

Rooted in Mission, Driven by Innovation: Inside the Transformation of the California Lottery

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PGRI INTRODUCTION: Harjinder K. Shergill Chima served as Chief Deputy Director of the California Lottery for four years before being appointed Director in 2023. Prior to joining the Lottery, Shergill Chima was Assistant General Counsel at the California Government Operations Agency. Before that, she was an attorney at the California Department of Transportation from 2004 to 2018. She began her legal career as an associate at Reinecke & Daily in 2001, then at Rich, Fuidge, Morris & Iverson Inc. from 2002 to 2004. She holds a Bachelor of Science degree in Criminal Justice from California State University, Sacramento, and a Juris Doctor from Whittier Law School.

Sales and net funds for public education have been on a steep growth curve since Shergill Chima joined the California Lottery as Chief Deputy Director in 2019, rising from \$6.62 billion in sales and \$1.51 billion in net funds in FY 2019-20 to \$9.27 billion in sales and \$2.29 billion in net funds in FY 2023-24. For context, that's up from sales of \$6.27 billion and net funds of \$1.58 billion back in FY 2016. I asked Harjinder what's changed—what has the Lottery been doing over the last four years that's so different from the years leading up to 2020.



Paul Jason: The California Lottery is celebrating its 40th anniversary year. How have you used this promotional opportunity to increase sales?

Harjinder K. Shergill Chima: We marked the milestone with something we'd never done before—a \$40 ticket. That might not sound impressive to states that regularly launch higher-price-point games, but for us, it was a first. The ticket is stunning. It features the iconic California Golden Bear in our signature blue and orange, and we are offering a \$2 version as well. It's a beautiful, beautiful game, and players responded immediately. The \$40 ticket has been an absolute hit—awesome, really. You

never know for sure until it hits the market, but this one roared out of the gate. Our Sales and Marketing team led by Deputy Director, Sharon Allen, just really nailed it with this ticket.

We followed up in June with another California Bear edition—this one with fun scratch-off trivia about Lottery history, which adds a little education to the entertainment.

The actual anniversary lands in October, and we're working on a celebration for our team. As a state department, there are restrictions on the use of public funds, so we've had to get creative. But rest assured, the executive team and I are determined to

make it happen. We want to celebrate with every one of our employees—across all nine district offices, our warehouses, and HQ. We'll also be inviting local and state officials and other stakeholders. It's important that everyone who helps power this enterprise gets to share in the joy of this moment.

California is the fourth-largest economy in the world. That's an incredible concept. Are there any north-star guideposts that guide your approach to managing a Lottery that serves a market of that magnitude?

H. Shergill Chima: You'd think the scale of the economy would be a dominant



factor, but honestly, what matters more is leadership continuity and operational stability. When (then-Director) Alva Johnson brought me on as his Chief Deputy, we were both laser-focused on bringing cohesion and long-term structure to the organization. That's not to knock previous directors—they did what they could under often difficult circumstances—but the fact is, we had something like 24 directors in 38 years. It's hard to build brand continuity, internal morale, or strategic momentum when the leadership baton changes hands that often.

"We're not just selling tickets—we're investing in schools, one game at a time."

Alva and I were determined to change that. We wanted to build something that would last—an organization that wouldn't just survive changes at the top but thrive through them. And when Alva left—making him the first director in our history to step down of his own accord—I was honored to be promoted. I'm also the first Chief Deputy ever to make that leap, which gives us a leg up on the mission to establish

stability and continuity.

How did you start working toward such an ambitious cultural transformation?

H. Shergill Chima: From the ground up. First, we had to get the foundation right. That meant documenting and reinforcing policies and procedures. Some were already on the books but weren't being consistently applied. So we made it clear—policies aren't just paperwork or a handbook that sits on a shelf. They're how we align, how we operate, and how we win together.

After that, it became all about people. We're very focused on ensuring every team member knows exactly what our goals are, what their role is, and how to collaborate across departments to achieve shared success. It's easy to assume everyone's on the

same page—but assumptions don't drive results. We stretch to actively reinforce the mission, every single day, and in every interaction.

Let's talk about mission. Many people assume Lottery funds just disappear into the state's general fund. That's a hard thing to rally around emotionally. How have you addressed that?

H. Shergill Chima: Exactly. That's a perception problem we knew we had to tackle. Carolyn Becker, our

The response was overwhelming. We heard from educators all over the state on how they used Lottery dollars—funding theater programs at community colleges, ESL books for elementary students, nursing programs, firefighter training academies, and support for underfunded rural schools. Real stories, from real people, doing the work.

And that's what makes the campaign so powerful. It's the people most affected by the Lottery telling their own stories. We hear directly from instructors—heroes who dedicate their lives to education. We hear from students whose opportunities are brighter because of what we help make possible.

Who better to speak to the impact of the California Lottery than the educators and students that the Lottery supports?

Ultimately, they remind us why we do this. Their stories re-energize our teams, deepen our sense of purpose, and help translate that inspiration into better performance, stronger alignment, and renewed commitment to our goals.

Other lottery directors may want to engage their beneficiaries as vocal supporters, but find that it's easier said than done. Is there a trick to getting them to speak up and rally around the Lottery?

H. Shergill Chima: I don't know of any tricks, but I think it is very important to engage your beneficiary stakeholders in a knowledgeable way. For us, it started with a study led by Jim Hasegawa, Deputy Director of Business Planning and Research, aimed at understanding how people perceive the Lottery. Do people even know where the money goes? Turns out, most didn't.

What we discovered was eye-opening: the general public and even our own players were largely unaware that Lottery profits are earmarked for public education. That disconnect gave us our starting point. And then educators and other stakeholders began volunteering to tell their own stories. They weren't just willing—they were excited to spotlight their programs and speak to how Lottery funding helps them make a difference.

Some of those stories made it into commercials, and many more came to life through social media, newsletters, and community engagement. It was organic, authentic, and unexpectedly powerful.

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Deputy Director of Public Affairs and Communications, launched a campaign around a simple, powerful idea: When you play, schools win. But we didn't want commercials with paid actors. We wanted authenticity. So we reached out to our educational partners and asked them to share their own stories. What are they doing with Lottery funds? How is it making a difference?

Awareness started to grow—and so did appreciation for the Lottery’s mission.

It sounds like once a few people stepped up, and then others saw the benefit—getting exposure for their programs, joining something meaningful—and that created a kind of positive feedback loop.

H. Shergill Chima: Exactly. Once people saw the first wave of stories, it clicked: “Oh, this isn’t just marketing—it’s a platform to connect with our own audience.” Now, when we attend educational conferences, people are coming up to us and saying, “Hey, my program was funded by the Lottery!” It inspires others to ask how they can get involved, too.

We want to cast the net as wide as possible and include everyone touched by Lottery funding. The more voices, the better.

I just reviewed a stack of mission-focused content for approval – 30 slides covering six different programs. Some of them I didn’t even know we supported. One, for example, was a fire-fighting academy at Glendale Community College. I had no idea we were involved, and it was such a great reminder: our work really does make a difference in communities across California. And when we get to connect with the students, instructors, and local champions behind those programs, it invigorates our own team’s sense of purpose.

This kind of outreach costs a lot less than traditional paid advertising. Isn’t it also more effective, since it’s real people telling real stories?

H. Shergill Chima: Absolutely. These aren’t actors reading lines—they’re educators, students, and community members sharing how Lottery funding impacts their lives. It’s genuine, and I think people feel that. It cuts through the noise in a way conventional advertising just can’t.

And what about your political stakeholders? Do they understand and support what you’re doing?

H. Shergill Chima: They’ve got a lot on their plates and the Lottery isn’t usually top-of-mind. That’s why we’re making a concerted effort to be proactive. At the very least, we want them to know we’re here, we’re transparent, and we’re a resource whenever they need us.

Our Chief Deputy, Florence Bernal, and I

"The most powerful storytellers aren’t marketers—they’re the teachers and students whose lives are changed."

have been taking that further by reaching out and setting up introductory meetings and offering briefings on the Lottery— a Lottery 101 if you will. We want to talk with legislators about our mission, our sales, and the programs we support. We want them to know we’re an open book and we want their feedback. Our headquarters is just a short distance from the Capitol, so we invite them to come over, tour the facility, meet our team, and see firsthand what we do and how we do it.

It’s all about building relationships now, so when issues come up in the future, we’re not strangers. They’ll know who we are, what we are trying to accomplish at the Lottery, and they’ll feel comfortable reaching out. Legislators get information from a lot of sources—media, colleagues, constituents. We just want to make sure we’re one of those sources—and one they can count on.

Prior to joining the Lottery, you were an attorney at the Department of Transportation. That doesn’t sound like the kind of role that brings a lot of political visibility.

H. Shergill Chima: Exactly. I had no political experience. I’ve just worked my way up over the years. Nobody really knew who I was, so I felt it was important to make the rounds at the Capitol. Let them get to know me. Talk about my background, why I’m passionate about the Lottery, and what I believe we can accomplish with their support. I’d like to think that kind of outreach makes them more comfortable picking up the phone and calling me directly when they have questions.

So not a “keep your head down and stay off the radar” approach?

H. Shergill Chima: Not at all. And it’s definitely not something I do alone. I have an amazing executive team, and my Chief Deputy, Florence Bernal, spent years working in the legislature—she really knows that world. She and the rest of the team have been instrumental in helping

me navigate it all, because like I said, this isn’t the background I come from. So yes, stepping into this role has been a big learning curve. But I have a team I trust completely, and that trust goes a long way. I know they have my back—just like they had Alva’s before me. That kind of loyalty and expertise is incredibly reassuring. Plus, they’re all at the top of their game in their respective areas, which makes my job, honestly, kind of exhilarating.

Do you see the Lottery as being in competition with tribal gaming, or do players tend to stay in their own lanes when it comes to games of chance?

H. Shergill Chima: I don’t see tribal gaming as a direct competitor—but that doesn’t mean we’re not all vying for the same players and the same discretionary dollars. That said, our strategic planning doesn’t focus on outmaneuvering others in the games-of-chance space. We’re not trying to win a turf war—we’re just trying to build the best possible experience for our players.

That means focusing on product quality, accessibility, brand clarity, and great advertising. We aim to meet people where they are, surprise them with fun promotions, and keep them engaged. We’re expanding our retail footprint, exploring non-traditional point-of-sale opportunities, and reaching out to new types of retail partners. For example, Gelson’s is a high-end grocery store in Southern California that is trying a new concept called Recharge by Gelsons. They have partnered with Rove to create a concept that combines EV charging with a premium convenience store. They have a lounge for customers to relax in as well as shop while they wait for the charging to complete. You can buy snacks and coffee and now you can buy lottery tickets there as well. Retail is evolving and creating opportunities for us to increase visibility for lottery.

But at the core, it’s about the games—creating new, fun experiences and managing our portfolio in a way that connects with as many different play styles and preferences as possible.

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What are your main priorities for the next three years? What's getting the most attention?

H. Shergill Chima: While we're not currently authorized to sell online, there's still a lot of room to innovate. Some of our ideas are still under wraps while we develop them further—but the goal is always the same: drive growth, increase engagement, and maximize funding for public education.

Like many lotteries, we're continuing to lean into Scratchers®. They've been fantastic for us—consistent, popular, and a strong performer even when the big national jackpot games aren't hitting record highs.

We've also evolved our messaging. Instead of focusing just on the thrill of winning, we've shifted to highlight the fun of playing. It's about the experience—whether that's sharing a game with friends or co-workers, giving Scratchers as gifts, or just enjoying a moment of play during the day. A campaign line we started back in September 2021 still anchors a lot of what we do: "A little play can make your day." It's working so well that we continue to use it. Today, more than half of California adults have played Scratchers in the past year, and in a typical month 40% of Californians play Scratchers. That's powerful reach—and a testament to the fact that when we focus on joy, not just jackpots, people respond. Further testament is the research tracking studies, which we do continuously, and which clearly show a positive response to our advertisements based on fun.

Where do things stand with credit cards, e-wallets, and other cashless options?

H. Shergill Chima: Surprisingly, given how highly regulated we are, the California Lottery Act is actually silent on payment methods. So, it's entirely up to individual retailers whether they accept credit cards, e-wallets, or other cashless options. Our Lottery Ticket Vending Machines are currently cash-only and don't give change. But just last month, we got approval to pilot a cashless payment option on those machines. We'll be starting with debit cards only and rolling out a small test with about 100 retailers.

Like everything we do, this is research driven. We'll track what works and what

doesn't and start refining even while the pilot is underway. It's a continuous cycle: test, measure, tweak, repeat. We're laser-focused on making sure every dollar we spend returns maximum value for public education.

In addition, we received the green light to explore methods for processing in-lane ticket-purchases, so that's in the works now too. Yes, there's a lot happening, but we move carefully and deliberately. Some might call us conservative or risk-averse—we call it smart business. We take the time to plan, reduce risk, do the research, and invest the state's resources wisely.

You've got eight draw games. That seems like a lot.

H. Shergill Chima: It probably goes back to California so populous. Draw-games need to have a minimum volume of play to be profitable, right? California has the liquidity, the number of players who can spend money on the games, to support more draw games than would be practical in a smaller state. So yes, we offer more draw games because we can, and because it allows us to reach a broader range of player preferences. And it's working—each of our draw games is seeing steady growth. We're constantly evolving the promotional messaging, too, based on fresh research and changing tastes.

Take SuperLotto Plus®, for example—it's still hugely popular. But we're also seeing strong performance in our smaller daily and weekly games, which have a totally different player vibe. And we've been experimenting too. One of the newer efforts that paid off big was a cross-promotion between Scratchers and Hot Spot®. With the Hot Spot Scratchers game, players can win a \$5 Quick Pick entry into our Hot Spot draw-game. That drew attention to both game categories and brought in new energy.

At the end of the day, it's about offering variety—more ways to play, more reasons to engage.

Is increasing draw-games as a percentage of your product mix a priority?

H. Shergill Chima: They're important, but draw games make up only about 12% of our total sales. It's really the Scratchers that drive our business.

Of course, the big national jackpots always grab headlines, bring in new players, and bring a big bump in sales. But we've reached a point where most players don't really perk up until the jackpot hits \$700 or \$800 million. A recent exception to that is the launch of the new Mega Millions® game, which brought a real spike in engagement—maybe because it was fresh and different. I'm confident, though, that the change enhances the game, improves our product differentiation and mix, and so has real staying power.

And beyond the game itself, it was just such a great experience to be part of that national rollout. Directors from across the U.S. came together to make it happen. It was also a terrific way for me to get to know the Mega Millions consortium of directors, which has been fantastic as they are such a warm and welcoming group. And I appreciate their willingness to share their insights and experience to help me power through issues that may be new to me but not new to them.

Is the California Lottery app where you'd like it to be at this stage of development?

H. Shergill Chima: Yes, I'd say we're in a really good place. Our app is frequently ranked among the Top 100 entertainment apps in the App Store, boasts a 4.8 rating with over 180,000 reviews, and has more than six million subscribers. The "check-a-ticket" feature is our most popular, and we average over 1,500 downloads each day. Users engage with the app for various reasons. Additionally, we can send push notifications to stay directly connected with our players. Of course, there's always room for improvement. We are actively exploring new technologies to keep the app user-friendly and efficient. Currently, we are focusing on upgrading our second-chance platform, which we see as a significant opportunity for engagement. Overall, the app has performed exceptionally well, and our goal is to continue building on that momentum.

Powerball and Mega Millions winners hale from California because there are so many more players in your state. What do you do to leverage the bump in visibility, prolong the excitement?

H. Shergill Chima: We try to maximize the emotional impact of in-state winners

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by tying every big win back to its core mission: supporting public education. Instead of focusing solely on jackpot dreams, press releases highlight not just the winner but also how the game's revenue benefits local schools—with specific figures and even a searchable database on our website where players can see exactly how much funding their district has received. This messaging strategy, reinforced by proactive media outreach, helps Californians feel that even if they don't win the jackpot, their participation still contributes to something meaningful—making schools and communities the real winners.

In conclusion, what do you see as the biggest threats and opportunities on the horizon?

H. Shergill Chima: The biggest threat when I came on board was public misunderstanding—mainly the perception that Lottery funds just went into the general fund. We've worked hard to change that narrative and protect the integrity of the program, including cracking down on illegal courier activity and educating retailers about the consequences. On the opportunity side, California's scale creates incredible potential, and now—with leadership

stability for the first time in years—we're finally in a place to pursue real innovation. For me, this work is personal: my parents immigrated from India, became farm workers, and put five daughters through college. Supporting public education through the Lottery feels like giving back to them. I see the impact in local schools, I hear the stories, and it reminds me daily that this mission matters. After nearly seven years, I truly believe the California Lottery is hitting its stride—and I'd be honored to keep building on that momentum for years to come. ■

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incremental sales gains didn't appear to justify the incremental costs. But then we realized we were missing a different kind of impact. These games were bringing in new players, some of whom go on to play other games and end up converting from a non or infrequent player to a casual or even frequent player. That is a measurable impact, but we did not know where to look at first.

That's when we adjusted our lens. The cost of acquiring new players is high, and the payoff isn't in a short-term sales spike — it's in long-term player value. If we don't invest in acquisition tools like licensed games, the opportunity cost is steep when you compare it to what it would take to get those new players through other means.

gives us far better tools to measure the impact of our outreach efforts. We can track click-throughs, follow the player's journey, and see exactly how our messaging performs in real time — and how every piece of our digital presence either pulls players in or pushes them away. That kind of visibility just doesn't exist in the retail world, where play is anonymous.

So now we're focused on bridging that gap. We're taking what we've learned from iLottery — those sharp, data-driven insights — and looking for ways to apply them at retail. The goal is to better understand our retail players' behavior the way we do with our digital players.

to their initiatives. Maggie has an incredible talent for helping teams translate vision into financial terms — so success can be measured clearly, and the benchmarks and timelines are well-defined.

We want all of our VPs to take a multi-disciplinary approach, but it's especially important that the CFO can guide others through the financial lens of the business. That's where Maggie shines. As a lawyer, I don't naturally think in those terms — and that's exactly why we need a culture where that kind of financial fluency is supported and expected. And while I can advocate for that environment, it's Maggie who brings it to life.

She's earned the respect of her peers not just because of her expertise, but because she truly listens. People go to her for input because she genuinely wants to understand their goals — and then she stretches to help them get there. She doesn't just explain the numbers, she teaches them, in whatever way someone needs to truly understand. And then, just as importantly, she inspires people to think creatively about how to move forward in a fiscally responsible way.

Everyone knows I expect proposals to be built on a foundation of financial viability, and Maggie is both the sounding board and the steward of that standard. The beauty is that our team welcomes her guidance — because they trust her, they see the value, and they know that working within her framework is the surest path to getting a green light for their ideas.

“She doesn't just explain the numbers, she inspires people to think creatively about how to move forward in a fiscally responsible way.” — Mary Harville

Similarly, in the online world, it all starts with player registration. Retention is also key, but nothing happens until someone signs up. That shift in mindset — toward expanding the player base — has become central to how we think about growth. Because again, it's about building for the future, not just spiking this quarter's sales. I should point out that the digital world

That's why we're leaning hard into digital. A growing share of our investment is going toward building out our digital capabilities and data analytics. It's where we can truly measure, learn, and refine.

M. Harville: I think it's crucial that every department applies the CFO's framework