



DRAFT MEETING TRANSCRIPTION

Legislative & Games Committee

Special Meeting

April 7, 2020 at 1:00 p.m.

via teleconference

Committee Members: Margaret Morton, Chair of the Legislative & Games Committee;; Wilfred Blanchette, Jr.; John Flores; and James Heckman (all via teleconference).

Staff Members Present: Greg Smith, President & CEO; Andrew Walter; and Annmarie Daigle.

I. Welcome:

(M. Morton): Welcome everyone to our Special Meeting of the Legislative & Games Committee on Tuesday, April 7, 2020 at 1:02 p.m. In accordance with Governor Lamont's Executive Order 7B, the public has been provided access to our meeting via teleconference. That line is now open. There will be no in-person public attendance at this meeting pursuant to the Governor's order. Please everyone identify yourself when speaking so that the public knows who is speaking. Thank you.

II. Approval of the January 29, 2020 Legislative & Games Committee Meeting Minutes:

(M. Morton): Our first agenda item is approval of our January 29, 2020 Legislative & Games Committee Special Meeting Minutes. May I have a motion to approve?

(J. Flores): This is John Flores, so moved.

(J. Heckman): Second, Jim Heckman.

(M. Morton): Any questions? Hearing none, all in favor?

(All): Aye.

(M. Morton): Anyone abstaining? Great, the minutes from January 29th are approved. Thank you.

III. Review and Possible Action Re: Powerball Game Rules:

(M. Morton): Next is the game rules changes. Thank you for the summary document. Can Greg take us through that?

(G. Smith): This is Greg. I'll take you through the three changes, Powerball, Mega Millions and Lucky Links. Having provided the summary which was a basic outline of what each game is going through, I'll touch on the key points and see if there's any follow up questions. For Powerball there is one change which will impact the growth of the current jackpot, allowing the current jackpot to be determined by the head of the Powerball game group at a national level as opposed to the previous minimum increment of \$10 million.

Then once the current jackpot is hit, another change is that the jackpot will reset to \$20 million instead of the normal \$40 million and the minimum increment of growth will be \$2 million but also capable of growing faster than that if the sales support it. Mega Millions is going through essentially the same changes with the exception of when the jackpot is next hit, they will not have a minimum increment approach. They will let their jackpot growth be set just like now, by decisions of the leader of the national game group. Those two were very fast occurring changes, taking place over the last ten days, and some aspects are in place or soon to be. The other conversation about Lucky Links is a very different component. I will pause before addressing that and see if there are any questions from the Committee members.

(M. Morton): Any questions? I will read the resolution and ask for a motion and a second.

Resolved, that, after review and due consideration, the Legislative and Games Committee recommends to the Board of Directors that the Board of Directors approve the Powerball game rules changes as presented.

(W. Blanchette): So moved, Will.

(M. Morton): Second, Peg.

All those in favor?

(All): Aye.

IV. Review and Possible Action Re: Ending of Lucky Links Draw Game

(G. Smith): I'll move forward to the Lucky Links portion. The Lucky Links game is on the agenda essentially to allow the Committee and the Board to vote to end the game. This game as mentioned in the summary was designed to not be a permanent game. The ending of this game was one of the initial comments brought to me when I arrived here in the summer of 2018, and the game sales continue to decline. The game sales peaked in its first full year and then it's been moving downward since. The annual sales are around \$5 million now and we will be marketing and working to transition players of this game into other games that have similar mechanics to them. The reason we've asked the Committee of this is we need to develop a written plan for executing the shutting down of the game which will involve our gaming vendor, and getting the approval of the Department of Consumer Protection. We will complete the last drawing on June 30th of this year and then all of the normal prize-claiming features will exist through the first 180 days after the drawing. After that all aspects of the game will essentially be completed.

(M. Morton): This is Peg. So if I understand correctly, we will notify players that this game is going away in May?

(G. Smith): Yes. If you're familiar with the idea that we allow players to purchase games in advance -- the Advanced Action -- what we'll do is notify the public at the end of May and then we will start reducing the ability for advance purchase as we move through June so no advance purchases will occur in the last week. This will ensure that no ticket can be purchased that could include a drawing past June 30th.

(M. Morton): Ok, thank you.

(G. Smith): That is a very normal action for us any time we have an ending to a game, we give this declining approach for the people who have purchased it in advance.

(J. Flores): This is John Flores. Is there any magic in ending it in June in light of the decrease in sales? I know I read that we don't expect any decrease but I'm sure we have players with favorite games. Is there any magic to doing in June vs. August when hopefully after all of this drama has ended?

(G. Smith): John, we would be moving forward with the end of the game whether we were in the current state of affairs or not. No part of the decision is relevant to the current pandemic. The process of ending it, whether it is somebody's favorite game, or the mechanics of ending it are identical regardless of the date we choose for the last draw and we were more inclined to couple this together, shortly following with FastPlay because all we'd be doing is delaying something further into the future for no specific purpose.

(J. Flores): Ok. Thank you.

(M. Morton): So do we need votes on these rules?

(G. Smith): Yes to the Powerball and yes to the Lucky Links. For the Mega Millions change, the states that run that game group will be formally voting on that change on Thursday of this week. I don't want to ask the Board to vote on this until they do that vote. If they vote before our Board Meeting on Thursday, then we will bring it before the Board then if this Committee is in support of recommending the change. That's the only caveat on that one, the other two we can vote on today.

(M. Morton): Any questions for Greg? Or anything to add to that? Hearing none. Let's do the vote now.

Resolved, that, after review and due consideration, the Legislative and Games Committee recommends to the Board of Directors that the Board of Directors authorize the Connecticut Lottery Corporation to terminate the Lucky Links Day and Lucky Links Night draw games, with final drawings in each respective game to take place on June 30, 2020.

Can I get a motion?

(J. Flores): So moved, John Flores.

(W. Blanchette): Second, Will.

(M. Morton): All those in favor?

(All): Aye.

(M. Morton): Any against? Abstentions? Hearing none, the resolution passed. Thank you.

V. Legislative Update

(M. Morton): Moving to the Legislative Update.

(G. Smith): I am going to ask Andrew Walter, who handles most of our legislative affairs, to provide an update on the activity he's been involved in over the past month or so.

(A. Walter): Hello everyone. I'll be brief. Everything is pretty uncertain. I've heard rumors of an omnibus bill sometime before the session ends in a few weeks, or a special session in the summer, or something after the November elections, but we just don't know anything. We do know that the committee chairs were asked to bring to legislative leadership their most important bills or concepts and that's about it. It's important to let you all know we've been updating legislative leadership and all our other stakeholders about biweekly with email updates. The content is usually our sales and general fund transfers, our operational changes, the things that the Board has been dealing with, such as the ticket expiration deadlines, and the changes to Powerball and Mega Millions. The goal is to have everyone informed; so far we've received positive feedback from leadership on those and just a few follow up questions from them. My plan, while working with Greg, is to keep those going every couple of weeks just to keep everyone informed. That's it for the legislative update, we can talk about ilottery. Will, Jim and Peg, I don't know if you've heard anything more specific?

(M. Morton): No, the rumors are all over the place.

(A. Walter): If you do hear anything, please pass along to me or Greg. We'd be happy for any information.

(M. Morton): Sure, thank you.

VI. Discussion: iLottery:

(M. Morton): Can we have a discussion on the ilottery?

(G. Smith): This is Greg Smith. I had originally asked for this to be on the agenda and while there's no action needed and no additional information, more of a reminder for the Committee that it was a component of the Governor's budget bill for this session. My primary point is that if for some reason it does get passed this session, we will right away get this Committee and the Board together to authorize us to start taking actions to bring it to life. Without trying to work in advance we are keeping ourselves prepared for this. There is a certain irony for folks making comments about why we do not have ilottery as it would be helpful now in the current climate. We will have to wait and see what comes out of any action that the legislature will take this session.

(M. Morton): Any other discussion? What do you think the odds are?

(G. Smith): I only included it in today's discussion because I would not be surprised if it was allowed and authorized because it couples well with the limitations and the public restrictions. There's a certain irony to it and it's us wanting to make sure we are moving along as if it were going to be approved so that we are ready if it were to be approved.

(M. Morton): Any questions? Hearing none, that wraps up our agenda. Anything else to be brought before the Committee?

VII. Adjournment:

I'd like to entertain a motion to adjourn.

(W. Blanchette): Will Blanchette, so moved.

(J. Flores): Second. John Flores.

(M. Morton): All in favor? Any opposed?

(All): Aye.

(M. Morton): Thank you everyone, we are adjourned at 1:23 p.m.

Respectfully submitted,

Annmarie Daigle
Connecticut Lottery Corporation