

MINUTES  
ARKANSAS LOTTERY COMMISSION  
Wednesday, July 7, 2010  
8:30 a.m.  
ALC Conference Room  
Third Floor  
124 West Capitol Avenue  
Little Rock, Arkansas

The meeting was called to order by ALC Chair Dianne Lamberth. Commissioners Pickard, Campbell, Hammons, Malone, and White were present in person. Attending by teleconference were Commissioners Smith, Shipp, and Ward-Jones. Director Ernie Passailaigue represented the staff, along with David Barden, Ernestine Middleton, Julie Baldrige, Bishop Woosley, Lance Huey, and Patricia Vick. Internal Auditor Michael Hyde and Auditor Whitney Hall also were present.

The minutes from the June 2, 2010, meeting were reviewed and unanimously approved.

Commissioner Lamberth recognized Commissioner Pickard, chair of the Higher Education Committee. Commissioner Pickard introduced Tara Smith and Dr. Jim Purcell of the Arkansas Department of Higher Education, who presented an informational program on the current status of the Lottery Scholarship program (Arkansas Academic Challenge Scholarships). Dr. Purcell stated that the lottery funding was making a difference. They reported 53,500 applications and went into detail about traditional and nontraditional students as well as current achievers, the number of college hours students must take and the grade point average that must be maintained in order to retain the scholarships, and other important information. The Commissioners asked for information about race, gender, and regional numbers; how students can apply if they do not have access to a computer; when students will be notified; whether there will be a breakdown by institution, county, and the like. Commissioners were told that there would be a full report in October.

Director Passailaigue then presented his report. The Lottery has raised \$29 million over the projected amount of anticipated gross revenue and has delivered almost \$83 million for scholarships during its first nine months. He discussed the financial specifics of different lottery products, unclaimed prizes, and the Ticket Vending Machines. He reported that talks are underway on a Southern Regional Lottery Game. He described the Raffle game to begin selling 500,000 \$10 tickets on July 14. Commissioner Smith inquired about sales projections and Director Passailaigue said he is comfortable with what has been projected for FY2011. Commissioner Malone asked for a presentation from the ASL Marketing team at a future meeting.

Commissioner Lamberth then recognized Commissioner Hammons, Chair of the Personnel Committee, for a report. He recommended approval of the ASL Employee Manual as amended, and moved to do so, seconded by Commissioner Ward-Jones and approved unanimously.

Commissioner Smith was recognized as Chair of the Legal Committee to give a report. He said the Committee met on June 24, elected him Chair, and discussed the TVMs

rules, specifications, and placement. A discussion was held regarding the types of businesses that the TVMs would be placed in, including airports, box stores, and larger stores that did not fit the traditional model of selling lottery tickets through check-out lines such as in most of the small businesses and convenience stores in Arkansas. He noted the changes to the Operational Rules and recommended approval, by motion made and seconded by Commissioner Ward-Jones and unanimously approved. The proposed amendments to the Operational Rules will be published to provide a period of public comment and forwarded to the Legislative Oversight Committee.

Internal Auditor Michael Hyde reported that 13 audits have been completed and thanked the officials at the Bank of the Ozarks and Chief Fiscal Officer Philip Miley for their help. He will be doing end of game audits on closed out games and said there are eight audits in progress.

Commissioner Pickard announced that the Higher Education Committee would meet immediately after adjournment. Commissioner White announced that the Retail Committee would meet immediately after adjournment. It was announced that the next meeting of the Legislative Oversight Committee was set for August 26 at 10 a.m.

Commissioner Lamberth set the next ALC meeting for August 19 at 1 p.m. There being no further business, the meeting was adjourned.