

House Budget Committee Report

Agency: Kansas Lottery

Bill No. HB 2588

Bill Sec. 25

Analyst: LaMunyon

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Budget Page No. 94

Expenditure Summary	Agency Request FY 2023	Governor Recommendation FY 2023*	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	\$ 0
Federal Funds	0	0	0
Other Funds	376,421,496	381,477,632	0
<i>Subtotal</i>	<u>\$ 376,421,496</u>	<u>\$ 381,477,632</u>	<u>\$ 0</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Federal Funds	0	0	0
Other Funds	0	0	0
<i>Subtotal</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
TOTAL	<u>\$ 376,421,496</u>	<u>\$ 381,477,632</u>	<u>\$ 0</u>
FTE positions	93.0	90.0	90.0

* Includes GBA No. 2, Item 2, to adopt the Spring Consensus Revenue Estimate and add \$5.2 million, all from special revenue funds, for payments to cities, counties, and casino managers for FY 2023. Changes are reflected in the table only.

Agency Request

The **agency** requests \$376.4 million, all from special revenue funds, for FY 2023. This is an increase of \$1.1 million, or 0.3 percent, above the FY 2022 revised estimate. The agency estimates \$38.0 million in lottery prizes paid by the State, which is an increase of \$1.0 million above the FY 2022 revised estimate. The agency requests additional increases of \$104,728, all from special revenue funds, for FY 2023. These adjustments primarily comprise increases in salaries and wages expenditures (\$377,928) and contractual services (\$926,000). However, these increases are partially offset by a decrease of \$1.2 million for capital outlay expenditures due to the purchase of additional lottery vending machines in FY 2022 that does not reoccur for FY 2023. The agency request also includes 93.0 FTE positions, which is an increase of 3.0 FTE positions above the FY 2022 revised estimate.

Governor's Recommendation

The **Governor** recommends expenditures of \$376.2 million, all from special revenue funds, for FY 2023. This is a decrease of \$187,864, or less than 0.1 percent, below the agency's FY 2023 request. This decrease is due to the Governor directing the agency to use existing resources and vacant FTE positions, rather than additional expenditures, to support the enhancement request for 3.0 additional FTE positions in the Administration program. The Governor's recommendation includes 90.0 FTE positions, which is a decrease of 3.0 FTE positions below the agency's FY 2023 request.

House Budget Committee Recommendation

The **Budget Committee** concurs with the Governor’s recommendation for FY 2023.

House Committee Recommendation

The **Committee** concurs with the Budget Committee’s recommendation for FY 2023.

House Committee of the Whole Recommendation (House Sub. for Sub. for SB 267)

The **Committee of the Whole** concurs with the Committee’s recommendation for FY 2023.

Senate Committee Report

Agency: Kansas Lottery

Bill No. SB 422

Bill Sec. 25

Analyst: LaMunyon

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Budget Page No. 94

<u>Expenditure Summary</u>	<u>Agency Request FY 2023</u>	<u>Governor Recommendation FY 2023*</u>	<u>Senate Committee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	\$ 0
Federal Funds	0	0	0
Other Funds	376,421,496	381,477,632	0
<i>Subtotal</i>	<u>\$ 376,421,496</u>	<u>\$ 381,477,632</u>	<u>\$ 0</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Federal Funds	0	0	0
Other Funds	0	0	0
<i>Subtotal</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
TOTAL	<u><u>\$ 376,421,496</u></u>	<u><u>\$ 381,477,632</u></u>	<u><u>\$ 0</u></u>

FTE positions 93.0 90.0 0.0

* Includes GBA No. 2, Item 2, to adopt the Spring Consensus Revenue Estimate and add \$5.2 million, all from special revenue funds, for payments to cities, counties, and casino managers for FY 2023. Changes are reflected in the table only.

Agency Request

The **agency** requests \$376.4 million, all from special revenue funds, for FY 2023. This is an increase of \$1.1 million, or 0.3 percent, above the FY 2022 revised estimate. The agency estimates \$38.0 million in lottery prizes paid by the State, which is an increase of \$1.0 million above the FY 2022 revised estimate. The agency requests additional increases of \$104,728, all from special revenue funds, for FY 2023. These adjustments primarily comprise increases in

salaries and wages expenditures (\$377,928) and contractual services (\$926,000). However, these increases are partially offset by a decrease of \$1.2 million for capital outlay expenditures due to the purchase of additional lottery vending machines in FY 2022 that does not reoccur for FY 2023. The agency request also includes 93.0 FTE positions, which is an increase of 3.0 FTE positions above the FY 2022 revised estimate.

Governor's Recommendation

The **Governor** recommends expenditures of \$376.2 million, all from special revenue funds, for FY 2023. This is a decrease of \$187,864, or less than 0.1 percent, below the agency's FY 2023 request. This decrease is due to the Governor directing the agency to use existing resources and vacant FTE positions, rather than additional expenditures, to support the enhancement request for 3.0 additional FTE positions in the Administration program. The Governor's recommendation includes 90.0 FTE positions, which is a decrease of 3.0 FTE positions below the agency's FY 2023 request. The decrease is due to the Governor not recommending the enhancement request for an additional 3.0 FTE positions in the Administration program.

Senate Committee on Federal and State Affairs Recommendation

The **Committee** concurs with the Governor's recommendation for FY 2023.

Senate Committee Recommendation

The **Committee** concurs with the Committee on Federal and State Affairs' recommendation for FY 2023.

Senate Committee of the Whole Recommendation (Sub. for SB 444)

The **Committee of the Whole** concurs with the Committee's recommendation for FY 2023.

Conference Committee Recommendation (House Sub. for Sub. for SB 267)

The **Conference Committee** concurs with the Governor's recommendation for FY 2023, with the following adjustment:

1. Add language requiring the agency to provide to the Medicaid Inspector General a list of individuals who have claimed a prize from the Kansas lottery of \$10,000 or more for FY 2023. Language should note that such information may not be publicly disclosed.

Omnibus Action (HB 2510)

1. Add 5.0 FTE positions to implement a sports wagering system for FY 2023 if House Sub. for Sub. for SB 84 becomes law.
2. Appropriate the Sports Wagering Receipts Fund for FY 2023 if House Sub. for Sub. for SB 84 becomes law.
3. Appropriate the Privilege Fee Repayment Fund for FY 2023 if House Sub. for Sub. for SB 84 becomes law.
4. Appropriate the Facility Manager Licensee Repayment Fund for FY 2023 if House Sub. for Sub. for SB 84 becomes law. [Staff Note: Language that would have created this fund was removed from House Sub. for Sub. for SB 84 prior to its passage by

the Legislature, so the fund was not appropriated in HB 2510.]

5. Adopt GBA No. 2, Item 2, to add \$5.2 million, all from special revenue funds, to adopt the Spring Consensus Revenue Estimate for payments to cities, counties, and casino managers for FY 2023.

State Finance Council

1. Add \$280,317, all from special revenue funds, for a 5.0 percent salary adjustment for most state employees for FY 2023. This adjustment excludes statewide elected officials, current beneficiaries of the 24/7 pay plan, with other specific limitations for employees who receive salary adjustments in other portions of the appropriations bill.

	Governor's Recommendation FY 2023*	Legislative Action	Legislative Approved FY 2023	Governor's Vetoed FY 2023	Omnibus and State Finance Council Action	Final Legislative Approved FY 2023
All Funds						
State Operations	\$ 331,270,632	\$ 0	\$ 331,270,632	\$ 0	\$ 280,317	\$ 331,550,949
Aid to Local Units	12,207,000	0	12,207,000	0	0	12,207,000
Other Assistance	38,000,000	0	38,000,000	0	0	38,000,000
<i>Subtotal - Operating</i>	<i>\$ 381,477,632</i>	<i>\$ 0</i>	<i>\$ 381,477,632</i>	<i>\$ 0</i>	<i>\$ 280,317</i>	<i>\$ 381,757,949</i>
Capital Improvements	0	0	0	0	0	0
TOTAL	\$ 381,477,632	\$ 0	\$ 381,477,632	\$ 0	\$ 280,317	\$ 381,757,949

State General Fund

State Operations	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Aid to Local Units	0	0	0	0	0	0
Other Assistance	0	0	0	0	0	0
<i>Subtotal - Operating</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>
Capital Improvements	0	0	0	0	0	0
TOTAL	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

FTE Positions	90.0	0.0	90.0	0.0	5.0	95.0
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* Includes GBA No. 2, Item 2, to adopt the Spring Consensus Revenue Estimate and add \$5.2 million, all from special revenue funds, for payments to cities, counties, and casino managers for FY 2023.