

**DRAFT MINUTES**  
**ARKANSAS LOTTERY COMMISSION**  
**LEGISLATIVE OVERSIGHT COMMITTEE**

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December 10, 2013

**The Arkansas Lottery Commission Legislative Oversight Committee met Tuesday, December 10, 2013, at 1:30 p.m., in Room B of the Multi-Agency Complex, Little Rock, Arkansas.**

**Committee Members Attending:** Senators Stephanie Flowers, Jimmy Hickey, Missy Irvin, and Johnny Key. Representatives Mark Perry, Chair; Ann Clemmer, Joe Farrer, Kim Hammer, Joe Jett, Kelley Linck, Matthew Shepherd, John Vines, Joe Jett, and John Vines.

**Other Legislators Attending:** Senators Jonathan Dismang and Michael Lamoureux. Representatives David Branscum, David Fielding, David Hillman, Monte Hodges, Stephanie Malone, Frederick Smith, Butch Wilkins, and Marshall Wright.

Representative Mark Perry called the meeting to order.

**SCHOLARSHIP UPDATE**

**[HANDOUTS 1 & 2]**

**Shane Broadway, Director, Arkansas Department of Higher Education**, referred to Handout 1, ADHE's Annual Report, and said the report includes FY2013 data; and compares scholarship awards and applications by county, gender, race, grade point average, ACT score, and Smart Core completion. Since the 2010, the percentage of students awarded scholarships compared to dropouts remains about the same.

Mr. Broadway explained, Handout 2, is a summary of information previously requested from the committee. It denotes details such as:

- 2011's remediated student and first-year retention rates
- Compares Arkansas's general student population with those on academic scholarships and retention rates
- Compares the number of students awarded with the number of lottery tickets sold in each county
- Compares percentage of overall awards with county populations and lottery ticket sales
- Reports award information by high school, number of applicants, and number awarded

The Academic Challenge Scholarship will help fund college expenses for 34,642 students this Fall. This is the fourth year the program is in place; to date, the fund has paid more than \$58,828,000 to Arkansas students.

**LOTTERY UPDATE**

**[EXHIBIT C]**

**Bishop Woosley, Director, Arkansas Scholarship Lottery**, provided comparative income statements for October 2013 and October 2012. He explained, this year's sales are down from last year, and about \$5 million lower than projected; but income was still a little higher. To date, this year's net proceeds are about \$286,000 lower than last year. Instant ticket sales are down about \$6.2 million; and most sales are from online tickets. He expects the upcoming raffle to increase ticket sales.

Since the Arkansas Scholarship Lottery began September 28, 2009, it has:

- sold more than \$1.5 billion in instant ticket sales
- sold more than \$317 million in online tickets
- paid \$1.25 billion in prizes
- paid more than \$107 million in commission to retailers
- awarded \$390 million in proceeds to Arkansas students
- accumulated an unclaimed prize balance of \$167 million

**PRESENTATION ON LOTTERY VENDOR ROLES AND OPERATIONS [ATTACHMENT 1]  
Byron Boothe, Jr., Vice President for Government Relations, INTRALOT; Pat Traub, Vice President, Scientific Games; and Steve Beck**

Mr. Beck presented a Powerpoint and explained, INTRALOT, has a presence in 65 countries and employs more than 5,500 people worldwide. INTRALOT, USA started January 2002 and administers gaming options in more than ten states. They operate primary data centers with three backup centers and use satellite communications for transferring data to ensure lottery games in these states run efficiently and are never interrupted. The company recommends implementing monitor gaming to increase lottery ticket sales in Arkansas.

With no further business, the Committee adjourned at 3:51 p.m.