

February 20, 2026

The Honorable Mike Thompson, Chairperson
Senate Committee on Federal and State Affairs
300 SW 10th Avenue, Room 144-S
Topeka, Kansas 66612

Dear Senator Thompson:

SUBJECT: Fiscal Note for SB 508 by Senate Committee on Federal and State Affairs

In accordance with KSA 75-3715a, the following fiscal note concerning SB 508 is respectfully submitted to your committee.

Under current law, of the revenue from lottery tickets sold from vending machines, the first \$8.0 million in FY 2027 is transferred to fund mental health programs at the Department for Aging and Disability Services (75.0 percent to the Community Crisis Stabilization Centers Fund and 25.0 percent to the Clubhouse Model Program Fund). SB 508 would increase the cap to the first \$16.0 million in net profits from vending machines beginning in FY 2027.

The Kansas Lottery indicates SB 508 has the potential to increase transfers of net profits from lottery ticket vending machines to the Community Crisis Stabilization Centers Fund and the Clubhouse Model Program Fund beginning in FY 2027. Depending on actual net profits from lottery ticket vending machines, the bill would likely increase annual transfers to the Community Crisis Stabilization Centers Fund by \$6.0 million and the Clubhouse Model Program Fund by \$2.0 million. However, the Kansas Lottery indicates that the proposed increase in the mental health transfers has the potential to jeopardize its ability to meet its other mandated minimum monthly transfers and normal operating expenses. Amounts above the current vending machine net profit cap are ultimately transferred to the State Gaming Revenues Fund. Receipts to the State Gaming Revenues Fund in excess of \$50.0 million and up to \$71,490,000 are transferred to the State General Fund at the end of the fiscal year and any additional amounts above \$71,490,000 are transferred to the Department of Commerce's Attracting Professional Sports to Kansas Fund. Under current law, the Attracting Professional Sports to Kansas Fund is estimated to receive \$12.0 million in FY 2027. Under the provisions of the bill, the transfer to the Attracting Professional Sports to Kansas Fund would be reduced to \$4.0 million in FY 2027.

The Kansas Department for Aging and Disability Services indicates the bill would increase funding for mental health programs as noted above. The Community Crisis Stabilization Centers Fund was established to support crisis stabilization facilities to care for individuals experiencing a mental health or substance use crisis, while the Clubhouse Model Program Fund was established to fund certified clubhouse model programs to support people living with mental illness.

The Department of Commerce indicates the bill would reduce funding available to the Attracting Professional Sports to Kansas Fund by \$8.0 million in FY 2027 and in each future fiscal year. Revenue distributed to the Attracting Professional Sports to Kansas Fund has been pledged to the Kansas City Chiefs through an agreement with the State of Kansas to host Chiefs football beginning with the 2031 National Football League season. The agreement was approved unanimously by the Legislative Coordinating Council and will allow for the construction of a domed stadium and mixed-use district in Wyandotte County, and a training facility, team headquarters, and mixed-use district in Olathe, totaling a minimum of \$4.0 billion of development in the State of Kansas. The fiscal effect associated with SB 508 is partially reflected in *The FY 2027 Governor's Budget Report*. For FY 2027, the Governor recommended increasing the overall mental health transfers by \$2.0 million and reducing the end of the fiscal year transfer to the State General Fund by \$2.0 million. This recommendation would hold harmless revenues to the Attracting Professional Sports to Kansas Fund while increasing transfers for mental health.

Sincerely,



Adam C. Proffitt
Director of the Budget

cc: Keith Kocher, Kansas Lottery
Leigh Keck, Department for Aging & Disability Services
Sherry Rentfro, Department of Commerce