

MINUTES OF THE HOUSE COMMITTEE ON FEDERAL AND STATE AFFAIRS.

The meeting was called to order by Chairperson Bill Mason at 1:30 p.m. on February 19, 2003 in Room 313-S of the Capitol.

All members were present except: Representative John Edmonds
Representative Joann Freeborn
Representative Arlen Siegfried

Committee staff present: Russell Mills, Legislative Research Department
Mary Torrence, Office of Revisor of Statutes
Rose Marie Glatt, Committee Secretary

Conferees appearing before the committee: Ed Van Petten, Executive Director, Kansas Lottery

Others attending: See Attached

Staff distributed information reflecting data accounting for all dollars related to the Kansas Lottery (Attachment 1). Figures were given for receipts/offsets and transfers categories. Since 1988, when Lottery/Parimutuel began, a total of \$692,897,062 million dollars has come to the state's general fund.

Ed Van Petten, Executive Director, Kansas Lottery briefed the committee on the operation of the Kansas Lottery (Attachment 2). Based on the performance lottery to date, he anticipates that this fiscal year they will have the largest sales in the history of the Lottery as well as the largest transfers to the state.

He explained that SB 230 has been introduced in the Senate that would provide that the Lottery could simply transfer those sums of money not needed for the monthly operation of the Kansas Lottery. Governor Sebelius supports the statutory language in the bill. An amount of approximately \$4.5 million would be maintained to insure that the lottery remains able to pay operating costs in a timely manner.

All lottery terminals statewide are operated on a new satellite and radio communications network. There are the normal start up issues involved, but the installation was very successful with minimal problems. The Lottery expects to save about \$1.5 million each fiscal year, starting with FY 2004.

Discussion followed regarding line items in the Lottery Budget, Gambling Grant Fund and Kansas Coalition Problem Gambling and the use of Economic Development Initiative Fund.

The meeting adjourned at 2:16 p.m. with the next meeting scheduled for February 20, at 1:30 p.m, in room 313-S.

CONTINUATION SHEET