

February 16, 2021

The Honorable Larry Alley, Chairperson
Senate Committee on Federal and State Affairs
Statehouse, Room 136-E
Topeka, Kansas 66612

Dear Senator Alley:

SUBJECT: Fiscal Note for SB 108 by Senator Pittman

In accordance with KSA 75-3715a, the following fiscal note concerning SB 108 is respectfully submitted to your committee.

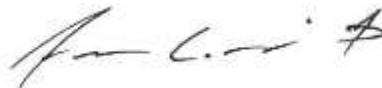
SB 108 would require \$2.0 million to be transferred on July 1 of each year from the Lottery Operating Fund in the Kansas Lottery to the Veterans Benefit Lottery Game Fund in the Kansas Commission on Veterans Affairs Office. Once transferred to the Veterans Benefit Lottery Game Fund, 60.0 percent of the funds would be retained by the Kansas Commission on Veterans Affairs Office and 40.0 percent would be distributed to Kansas National Guard Educational Assistance Act scholarships. Beginning on July 1, 2022, the total transfer from the Lottery Operating Fund to the Veterans Benefit Lottery Game Fund would be increased by 5.0 percent from the amount transferred the preceding year. The bill would establish the Veterans Benefit Lottery Game Fund in the State Treasury.

Under current law, \$1,260,000 is authorized to be transferred from the Lottery Operating Fund to the Veterans Benefit Lottery Game Fund in FY 2021, but no transfer is authorized for FY 2022. When compared to current law, SB 108 would reduce the amount of lottery ticket revenue transferred to the State General Fund by \$2.0 million in FY 2022 and would increase the transfer from the Lottery Operating Fund to the Veterans Benefit Lottery Game Fund by the same amount. Of the total amount transferred to the Veterans Benefit Lottery Game Fund in FY 2022, \$1,200,000 would be provided for the Kansas Commission Veterans Affairs Office and \$800,000 would be distributed to Kansas Board of Regents for the Kansas National Guard Educational Assistance Act Scholarship program. The Board of Regents receives a State General Fund appropriation of approximately \$3.0 million for the National Guard Educational Act Scholarship program that is not linked to lottery ticket revenues. The \$800,000 distributed to the Board of Regents under SB 108 would be in addition to the State General Fund appropriation for the Kansas National Guard

Educational Assistance Act Scholarship program. For FY 2023, a total of \$2,100,000 would be transferred from the Lottery Operating Fund to the Veterans Benefit Lottery Game Fund, with \$1,260,000 provided to the Kansas Commission Veterans Affairs Office and \$840,000 provided to the Board of Regents.

When compared to *The FY 2022 Governor's Budget Report*, SB 108 would reduce the amount of lottery ticket revenue transferred to the State General Fund by \$740,000 and would increase the transfer from the Lottery Operating Fund to the Veterans Benefit Lottery Game Fund by the same amount. The Governor's budget includes a transfer of \$1,260,000 from the Lottery Operating Fund to the Kansas Commission Veterans Affairs Office in FY 2022.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam Proffitt", with a stylized flourish at the end.

Adam Proffitt
Director of the Budget

cc: Keith Kocher, Lottery
Luke Drury, Veterans Affairs
Kelly Oliver, Board of Regents