Approved: 4-26-86

MINUTES OF THE SENATE COMMITTEE ON FEDERAL AND STATE AFFAIRS.

The meeting was called to order by Senator Lana Oleen at 11:05 a.m. on March 4, 1996 in Room 254-E of the Capitol.

Members present were: Senator Oleen, Chair

Senator Tillotson, Vice Chair

Senator Jones, Ranking Minority Member

Senator Gooch Senator Hensley Senator Jordan Senator Papay Senator Praeger Senator Ramirez Senator Walker

Members not present:

Senator Vidricksen - excused

Committee staff present: Mary Galligan, Legislative Research

Mary Torrence, Revisor

Nancy Wolff, Committee Secretary

Others attending: See attached list

Mary Torrence presented an overview of **SB711**, the Kansas act for treatment of problem gamblers and their families.

Senator Tillotson testified in support of the bill (Attachment 1 and Attachment 2). The next proponent for the legislation was Elizabeth C. (Betty) Penick, PhD. of the KU Medical Center (Attachment 3). Gene Johnson representing the Kansas Community Alcohol Safety Action Project Coordinators Association, presented testimony in support of the concepts contained in **SB711** for those persons who suffer patterns of problem gambling behavior (Attachment 4). Also testifying in support of **SB711** were Dave Schneider, President of Kansans For Life At Its Best (Attachment 5) and Canda Byrne, MSN, ARNP, CS, on behalf of the Kansas Alcoholism and Drug Addiction Counselors Association (Attachment 6).

Glenn O. Thompson, Stand Up For Kansas, submitted written testimony in support of the bill (Attachment 7).

Senator Oleen distributed the Fiscal Note on the bill which estimated the costs for the bill to be between \$500,000 to \$700,000 per year (<u>Attachment 8</u>).

There were no conferees in opposition to the bill.

There being no other business, the meeting was adjourned at 12:00 p.m.

FEDERAL & STATE AFFAIRS COMMITTEE GUEST LIST

DATE: 3-04-96

NAME	REPRESENTING
Rick Fleming	Governor's Office
Dave Young	It. Gaus Office
DAVID B. SCHLOSSER	PETE Mc GIM & Lesoe.
Dave Schneider	Kunsaus For Life At Its Best
Holsen J.	Les Coelition for Caring ging
Hene Johnson	KS. A. S.A. PLASSM.
Kon Miller	SIPS (AD) 45
Machille Geteroon.	Leterson Tublic Affairs Grow
Flingbeth Clenick	PRIVATE CITAR
CANDA Byrne	KADACA & Ks. Allemen for A/D Sens.
Hal Prany Mettner	Adjutant General
GENE KRASE	DIN OF EMERGENCY MGT, ADIT GOLDDT
Chuck Bredahl	Adjutant General's Dept
Jago Markham	St. Frances Hospilal-CDTS
Dona Dolin	St. Francis Hosp. CDTS
Mary Shuieres	K00T
There wright	Eaglie





COMMITTEE ASSIGNMENTS CHAIR: JOINT COMMITTEE ON CHILDREN &

VICE-CHAIR: FEDERAL & STATE AFFAIRS MEMBER: AGRICULTURE

ENERGY & NATURAL RESOURCES LOCAL GOVERNMENT

LEGISLATIVE HOTLINE 1-800-432-3924

SENATE CHAMBER

SENATE FEDERAL AND STATE AFFAIRS COMMITTEE PRESENTED BY SENATOR CAROLYN TILLOTSON RE: SB 711 MARCH 4, 1996

"While it's true, as gambling proponents say, that only a small percentage of the population are problem gamblers--ranging from about 1.5 to 6.5 percent of the adult population, depending upon the particular state, the costs to the rest of society of even small percentages of problem gamblers can be extremely high. Moreover, with the increasing availability of gambling, these percentages are rising."

The above quotation is from a book by Robert Goodman, called "The Luck Business, the Devastating Consequences and Broken Promises of America's Gambling Explosion."

As we who served on the interim joint committee on gaming learned, only a small percentage of the population are compulsive, pathological or problem gamblers. But as we make gambling more available and conveniently located, these persons are more apt to surface.

Some may argue that unless we increase gambling opportunities in Kansas, we do not need to deal with problem gamblers and their families. But information from a national gamblers' hotline operated by the New Jersey Council on Compulsive Gambling indicated they received these calls:

			1995
Area Code	1993	1994	(January-November)
913 (Northern Kansas)	22	58	400
316 (Southern Kansas)	11	55	87
816 (Northern Missouri)	18	55	874
lowa (Total)	71	66	101
		Senate	Federaland State
	,	3/4/90	6
D DRIVE KANSAS 66048		altach	STATE OFFICE KANSAS CAPITOL, ROOM 136-N TOPEKA, KANSAS 66612-1504 (913) 296-7372 [JANAPRIL]

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Page 2, SB 711 March 4, 1996

Both proponents and opponents of expanding gambling in Kansas agree that expansion is the issue. We have gambling already, in the form of lottery, bingo and parimutuel. That is why I believe we need to act now, to assess the situation and learn how to assist problem gamblers and their families.

I have referred to the joint interim committee on gaming which met last fall. After hearing a lot of testimony, pro and con, about gambling in other states the committee unanimously agreed that problem gamblers exist and that Kansas should deal with them.

I quote from the report of the gaming committee: "The state, whether it does or does not expand gaming, should pass laws setting aside revenue from gaming proceeds to establish an agency dealing with pathological gambling."

Frankly that committee went on to propose we adopt lowa's law as a model. We considered that approach, but decided that we would take it more slowly, first establishing if there is a need, then determining how to deal with the need.

The interim committee on gaming also received testimony from Dr. Earl Grinols, department of economics, University of Illinois. Dr. Grinols researched the impact of gambling in Illinois. He came to the conclusion that casinos rely on problem gamblers for more than half of their revenue.

In an article from "Family Circle" magazine, February 1, 1996, Durand Jacobs, clinical professor of psychiatry at Loma Linda University Medical School in California, is quoted regarding his studies of teen gamblers. "One million juveniles in this country have serious gambling-related problems," he said.

Another sociologist, Ronald Pavalko, director of the Center for Gambling Studies at the University of Wisconsin said in the same "Family Circle" article, that many older adults, (seniors) develop serious gambling problems. They have the time, the money, are often lonely and seeking excitement or escape from loneliness.

1-2

Page 3, SB 711 March 4, 1996

Unfortunately the seniors are extremely vulnerable. If they lose their life savings, they don't get another chance.

There is very little help available currently in Kansas for the problem gambler. One Gamblers Anonymous chapter in Wichita and four Gamblers Anonymous chapters in the Kansas City area.

AMITTEE FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

1. The Legislature, in order to make a reasoned decision on gaming issues, must define and develop clearly the goals it seeks in proposed law changes. Some reasons to support expanded gaming in Kansas, and countervailing arguments against, that have been advanced in the Committee's hearings are:

Reasons to Support	Countervailing Argument	
To assist the existing parimutuel industry, thereby preserving jobs and benefiting the Kansas economy.	The existing Kansas parimutuel industry cannot be saved with slot machines alone because Missouri already has casino gaming. Even if the parimutuel industry could be saved, it does not deserve special treatment above and beyond that of any other legitimate business.	
To derive additional tax dollars for the State of Kansas to benefit education, enhance general revenue, or to go into a savings account for future needs.	Serious social costs will be incurred due to pathological gambling that could outweigh the revenue gains made.	
To assist the dog and horse breeding and racing industries in Kansas.	If you try to save the existing Kansas parimutuel industry by legalizing slot machines or other gaming, you endanger other Kansas businesses such restaurants, bowling alleys, bars, and so forth, from which consumers' discretionary spending dollars will be drained.	
To promote tourism.	Experiences of some states indicate that gaming is an unstable method of raising revenue and promoting tourism.	

- II. The issue is not whether to have gaming, but rather whether to expand it. Kansas already has legalized gaming by way of bingo, Kansas Lottery games, and Indian gaming. Kansas also has substantial illegal gaming by way of illegal video poker, blackjack and slot machines which exist in bars, private clubs, drinking establishments and fraternal clubs throughout the state. Although the state has adequate laws against such devices, they continue to flourish because of spotty and weak law enforcement efforts to eradicate them. Where establishment owners and operators and players are not prosecuted, there is little deterrent to such behavior.
- III. Problem and pathological gambling exist in Kansas and will increase if gaming is expanded. A small but persistent and predictable percentage of gamblers will become "addicted" and be unable to control their gambling patterns and habits, thereby incurring social costs to the state. The state, whether it does or does not expand gaming, should pass laws setting aside revenue from gaming proceeds to establish an agency dealing with pathological gambling. The Committee recommends the setup of the State of Iowa as a model to be followed in dealing with this problem.
- IV. Gaming should be expected to impact only the local population base and it would be naive to expect that Kansas can attract significant out-of-state revenue with expanded gaming. For a Kansas-

3/4/96 1995 Interim Pro. No. 36

Comments Before the Committee on Federal and State Affairs State Capital Building, Room 254 East

Topeka, Kansas March 4, 1996

by

Elizabeth C. Penick, Ph.D. regarding
Senate Bill No. 711

I am very pleased to appear before this Committee in support of Senate Bill No. 711 that would establish treatment for problem gamblers and their families. My name is Elizabeth C. Penick, Ph.D. I am a professor in the Department of Psychiatry at the University of Kansas Medical Center in Kansas City. I am also Director of the Division of Psychology at KUMC. I am a licensed clinical psychologist. I am also a Fellow of the American Psychological Association and a member of the Board of Governors for the Kansas Psychological Association.

For the last 25 years, I have focused my research and clinical efforts on alcohol and drug abuse. I have also been administratively responsible for alcohol/drug treatment programs. I am speaking as a private citizen who participated in the early development of treatment programs for individuals dependent upon alcohol and other drugs that were once considered innovative and controversial but are commonplace today.

Along with the enormous increases in commercial gambling has come a growing concern about individuals who destroy their lives and the lives of others because they gamble to excess. This is a problem now. And, is likely to become an even greater problem in the future although it needs to be recognized that the vast majority of people who gamble do not have any problem controlling what they bet.

I especially support Senate Bill No. 711 because it outlines a cautious, thoughtful and go-slow approach to excessive gambling. There is a great deal that is not known about excessive gambling, its prevention and treatment. It would be relatively easy for the State to quickly establish a broad-based treatment program for problem gamblers based upon a treatment model transposed from some other problem behavior area that superficially resembles excessive gambling. But, that effort would certainly be very expensive and might end up being misdirected, touching the lives of only the most severely afflicted compulsive gamblers who are likely to suffer from one or more co-morbid disorders (such as psychoactive substance abuse or antisocial personality) in addition to excessive gambling.

I believe that the State should first determine the nature and scope of the problem. It should then systematically study different methods of treatment and the sites in which they are offered, keeping clearly in mind the relative costs for different outcomes. The adoption of a measured approach to problem gambling guided both by clinical experience and systematic research would, I believe, result in the most effective treatment program possible for those Kansas citizens who gamble to excess.

Federaland State Offairs 3/4/96 Attachment 3

Senate Federal State Affairs Committee

Senate Bill 711 Testimony March 4, 1996

Good Morning Madame Chairperson, and Members of the Committee,

My name is Gene Johnson and I represent the Kansas Community Alcohol Safety Action Project Coordinators Association. We support the concept contained in Senate Bill 711 for those persons who suffer patterns of problem gambling behavior. These problems can also extend past that "gambling person" to the family, close associates or friends, and vocational pursuits.

With advent of the extension of gambling throughout our State, I am sure we will see more individuals who become addicted to chronic gambling behavior.

This legislation is somewhat proactive in nature as it will provide the Task Force to investigate the problems surrounding problem gamblers and their families.

In addition, this legislation will establish a problem gamblers treatment fund for those people who need assistance in "kicking the habit." It is our belief that these addicted individuals can be treated in a similar manner as the treatment for alcoholism or drug addiction. Throughout the State we have many alcohol and drug abuse treatment centers who very well could add to their expertise the treatment of those persons addicted to or suffering from problematic gambling.

Again, we support the concept of Senate Bill 711 and hopefully this committee will move toward its passage during the 1996 session.

Respectfully,

Gene Jøhnson

Legislative Liaison

Kansas Community Alcohol Safety Action Project Coordinators Association

Federal and Slate

Testimony Before the Senate Federal & State Affairs Committee On Senate Bill No. 711 March 4, 1996

Dave Schneider President, Kansans For Life At Its Best

"Ticket to Trouble." Lois Gould. The New York Times, April 23, 1995.

Like many winners, happy or not, Jack has got the lottery habit now. He still buys tickets, just for the old kick. A typical \$1 or \$2 impulse player, he'll spring when the jackpots rise up into the stratosphere, then hold onto the tickets, without checking the numbers for a while. 'That way, you can keep the fantasy going as long as you like.'

Even jaded thrill-seekers describe the adrenaline rush you can get just sitting in the dark, watching a live Lotto drawing on television, hyperventilating as you imagine what you'll do with that unimaginable fortune.

That rush, that fantasy high is a sensation that gambling addicts know all about. Valerie C. Lorenz, director of the nonprofit Compulsive Gambling Center in Baltimore, says 'lottery addiction' is now as full blown a disorder as problem gambling at casinos and race tracks. 'Money,' she says, 'is the substance abused.

Of calls for help to the national (800) GAMBLER hot line maintained by Council on Compulsive Gambling of New Jersey, only one in five mentioned lottery playing in 1988. By 1994, lottery addicts accounted for more than half.

Thanks in large part to the lottery, Lorenz says, hardly anybody still thinks gambling is a vice. In fact, with ads emphasizing the good works that states do with lottery dollars, she says, some people might think of playing as a civic responsibility.... And despite laws that forbid ticket sales to minors, preliminary results of the national center's study indicate that the lottery fantasy -- and the habit -- now starts in ninth grade.

Federal and State Offairs
3/4/96
Attachment 5

Kansas Alcoholism and Drug Addiction Counselors Assoc



For More Information Contact: Canda Byrne, MSN, ARNP, CS Legislative Representative P. O. Box 1732 Topeka, Kansas 66601 (913) 233-0755 March 4, 1996

SB 711: An Act Concerning Problem Gambling

Senator Oleen and members of the Federal and State Affairs Committee, my name is Canda Byrne. I am the Legislative Representative for the Kansas Alcoholism and Drug Addictions Counselors Association (KADACA) and the Kansas Alliance on Alcohol and Other Drug Services, Inc. Kansas Alcoholism and Drug Addictions Counselors Association ia a membership organization that represents over 500 alcoholism and drug addiction counselors around the state of Kansas, their primary task is the certification of addiction counselors. The Kansas Alliance on Alcohol and Other Drug Services, Inc. is representative of groups including the Kansas Multi-Cultural Association on Substance Abuse, the Regional Prevention Centers Directors Association, Mothers Against Drunk Drivers and KADACA.

I am here today as a proponent for SB 711. We wish to support this bill which allows for the treatment of individuals and families for gambling problems. A study done in Iowa in 1995, after they changed the laws allowing less restrictive gambling, showed that 1% of Iowans, or between 10,300 and 30,900, currently are probable "pathological gamblers". This study also showed that 2.3% of Iowans, between 32,900 and 61,700, currently are "problem gamblers". This was a "significant and substantial increase in the prevalence of problem and probable pathological gambling in Iowa since 1989". I have included some of the Information I received from Iowa with my testimony.

We applaud the establishment of funding for the needs and resource assessment and the treatment of these problems. We feel this bill

Senate Federal: State Offairs 3/4/96 Attacliment 6

P.O. BOX 1732 **TOPEKA, KS 66601** (913) 235-2400

is a proactive measure rather than having to go back later and to be reactive as problems are identified.

Since gambling is clearly an addictive disorder, it is advisable that this effort come through SRS and the Alcohol and Drug Services. We support this as a cost saving mechanism and a good use of people already in place. We know that other states who provide treatment programs, also provide these through their alcohol services.

Thank you for allowing me to testify in support of SB 711. I would be glad to stand for questions.

Senate Fed; State
6-2

Iowa Department of Human Services (DHS) Gambling Treatment Program 1-800-BETS OFF Telephone Helpline Calls Prepared August 7, 1995

Number of Calls

G	amblers	Concerned Persons	Information Requests	Unrelated to Gambling Treatment
FY 95	841	290	299	1861
FY 94	97	43	177	-NA-
FY 93	160	83	79	-NA-
FY 92	155	73	126	-NA-
FY 91	108	64	81	-NA-
FY 90	182	141	190	-NA-
FY 89	212	131	114	-NA-
FY 88	203	134	24	-NA-

Sex (of gamblers and concerned persons calling)

72% Male

28% Female

Demographic Data of Fiscal Year 1995 Gamblers

The following are demographic characteristics of the gamblers. It is information provided by the gamblers and concerned persons who called the helpline during Fiscal Year 1995 (July 1, 1994-June 30, 1995). **Note**: Not all callers provided information.

<u>Famil</u>	y Size (828 Reported)	Age (S	960 Reported)
46%	One	23%	18 and under
20%	Two	19%	19-25
21%	Three to Four	38%	26-45
13%	Five+	17%	46-64
		3%	65+

Education (880 Reported)

27% Less Than High School

42% High School Graduate

19% Some College

10% College Graduate

2% Post Graduate Education

Marital Status (964 Reported)

49% Single

38% Married

6% Divorced

5% Widowed

2% Separated

Iowa Department of Human Services Gambling Treatment Program 1-800-BETS OFF Telephone Helpline Calls Prepared August 7, 1995

Occupation (832 Reported)

32% Manager/Professional

26% Laborers

19% Technical/Admin

16% Farm/Ag Related

2% Service

5% Unemployed

Gambling Activity (1521 Reported; Caller may have stated more than one activity)

53% Casino Games

13% Sports Bets

6% Lottery

5% Horse Racing

4% Dog Racing

3% Pull Tabs

2% Bingo

2% Stocks

12% Other (i.e., card games, raffles, pools)

Concerned Person Relationship to Gambler (234 Reported)

7% Husband

27% Wife

16% Child

7% Parent

12% Other Relative

28% Friend

3% Employer/Co-worker

Summary of Call Referrals*

on Other** Counseling contract to	Services under DHS***
95 1098	
40 156	
36 261	
42 102	
18 135	
- NANA-	
-	95 1098 40 156 36 261 42 102 18 135

^{*} Callers may have been referred to more than one service.

^{***1098} includes referrals to the following areas: Council Bluffs-46, Davenport-242, Des Moines-492, Dubuque-68, Mason City-68, Sioux City-68, Waterloo-114



^{**}Includes referrals to hospital emergency rooms and mental health centers.

Iowa Department of Human Services (DHS) Gambling Treatment Program-Agency Services Through Fiscal Year 1995 Prepared August 3, 1995

Clients Receiving Counseling Services from Agencies under Contract to DHS

	Gamblers	Concerned Persons	Total Clients Served
FY 95	412	150	562
FY 94	284	99	383
FY 93	216	66	282
FY 92	238	104	342
FY 91	233	129	362
FY 90	236	115	351
FY 89	202	90	292
FY 88	202	75	277

Counseling Hours Provided by Agencies under Contract to DHS

FY 95	6547	
FY 94	5676	
FY 93	4674	
FY 92	3547	
FY 91	5209	
FY 90	4086	
FY 89	3446	
FY 88	-NA-	

Education and Public Awareness Hours by Agencies under Contract to DHS

		• • • • • • • • • • • • • • • • • • • •
FY 95	2084	
FY 94	642	
FY 93	720	
FY 92	944	
FY 91	4072	
FY 90	2473	
FY 89	2365	
FY 88	-NA-	

65

Citizens for Stable Economic Growth and Quality of Life in Kansas

P.O. Box 780127 • Wichita, KS 67278 • (316) 634-2674

Testimony To Senate Federal and State Affairs Committee

on

Senate Bill No. 711

By
Glenn O. Thompson
Chairman, Stand Up for Kansas
February 28, 1996

Research studies in other states that have legalized non-casino forms of gambling, such as parimutual racing, lottery, pull-tab and keno, indicate that approximately 1.0 to 2.0 percent of the population are problem gamblers. For example, about 1.7 percent of lowans were compulsive gamblers in 1989, prior to legalization of casino riverboats. States that have legalized electronic games of chance and other forms of casino gambling have a much higher percentage of problem gamblers.

Compulsive gamblers bet everything of value until nothing is left. They borrow from family, friends, co-workers and credit unions, eventually writing bad checks until they pass the point of bankruptcy. In desperation, as many as sixty percent turn to crime such as theft, fraud, embezzlement and drugs. Some finally give up by committing suicide.

Kansas needs to follow the example of other states, such as lowa, that have planned and developed a program for treatment of problem gamblers and their families. Funding for this program should be provided by the state lottery operating.

We urge the legislature to pass Senate Bill 711.

Senate Federaland State Office 3/4/96





DIVISION OF THE BUDGET Room 152-E State Capitol Building Topeka, Kansas 66612-1504 (913) 296-2436 FAX (913) 296-0231

Gloria M. Timmer Director

Bill Graves Governor

February 27, 1996

The Honorable Lana Oleen, Chairperson Senate Committee on Federal and State Affairs Statehouse, Room 136-N Topeka, Kansas 66612

Dear Senator Oleen:

Fiscal Note for SB 711 by Senate Committee on Federal and State Affairs SUBJECT:

In accordance with KSA 75-3715a, the following fiscal note concerning SB 711 is respectfully submitted to your committee.

SB 711 would establish the Kansas Act for Treatment of Problem Gamblers and Their Families. The act requires that the Department of Social and Rehabilitation Services (SRS) determine the extent of problem gambling in the state by conducting a needs assessment that would determine the number of problem gamblers in the state, the demographic characteristics of those problem gamblers, and the existence of resources in the state to provide services to problem gamblers and their families. The act provides that a report of the results of the needs assessment be presented to the Governor and the Legislature on or before the first day of the 1997 Session of the Legislature. The report is to be accompanied by a plan for effective and efficient delivery of services to problem gamblers, if a need for those services is identified by SRS.

The act creates a Service Coordination Task Force and an Education and Training Task Force, each consisting of mental health, social service, education, and other professionals. The Service Coordination Task Force would assist SRS in the preparation of the needs assessment, while the Education and Training Task Force would determine what training social service, mental health care and other social service professionals would need in order to provide services to problem Senate Federaland State Offaces
3/4/96
Attachment 8 gamblers and their families. Both of these advisory groups would serve without compensation for subsistence, mileage, or reimbursement of other expenses.

Finally, SB 711 creates Problem Gamblers Treatment Fund. The fund would be used to pay expenses for the implementation and administration of the provisions of the Kansas Act for Treatment of Problem Gamblers and Their Families. SB 711 provides that monies would be transferred to this fund from the State Racing Fund and the Lottery Operating Fund. The amount of those transfers would be determined by the Legislature.

Estimated State Fiscal Impact				
	FY 1995 SGF	FY 1995 All Funds	FY 1996 SGF	FY 1996 All Funds
Revenue				
Expenditure				\$99,505
FTE Pos.			<u></u>	1.0

The Department of Social and Rehabilitation Services indicates that to assume the responsibility for the problem gamblers treatment program it would need to develop a new program component in the agency. The new program would require 2.0 new FTE positions, one position to be added the first year of operation and one in the second. Monies would be necessary to finance initial implementation of the program and for ongoing treatment and education for problem gamblers and their families. The agency indicates that it would use the current provider network and current payment procedures to finance the treatment and education programs, thereby eliminating the need for expenditures to develop those systems. Any expenditures in FY 1997 would be in addition to the amounts included in *The FY 1997 Governor's Budget Report*.

SRS estimates that \$99,505 would be necessary in FY 1997 to conduct the needs assessment required by the bill to hire 1.0 FTE position to act as administrator of the program and to finance the initial training of professionals who would provide services to problem gamblers and their families. Of the total first year cost, \$47,000 would be for the needs assessment, \$42,505 for the salary and other costs associated with establishment of the administration position, and \$10,000 for initial training of professionals. SRS estimates that the needs assessment would be done through a contract with a state university or other provider.

SRS estimates that, if the needs assessment mandated by the act reveals, that a treatment program for problem gamblers is necessary, that additional expenditures would be required to finance the program. The agency estimates that treatment costs could total from \$500,000 to \$700,000 per year. In addition the agency estimates that a second FTE position, to serve as a consultant, would be required at a cost of \$37,503. The Division of the Budget believes that some

The Honorable Lana Oleen, Chairperson February 27, 1996 Page 3

additional staff may be necessary to implement the treatment program, however there is no reliable information available that indicates that treatment costs would equal the amounts estimated by SRS.

Finally, the Division of the Budget notes that *The FY 1997 Governor's Budget Report* maximizes the use of receipts from the Lottery Operating Fund and the Racing Fund. Therefore, use of these monies for the provisions of SB 711 would require adjustments to the receipt and expenditure pattern outlined for those funds in *The FY 1997 Governor's Budget Report*.

Sincerely,

Gloria M. Timmer

Director of the Budget

cc: Don Pound, SRS

711.FN