

DRAFT MINUTES

ARKANSAS LOTTERY COMMISSION LEGISLATIVE OVERSIGHT COMMITTEE

Wednesday, October 16, 2013

The Arkansas Lottery Commission Legislative Oversight Committee met Wednesday, October 16, 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; Stephanie Flowers, Jimmy Hickey, and Missy Irvin. Representatives Mark Perry, Chair; Joe Farrer, Joe Jett, and John Vines.

Other Legislators Attending: Senator Michael Lamoureux. Representatives Jeremy Gillam, Kim Hammer, David Hillman, Andrea Lea, Walls McCrary, Mary Slinkard, Nate Steel, and Marshall Wright.

Senator Robert Thompson called the meeting to order.

CONSIDERATION TO APPROVE JUNE 5, 2013, MEETING MINUTES [EXHIBIT B]
Representative Perry made a motion to approve the minutes from June 5, 2013. Senator Hickey seconded the motion, and without objection, the minutes were approved.

LOTTERY DIRECTOR'S REPORT [EXHIBIT C]

Bishop Woosley, Director, Arkansas Scholarship Lottery (ASL), presented a Powerpoint and explained, ASL is in the fourth month of its fiscal year. Comparative statements show current revenues exceeded the same month last year by around \$2 million; net proceeds decreased slightly; total lottery sales are up about \$1 million; and unclaimed prizes total more than \$600,000. Instant ticket sales have decreased slightly and online ticket sales have increased. He noted two recent Powerball jackpots exceeding \$3 and \$4 hundred million dollars created a large jump in sales. Mr. Woosley said the current ASL raffle game ends January 3; and they expect those sales will increase.

ASL's fourth anniversary was September 28. Since its beginning, ASL has sold more than \$1.8 billion in lottery tickets, awarded more than \$1.1 billion in prizes; paid retailers commissions and bonuses totaling more than \$103 million; and awarded \$383 million in scholarships.

Mr. Woosley said ASL recently discovered internal theft. The offender plead guilty and was indicted on two charges. Sentencing is November 7, 2013.

Senator Thompson recognized Arkansas Lottery Commissioners Mark Scott, Smokey Campbell, Ben Pickard, Raymond Frazier, and Chairman George Hammond; and thanked them for attending the meeting.

ACADEMIC CHALLENGE SCHOLARSHIP REPORT

Shane Broadway, Director, Arkansas Department of Higher Education (ADHE), referred to Exhibits C1 and C2; and asked the committee to review both documents. He explained, Exhibit C1 reports annual expenses for administering the Academic Challenge Scholarship Program (ACS). ADHE receives a portion of ASL proceeds to employ staff and network the system. Since ACS's first year, ADHE has reduced administrative costs every year, this year by nearly \$52,000; and he expects the expense to continue declining. Recently, Arkansas invested in data-sharing technology that allows students to apply for scholarships online. He noted, Arkansas is the first state to implement an online application system.

Senator Flowers made a motion to review the ADHE expenses for Fiscal Year 2013. Representative Perry seconded the motion. Without further discussion, the motion passed.

Mr. Broadway presented Exhibit C2, reporting the status of current academic challenge students. He noted the report is preliminary information, explaining the federal government's recent shutdown delayed processing the information. The report indicates accurate projections with 37,500 students awarded, \$50 million from lottery proceeds. He expects ADHE will easily meet recent legislative changes regarding lining expenses with income in terms of scholarships, and expects ADHE's portion of lottery proceeds to be around \$110 million this year. He explained, the new software allows various ways to manipulate data, making it easier to create specified reports for legislators.

Senator Flowers made a motion to review the ADHE Preliminary Student Status Report. Representative Perry seconded the motion. Without further discussion the motion passed.

With no further business, the Committee adjourned at 2:47 PM.