

MINUTES OF THE HOUSE FED & STATE COMMITTEE

The meeting was called to order by Chairperson Representative Doug Mays at 1:30 p.m. on January 17, 2001 in Room 313-S of the Capitol.

All members were present.

Committee staff present: Theresa Kiernan, Revisor of Statues
Russell Mills, Legislative Research Department
Shelia Pearman, Committee Secretary

Conferees appearing before the committee: Russell Mills, Legislative Research Analyst
Ed Van Petten, Kansas Lottery's Executive Director

Others attending: See attached list

Bill introductions: Without objection bill was introduced as requested by Representative Dale Swenson introduced bill dealing with Search and Rescue dogs. [HB 2067]

Russell Mills, Legislative Research Analyst, informed the Committee that research discovered K-12 education has received \$80,000 of Economic Development Initiatives Funds (EDIF) appropriation to "Agriculture in the Classroom," an agricultural awareness program encompassing brochures to increase agricultural awareness and a booth at State Fair as well as the Challenger Learning Center in Wellington (similar to the Cosmosphere). Legislative Research has stack of press clippings available for review.

Mr. Van Petten announced he became Deputy Director on May 15, 2000 with no promises of promotion made at that appointment. He became Executive Director on October 2, 2000 after Mr. Ziemack departed on October 1, 2000. Previously employed by the Kansas Bureau of Investigation (KBI) as General Counsel from Fall 1985 - 1997. Chairman Mays disclosed that Mr. Van Petten worked at the Security Commission while Chairman Mays was also employed there.

Chairman Mays opened hearings on HB 2038. Representative Rehorn reminded committee of gag order issued regarding pre-trial publicity by Judge Thomas Conklin. Chairman Mays read gag order issued regarding the State v. Knowlton (Case No. 00-CR-2621) and Article 2, Section 22 of the Kansas Constitution. Mr. Van Petten was comfortable proceeding as he did in the Senate committee discussing operational issues with his limitation of details regarding specific details of the criminal complaint because only the legislators are exempted from the order.

Approximately one year ago, the Lieutenant Governor and Attorney General received an anonymous letter with allegations regarding primarily personnel issues. The Governor's office issued investigation as discussed in detail on page 1 of written testimony (Attachment 1).

Issues including 1999 State Fair drawing, cash discrepancies at the State Fair, computer security, inappropriate materials on Lottery computers, compliance with Ethics Commission rules regarding holiday receptions were also discussed in great detail (Attachment #1 pp. 2-9)

Discussion of Agency's deficit operation and use of funds regarding advertising and Problem Gambling Grant Fund. Flowchart and county by county breakdown of projects funded from Lottery proceeds are found on Attachment #1 pp 16, 18-35.

Fiscal note (Attachment #2) on **HB 2038** was distributed to committee.

Adjourned at 2:55. The next schedule meeting is January 18, 2001.