



March 9, 2023

The Honorable Rick Billinger, Chairperson
 Senate Committee on Ways and Means
 300 SW 10th Avenue, Room 548-S
 Topeka, Kansas 66612

Dear Senator Billinger:

SUBJECT: Fiscal Note for SB 275 by Senate Committee on Ways and Means

In accordance with KSA 75-3715a, the following fiscal note concerning SB 275 is respectfully submitted to your committee.

SB 275 would increase the cap on transfers to the State Gaming Revenues Fund from \$50.0 million to \$60.0 million and make changes to the distributions from this fund as follows:

<u>Fund Name</u>	<u>Current Law</u>	<u>SB 275</u>	<u>Difference</u>
Economic Development Initiatives Fund	\$42,415,000	\$44,925,000	\$ 2,510,000
Juvenile Alternatives to Detention Fund	2,495,000	2,995,000	500,000
Correctional Institutions Building Fund	4,990,000	11,980,000	6,990,000
Problem Gambling & Addictions Grant Fund	<u>100,000</u>	<u>100,000</u>	<u>--</u>
Total	\$50,000,000	\$60,000,000	\$10,000,000

Under current law, any receipts to the State Gaming Revenues Fund in excess of \$50.0 million are transferred to the State General Fund at the conclusion of the fiscal year. The bill would require that any receipts to the State Gaming Revenues Fund in excess of \$60.0 million would be transferred to the State General Fund at the conclusion of the fiscal year. The bill would remove outdated provisions from prior fiscal years and makes technical corrections.

Estimated State Fiscal Effect				
	FY 2023 SGF	FY 2023 All Funds	FY 2024 SGF	FY 2024 All Funds
Revenue	--	--	(\$10,000,000)	--
Expenditure	--	--	--	--
FTE Pos.	--	--	--	--

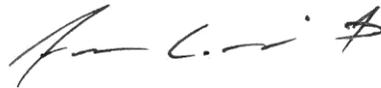
SB 275 would reduce State General Fund revenues by \$10.0 million in FY 2024 and in future fiscal years by reducing the year-end State Gaming Revenues Fund transfer to the State General Fund by that same amount. To offset this decrease, the Economic Development Initiatives Fund would receive an additional \$2,510,000, the Juvenile Alternatives to Detention Fund would receive an additional \$500,000, and the Correctional Institutions Building Fund would receive an additional \$6,990,000 beginning in FY 2024 and in future fiscal years.

The Economic Development Initiatives Fund is used to finance economic development activities across the state. The Department of Commerce, as the primary recipient of Economic Development Initiatives Fund monies, indicates the bill would have no fiscal effect on its operations. Any additional monies to the Economic Development Initiatives Fund would need to be appropriated by the Legislature.

The Department of Corrections indicates the bill would provide additional resources to the Juvenile Alternatives to Detention Fund and the Correctional Institutions Building Fund as noted above. The Juvenile Alternatives to Detention Fund is currently a no-limit fund that finances facilities or programs that provide an alternative to the detention of juveniles in local jails. The Correctional Institutions Building Fund is a state fund dedicated to the maintenance and upkeep of the adult correctional facilities. Any additional monies to the Correctional Institutions Building Fund would need to be appropriated by the Legislature. The Department indicates that any additional funding would be used to address the \$338.0 million in repairs needed at its facilities, including \$164.0 million for immediate needs and \$174.0 million for needs within the next ten years.

The Kansas Lottery indicates the bill would have no fiscal effect on its operations. Any fiscal effect associated with SB 275 is not reflected in *The FY 2024 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam Proffitt", followed by a stylized flourish.

Adam Proffitt
Director of the Budget

cc: Keith Kocher, Kansas Lottery
Randy Bowman, Department of Corrections
Sherry Rentfro, Department of Commerce