MINUTES OF THE MEETING OF THE ASSEMBLY COMMITTEE ON ELECTIONS, PROCEDURES, ETHICS, AND CONSTITUTIONAL AMENDMENTS

Seventy-Fourth Session March 15, 2007

The Committee on Procedures, Ethics, Elections, and Constitutional Amendments was called to order by Chair Harry Mortenson at 3:48 p.m., on Thursday, March 15, 2007, in Room 3142 of the Legislative Building, South Carson Street, Carson City, Nevada. The meeting videoconferenced to Room 5100 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. Copies of the minutes, including the Agenda (Exhibit A), the Attendance Roster (Exhibit B), and other substantive exhibits are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at www.leg.state.nv.us/74th/committees/. In addition, copies of the audio record may be purchased through the Legislative Counsel Bureau's Publications Office (email: publications@lcb.state.nv.us; telephone: 775-684-6835).

COMMITTEE MEMBERS PRESENT:

Assemblyman Harry Mortenson, Chair
Assemblywoman Ellen Koivisto, Vice Chair
Assemblyman Chad Christensen
Assemblyman Ty Cobb
Assemblyman Marcus Conklin
Assemblywoman Heidi S. Gansert
Assemblyman Ed Goedhart
Assemblyman Ruben Kihuen
Assemblyman Harvey J. Munford
Assemblyman James Ohrenschall
Assemblyman Tick Segerblom
Assemblyman James Settelmeyer

STAFF MEMBERS PRESENT:

Patrick Guinan, Committee Policy Analyst Terry Horgan, Committee Secretary Trisha Moore, Committee Assistant



OTHERS PRESENT:

Louise Helton, Private Citizen, Las Vegas, Nevada
Terry Hickman, Executive Director, Nevada State Education Association
Bill Gregory, representing Station Casinos
Russell Rowe, representing Boyd Gaming Corporation
Jeremy Aguero, Principal, Applied Analysis, Las Vegas, Nevada
Scott Gunn, Global Operations Regional Vice President, GTECH
Corporation, Sacramento, California
Jeff Geihs, Principal, Cheyenne High School, North Las Vegas, Nevada
Mary Jo Malloy, representing Nevadans for Quality Education (NQE)
Janine Hansen, State President, Nevada Eagle Forum
Lynn Chapman, State Vice President, Nevada Families, Nevada Eagle
Forum

Carole Vilardo, President, Nevada Taxpayers Association

Chair Mortenson:

[Roll taken. The Chair reminded Committee members and the audience about Committee rules and etiquette.]

We have a very limited time today and I do want to hear both sides of the debate on <u>Assembly Joint Resolution 5</u>. I do not know if we will have to extend the hearing on this bill to another day, but I will alternate testimony so if the hearing on <u>A.J.R. 5</u> stretches into another day, all the negative testimony will not be presented on the day we vote. Mr. Guinan, will you introduce the bill?

<u>Assembly Joint Resolution 5:</u> Proposes to amend the Nevada Constitution to authorize the Legislature to provide for a statewide lottery for textbooks, computers and other educational media for classrooms. (BDR C-921)

Patrick Guinan, Committee Policy Analyst:

This resolution proposes to amend the *Nevada Constitution* to allow the Nevada Legislature to provide for the creation of a statewide lottery. Should the Legislature choose to create a state lottery, it must provide, by law, for the manner in which the lottery will be operated to exclude video lottery terminals or other similar machines, and provide for the fair and equitable dispersion of lottery proceeds to the school districts.

In turn, school districts may only use those proceeds to purchase:

(1) Instruction-related equipment, including computers and other multimedia hardware;

- (2) Instructional materials and supplies, including textbooks, software, and other multimedia materials and supplies; and,
- (3) Equipment used primarily for the maintenance or operation of that instruction-related equipment or materials.

Assembly Joint Resolution 5 further requires that any funds generated by a lottery be used to supplement, not to replace, any educational funds that a school district might otherwise be receiving from the State. Similarly, the measure requires that school districts use lottery proceeds to supplement, not replace, any money they would otherwise expend on educational equipment and materials. Finally, A.J.R. 5 prohibits local governments or other political subdivisions of the State from operating a lottery.

In order for this measure to take effect, it must pass both the 2007 and 2009 Sessions of the Nevada Legislature in identical form and then be approved by the voters at the following General Election in 2010. This measure is similar to A.J.R. No. 2 of the 73rd Session, which was sponsored by Speaker Richard Perkins. The only difference between this measure and A.J.R. No. 2 of the 73rd Session is that A.J.R. No. 2 of the 73rd Session added class size reduction to the list of purposes for which school districts would be allowed to expend lottery proceeds. Assembly Joint Resolution No. 2 of the 73rd Session passed through the Assembly but did not pass through the Senate Judiciary Committee.

Chair Mortenson:

I am going to turn the gavel over to Mrs. Koivisto, the Vice Chair of this Committee, so Assemblyman Kihuen and I can say a few words about A.J.R. 5.

Vice Chair Koivisto:

Please proceed.

Assemblyman Harry Mortenson, Assembly District No. 42:

Nevada consistently ranks embarrassingly low compared to the other 50 states where education is concerned. Using information gathered from the National Center for Educational Statistics, in 2006-2007 Nevada ranked 49th in the Morgan-Quitno Smartest State category, a drop of two places from the previous year. This is an important category because it includes 21 factors ranging from school revenue and expenditures; to reading and writing proficiency. Nevada is 46th in fourth-grade reading proficiency; 41st in eighth-grade mathematics proficiency; 38th in eighth-grade science proficiency; and 42nd in median student-to-teacher ratio. We are failing our children and, while a lottery will by no means solve our educational problems, I believe a lottery and the funding that it will provide will be a step in the right direction.

While I have great respect for the opposition, there are many statistics that contradict what we are about to hear from them. We may hear that it is the very poor people who are harmed by lotteries, yet a 1999 Gallup Poll of the United States showed 57 percent of adults had bought lottery tickets in the preceding year and of those, the most likely to have bought tickets were in the \$45,000 to \$75,000 income range. Those with incomes less than \$25,000 were the least likely to buy lottery tickets.

Assemblyman Ruben Kihuen, Assembly District No. 11:

I am here not only representing District 11, but also representing 73 percent of the State's population that supports a lottery in the State of Nevada. A state lottery could potentially bring in \$50 million-plus to our State in additional revenue, which would be used for badly needed textbooks, computers, and classroom materials for our children.

During my campaign, I walked into a classroom in my district and saw books without pages, books that had been tagged, and books that were outdated. How do you expect a child to learn when he cannot read the whole chapter or the whole book? When I was a student at Rancho High School, I remember one of my teachers having to make copies of an actual chapter of a book because we did not have enough books.

Conversing with my colleagues from both the north and the south, I realized this is not just a problem in my district; this is a problem throughout the State. Our children deserve better. They are the future of our State.

I know there are concerns that gaming will lose revenue due to a state lottery, but I believe that, if established correctly, gaming could even make a profit out of this. If we establish a kiosk that sells lottery tickets at a casino, when people go into that casino to buy lottery tickets, they may spend \$2 or \$3 to buy the tickets, but at the same time, they may spend \$10 to \$15 at the buffet or another \$20 gambling. That would be a profit to the casino because it is money the casino would otherwise not have made had they not been selling lottery tickets.

I believe if 73 percent of the people of Nevada support a state lottery, it is our duty to let them decide if we should have one. Remember, with the passage of this proposal, a lottery is not automatically established. Passage would just mean it would go the ballot where people would vote to decide the issue. We are up here representing the people, and if 73 percent of the people support this, we should be listening to them. I urge you all to support this for our children and the great State of Nevada.

Assemblyman Mortenson:

It is extremely important for the Committee to keep in mind that this bill, if it passes both Houses two sessions in succession, does not establish a lottery. It simply allows the public to vote to determine if they want a lottery. Remember, this is all about our children, textbooks, computers, and instruction in the classrooms.

Assemblywoman Gansert:

Is there a reason you allocated money just for textbooks and media versus general funds for education?

Assemblyman Mortenson:

General Fund lottery bills have died. Last session's bill provided for class size reduction and it died in the other House. As a consequence, we wanted to make this as simple as possible. This is for textbooks, computers, and classroom instructional materials for children. I can understand philosophical objections to class size reduction, but not for textbooks and computers.

Assemblyman Segerblom:

Do you have an estimate what this would bring in?

Assemblyman Mortenson:

Mr. Kihuen mentioned \$40 million. I believe that is a very low figure. When you look at the average profit from the 41 states that have lotteries, it is \$84.03 [per resident]. If you multiply that by Nevada's population of 2.5 million, you come up with \$210 million. I do not think Nevada is an average state because we probably have more gamblers here than in the average state. In addition to that we have 35 million visitors. If we could get the casinos to participate and sell tickets, this lottery would blossom.

Assemblyman Segerblom:

Do we have any idea how many Nevadans go across the borders to Arizona, California, and Oregon to purchase tickets?

Assemblyman Kihuen:

I do not have exact figures, but some of the locations that sell the most tickets are those on the border with California and Nevada. The site in Primm Valley makes close to \$9 million a year. That is \$9 million going to California. If we establish something in Nevada, that \$9 million would stay here, and most of that money comes from Nevadans.

Assemblyman Ohrenschall:

Of the other states that do have lotteries, do they restrict them to education funding and do they have higher test scores because of that?

Assemblyman Kihuen:

On average, about 35 percent of the money goes toward education in those states that have a lottery. New Mexico, for example, gave close to \$36 million toward education.

Assemblyman Ohrenschall:

If Nevada were to enact a lottery pursuant to <u>A.J.R. 5</u>, would we be the only state that dedicates all the revenue from the lottery to education?

Assemblyman Mortenson:

I do not believe so.

Assemblyman Settelmeyer:

Is this a statewide lottery or a multi-state?

Assemblyman Mortenson:

We are changing the *Constitution*. This is just a broad policy change. If this bill goes through, then we will start thinking about the details. We do not put the details in the *Constitution*, because we may want to change it.

Assemblyman Settelmeyer:

There could be a large difference in the amount of money it would make, depending on whether it was a multi-state lottery or a regular lottery. That could have a large impact on someone's decision to go forward with this.

Assemblyman Mortenson:

It will be five years from now, and who knows what the vote would be then.

Assemblyman Kihuen:

Five years from now, some of us might not even be here. We will leave it up to the legislators at that time. Right now, we just want to amend the *Constitution* so we are able to have a lottery in the State of Nevada. The details can come later.

Assemblyman Settelmeyer:

Buying textbooks is a very laudable goal, but what percentage of federal funds are currently used for that?

Assemblyman Mortenson:

We have about 350,000 students and if we were to buy each of them one textbook, it would cost about \$50 million.

Assemblyman Kihuen:

There is rapid growth here in Nevada, not just in Clark County, and with growth comes problems and that is one of the problems—making sure we have enough books for the children.

Assemblyman Munford:

We seem to be emphasizing textbooks, which are important, but I have visited a lot of Clark County schools and I taught in the district a long time and I have never seen a shortage of textbooks in my school. When I retired from teaching in 2004-2005, the textbook I was using was from 2002. It was only two years old. There may be a problem with books being current, but within schools every department is allowed two new books a year. The next year, a different department gets two new books.

Even in District 6, my district, I have visited a few of the elementary schools and they all seem to have textbooks. I can see putting money aside for the growing population's need for textbooks. I agree we need computers, but still there are a lot of those around, too. Putting the funds aside so they are available when the need is there is good.

Assemblyman Conklin:

I agree with Mr. Munford. There is a lot of focus on textbooks, but this is drafted in such a way that it goes into the *Constitution* as talking about "instruments of teaching." Those could be textbooks, computers, and all kinds of things like software, instructional materials, and supplies for use by pupils. The technology is changing so fast that, while we may be focused on textbooks at this moment, we have no idea what we are going to have a need or demand for two years from now or four years from now.

We need to be sure the money that comes in from the lottery goes back to the classroom in a form that directly impacts the ability of our children to keep pace with society. If we draw that too tightly, there will be no flexibility and that is not what you want in the *Constitution*. You want a living document that has the ability to grow with our society.

Assemblyman Mortenson:

You are absolutely right. In the future we may not have textbooks, and that is why the wording is very general. By the way, I made a mistake, buying a textbook for every student would cost \$17 million.

Assemblyman Kihuen:

It is not just about having books, it is about having quality, updated books, as well as computers and anything to do with classroom materials.

Assemblyman Segerblom:

In subsection 1(c) the resolution says money raised by the lottery could not be used instead of money the schools would normally get and that this money would have to be in addition. So money the schools would otherwise receive cannot be reduced?

Assemblyman Mortenson:

That is exactly right. This will supplement the classroom budget; it will not supplant the classroom budget.

Assemblyman Christensen:

With a tremendous amount of respect for the proponents of this bill, ever since we looked at one of these proposals in my first Legislative Session in 2003, I just have not been able to support a lottery. One of my favorite quotes with respect to lotteries is that your odds of winning the lottery by playing the lottery are about the same as winning the lottery by not playing the lottery.

What if this does not pass? Most of us are up here to go after the ability to adequately fund our kids' education. Have you been exploring any other avenues that might be able to adequately fund education?

Assemblyman Mortenson:

I am not on the Education Committee which works on that constantly. In that 2003 Session I voted against the lottery, too, because I felt governments should not run lotteries. After I got back home and was walking my district, I had so many people verbally batter me, asking, "Why did you kill that bill? We want lotteries." The Las Vegas Review-Journal conducted a statewide poll and discovered that 73 percent of the people want lotteries. I had to swallow my feelings because my job is to represent my people, my constituents. That is why I am speaking as a proponent today.

Assemblyman Christensen:

While I do appreciate that, I have not heard that once. No one has asked me why I am not fighting for a lottery. Have any other avenues been explored? The pursuit is noble and I would like to play a role in it, but I just cannot support a lottery in any form. To me, it just does not make sense, and I have just not heard any great success stories from other states.

Assemblyman Kihuen:

I heard it every day on the campaign trail. They would show me books from school. One was a history book from 1975 that the child was reading. History takes place every day. Even a one-year-old book is outdated.

Assemblyman Conklin:

What is before us is the question of whether the public should have the right to vote for a lottery. Many of us believe this is really important to our constituents, and while we may or may not agree with whether we should have a lottery, that is not really the question here. The question is, this is a proposed constitutional amendment and should the public have an opportunity to vote on it?

Assemblyman Cobb:

I would have to agree with the last statement that was made. That would seem to suggest there is no point in having a Constitutional Amendments Committee if we were just putting any proposal that was brought before us on the ballot and letting people vote on it. I think we need to vet these ideas and figure out which ones we feel are most appropriate.

This is not the Education Committee, but there is a lot of talk about education and the proper amount of funding necessary for education in our State. Studies have been mentioned concerning where Nevada ranks nationally. When you reviewed those studies, did the number one states, those that performed at the top in those studies, spend the most amount of money per pupil?

Assemblyman Mortenson:

Utah, for example, spends a very small amount of money and has wonderful statistics. Throwing money at a problem does not solve it, but not providing the proper amount of money can really exacerbate it.

[The gavel was passed back to Chair Mortenson.]

Louise Helton, Private Citizen, Las Vegas, Nevada:

I am the mother of two children and a longtime child advocate in Las Vegas. When my child entered first grade, we had a wonderful welcome and introductory remarks made by the superintendent of our school district. In those remarks, he told us that 80 percent of the jobs that the children in that room were going to hold had not even been created yet. He was absolutely right. The world of technology is rushing toward all of us at a terrible pace. We are not going to be able to continue to keep pace by educating our children with chalk and number two pencils.

Thomas Friedman, in his book *The World Is Flat*, gives a clear picture of how our world is changing. With the tide of the global economy virtually lapping at our feet, Mr. Friedman assures us that if we are not willing to take the measures that are necessary to keep up and to provide our children the opportunities they need, then the world market of new ideas is not going to be hearing our voices. We are not going to be in a competitive situation, and I am afraid we are going to be left in the dust.

We all have a local responsibility to help work on the national response to this situation. Over the last 15 years, I have been very active in our local Clark County schools. I have worked with many teachers to help create opportunities to secure basic, as well as extra, learning materials for their classrooms; things that the children truly need. Many classrooms do not have enough textbooks to go around on vital subjects. I know this because my own children struggled in their educations to learn history, science, and math in classes that did not have enough textbooks for them to take home.

Parent-teacher groups are constantly working to raise the kind of money it takes to have access to some of these wonderful, higher-quality learning materials and educational media. We do this because we know these items are going to improve our children's education. However, in the at-risk schools where the working poor are sending their children to school, the parents only have time to struggle to make ends meet. Hundreds of our dedicated local teachers, too, are spending hours writing grants, even working extra jobs, in hopes of just landing a few hundred extra dollars that will allow them to buy the things they know they want and need in their classrooms. These are basic things teachers know are not available with the current levels of funding, like science kits, software programs, and computerized learning equipment. They know these things will allow them to do a better job fulfilling the promise of our public education.

We cannot face the future and give our children the opportunity to inherit the role we have enjoyed being the leader in the world. Until we continue to work hard to eliminate limits to our children's education, we are going to be limiting them to learning with chalkboards and too few textbooks. They need and deserve 32-bit microprocessors, matrix displays, and all the technology we can give them so they can take on the challenges of the future. The alternative is to let our children inherit a world where Americans are second-class citizens. I am not prepared to let this happen on my watch. We need this revenue to make certain our children have the best education we can provide to them. They deserve nothing less.

Terry Hickman, Executive Director, Nevada State Education Association:

We support the lottery bill, <u>A.J.R. 5</u>. We believe it will raise an additional amount of money for a very important purpose—the education of our children. That money is currently not in any budget, nor is it foreseen to be in any budget. This is an additional source of revenue. We believe it is important that our children are able to compete and learn in all the many facets that are required for them to be competitive in today's world.

We appreciate the fact that this revenue source will be such that it will not impact Nevadans in an adverse way, but it gives the opportunity for Nevadans, as well as others, to support public education and give our children the tools they need. We strongly support passage of this bill at this time, and also in two years. We support giving the people of Nevada the opportunity to vote "yes" or "no" on the lottery bill.

Assemblywoman Koivisto:

Do you know how much our student population has grown in the last year or two?

Terry Hickman:

From the census, Nevada's student population is growing four times the national average. That translates into approximately 25,000 to 30,000 new students a year.

Assemblyman Cobb:

I remember last year, or the year before, kindergarten through twelfth grade enrollment had been drastically overestimated, so I am a little confused.

Terry Hickman:

I believe there has been a slowdown in some of the counties, and some counties are actually losing population. I cannot give you the statistics, but I also want to clarify the figure is 25,000 to 30,000 new students in the biennium, not per year. The major growth areas of Reno and Las Vegas are continuing to grow.

Assemblyman Cobb:

Was it an overestimate of the growth rate by the school districts?

Terry Hickman:

I cannot help you with that. There was a forecast, but actual growth came in slightly less than what had been projected. Still, our growth is well above the national average.

Assemblyman Settelmeyer:

Do you agree we need to find a more stable source of funding? Information I am finding on the Internet indicates that a third of lottery winners file bankruptcy within their lifetime. Also, 10 percent of the players make 50 percent of the lottery ticket purchases. They are targeting the poor. In New York, poor people are eight times more likely to spend their income on lotteries than the most affluent. They always push lottery sales right after payday to capitalize on people cashing their paychecks. It would be better to find a way to generate revenue that does not utilize a lottery to target the poor. I am in favor of funding education, but we should find a better source.

Terry Hickman:

It is important that we look at all sources of revenue, not just one. This is one approach that would raise additional revenue for the schools. There certainly need to be other sources of revenue, but right now, what is before this Committee is one step in that direction. That is why we support the lottery.

Assemblyman Settelmeyer:

Do you believe there are better sources of revenue than a lottery?

Terry Hickman:

Yes, there are better sources. There are also other sources, but this is the proposal currently before this Committee. It is an important revenue source that will generate an estimated \$40 million to \$50 million. That is money that, currently, is not in any budget, nor are there any plans for it to be in any budget.

Assemblyman Ohrenschall:

My colleague from District 13 spoke about other states where a lottery had not worked well, but the way Nevada has crafted this constitutional amendment, we would be one of the few states to dedicate the revenue to education. Correct?

Terry Hickman:

Yes, it is really important that we look at the language. The proposed amendment specifically states that lottery money does not supplant, it supplements. This money is in addition to what will be budgeted by the Legislature in the future. That is extremely important, because other states have found that many times the money coming in from the lottery reduced the money for education in the state budget. This resolution has been wisely crafted so the money cannot be taken out the back door. This is extra money for very specific purposes for our children's education.

Chair Mortenson:

We will go now to the opposition.

Bill Gregory, representing Station Casinos:

I have opposed the lottery for a few sessions and have always done so with data from other states and handouts printed off the Internet. This interim, with a partner Mr. Rowe will speak of, we decided to conduct a study and find out what the impact would be to Nevada with our unique circumstances. We asked Applied Analysis to do that study. In our opinion, with Nevada's reliance on gaming, a lottery does not make sense.

Representing Station Casinos, I would never want to leave the impression that we do not support education. Station Casinos, through their Smart Start program, spends \$500,000 a year in at-risk public elementary schools. They just received an Education Hero award from The Public Education Foundation of Clark County. We believe that in Nevada, the lottery does not make sense, and that is the reason for our position.

Russell Rowe, representing Boyd Gaming Corporation:

Boyd Gaming Corporation is entering its fourth decade of gaming and investment in Nevada. Boyd Gaming and Mr. Boyd, in particular, have been committed to this State and to education in this State as long as Boyd Gaming has been here. Our commitment to education is unquestioned, but the questions we have now and the concerns we had in previous sessions are related to the impact of a lottery on the State, on gaming as an industry, on the

potential for regulation of our industry outside Nevada, and other potential impacts of that nature.

In conjunction with Station Casinos, we did commission a study to get answers to those questions. Our intent today is to have Mr. Jeremy Aguero review the study for you. We ask that you consider these results when you make your determination.

Jeremy Aguero, Principal, Applied Analysis, Las Vegas, Nevada:

Applied Analysis was asked to take a broad look at this question of a state lottery. Two documents have been provided to you. One is a report that was prepared (Exhibit C) and the other is a PowerPoint presentation for this specific meeting. We offer this information as a complement to the other information that has been provided here. I am certain you will find information that may be used on both sides of this argument, and we certainly offer it in that spirit. [Mr. Aguero explained his PowerPoint (Exhibit D)].

In conclusion, lotteries can be expected to generate about \$170 million in sales and about \$51 million in tax revenue. A state lottery will compete with other spending alternatives including gaming, retail sales, or other discretionary spending items. Net new tax revenues will be something less than \$51 million, because lotteries represent a higher tax rate on the same dollar spent. Administrative, or running, cost issues are very significant and require careful consideration. It is not free to operate a lottery by any stretch of the imagination, and those costs are well above a 30 percent margin. A state lottery is likely to lead to a net loss in jobs and income due to shifts in spending and lower capital investment requirements associated with this type of gaming activity. Finally, social considerations, including regressivity but not limited thereto, are present and require some degree of mitigation.

Assemblyman Segerblom:

Are you saying that if someone spends \$1 on a lottery ticket, 70 cents of that dollar goes to administrative costs?

Jeremy Aguero:

No, sir, what I am saying is that 30 percent of those dollars end up coming into the state coffers. The other portions of what is spent go to payouts—what gets paid back to consumers as winnings—as well as to administrative costs. About 50 to 56 percent go back to payouts; somewhere between 11 percent and 15 percent go back in terms of operating or running costs, and the balance, the lowest being 18 percent and the highest at 50 percent, actually inure to the government and may be spent to support programs.

Assemblyman Segerblom:

On a lottery ticket costing a dollar, you would get back 50 cents?

Jeremy Aguero:

For every one dollar, there is a payout of 50 cents.

Assemblyman Segerblom:

That goes to somebody, right?

Jeremy Aguero:

Absolutely.

Assemblyman Segerblom:

What if I spent a dollar on a slot machine? How much of that goes to the State?

Jeremy Aguero:

That depends on the win. Slot machines have percentages in the single digits and the gaming tax has a top margin of 6.75 percent, so whatever that loss is, the win that comes in is what goes to the State. In addition to that are other taxes currently imposed on slot machines, such as annual and quarterly slot taxes, but the weighted average rate on gaming activity is about 8 percent to 8.5 percent.

Assemblyman Segerblom:

The State's share would be 30 percent from a lottery, while its share from a gaming dollar would be around 10 percent?

Jeremy Aguero:

If you want to look at it that way, yes.

Assemblywoman Gansert:

I guess the 30 percent is what the State actually sees, but you mentioned the overhead is probably 11 percent to 15 percent because we would be creating another bureaucracy to manage this when we already have the Gaming Control Board.

If you look at the State of Nevada's revenue streams, 27.6 percent comes from gaming, or almost \$2 billion. In addition to that there are capital expenditures. I know much of the expansion in Las Vegas is for new buildings. I do not know if there is a way to measure what the impact would be if we were to look at the

entire picture and include gaming revenues and capital expenditures if the growth is reduced in that industry.

Jeremy Aguero:

I do not have a specific number and I do not know if anyone could come up with a specific number. If we look across the country at the relationship between tax rate and capital investment, we clearly see that as tax rate goes up, capital investment goes down. Between 1989 and 2004, we saw investments of \$30 billion, which is phenomenal by any measure. In Las Vegas, the most recent neighborhood-oriented facility was built at just under \$1 billion; Project CityCenter is currently coming on line at \$7 billion; and Echelon Place at \$4 billion. If we add up all the projects with announced completion dates, we are talking about \$33 billion worth of capital investment. That is bigger than the gross state product of some places.

Assemblywoman Gansert:

Did these other states put lotteries to a public vote? It would be really interesting to see what the public voted first, before we voted. I do not know if we ever had this as a ballot question.

Jeremy Aguero:

I was asked to look at the economics and not the policy.

Assemblyman Settelmeyer:

Traditionally in Nevada whenever something came up with gaming, it has been thought to pass along the tax because so many people come from out of state and contribute to those tax dollars, even sales taxes. With a lottery, you are speaking about in-state money. Do you have any idea what those numbers are? Depending upon which community one is in, I have always heard that approximately 75 percent of traditional tax dollars are from out-of-towners. What is the percentage with a lottery?

Jeremy Aguero:

It is hard to gauge. In the analysis we provided to you, we looked at how many heads were in the bed each night and assumed one visitor for every full-time equivalent person, so a visitor staying the equivalent of 365 days equated to one person. That would be about 17 percent of our full-time equivalency population and that is the benchmark we used to calculate the share that would come from out-of-state contributions to this particular tax revenue. We used the same type of analysis when we were looking at excise taxes like cigarettes or alcohol. Retail sales are a little different.

Assemblyman Conklin:

Were the administrative costs averaged out among the states?

Jeremy Aguero:

Yes, that is essentially what we did. Operating expense data was supplied by some members of our review panel and we took an average of all the states.

Assemblyman Conklin:

Did that take into consideration the fact that we are already a gaming state and already have an administration that regulates gaming? This is a form of gaming.

Jeremy Aguero:

I did not presuppose or try to analyze whether the Department of Taxation would be in charge. If you had the Gaming Control Board operating a state lottery it is almost as though they would be in competition with those they are regulating. No, we did not try to analyze how that would work because it was well outside the scope of what we looked at.

Assemblyman Conklin:

Is it an unreasonable assumption to suggest that we already have a certain amount of administration already in place? All the folks who would be selling lottery tickets in the first place are already highly regulated because they are store clerks and others already covered by gaming cards and who have had their backgrounds checked. That is already in place.

Jeremy Aguero:

I could not agree with you more. If we are going to look at administrative costs, we would be at the lower end of the spectrum.

Assemblyman Conklin:

So there is the potential that our return on investment could be higher?

Jeremy Aguero:

Sure, if you are able to lower those administrative costs.

Assemblyman Conklin:

It would seem that Massachusetts is doing something different from everyone else, because their revenue numbers per capita are substantial. Do you have any thoughts on that?

Jeremy Aguero:

They are in the East where there is a higher marginal propensity. You also have to look at how closely associated they are with the population base all around them that would participate. There is a relatively large population with a higher marginal propensity to participate.

Chair Mortenson:

Our State has a very high expertise in gambling. If you look at the various states that have lotteries, the ratio of profits vary significantly because some states are inefficient in their administration of the lottery. Many do not have promotional expertise. We have wonderful promotional expertise in this State and we have wonderful know-how to run gaming. We can do it better than the average state can.

Assemblyman Conklin:

What are the gross gaming receipts for the State of Nevada in any given year?

Jeremy Aguero:

Maybe \$12 billion; when we did the analysis it was \$11.2 billion and I believe this year it is \$12.6 billion, but that is off the top of my head.

Assemblyman Conklin:

Let us assume gross gaming receipts are \$11 billion, and the gaming tax on that is the 8 percent you said.

Jeremy Aguero:

No. The highest marginal percent is 6.75, but it is a stepped-up scale.

Assemblyman Conklin:

What is the actual revenue to the State?

Jeremy Aguero:

Again, I am thinking off the top of my head, but I think the number is close to \$668 million. I can look that up for you.

Assemblyman Conklin:

That is less than 6.3 percent.

Jeremy Aguero:

Oh, sure, because that is the highest marginal rate. I thought you were asking how much inures to the State's General Fund. As I alluded to, there are other taxes; it is not just the gaming tax. There are taxes on tables and games.

Assemblyman Conklin:

As I understand it, no other state experienced significant labor or job loss, or significant retail loss when they instituted a lottery. Let us assume maybe there would be a loss because there is a direct correlation between somebody buying a lottery ticket and somebody pulling a dollar slot machine handle. At \$11 billion of gaming revenue and \$668 million going to the State, if I had \$200 million of revenue in total lottery receipts and I received 30 percent of that and had a net of 24 percent...

Jeremy Aguero:

I do not know if I am following all the math, but at the end of the day, the answer is, "yes."

Assemblyman Conklin:

The return on investment for education is huge for a small portion of money.

Jeremy Aguero:

I do not want to judge "huge" versus "small," that is for you to decide. The reality is, for those same dollars, you are taxing at 30 percent instead of at a lower rate. If you tax at 30 percent, you are going to generate substantial additional dollars.

Assemblyman Conklin:

We are giving people the option to say, "I am willing to pay that additional tax because I know it is going to a dedicated project—education." Is that a reasonable assumption?

Jeremy Aguero:

Realistically speaking, you could say that of almost any consumption tax. I do not know enough about the thought process of the individual consumer to say that they will go buy lottery tickets because doing that will fund education. You could make the argument that some people would do that.

Assemblyman Conklin:

Did you consider the fact that some states have dedicated revenue streams and others do not, and how did they fare? Was it just an average, or did those with dedicated streams that the public knew were dedicated streams do better than those that did not?

Jeremy Aguero:

No, we did not break it down by those that had dedicated streams versus those that did not. We looked at national versus West Coast and then did some smaller analyses in those regards. We could look at it and see if it was more or less.

Assemblyman Ohrenschall:

I cannot remember the last time I put a quarter in a slot machine, but when I go up to Lake Tahoe I buy lottery tickets when I am at convenience stores. Did Applied Analysis look at any of the jurisdictions that have lotteries and gambling and establish whether a dollar spent on a lottery ticket was a dollar not spent in a casino?

Jeremy Aguero:

We have the analysis that is in the report (<u>Exhibit C</u>) that takes a look at all the states that have commercial gaming very similar to what we have here in the State of Nevada. We found that, overall, their performance, while slightly lower than the national average, was very much consistent with the national average.

Assemblyman Ohrenschall:

So you have established a direct correlation that the lottery has taken revenue away from gaming?

Jeremy Aguero:

I do not think we have established a direct correlation with regard to that. There is not enough longitudinal data to be able to say that, and there are too many variables. What we can say is the states that have commercial gaming have a slightly lower performance. That could be because of where they are located, such as not being in the Northeast quadrant where those higher quartile lottery performing states are. I think it has more to do with geographic proximity, but I do not have the answer to that question. We did not look at it.

Chair Mortenson:

We will go back to the positive side.

Scott Gunn, Global Operations Regional Vice President, GTECH Corporation, Sacramento, California:

The GTECH Corporation is the leading supplier of lottery systems and support services in the world. We serve over 100 customers with over 6,000 employees in 50 countries. I am here today to present information to the Committee.

As has been mentioned, there are lotteries in 42 states and in the District of Columbia. There is a trade association for the lotteries here in the United States called NASPL (the North American Association of State and Provincial Lotteries) and they would be an excellent resource for many of the questions and issues you are dealing with here today.

Elsewhere in the world, publicly operated lotteries exist in at least 100 countries. In some cases, they are operated by national governments; in other cases, states; and in other cases, cities. Today, I will focus on the United States.

There are several different regulatory models for oversight of lotteries, but they all share the same purpose—to raise revenues for government programs, initiatives, or good causes. The two most common regulatory structures are a direct government agency, like the California State Lottery; or a quasi-public business organization, like the Georgia Lottery Corporation. When you look at the structures, the main difference is that the corporate structure gives the entity some ability to have latitude with regard to personnel matters, procurement matters, and other matters that might be more directly controlled by the state.

There are active efforts right now in Indiana, Illinois, New Jersey, and Texas to privatize their lotteries. This effort is largely a fiscal exercise to realize an immediate financial benefit by selling the rights to completely operate a state lottery for some leased period. The states are seeking to realize an up-front payment; and, in some cases, continue to receive a stream of income over the term of the lease. These efforts all require legislative, and in some cases, voter approval, and are currently in some stage of that process. Information on all these items I am mentioning is contained both in the presentation (Exhibit E), as well as in the compact disc (Exhibit F) I presented to the Committee.

In traditional lottery operating models, the state retains responsibility for oversight, security, integrity, finance, audit, accounting, and policy directions. Lotteries generally have major contracts with vendors to supply technology operations that include central computer systems, customized software, operating systems, point-of-sale terminals, communications networks and call center operations, warehousing and distribution, and in some cases, route sales. They also hire suppliers to supply instant tickets and utilize traditional advertising agencies.

Regardless of the specific delineation of responsibilities, it is essential to the success of any lottery that it be operated in a businesslike fashion with flexibility, responsiveness, efficiency, and, of course, responsibility. However, everyone must recognize that the most important function of any of these components of operations is to ensure the security and integrity of the lottery.

Most U.S. lotteries primarily offer instant scratch-off tickets and draw games that can include lotto games like Powerball and Mega Millions and also a variety of number games. The largest jackpot ever recorded was this month's \$390 million Mega Millions jackpot won by a man from Georgia and one other ticket from New Jersey, whose owner has not come forward yet.

Some lotteries also offer keno, or other monitor-type games, or video lottery terminals. During Fiscal Year 2006, which for most jurisdictions ended June 30, U.S. lottery sales totaled \$57.7 billion. New York led the U.S. and North America with fiscal 2006 sales of \$6.5 billion, followed by Massachusetts with sales of \$4.5 billion. The smallest, in terms of sales for lotteries with traditional games only, were Montana and Vermont with sales of \$40 million and \$105 million, respectively.

As far as return to the state or profit for beneficiary, New York ranked first with \$2.3 billion returned to the state, and California was second with \$1.24 billion. The lowest were Montana and Vermont with \$9.1 million and \$22.9 million, respectively. The profitability of a lottery and distribution of profits is based on many factors, but the average distribution is approximately 55 percent returned to the players in the form of prizes; 33 percent returned to the government in the form of profit; 6 percent paid to lottery retailers for the selling of products; and 6 percent for agency operating expenses, which includes the agency as well as the vendors they hire.

There are obviously many components to starting a lottery, but the major components are enabling legislation or public referendum; organizing an oversight board of directors or oversight committee; building out operations; and beginning sales. The most recent example you have of a start-up lottery is the North Carolina Education Lottery. On August 31, 2005, the North Carolina Legislature approved the lottery and the Governor signed the lottery bill into law. On January 30, 2006, the gaming system contract was awarded and on March 30, 2006, the state began ticket sales at over 5,000 locations.

There have been some Nevada-specific questions that came up today regarding competition between casinos and lotteries. Most of the information we have is anecdotal. We would look to Connecticut where there are two very successful

Native American casinos competing with a lottery there that has been successful, and you also have New Jersey.

What we looked at when we did an in-depth analysis of what Nevada could provide as far as sales and return to the State, our results are very consistent with both what the Chair offered, as well as the previous speaker.

Assemblyman Cobb:

For the state lotteries that have been implemented, what is the average size of the bureaucracies created for the administration of those lotteries?

Scott Gunn:

The size of the administration that serves a lottery is directly related to the size of the population and the number of retail outlets. California, with 20,000 retail terminals and 36 million people, has a lottery staff of approximately 600.

Assemblyman Cobb:

Right now, there is a concern before this Legislature about funding retirement benefits. Those unfunded benefits are going to go on the books to the tune of about \$4 billion to \$10 billion, and I worry about adding another layer of bureaucracy and administration to our public employees when we are already looking at a deficit.

Chair Mortenson:

The figures Mr. Aguero gave were somewhere around 11 percent to 15 percent for administration costs.

Assemblyman Cobb:

I do not think that includes retirement benefits and since we are already facing a \$4 billion to \$10 billion deficit...

Chair Mortenson:

It depends on whether these people would get retirement benefits. We have not done the rules yet.

Assemblyman Segerblom:

Just to point out, basically there is 6 percent in overhead and operating costs and 6 percent goes to the hotels or the casinos or the gas stations that sell the lottery tickets, and that does include the retirement benefits.

Jeff Geihs, Principal, Cheyenne High School, North Las Vegas, Nevada:

[Distributed a Recap of Spending using funds received as a result of last session's legislation (<u>Exhibit G</u>)]. Cheyenne High School is one of 41 comprehensive high schools in the Clark County School District and we serve approximately 2,700 students. Many of my colleagues serve 3,300 to 3,400 students.

It is a widely known fact that our education system is underfunded when compared to other school districts in other states. With huge operating costs, there is a deficit in money to pay for textbooks, computers, school supplies, and other media. I commend the Assembly in being resourceful and exploring new ways to help schools deal with state funding shortfalls.

Senate Bill No. 404 of the 73rd Session was a creative solution approved by the Legislature last session that helped fill that void. As a matter of fact, \$78 million was set aside for schools with innovative ideas. My school applied for and was granted portions of that money. It was used for media items that help students pass their proficiency exams and you know, if they do not pass their proficiency exams, they do not get a high school diploma. The items we purchased included reading kits, reading labs and reading books; skills tutoring programs, which are computer-based tutoring programs to assist students with math and reading deficiencies; reading and writing proficiency test booklets; and substitute teachers so pull-out tutoring programs could occur during the school day. It is critical for personnel to be funded so that tutoring programs can take place during the school day. Students who need tutoring the most do not have transportation to remain after school.

As a result of such programs, student achievement has increased dramatically for us within the last school year, according to No Child Left Behind and adequate yearly progress standards set by the federal government. As a matter of fact, there was a 45 percent school-wide increase in the reading and writing proficiency passage rate and a 26 percent school-wide increase in the math proficiency passage rate, which I directly attribute to S.B. No. 404 of the 73rd Session funding that we received.

Cheyenne High School was one of five high schools in Clark County with the most academic growth. With that <u>S.B. No. 404 of the 73rd Session</u> money, which was above and beyond our regular budget dollars, Cheyenne High School was also able to fund \$74,000 for an additional reading program for all freshman students, in hopes that fewer students would need remediation later. At the conclusion of this first semester just a few weeks ago, we found freshman reading comprehension levels rose 30 percent, so it appears our

desired outcome has been met. Since I have had those monies available, I have been able to provide this to my freshman students, and it is working.

Although that money was a great resource and I strongly support its continuation, there is still not enough to properly fund every student in the State of Nevada, and funding has and does make a difference in producing student achievement results. I applaud the Nevada State Assembly and this Committee for continuing to seek creative funding solutions. As you know, with any additional funding many more students will have school supplies, and access to computers, technology, tutoring, and other support programs that we can provide for them.

Assemblyman Settelmeyer:

You did not say anything about the lottery; you just said education needs more funding. We understand that. We have a principle in law, in the *Nevada Constitution*, and when I look at changing something that relevant I would like to hear the reasons and not that we need more money for any particular program. What is the compelling reason to change the law? Why do we want to use a lottery to fund education? There is also something in the *Nevada Constitution* about not having a state income tax. Would that be a better way to fund education? I understand the need, but what is your reasoning that it should be a lottery?

Jeff Geihs:

I am just a principal; I do not have the answer to that question. I tried to give you a clear example of the extra funding that the Legislature supported us with and the results it helped me produce. It is not incumbent upon me to take a position one way or the other on this issue. I am telling you there is a need for more funding and you helped us fill that void a couple of years ago; and we produced favorable results, at least at my school.

Chair Mortenson:

There is a nexus between the lottery and the need for education, because that is where the money is going.

Assemblywoman Gansert:

I want to thank you for bringing your list because most of us here supported S.B. No. 404 of the 73rd Session and innovation in education. I believe that people closest to the students know where to spend the money. I appreciate knowing that you have made progress. I think you mentioned a 45 percent improvement in reading and writing and a 26 percent improvement in math as

far as the proficiency exams go. I appreciate your giving us this quantitative data.

Mary Jo Malloy, representing Nevadans for Quality Education (NQE):

We strongly support A.J.R. 5. I echo almost everything that has been said today. I think it is time we capture the money that is leaving our State. Education needs these dollars. We do not have enough money for technology and books, as has been discussed today.

Chair Mortenson:

We will now hear from the negative side.

Janine Hansen, State President, Nevada Eagle Forum:

I was born in Nevada and have lived here my whole life. I would like to read a short statement:

Lotteries in other states have not improved educational funding or educational performance. How many more families, and particularly children, will be harmed when more parents become addicted to gambling via the lottery? The majority of people participating in lotteries are those who can least afford it. Players with household incomes under \$10,000 bet nearly three times as much as those with incomes over \$50,000. Education reform is what we need, including real instruction in systematic intensive phonics. Eagle Forum has its own program in that. Any mother, grandmother, father, or neighbor can teach their own child to read. Basic math and school choice. These basic reforms will provide much more real educational improvement in our government schools than any amount of lottery money.

It is relatively easy for children to gamble on state-sponsored lotteries. In Massachusetts, 47 percent of seventh graders have purchased a lotto ticket. Nationwide, more than four in ten adolescents gamble on lotteries. Research suggests that the earlier a person begins to gamble, the more likely they are to become addicted to gambling.

My concern today is for our children. I have personally experienced the devastation that takes place when someone becomes addicted to gambling—the devastation to marriages, the devastation to children, the devastation to relationships, the devastation of trust, the devastation of finances. We do not want to subject our children, as they grow, to additional

opportunities to become addicted to gambling so more families will be destroyed by this addiction.

Did you ever think about why Utah spends less money on education and yet has such a better result? I would suggest, perhaps, it is partly because they have far more intact families than we have in Nevada. One of the things gambling addiction does is lead to the dissolution of families and, therefore, children left without a mother and a father are often subject to problems in the education system. They do not have the kind of support they need at home.

When we make the choice of funding something as important as education with something as questionable as a lottery, we are really gambling on our children's future.

Lynn Chapman, State Vice President, Nevada Families, Nevada Eagle Forum:

I have spoken before against lotteries, and in reading A.J.R. 5 I discovered that some of this money is going to be used to purchase schoolbooks. I keep hearing about the schoolbooks and how there are not enough schoolbooks for the children, but as a home schooler, I purchase our curriculum every year out of my own pocket. Every year the Washoe and Clark County School Districts choose books from two or three different subjects to throw away. We, as home schoolers, are invited to take books. The books from Washoe County that were being thrown away were brand, spanking new books that had never been opened. As a taxpayer, I have a problem wondering why they are throwing away brand new books that have never been opened.

Nevadans must prioritize their budgets and decide what the most important thing to spend their money on is, and I should think schools should be spending it on educational materials such as books, computers, and teachers' salaries. Those should be the top priority and should be paid first.

I do have a handout for the Committee (<u>Exhibit H</u>). Easy access to gambling through state lottery means that most citizens will gamble. Of those who do, studies consistently show 5 percent of adults...

Chair Mortenson:

Ms. Chapman, we have your handout and will enter it into the record, but we have been ordered onto the Floor shortly.

Lynn Chapman:

The problem I am really concerned about is the youth problem you will see in my handout, which was put together by Youth Gambling International. It was a

study done in a number of different places—the United States, Canada, New Zealand, Europe, and Australia—and has to do with problematic gambling growing at a rapid rate among adolescents. I would like you to read those studies. Adolescents can start gambling when parents take them and buy them a lottery ticket. How much fun is that? It grows from there. It affects their families. I think it is very important for us to understand that it is just going to be ruining families and I would hate to say, "I told you so," if we vote and pass this.

Carole Vilardo, President, Nevada Taxpayers Association:

I am not going to take a position on whether you should or should not do a lottery, that is your policy decision, but I have a concern and I would ask for consideration on two amendments. Assemblyman Conklin, you mentioned that the Gaming Control Board was a structure already in place to handle a lottery. We do not want another bureaucracy, but the problem is that this amendment to the *Constitution* does not speak to that. In fact, you are relying on a Legislature three sessions from now, if this goes through the full process and is approved by the voters, to know that the intent was to have the Gaming Control Board in charge. From my perspective, that is very risky. A couple of the things you want to do is ensure that you are not going to have some future group want to create a lottery commission. You are going to want it administered by the Gaming Control Board, so I would suggest that this be amended to show that it is to be run by the Gaming Control Board. I would think that would be a relatively simple language change.

The other issue concerns when you amend the *Nevada Constitution*. You have talked about the permanency of an amendment and yet you want some flexibility and something that grows. That is a potential problem and I have some history on it. The *Constitution* should be a real policy document. I even hesitate talking about amending in the Gaming Control Board because it is so specific, but I think it is required in this particular instance. I think the proposed amendment would be better with some more general language that said, "the majority of money will go to education, or a minimum of 25 percent will go to education," rather than specifying the full amount. When the *Constitution* was amended to allow the estate tax "pick-up" credit, the money was to go to education. The estate tax "pick-up" credit went away, so now you are sitting with education out here.

In the reverse, you can have something happen such that the whole funding scheme for education changes because the feds change funding, and now the lottery proceeds are not needed for textbooks or anything that specific, but may be needed for classrooms or rehab. You may not even need it for education;

you may need it to handle mental health problems. You are the Legislators. I realize education is important, I do not take that away, but I think so totally focusing the whole amount of money on education ties your hands in the future, when we do not know what the needs will be.

I am asking you to please consider an amendment to give yourselves flexibility. This is the *Constitution*. If you find out ten years from now it does not work, you have to convince the voters it does not work, and you have a five-year process to amend it. You do not want a poster child for amending the *Constitution* as minimum wage has turned out, where there are all sorts of unintended consequences. Give yourselves some flexibility.

Chair Mortenson:

Ms. Vilardo, I agree with you that the *Constitution* should be as general as possible and that is one reason something like the Gaming Control Board operating the lottery is not in there. It is a good idea, but I would rather leave it flexible. We will not amend it here, but if it needs amendment and the case can be made, perhaps it can be done in the Senate.

Assemblyman Conklin:

If we put the Gaming Control Board in the *Constitution* and ten years from now change the name of the Gaming Control Board, we are stuck. If this were to pass two votes of the Legislature and go to the people, then in a subsequent session we are going to have to come back with statutory language just to fill in the details of this. There has to be some trailer bill to fill in the details. This is really designed to be a shell to be put to the people to decide whether there should be a lottery and whether the money should be tied to education. In its current form, the bill does that. It is specific enough and also flexible enough to deal with the issues that will come in the future.

Chair Mortenson:

Do I hear a motion?

ASSEMBLYMAN SEGERBLOM MOVED TO DO PASS <u>ASSEMBLY</u> JOINT RESOLUTION 5.

ASSEMBLYMAN KIHUEN SECONDED THE MOTION.

THE MOTION PASSED. (ASSEMBLYMEN CHRISTENSEN, COBB, GANSERT, GOEDHART, AND SETTELMEYER VOTED NO.)

If there is no further discussion, we must get to the Floor. This meeting is adjourned [at 5:45 p.m.].

	RESPECTFULLY SUBMITTED:	
	Terry Horgan Committee Secretary	
APPROVED BY:		
Assemblyman Harry Mortenson, Chair		
DATE:		

EXHIBITS

Committee Name: Committee on Elections, Procedures, Ethics, and Constitutional Amendments

Date: March 15, 2007 Time of Meeting: 3:45 p.m.

Bill	Exhibit	Witness / Agency	Description
	Α		Agenda
	В		Attendance Roster
AJR	С	Jeremy Aguero, Principal, Applied	Lottery Projection and
5		Analysis, Las Vegas, Nevada	<i>Impact Analysis</i> Report
AJR	D	Jeremy Aguero	Overview of <i>Lottery</i>
5			Projection and Impact
			<i>Analysis</i> Report
AJR	Е	Scott Gunn, Global Operations	State-Run Lotteries:
5		Regional Vice Pres., GTECH Corp.	General Information
			Report
AJR 5	F	Scott Gunn	CD on Lottery Information
AJR	G	Jeff Geihs, Principal, Cheyenne	Recap of Spending using
5		High School, North Las Vegas,	funds supplied by
		Nevada	legislation passed in 2005
AJR	Н	Lynn Chapman, State Vice	"Lottery Statistics"
5		President, Nevada Families,	compiled by Family
		Nevada Eagle Forum	Council, Little Rock, AR