

April 8, 2013

The Honorable Arlen Siegfroid, Chairperson  
House Committee on Federal and State Affairs  
Statehouse, Room 185-N  
Topeka, Kansas 66612

Dear Representative Siegfroid:

**SUBJECT:** Fiscal Note for HB 2189 by House Committee on Federal and State Affairs

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2189 is respectfully submitted to your committee.

Currently, net profits from the Veterans Benefit Lottery Game are deposited annually in the State General Fund. Of the amount deposited, 40.0 percent is appropriated by the Legislature to the Board of Regents for the Kansas National Guard Educational Assistance Act Scholarships Program, 30.0 percent is appropriated for the operations and capital improvements at the Kansas Veterans' Home, the Kansas Soldiers' Home, and the State Veterans Cemetery System, and 30.0 percent is appropriated for the Veterans Enhanced Service Delivery Program. HB 2189 would establish the Veterans Benefit Lottery Game Fund to be administered by the Kansas Commission on Veterans Affairs and the National Guard Benefit Lottery Game Fund, which would be administered by the Adjutant General. The bill would require that 60.0 percent of the total profits from the sale of Veterans Benefit Lottery Game tickets, games, and materials be credited to the Veterans Benefit Lottery Game Fund and the remaining 40.0 percent be credited to the National Guard Benefit Lottery Game Fund.

Of the monies that would be credited to the Veterans Benefit Lottery Game Fund, 50.0 percent would be used for operating expenditures and capital improvements for the use and benefit of the Kansas Veterans' Home, the Kansas Soldiers' Home, and the State Veterans Cemetery System. The remaining 50.0 percent would be used for a Veterans Enhanced Service Delivery Program. Monies credited to the National Guard Benefit Lottery Game Fund would be used only for purposes directly benefiting members of the Kansas Army and Air National Guard and their families to provide for Kansas National Guard Educational Assistance Act scholarships and other purposes to the extent that monies are available.

The Kansas Lottery indicates enactment of HB 2189 would have no fiscal effect on agency operations. Passage of HB 2189 would decrease State General Fund expenditures by the same amount as revenues, beginning in FY 2014. The State General Fund revenues and

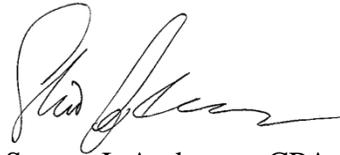
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expenditures would be diverted to the two new funds established by the bill so there would be no net change to the overall state budget. The Adjutant General indicates an accurate fiscal effect cannot be provided at this time since the agency states it does not know how much funding it would receive from the sales of Veterans Benefit Lottery Game tickets. Any fiscal effect associated with HB 2189 is not reflected in *The FY 2014 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Steven J. Anderson", written in a cursive style.

Steven J. Anderson, CPA, MBA  
Director of the Budget

cc: Stephen Durrell, Lottery  
Kafer Peele, Veterans Affairs  
Kelly Oliver, Board of Regents  
Cheri Froetschner, Adjutant General's Office