

Approved: 1-28-97  
Date

MINUTES OF THE SENATE COMMITTEE ON FEDERAL AND STATE AFFAIRS.

The Senate Committee on Federal and State Affairs met at 11:20 a.m. on January 21, 1997, in the training room at the Kansas Lottery, 128 N. Kansas, Topeka, for an overview of Lottery operations and a tour of Lottery facilities.

All members were present.

Committee staff present: Mary Galligan, Legislative Research Department  
Midge Donohue, Committee Secretary

Others attending: Mr. Greg Ziemak and Lottery senior staff  
Mr. Jack Hasen, Intern, Senator Blecker's Office

Introductions were made of members and staff of the Senate Federal and State Affairs Committee, and Mr. Ziemak, Executive Director of the Kansas Lottery, introduced senior management staff of that agency. He made a short presentation on Lottery operations, providing an information packet for those present, and had each member of his senior management staff give a brief overview of their particular role in the agency.

Senator Gooch inquired of Mr. Ziemak if provisions were in place for counseling and/or treatment of individuals addicted to gambling, and Mr. Ziemak replied that no state funds had been earmarked by the legislature for that specific purpose.

Senator Becker asked if terminals were put out for bid, and Mr. Ziemak advised bids were open to the public; however, G Tech was the only company to submit a bid. Senator Oleen mentioned that the sunset law, in years past, has impacted, to some extent, the number of bids submitted.

In response to a question from Senator Gooch concerning how retailers were determined, Mr. Ziemak replied that decision was made by Lottery staff upon recommendation of the agency's sales representatives who recruited retailers, after which the retailer submitted an application and was subjected to a thorough background security check. Senator Gooch expressed concern that small businesses might not have an opportunity to be retailers, and Mr. Ziemak will have his staff provide Mr. Gooch with a list of retailers in Sedgwick County.

Senator Becker asked Mr. Ziemak if he felt the Kansas Lottery was being held back from reaching its sales potential by legislative action. Mr. Ziemak stated that one area that would be beneficial to the State of Kansas would be for the Lottery to increase the sale of pull tabs. Senator Oleen explained that legislation concerning this issue passed out of committee without dissent last session but did not receive support on the floor of the Senate. Mr. Ziemak said he realizes this is a sensitive area and, overall, feels the Legislature has been very cooperative in the past.

Senator Jones inquired about affirmative action provisions in current law relating to a certain percentage of minority vendors/retailers. Mr. Anderson, counsel for the Lottery, replied the statute applied only to vendors, not retailers.

Senator Oleen explained that the financial compliance audit of the Kansas Lottery is on the Federal and State Affairs Committee agenda tomorrow for discussion and will provide members of the committee an opportunity for additional questions on Lottery operations.

Following a tour of Lottery facilities, members of the committee toured G TECH, the vendor for on-line terminals for the Lottery. Mr. David Douglas, Director of Site Operations for G TECH, conducted the tour which concluded at 1:35 p.m.

The next meeting is scheduled for Wednesday, January 22, 1997.