

Traditional Lottery

Consequences of Not Funding this Program

The Lottery was established by statute and revenues from lottery sales fund a number of state programs. Failure to adequately fund the program would lead to a decrease in available revenues for the state.

Statutory Basis	Mandatory vs. Mandatory	MOE/Match Rqt.	Priority Level
Specific K.S.A. 74-8701 through 74-8780		No	1

Program Goals

- A. Maintain public confidence in all lottery products, and provide services that meet or exceed the expectations of the Kansas citizenry.
- B. Produce the greatest amount of revenue possible for the State of Kansas while ensuring the integrity of all games.

Program History

In November 1986, a constitutional amendment was approved by the Kansas voters authorizing a State Lottery. During the 1987 Legislative session, the State Legislature adopted the Lottery Act (the Act), and created the Kansas Lottery (the Lottery) as an independent component unit of the State of Kansas to operate lottery games. The Lottery was organized on March 19, 1987 and commenced administrative operations on May 21, 1987 but was strictly in the development stage through fiscal year 1987. Instant win tickets games began November 12, 1987. On February 2, 1988, the Lottery began participating in Lotto America, a multi-state draw game now called Powerball. In the current year, the Lottery offered several multi-state draw games (Powerball, Mega Millions, Lucky for Life, 2 by 2, and the new Lotto America), Kansas only draw games (Keno, Pick 3, Super Kansas Cash, Holiday Raffle and Racetrax) and instant scratch and pull-tab games.

Performance Measures

Outcome Measures	Goal	FY 2019			FY 2022		FY 2023 Est.	FY 2024 Est.	3- yr. Avg.
		Actuals	FY 2020 Actuals	FY 2021 Actuals	Previous Est.	FY 2022 Actuals			
Transfers to SGRF/SGF	A,B	\$ 73,709,328	\$ 66,151,571	\$ 69,702,589	\$ 69,590,000	\$ 71,475,762	\$ 67,990,000	\$ 68,490,000	\$ 69,109,974
Transfers for Mental Health	A,B	\$ -	\$ 1,716,218	\$ 5,563,671	\$ 6,000,000	\$ 7,418,897	\$ 8,000,000	\$ 8,000,000	\$ 4,899,595
Transfers to Veterans' programs	A,B	\$ 1,200,000	\$ 1,260,000	\$ 1,260,000	\$ 1,260,000	\$ 1,260,000	\$ 1,260,000	\$ 1,260,000	\$ 1,260,000
Amounts captured for Setoff program	A,B	\$ 323,614	\$ 192,334	\$ 347,149	\$ 250,000	\$ 333,795	\$ 250,000	\$ 250,000	\$ 291,092
State of Kansas Withholding	A,B	\$ 1,369,513	\$ 697,694	\$ 1,022,928	\$ 1,000,000	\$ 946,085	\$ 1,000,000	\$ 1,000,000	\$ 888,902
Sales	A,B	\$295,282,190	\$ 274,992,121	\$ 326,010,583	\$ 317,600,000	\$ 312,985,036	\$ 310,600,000	\$ 313,600,000	\$ 304,662,580
Commissions Earned by Retailers	A,B	\$ 17,237,773	\$ 16,242,063	\$ 19,176,483	\$ 18,594,746	\$ 18,402,762	\$ 18,315,788	\$ 18,446,243	\$ 17,940,436
Prizes Paid to Players	A,B	\$172,676,708	\$ 166,527,213	\$ 200,187,234	\$ 194,944,000	\$ 191,473,867	\$ 191,032,000	\$ 193,027,000	\$ 186,062,771
PlayOn - Increase in members*	A,B	N/A	25%	32%	10%	7%	10%	10%	10%
PlayOn - Increase in tickets entered	A,B	N/A	6%	35%	10%	1%	5%	5%	14%
PlayOn - Avg monthly engagement	A,B	N/A	23%	24%	25%	24%	25%	25%	24%
Vending Machines in Service **	A,B	7	176	204	300	196	260	330	192

* In FY 2022, the Lottery began the process of removing dormant PlayOn accounts. This would include accounts that were never activated, accounts transferred from previous Players Club program that never engaged, duplicate accounts that had been deactivated, and any accounts with no activity within the last 15 months. This process accounted for a decrease of approximately 146,000 total members in February 2022.

** With the FY 2021 budget appropriation, the Lottery initiated purchase of 72 machines that were hoped to be placed in service late in FY 2022. Due to supply chain issues, those machines were just starting to be placed in August 2022. Similarly, 72 machines purchased using the FY 2022 budget appropriation are expected to arrive late in FY 2023.

Kansas Lottery

Funding

<i>Funding Source</i>	<i>FY 2019 Actuals</i>	<i>FY 2020 Actuals</i>	<i>FY 2021 Actuals</i>	<i>FY 2022 Approved</i>	<i>FY 2022 Actuals</i>	<i>FY 2023 Est.</i>	<i>FY 2024 Est.</i>	<i>3-yr. Avg.</i>
State General Fund	0%	0%	0%	0%	0%	0%	0%	0%
Non-SGF State Funds	100%	100%	100%	100%	100%	100%	100%	100%
Federal Funds	0%	0%	0%	0%	0%	0%	0%	0%
Total	100%	100%	100%	100%	100%	100%	100%	100%

Expanded Lottery

Consequences of Not Funding this Program

The Lottery was established by statute and revenues from state operated casino gaming funds a number of state and local programs. Failure to adequately fund the program would lead to a decrease in available revenues for the state and local governments.

Specific	Statutory Basis	Mandatory vs. Mandatory	MOE/Match Rqt.	Priority Level
	K.S.A. 74-8701 through 74-8780		No	1

Program Goals

- A. Maintain public confidence in all casino gaming, and provide services that meet or exceed the expectations of the Kansas citizenry.
- B. Produce the greatest amount of revenue possible for the State of Kansas while ensuring the integrity of all games.

Program History

The 2007 Legislature passed Senate Bill 66, the Kansas Expanded Lottery Act. The Act also allows for the Lottery, upon county voter approval, to operate lottery gaming facilities in four specific gaming zones. Casino gaming operations in the Southwest gaming zone (Boot Hill in Dodge City) commenced in December 2009. Casino gaming operations in the South Central gaming zone (Kansas Star in Mulvane) commenced on December 20, 2011. Casino gaming operations in the northeast gaming zone (Hollywood Casino in Kansas City) commenced on February 3, 2012. Casino gaming operations in the South East gaming zone (Kansas Crossing in Pittsburg) commenced on March 29, 2017.

Performance Measures

Outcome Measures	Goal	FY 2019 Actuals	FY 2020 Actuals	FY 2021 Actuals	FY 2022 Previous Est.	FY 2022 Actuals	FY 2023 Est.	FY 2024 Est.	3- yr. Avg.
Transfers to ELARF	A, B	\$ 90,466,114	\$ 73,622,301	\$ 82,422,361	\$ 88,000,000	\$ 88,214,021	\$ 89,518,000	\$89,650,000	\$ 81,419,561.00
Transfers PGAGF	A, B	\$ 8,220,556	\$ 6,681,238	\$ 7,492,942	\$ 8,000,000	\$ 8,019,456	\$ 8,138,000	\$ 8,150,000	\$ 7,397,878.67
Transfers to City & County Gov't	A, B	\$ 12,330,835	\$ 10,021,858	\$ 11,239,412	\$ 12,000,000	\$ 12,029,183	\$ 12,207,000	\$12,225,000	\$ 11,096,817.67
Amounts captured for Setoff program	A, B	\$ -	\$ -	\$ 3,055,781	\$ 3,000,000	\$ 3,201,788	\$ 3,000,000	\$ 3,000,000	\$ 2,085,856.40

Funding

Funding Source	FY 2019 Actuals	FY 2020 Actuals	FY 2021 Actuals	FY 2022 Approved	FY 2022 Actuals	FY 2023 Est.	FY 2024 Est.	3-yr. Avg.
State General Fund	0%	0%	0%	0%	0%	0%	0%	0%
Non-SGF State Funds	100%	100%	100%	100%	100%	100%	100%	100%
Federal Funds	0%	0%	0%	0%	0%	0%	0%	0%
Total	100%	100%	100%	100%	100%	100%	0%	100%