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Written Testimony
The House Committee on Veterans and Military on House Bill 2196
February 2, 2017

Presented By:
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Mr. Chairman and Members of the Committee

Thank you on behalf of the Kansas Lottery for this opportunity to provide this neutral written testimony on House Bill 2196.

As introduced, HB 2196 seeks to change the way that funds resulting from the Lottery's sale of dedicated Veteran's Benefit Games are distributed within the state. Currently, those funds are directly deposited into the state general fund (SGF), with percentages then being distributed to the National Guard educational assistance act scholarships (40%); to the veterans' home fee fund to be used for the Kansas veterans' homes and the state veterans' cemetery system (30%) and to the veterans enhanced service delivery program (30%). If it becomes law, this may change the fund or funds to which the Lottery would make the transfer(s).

HB 2196 also would require the Lottery to place notice to players on the front of all Veteran's tickets that funds from sales of those tickets are dedicated to veteran's programs. The Lottery wishes to note requiring notification on the front of a lottery ticket that it is dedicated to veteran's programs might actually impact sales negatively in the long run based on previous experiences.

After a few years of falling sales and transfers, the Lottery found that players had the misperception that prize payouts for Veterans Benefit Games were less compared to other lottery instant scratch tickets. To broaden the appeal, in 2012 the Lottery moved the "Supporting Kansas Veterans" phase from the front of the ticket to the back and began using non-veteran/military design themes. Veterans Benefit Games sales and transfers to Veterans programs nearly doubled after the changes.

However, in 2016, out of concerns expressed by Veteran supporters not being able to identify Veteran's tickets at lottery retail locations, , the Lottery added a yellow ribbon to the Veterans Benefit Games as well as a yellow ribbon sticker to instant ticket dispensers at the retailer locations. Since then the Lottery has observed monthly sales drop from an average of \$411,944 in FY 2016 to \$305,150 in FY 2017.

Rather than requiring notification on the front of the Veterans Benefits Games, the Lottery respectfully requests that the Committee leave the marketing and management of these games, like its other lottery products and promotions, to the discretion of the Lottery.

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