairman Brennan, recognizing there was no further discussion, moved the motion to a roll call vote. General Counsel Ryan Kearney: yes; Director Jessica Moore: yes; Chief Executive Officer Marlene Warner: yes; and Chairman Peter Brennan: yes. The Motion carried.

The SLMC meeting adjourned at 2:15 p.m.

List of Documents and Exhibits Used:

- May 2025 Stakeholder Lottery Modernization Committee Meeting Book.pdf