

KANSAS LOTTERY

Appropriations Report

AGENCY OVERVIEW

The Kansas Lottery operates under Article 15, Section 3c of the Kansas Constitution, which authorizes a lottery that is owned and operated by the State. KSA 74-8710(a) allows, by rule and regulation, the establishment of the types of lottery games to be conducted, including, but not limited to, instant lottery, online, and traditional games. The Expanded Lottery Act authorizes the Kansas Lottery to own and operate electronic gaming machines at designated locations. The Kansas Racing and Gaming Commission is given authority to regulate the gaming activities at racetracks and casinos. The Kansas Lottery has established multiple types of traditional games, including instant tickets, Powerball, Mega Millions, Super Kansas Cash, Lucky for Life, and Pick 3. The agency frequently partners with organizations such as the Kansas City Chiefs, Kansas City Royals, Sporting KC, and the Kansas State Fair for special instant games and second-chance prize drawings.

BUDGET ITEMS

	Agency		LBC (HB 2007, as Introduced)		Final Approved (SB 125)	
	SGF	All Funds	SGF	All Funds	SGF	All Funds
FY 2025						
Approved						
Approved Budget	-	\$480,222,455	-	\$480,222,455	-	\$480,222,455
<i>Subtotal – Approved</i>	-	\$480,222,455	-	\$480,222,455	-	\$480,222,455
Enhancement						
1. PlayOn Personnel Costs	-	\$165,191	-	-	-	-
<i>Subtotal – Enhancement</i>	-	\$165,191	-	-	-	-
Other Changes						
2. Lottery Gaming Facility Management Fees	-	\$3,979,000	-	\$3,979,000	-	\$3,979,000
3. PlayOn Loyalty Expansion	-	\$3,670,000	-	\$3,670,000	-	\$3,670,000
4. Shrinkage	-	-	-	-	-	(\$651,373)
5. Sports Wagering Facility Management Fees	-	\$7,200,000	-	\$7,200,000	-	\$7,200,000
6. Sports Wagering Negotiations	-	-	-	-	-	-
All Other Adjustments	-	(\$239,548)	-	(\$239,548)	-	(\$239,548)
<i>Subtotal – Other Changes</i>	-	\$14,609,452	-	\$14,609,452	-	\$13,958,079
TOTAL	-	\$494,997,098	-	\$494,831,907	-	\$494,180,534
FY 2026						
Approved						
Approved Budget	-	\$480,222,455	-	\$480,222,455	-	\$480,222,455
<i>Subtotal – Approved</i>	-	\$480,222,455	-	\$480,222,455	-	\$480,222,455
Enhancement						
1. PlayOn Personnel Costs	-	\$334,933	-	-	-	-
7. 2025 Pay Plan	-	-	-	-	-	\$173,835
<i>Subtotal – Enhancement</i>	-	\$334,933	-	-	-	\$173,835

* Note: "Final Approved" represents adjustments in SB 125, as enacted. Other recommendations are cumulative and based on prior steps.

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	Agency		LBC (HB 2007, as Introduced)		Final Approved (SB 125)	
	SGF	All Funds	SGF	All Funds	SGF	All Funds
Other Changes						
2. Lottery Gaming Facility Management Fees	-	\$3,527,000	-	\$3,527,000	-	\$3,527,000
3. PlayOn Loyalty Expansion	-	\$5,470,000	-	\$5,470,000	-	\$5,470,000
4. Shrinkage	-	-	-	-	-	(\$658,251)
5. Sports Wagering Facility Management Fees	-	\$7,200,000	-	\$7,200,000	-	\$7,200,000
6. Sports Wagering Negotiations	-	-	-	-	-	-
All Other Adjustments	-	\$394,287	-	\$394,287	-	\$394,287
<i>Subtotal – Other Changes</i>	-	\$16,591,287	-	\$16,591,287	-	\$15,933,036
TOTAL	-	\$497,148,675	-	\$496,813,742	-	\$496,329,326

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1. PlayOn Personnel Costs

FY 2025

Agency: Add \$165,191, all from the Lottery Operating Fund, for an increase in employee pay due to the additional duties created by the expansion of the PlayOn program in FY 2025.

LBC: Delete \$165,191, all from the Lottery Operating Fund, to not increase employee pay due to the additional duties created by the expansion of the PlayOn program in FY 2025.

House: Concur with the LBC.

Senate: Concur with the House.

Conference: Concur with the Senate.

Final Approved*: This item was not included in SB 125, as enacted.

FY 2026

Agency: Add \$334,933, all from the Lottery Operating Fund, for an increase in employee pay due to the additional duties created by the expansion of the PlayOn program for FY 2026.

LBC: Delete \$334,933, all from the Lottery Operating Fund, to not increase employee pay due to the additional duties created by the expansion of the PlayOn program for FY 2026.

House: Concur with the LBC.

Senate: Concur with the House.

Conference: Concur with the Senate.

Final Approved*: This item was not included in SB 125, as enacted.

2. Lottery Gaming Facility Management Fees

FY 2025

Agency: Add \$4.0 million, all from the Expanded Lottery Act Revenue Fund, for management fees to lottery gaming facility managers in FY 2025.

LBC: Concur with the Agency.

House: Concur with the LBC.

Senate: Concur with the House.

Conference: Concur with the Senate.

Final Approved*: Add \$4.0 million, all from the Expanded Lottery Act Revenue Fund, for management fees to lottery gaming facility managers in FY 2025.

FY 2026

Agency: Add \$3.5 million, all from the Expanded Lottery Act Revenue Fund, for management fees to lottery gaming facility managers for FY 2026.

LBC: Concur with the Agency.

House: Concur with the LBC.

Senate: Concur with the House.

Conference: Concur with the Senate.

Final Approved*: Add \$3.5 million, all from the Expanded Lottery Act Revenue Fund, for management fees to lottery gaming facility managers for FY 2026.

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3. PlayOn Loyalty Expansion

FY 2025

Agency: Add \$3.7 million, all from the Lottery Operating Fund, and add 2.0 FTE positions for the expansion of the PlayOn player loyalty program in FY 2025.

LBC: Concur with the Agency.

House: Concur with the LBC.

Senate: Concur with the House.

Conference: Concur with the Senate.

Final Approved*: Add \$3.7 million, all from the Lottery Operating Fund, and add 2.0 FTE positions for the expansion of the PlayOn player loyalty program in FY 2025.

FY 2026

Agency: Add \$5.5 million, all from the Lottery Operating Fund, and add 2.0 FTE positions for the expansion of the PlayOn player loyalty program for FY 2026.

LBC: Concur with the Agency.

House: Concur with the LBC.

Senate: Concur with the House.

Conference: Concur with the Senate.

Final Approved*: Add \$5.5 million, all from the Lottery Operating Fund, and add 2.0 FTE positions for the expansion of the PlayOn player loyalty program for FY 2026.

4. Shrinkage

FY 2025

Agency: N/A

LBC: N/A

House: Delete \$651,373, all from the Lottery Operating Fund, to implement a 7.5 percent shrinkage rate in FY 2025.

Senate: Concur with the House.

Conference: Concur with the Senate.

Final Approved*: Delete \$651,373, all from the Lottery Operating Fund, to implement a 7.5 percent shrinkage rate in FY 2025.

FY 2026

Agency: N/A

LBC: N/A

House: Delete \$658,251, all from the Lottery Operating Fund, to implement a 7.5 percent shrinkage rate for FY 2026.

Senate: Concur with the House.

Conference: Concur with the Senate.

Final Approved*: Delete \$658,251, all from the Lottery Operating Fund, to implement a 7.5 percent shrinkage rate for FY 2026.

5. Sports Wagering Facility Management Fees

FY 2025

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Agency: Add \$7.2 million, all from the Sports Wagering Receipts Fund, for management fees to sports wagering gaming facility managers in FY 2025.

LBC: Concur with the Agency.

House: Concur with the LBC.

Senate: Concur with the House.

Conference: Concur with the Senate.

Final Approved*: Add \$7.2 million, all from the Sports Wagering Receipts Fund, for management fees to sports wagering gaming facility managers in FY 2025.

FY 2026

Agency: Add \$7.2 million, all from the Sports Wagering Receipts Fund, for management fees to sports wagering gaming facility managers for FY 2026.

LBC: Concur with the Agency.

House: Concur with the LBC.

Senate: Concur with the House.

Conference: Concur with the Senate.

Final Approved*: Add \$7.2 million, all from the Sports Wagering Receipts Fund, for management fees to sports wagering gaming facility managers for FY 2026.

6. Sports Wagering Negotiations

FY 2025

Agency: N/A

LBC: N/A

House: Add language providing that the Lottery shall not expend moneys to negotiate or enter into any contract or extension or renewal of an existing contract for the management of sports wagering with any lottery gaming facility manager in FY 2025.

Senate: Add language providing that the Lottery shall not expend moneys to negotiate or enter into any contract or extension/renewal of an existing contract for the management of sports wagering with any lottery gaming facility manager in FY 2025.

Conference: Concur with the Senate.

Governor: The Governor line-item vetoed this item.

Legislature: The Legislature overrode the line-item veto.

Final Approved*: Add language providing that the Lottery shall not expend moneys to negotiate or enter into any contract or extension/renewal of an existing contract for the management of sports wagering with any lottery gaming facility manager in FY 2025.

FY 2026

* Note: "Final Approved" represents adjustments in SB 125, as enacted. Other recommendations are cumulative and based on prior steps.

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Agency: N/A

LBC: N/A

House: Add language providing that the Lottery shall not expend moneys to negotiate or enter into any contract or extension or renewal of an existing contract for the management of sports wagering with any lottery gaming facility manager for FY 2026.

Senate: Add language providing that the Lottery shall not expend moneys to negotiate or enter into any contract or extension/renewal of an existing contract for the management of sports wagering with any lottery gaming facility manager for FY 2026.

Conference: Concur with the Senate.

Governor: The Governor line-item vetoed this item.

Legislature: The Legislature overrode the line-item veto.

Final Approved*: Add language providing that the Lottery shall not expend moneys to negotiate or enter into any contract or extension/renewal of an existing contract for the management of sports wagering with any lottery gaming facility manager for FY 2026.

7. 2025 Pay Plan

FY 2026

Agency: N/A

LBC: N/A

House: N/A

Senate: N/A

Conference: Add \$173,835 to provide salary increases for most state employees based on the Department of Administration's market survey for FY 2026.

Final Approved*: Add \$173,835 to provide salary increases for most state employees based on the Department of Administration's market survey for FY 2026.

* Note: "Final Approved" represents adjustments in SB 125, as enacted. Other recommendations are cumulative and based on prior steps.