

## MINUTES

### ARKANSAS LOTTERY COMMISSION LEGISLATIVE OVERSIGHT COMMITTEE

Wednesday, June 5, 2013

**The Arkansas Lottery Commission Legislative Oversight Committee met Wednesday, June 5, 2013, at 1:30 p.m., in Room B of the Multi-Agency Complex, Little Rock, Arkansas.**

**Lottery Commission Legislative Oversight Committee Members Attending:** Senators Robert Thompson, Chair; Jonathan Dismang, Stephanie Flowers, Johnny Key and Jason Rapert. Representatives Mark Perry, Chair; Joe Farrer, Joe Jett, Matthew Shepherd, and John Vines.

**Other Legislators Attending:** Senator Linda Chesterfield and Representatives Jim Dotson, David Fielding, Jeremy Gillam, Kim Hammer, Justin Harris, Fred Love, Walls McCrary, Betty Overbey, Mary Slinkard, Wes Wagner, and Marshall Wright.

Representative Mark Perry called the meeting to order.

**CONSIDERATION TO APPROVE DECEMBER 18, 2012, MEETING MINUTES [EXHIBIT B]**  
**Senator Rapert made a motion to approve the minutes from December 18, 2012. Representative Vines seconded the motion, and without objection, the minutes were approved.**

**UPDATE ON ACADEMIC CHALLENGE SCHOLARSHIPS [HANDOUTS 1 & 2]**  
**Mr. Shane Broadway, Interim Director, Arkansas Department of Higher Education (ADHE),** said Saturday, June 1, 2013, was the deadline to apply for this year's Academic Challenge Scholarship (ACS).

Mr. Broadway referred to Handouts 1 and 2 and said the documents provide comparative details of scholarship applications and awards by county. ADHE will report the information by legislative district in a few weeks. Mr. Broadway explained, as of this morning:

- ADHE received 18,725 complete scholarship applications.
- 1,201 awardees have accepted scholarships.
- 32 awardees declined scholarships.
- 200 applicants are eligible, awaiting notification from ADHE.
- 58 awardees placed scholarships on hold.
- 319 applicants are ineligible.
- ADHE is waiting for 1,500 more awardees to accept scholarships.
- 4,500 people began, but never completed the application process.

Mr. Broadway noted high school counselors are helping students apply for more scholarships during regular class periods. He encouraged legislators to notify constituents and awardees from their districts the importance of officially accepting awarded scholarships and reporting accurate school and contact information to ADHE.

Of this year's applications, 11,931 came from non-traditional students. There is a \$12 million cap on non-traditional scholarship awards for 2014-15. ADHE will wait until October (to include Summer II semester) for non-traditional students, currently receiving scholarships to report grades before awarding more non-traditional student scholarships.

In an effort to notify more Arkansas high school students about ACS, ADHE sent a letter (via bulk mail) to every high school graduating senior. There were deadline issues with the printer's production timing, so some letters did not arrive until after June 1, 2013 – the deadline for application. The printer admitted

fault and will reimburse the \$14,000 ADHE spent on the project. ADHE will work to accommodate interested students who received the information after the deadline.

Senator Chesterfield expressed a need to identify the 4,500 people who began, but never completed the ACS application. Mr. Broadway said this figure usually runs around 4,500 people and ADHE intends to analyze data to identify them. He noted many of these people realize they are ineligible for the scholarship, join the military, decide not to attend school, etc. Senator Chesterfield expressed concerns with the high number; and wants to ensure high school counselors are working year round to help students apply for the scholarship. Senator Flowers suggested ADHE share information via press release, notifying awardees to accept scholarships.

#### **LOTTERY DIRECTOR'S REPORT**

#### **[EXHIBIT E & ATTACHMENT 1]**

**Mr. Bishop Woosley, Director, Arkansas Lottery Commission (ALC)**, presented a Powerpoint reflecting the state of the lottery through April 2013 (ATTACHMENT 1), and explained:

- ALC projected instant-ticket revenue for April 2013 would be \$31.7 million; actual sales were a little higher at \$32.3 million.
- Online ticket sales fell a little short of the budgeted \$7.2 million with actual sales of \$5.8 million.
- Comparing ALC's total sales for April 2012 and 2013, this year's sales are about \$5.2 million less than last year.
- Total lottery revenue for 2013 is down about \$5.2 million from this time last year.
- Total lottery sales in 2012 were about \$97.5 million.

Mr. Woosley explained large Powerball and Mega Millions jackpots encourage tremendous sales spikes. Powerball has done well this year, but so far, Mega Millions' jackpots are very low.

When comparing FY2014 and FY2013 budgets, 2014's projected net proceeds are \$89.5 million. Mr. Woosley said, the figure is conservative and accurately reflects last year's trends. ALC plans to bring back a raffle game in hopes of increasing overall sales.

Mr. Woosley said ALC operates with thirteen fewer employees than statute allows. The Commission is an independent agency, and usually follows the state's example when awarding merit raises and cost of living allowances.

In response to a question by Representative Perry, Mr. Woosley said since he became director in February 2012, the ALC has not explored implementing or expanding monitor gaming; but he will share the idea with the Commission.

With no further business, the meeting adjourned at 2:42 p.m.