

Kansas Lottery

Expenditure	Actual FY 2015	Approved FY 2016	Approved FY 2017
All Funds:			
State Operations	\$ 290,519,492	\$ 298,883,320	\$ 312,320,028
Aid to Local Units	10,932,311	11,115,000	11,607,000
Other Assistance	33,799,474	41,055,282	42,542,281
<i>Subtotal - Operating</i>	<u>\$ 335,251,277</u>	<u>\$ 351,053,602</u>	<u>\$ 366,469,309</u>
Capital Improvements	-	-	-
TOTAL	<u><u>\$ 335,251,277</u></u>	<u><u>\$ 351,053,602</u></u>	<u><u>\$ 366,469,309</u></u>
State General Fund:			
State Operations	\$ -	\$ -	\$ -
Aid to Local Units	-	-	-
Other Assistance	-	-	-
<i>Subtotal - Operating</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Capital Improvements	-	-	-
TOTAL	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Percent Change:			
Operating Expenditures			
All Funds	2.1 %	4.7 %	4.4 %
State General Fund	-	-	-
FTE Positions	74.9	76.0	76.0
Non-FTE Unclass. Perm. Pos.	26.5	28.0	28.0
TOTAL	<u><u>101.4</u></u>	<u><u>104.0</u></u>	<u><u>104.0</u></u>

The approved budget for the Kansas Lottery in FY 2016 is \$351.1 million, all from special revenue funds. This is an all funds increase of \$15.8 million, or 4.7 percent, above FY 2015 actual expenditures. The increase is due largely to an increase in the sale of traditional lottery products. As ticket sales are projected to increase between FY 2015 and FY 2016, prizes paid to players are anticipated to increase by \$14.5 million in FY 2016. The Governor's Budget Amendment (GBA) No. 1, Item 7 increased expenditures from the agency's operating budget by \$1.5 million for payments to cities and counties housing state-owned casinos, and to facility managers who operate the casinos (cities and counties housing the state-owned casinos receive 3.0 percent of all expanded gaming revenue, and lottery gaming facility managers receive 73.0 percent of all expanded gaming revenue). The GBA also increased the Kansas Lottery's transfer to the State Gaming Revenues Fund by \$2.0 million in FY 2016. The FY 2016 approved budget includes funding for the agency's two supplemental requests for passenger cars (\$42,500) and new hardware for retailer terminals (\$140,000). In addition to changes in expanded gaming expenditures and the agency's supplemental requests, the agency also increased expenditures in the Administration program, specifically to pay additional classified and unclassified employees. The FY 2016 approved budget includes 76.0 FTE and 28.0 non-FTE positions, an increase of 1.1 FTE positions and 1.5 non-FTE positions. The agency reclassified some employees which resulted in the overall position changes. The non-FTE position increase resulted from the 2015 Legislature approving 2.0 non-FTE positions included as part of the agency's enhancement request for Gaming Facility Analysts who will be responsible for the auditing and oversight of gaming facility operations in the Southeast Gaming Zone.

The FY 2017 approved budget for the Kansas Lottery totals \$366.5 million, all from special revenue funds. This is an all funds increase of \$15.4 million, or 4.4 percent, above the FY 2016 approved budget. The increase is largely due to estimated payments to cities and counties and the lottery gaming facility manager in the Southeast Gaming Zone (the state's fourth casino, Kansas Crossing, is projected to open in FY 2017). Revenue generated from the sale of traditional lottery products is projected to increase between FY 2016 and FY 2017, which results in an increase of \$1.5 million for payment of prizes to players in FY 2017. The FY 2017 approved budget includes 76.0 FTE and 28.0 non-FTE positions, which is unchanged from the FY 2016 approved budget.

Kansas Lottery

	FY 2016			FY 2017		
	SGF	All Funds	FTE	SGF	All Funds	FTE
Agency Estimate/Request	\$ -	\$ 342,105,602	76.0	\$ -	\$ 368,843,230	76.0
Governor's Changes:						
1. Consensus Revenue Estimate Adjustment	\$ -	\$ 7,594,000	-	\$ -	\$ 3,608,000	-
2. GBA No. 1, Item 7	-	1,354,000	-	-	(5,942,000)	-
Total Governor's Recommendation	\$ -	\$ 351,053,602	76.0	\$ -	\$ 366,509,230	76.0
Change from Agency Est./Req.	\$ 0	\$ 8,948,000	0.0	\$ 0	\$ (2,334,000)	0.0
Percent Change from Agency Est./Req.	0.0 %	2.6 %	0.0 %	0.0 %	(0.6)%	0.0 %
Legislative Action:						
3. KPERS Death and Disability Reduction	\$ -	\$ -	-	\$ -	\$ (39,921)	-
TOTAL APPROVED	\$ -	\$ 351,053,602	76.0	\$ -	\$ 366,469,309	76.0
Change from Gov. Rec.	\$ 0	\$ 0	0.0	\$ 0	\$ (39,921)	0.0
Percent Change from Gov. Rec.	0.0 %	0.0 %	0.0 %	0.0 %	(0.0)%	0.0 %
Change from Agency Est./Req.	\$ 0	\$ 8,948,000	0.0	\$ 0	\$ (2,373,921)	0.0
Percent Change from Agency Est./Req.	0.0 %	2.6 %	0.0 %	0.0 %	(0.6)%	0.0 %

1. The Governor's recommendation included adjustments to reflect the November 2015 estimates of gaming revenues. Estimated increases, all from special revenue funds, were \$7.6 million in FY 2016 and \$3.6 million for FY 2017.
2. The Legislature concurred with GBA No. 1, Item 7 and added \$1.4 million, all from special revenue funds, in FY 2016, but deleted \$5.9 million, all from special revenue funds, for FY 2017 as a result of the April 2016 consensus revenue group's estimate for adjusted expanded gaming revenue. GBA No. 1, Item 7 also increased the Kansas Lottery's transfer to the State Gaming Revenues Fund by \$2.0 million in FY 2016.
3. The Legislature deleted \$39,921, all from special revenue funds, to eliminate the remaining three quarters of Death and Disability payments for FY 2017.