

Senate Subcommittee Report

Agency: Kansas Lottery

Bill No. H. Sub. for SB4

Bill Sec. 34

Analyst: Hodish

Analysis Pg. No. 1318

Budget Page No. 82

Expenditure Summary	Agency Estimate FY 2015	Governor Recommendation FY 2015*	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	343,162,343	337,626,864	0
Subtotal	<u>\$ 343,162,343</u>	<u>\$ 337,626,864</u>	<u>\$ 0</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
TOTAL	<u><u>\$ 343,162,343</u></u>	<u><u>\$ 337,626,864</u></u>	<u><u>\$ 0</u></u>
FTE positions	74.9	74.9	0.0
Non FTE Uncl. Perm. Pos.	26.5	26.5	0.0
TOTAL	<u><u>101.4</u></u>	<u><u>101.4</u></u>	<u><u>0.0</u></u>

*NOTE: Includes GBA No. 1, Item 2 and adds \$4,400,000, all from special revenue funds for payments to cities and counties and lottery gaming facility managers due to increased gaming revenues in FY 2015. Changes are reflected in the table only.

Agency Estimate

The **agency's** revised estimate totals \$343.2 million, all from special revenue funds, in FY 2015. This is an increase of \$2.0 million, or 0.6 percent, above the amount approved by the 2014 Legislature. The increase is largely attributable to higher expenditures on salaries and wages, contractual services, and capital outlay related to the agency's supplemental requests. The FY 2015 estimate includes 74.9 FTE and 26.5 non-FTE positions, which is a decrease of 10.1 FTE and an increase of 10.1 non-FTE positions.

Governor's Recommendation

The **Governor** recommends \$333.2 million, all from special revenue funds, in FY 2015. This is a decrease of \$7.9 million, or 2.3 percent, below the agency's FY 2015 revised estimate. The decrease is largely attributable to reduced expenditures on contractual services and aid to local units of government as a result of lower than anticipated expanded gaming revenues from the state's three casinos. The Governor's recommendation includes 74.9 FTE and 26.5 non-FTE positions, which is unchanged from the agency's FY 2015 revised estimate.

House Sub. for Senate Bill 4

House Sub. for SB 4 adopted the Governor's recommendation for FY 2015 with the following adjustments:

1. Delete \$286,375, all from special revenue funds, for a new sales force automation system in FY 2015 and review later during the budget process.
2. Delete \$65,000, all from special revenue funds, for the purchase of video conferencing equipment in FY 2015 and review later during the budget process.
3. Delete \$641,755, all from special revenue funds, for a reduction of salaries and wages shrinkage in FY 2015 and review later during the budget process.

Senate Subcommittee Recommendation

The **Subcommittee** concurs with the Governor's recommendation in FY 2015 as adjusted by House Sub. for SB 4 with the following further adjustments:

1. Add \$286,375, all from special revenue funds, for a new sales force automation system in FY 2015. This action restores the agency to the Governor's recommendation prior to House Sub. for SB 4.
2. Add \$65,000, all from special revenue funds, for the purchase of video conferencing equipment in FY 2015. This action restores the agency to the Governor's recommendation prior to House Sub. for SB 4.
3. Add \$641,755, all from special revenue funds, for a reduction of salaries and wages shrinkage in FY 2015. This action restores the agency to the Governor's recommendation prior to House Sub. for SB 4.

Senate Committee Recommendation

The **Committee** concurs with the Subcommittee's recommendation in FY 2015.

Senate Committee of the Whole Recommendation

The **Committee of the Whole** concurs with the Committee's recommendation in FY 2015.

House Budget Committee Report

Agency: Kansas Lottery

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Budget Page No. 82

Expenditure Summary	Agency Estimate FY 2015	Governor Recommendation FY 2015*	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	343,162,343	337,626,864	0
Subtotal	\$ 343,162,343	\$ 337,626,864	\$ 0
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	\$ 0	\$ 0	\$ 0
 TOTAL	 \$ 343,162,343	 \$ 337,626,864	 \$ 0
 FTE positions	 74.9	 74.9	 0.0
Non FTE Uncl. Perm. Pos.	26.5	26.5	0.0
TOTAL	101.4	101.4	0.0

*NOTE: Includes GBA No. 1, Item 2 and adds \$4,400,000, all from special revenue funds for payments to cities and counties and lottery gaming facility managers due to increased gaming revenues in FY 2015. Changes are reflected in the table only.

Agency Estimate

The **agency's** revised estimate totals \$343.2 million, all from special revenue funds, in FY 2015. This is an increase of \$2.0 million, or 0.6 percent, above the amount approved by the 2014 Legislature. The increase is largely attributable to higher expenditures on salaries and wages, contractual services, and capital outlay related to the agency's supplemental requests. The FY 2015 estimate includes 74.9 FTE and 26.5 non-FTE positions, which is a decrease of 10.1 FTE and an increase of 10.1 non-FTE positions.

Governor's Recommendation

The **Governor** recommends \$333.2 million, all from special revenue funds, in FY 2015. This is a decrease of \$9.9 million, or 2.3 percent, below the agency's FY 2015 revised estimate. The decrease is largely attributable to reduced expenditures on contractual services and aid to local units of government as a result of lower than anticipated expanded gaming revenues from the state's three casinos. The Governor's recommendation includes 74.9 FTE and 26.5 non-FTE positions, which is unchanged from the agency's FY 2015 revised estimate.

House Sub. for Senate Bill 4

House Sub. for SB 4 adopted the Governor's recommendation for FY 2015 with the following adjustments:

1. Delete \$286,375, all from special revenue funds, for a new sales force automation system in FY 2015 and review later during the budget process.
2. Delete \$65,000, all from special revenue funds, for the purchase of video conferencing equipment in FY 2015 and review later during the budget process.
3. Delete \$641,755, all from special revenue funds, for a reduction of salaries and wages shrinkage in FY 2015 and review later during the budget process.

House Budget Committee Recommendation

The **Budget Committee** concurs with the Governor's recommendation in FY 2015 as adjusted by House Sub. for SB 4 with the following further adjustments:

1. Add \$286,375, all from special revenue funds, for a new sales force automation system in FY 2015. This action restores the agency to the Governor's recommendation prior to House Sub. for SB 4.
2. Add \$65,000, all from special revenue funds, for the purchase of video conferencing equipment in FY 2015. This action restores the agency to the Governor's recommendation prior to House Sub. for SB 4.
3. Add \$641,755, all from special revenue funds, for a reduction of salaries and wages shrinkage in FY 2015 . This action restores the agency to the Governor's recommendation prior to House Sub. for SB 4.

House Committee Recommendation

The **Committee** concurs with the Budget Committee's recommendation in FY 2015 with the following adjustment:

1. Delete \$65,000, all from special revenue funds, for the purchase of video conferencing equipment in FY 2015.

Conference Committee Recommendation (House Sub. for SB 112)

The **Conference Committee** concurs with the Governor's recommendation with the following adjustments:

1. Add \$286,375, all from special revenue funds, for a new sales force automation system in FY 2015. This action restores the agency to the Governor's recommendation prior to House Sub. for SB 4.
2. Add \$641,755, all from special revenue funds, for a reduction of salaries and wages shrinkage in FY 2015 . This action restores the agency to the Governor's recommendation prior to House Sub. for SB 4.

3. Add \$20,000, all from special revenue funds, for the purchase of video conferencing equipment in FY 2015. (The original Governor's recommendation included \$65,000 for the purchase of conferencing equipment; therefore, the final conference position is a net deduction of \$45,000 from the Governor's recommendation).
4. Concur with GBA No. 1, Item 2, to add \$4.4 million, all from special revenue funds, due to increases in expanded gaming revenue in FY 2015.

	Governor's Recommendation FY 2015	Legislative Action	Legislative Approved FY 2015	Governor's Veto FY 2015	Final Legislative Approved FY 2015
All Funds					
State Operations	\$ 284,829,854	\$ (45,000)	\$ 284,784,854	\$ 0	\$ 284,784,854
Aid to Local Units	10,602,000	0	10,602,000	0	10,602,000
Other Assistance	37,795,010	0	37,795,010	0	37,795,010
Subtotal- Operations	\$ 333,226,864	\$ (45,000)	\$ 333,181,864	\$ 0	\$ 333,181,864
Capital Improvements	0	0	0	0	0
TOTAL	\$ 333,226,864	\$ (45,000)	\$ 333,181,864	\$ 0	\$ 333,181,864

State General Fund

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

FTE Positions	74.9	0.0	74.9	0.0	74.9
Non-FTE Unclass. Perm. Pos.	26.5	0.0	26.5	0.0	26.5
TOTAL	101.4	0.0	101.4	0.0	101.4