





# INTEROFFICE MEMO

*Ryan Mindell, Executive Director*

*LaDonna Castañuela, Charitable Bingo Operations Director*

**To:** Robert G. Rivera, Chairman  
Cindy Fields, Commissioner  
Mark A. Franz, Commissioner  
Clark E. Smith, Commissioner  
Jamey Steen, Commissioner

**From:** LaDonna Castañuela, Charitable Bingo Operations Division Director *LDC*  
Jason Cannaday, Information Technology Division Director

**Date:** Thursday, February 6, 2025

**Re:** Item X. Report, possible discussion and/or action on the Sunset Advisory Commission's Management Action item 2.5 directing the agency, in consultation with the Department of Resources, to establish and approve a plan prioritizing IT updates and eliminating paper-based processes in the Charitable Bingo Operations Division.

The following document is associated with this tab:

1. Information Technology Update and Elimination of Paper-Based Processes Plan for the Charitable Bingo Operations Division.

Additional information may be provided at the commission meeting.



# **Information Technology Update and Elimination of Paper-Based Processes Plan for the Charitable Bingo Operations Division**

Prepared by:

The Charitable Bingo Operations Division and  
The Information Technology Division of  
The Texas Lottery Commission

1/21/2025

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## Background

In May 2024, the Sunset Advisory Commission issued its Staff Report recommending the Texas Lottery Commission (agency) establish a plan to prioritize IT updates and eliminate paper-based processes in the Charitable Bingo Operations Division (CBOD). In September 2024, Management Action 2.5 was adopted with a modification requiring the agency to establish the plan in consultation with the Texas Department of Information Resources (DIR):

### **Management Action 2.5 (As Modified and Adopted, September 2024):**

Direct the agency, in consultation with the Department of Information Resources, to establish a plan prioritizing IT updates and eliminating paper-based processes in CBOD. This recommendation would direct the agency to develop a plan to prioritize its Bingo Service Portal and BOSS updates, including establishing timelines and discrete tasks to achieve improvements. In developing this plan, the agency should:

- Consult the Bingo Advisory Committee to seek input related to licensees' experience and suggestions for the Bingo Service Portal.
- Identify policies, training manuals, external guidance, and other documents that need to be updated to reflect any system changes.
- Identify any statutory barriers to improvements and whether the agency will need additional resources. The agency could include any recommendations and identify additional resource needs in its next legislative appropriations request.
- Evaluate the implications and potential cost savings of eliminating the mailing of forms and instead requiring electronic filing for licenses, renewals, and other information.
- Evaluate options for ensuring BOSS and CAMP are integrated so the agency can check compliance history in risk assessments.

Staff should submit the plan to the agency's governing body for approval by March 15, 2025, and also provide a copy to the Sunset Commission and applicable legislative oversight committees.

In June and July, CBOD and the agency's Information Technology (IT) division worked on an assessment of the effort and resources required to complete the modernization and updates of the Bingo Operating Service System (BOSS) and the Bingo Service Portal (BSP). The result was the inclusion of two Exceptional Items in the agency's [Legislative Appropriations Request \(LAR\) for fiscal years 2026 and 2027](#).

## **Texas Lottery Commission Legislative Appropriations Request for Fiscal Years 2026 and 2027**

### **Exceptional Items (Pages 3 and 4 of *Administrator's Statement*)**

#### **1. Technology Infrastructure Upgrades for the Bingo Operating Service System and Bingo Service Portal**

The Bingo Operating Service System (BOSS) is the agency's bingo licensing and accounting application, and the Bingo Service Portal (BSP) is the outward facing application for license holders. Both systems have been in use since 2015 and are at the end-of-life legacy platforms and require a redesign or conversion to the current platform used by the agency. Upgrades to BOSS and BSP will enhance data reporting and analytics and will also address findings included in the Sunset Staff Report. It is critical both systems be upgraded.

The agency's recommendation is to procure the services of two (2) contracted programmers and to retain one (1) full-time equivalent (FTE) position for deployment and ongoing support at an estimated cost of \$1.59 million.

#### **2. Recruiting and Retention of Qualified Bingo Staff**

The agency is requesting an increase in General Revenue funding to recruit, hire, and retain qualified and capable staff that will enhance the agency's Charitable Bingo Operations Division's (CBOD) ability to maximize its efficiencies and delivery of services with trained and experienced staff. The agency's CBOD salaries and related payroll costs comprise at least 80% of the annual appropriated budget. In the last ten years, the overall appropriations for the agency's bingo program have decreased by 13%. Division staff turnover in FY 2022 was 15.6% and in FY 2023 it was 25.8%.

The agency is requesting \$429,050 in General Revenue funding for the recruitment and retention of qualified bingo staff.

In October 2024, the agency began consulting with the Texas Department of Information Resources (DIR) on DIR services and support available to assist in accomplishing the plan for Management Action 2.5. DIR's staff helped further develop our strategy to modernize CBOD systems considering the limited resources available.

## Executive Summary

Texas Lottery Commission staff believes that, with the authorization of the Exceptional Items in the LAR for Fiscal Years 2026 and 2027, the agency can modernize and enhance the CBOD's software applications, ensure they remain up to date with current technology, and support the transition away from paper-based processes. This ***IT Update and Elimination of Paper-Based Processes Plan*** ("Plan") will accomplish the Sunset Advisory Commission's adopted Management Action 2.5. Exceptional Item 1 is critical to accomplish the Plan in the FY 2026-FY 2027 biennium, and Exceptional Item 2 will impact the quality of the execution of the Plan. Agency staff proposes to leverage DIR IT Staffing Services contracts to bring on the additional contract software developers needed to complete the work. In addition, staff proposes hiring one full-time equivalent software developer along with the contract developers who will be dedicated to maintaining the software applications on the agency's current technology platform after FY 2027.

In executing the Plan, the CBOD and IT divisions initiated collaboration with the Bingo Advisory Committee (BAC) and other industry representatives. Moreover, this collaboration will continue throughout the plan, aiming to eliminate paper-based filing processes and provide additional input on the development of the BSP application.

If LAR Exceptional Item 1 is not authorized, the agency will continue to work with the currently available resources to convert CBOD software applications to a modern software platform. However, current resources are insufficient to complete the necessary application updates and enhancements in a timely manner. These updates are critical to effectively serve license holders, addressing the needs identified by CBOD staff, and implementing the efficiencies outlined in the Sunset Staff Report.



## Plan Details

Consult the Bingo Advisory Committee to seek input related to licensees' experience and suggestions for the Bingo Service Portal.

In October 2024, the BAC created a sub-committee to assist in the task of gathering feedback from industry stakeholders for integration into future planning efforts for BSP. The BAC's BSP Review Subcommittee submitted its *Usability Issues and Recommendations for the Bingo Service Portal (BSP)* to the CBOD on January 3, 2025.

Additionally, the CBOD and IT developed and distributed a BSP user survey to industry stakeholders. The survey closed on December 19, 2024. Responses are currently under review by the CBOD and IT to identify follow-up action items for enhancing the BSP.

Staff will continue to solicit input from BAC members and other industry representatives throughout the implementation of the Plan.

Identify policies, training manuals, external guidance, and other documents that need to be updated to reflect any system changes.

Keeping system documentation current will be a requirement of the Plan. An IT System Analyst will be tasked with working with CBOD staff to ensure the software changes are accurately reflected in customer and internal documentation.

At this time, CBOD has identified the following documents that will be updated to reflect any system changes:

- the BSP User Guide,
- Quarterly Report User Manuals in Bingo website,
- Bingo procedures (Accounting, Licensing, Audit, Compliance), and
- Bingo Training Modules.

Identify any statutory barriers to improvements and whether the agency will need additional resources. The agency could include any recommendations and identify additional resource needs in its next LAR.

The CBOD has not identified any statutory barriers at this time.

However, based on current funding levels, limited staff resources, and the complexity and scope of necessary updates, it is estimated that the system updates will take up to five years to complete. Therefore, the agency has included the two above-referenced exceptional items in its FY 2026-2027 LAR (refer to pages 4 and 5 above) to ensure effective system implementation in the next biennium.

Evaluate the implications and potential cost savings of eliminating the mailing of forms and instead requiring electronic filing for licenses, renewals, and other information.

CBOD and the Office of the Controller are working on this evaluation. Some potential cost savings identified to date include reduction of postage, paper, other consumables, and copy/scan services.

Although the reduction or elimination of mailing of forms will reduce or eliminate the current manual processes associated with receipt/review/data entry of paper documents and therefore create savings of staff costs, the reality is that staff time saved would be redirected to other regulatory and compliance review functions. The savings will translate to coverage of staff turnover as well.

Additionally, the CBOD has identified the following items to eliminate some of the current paper-based processes:

- Amend Rule 402.600 (a) to eliminate the requirement to mail quarterly report (QR) forms to licensees each quarter. Instead, the CBOD will continue to email QR filing reminder including the links to the forms and filing instructions to licensees. The amendment of this rule will be considered for adoption by the Commission in February 2025.
- Amend Rule 402.411 (c) to modify the language to allow the CBOD to “provide” renewal notices rather than mail them. Instead, the CBOD will email renewal notices to license holders. The amendment of this rule will be considered for adoption by the Commission in February 2025.
- Amend Rule 402.601 (b)(2) to eliminate the requirement to preprint the credit information on the QR forms. Instead, the amendments state that the credit will be accessible for viewing in the BSP or through the agency’s system for any inquiries regarding the current filing quarter. The amendment of this rule will be considered for adoption by the Commission in February 2025.
- Convert all applicable paper versions of the forms into electronic forms in BSP. This item will be implemented in the next version of the BSP.

Evaluate options for ensuring BOSS and CAMP are integrated so the agency can check compliance history in risk assessments.

Enhancements to the integration of the BOSS and the Compliance Activity Monitoring Process (CAMP) applications will be one of the goals of CBOD application updates accomplished during FY 2026 and FY 2027 as part of Exceptional Item 1.

The CBOD has worked with IT to integrate the compliance history from CAMP into BOSS and this integration has been implemented and used in the CBOD's FY 2025 Annual Risk Assessment for audits. Additionally, the compliance history in CAMP has recently been integrated to the quarterly Risk Analysis for Financial Desk Review within BOSS.

Proposed amendments to Rule 402.703 (b)(2) add the compliance history to the required risk factors for audit. The amendment of this rule will be considered for adoption by the Commission in February 2025.

## Plan Timeline

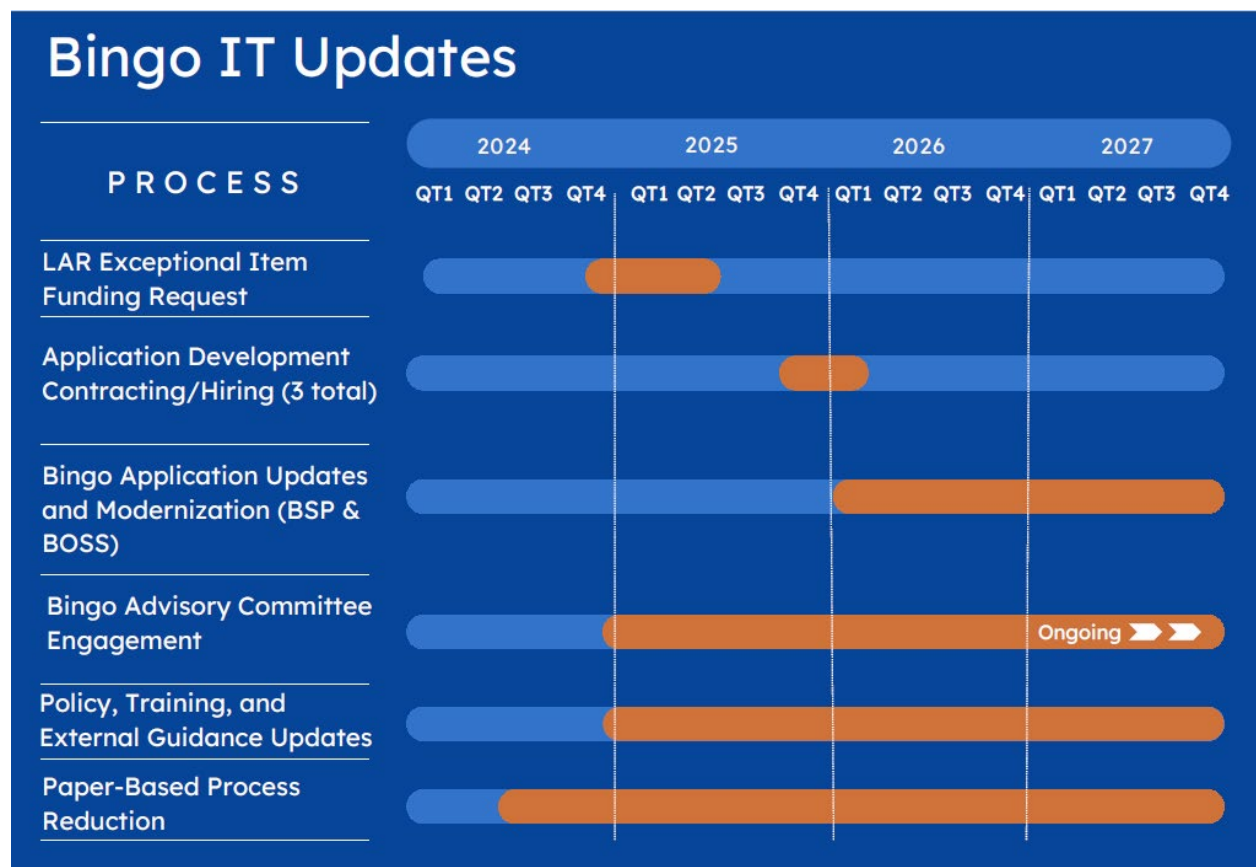
The timeline chart below reflects fiscal year quarters. Orange sections of chart indicate timeline activity for each process.

QT1 is September through November

QT2 is December through Feb

QT3 is March through May

QT4 is June through August



Note: The above plan timeline is based on the assumption that the FY 2026-2027 exceptional items are funded. If the exception items are not funded, the plan timeline will be adjusted and extended accordingly.