

KANSAS LOTTERY

Budget Committee Report

KLRD Analyst: Pratt
KLRD Summary: Vol. 1, Pg. 166
Bill Number: SB 125

DOB Analyst: Tomb
GBR Analysis: Vol. 2, Pg. 106
Committee: --

Summary, FY 2023 – FY 2026

Expenditures by Fund Type

	Actual FY 2023	Actual FY 2024	Approved FY 2025	Approved FY 2026
State Operations	\$ 380,744,391	\$ 434,210,645	\$ 443,955,534	\$ 446,104,326
State General Fund	-	-	-	-
Federal Funds	-	-	-	-
All Other Funds	380,744,391	434,210,645	443,955,534	446,104,326
State Aid and Assistance	\$ 47,462,708	\$ 65,237,030	\$ 50,225,000	\$ 50,225,000
State General Fund	-	-	-	-
Federal Funds	-	-	-	-
All Other Funds	47,462,708	65,237,030	50,225,000	50,225,000
Capital Budget and Debt	\$ -	\$ -	\$ -	\$ -
State General Fund	-	-	-	-
Federal Funds	-	-	-	-
All Other Funds	-	-	-	-
TOTAL	\$ 428,207,099	\$ 499,447,675	\$ 494,180,534	\$ 496,329,326

Financing by Expenditure Group

	Actual FY 2023	Actual FY 2024	Approved FY 2025	Approved FY 2026
State General Fund	\$ -	\$ -	\$ -	\$ -
State Operations	-	-	-	-
State Aid and Assistance	-	-	-	-
Capital Budget and Debt	-	-	-	-
Federal Funds	\$ -	\$ -	\$ -	\$ -
State Operations	-	-	-	-
State Aid and Assistance	-	-	-	-
Capital Budget and Debt	-	-	-	-
All Other Funds	\$ 428,207,099	\$ 499,447,675	\$ 494,180,534	\$ 496,329,326
State Operations	380,744,391	434,210,645	443,955,534	446,104,326
State Aid and Assistance	47,462,708	65,237,030	50,225,000	50,225,000
Capital Budget and Debt	-	-	-	-
TOTAL	\$ 428,207,099	\$ 499,447,675	\$ 494,180,534	\$ 496,329,326

FTE Positions	95.0	95.0	91.0	91.0
---------------	------	------	------	------

KANSAS LOTTERY

Budget Committee Report

FY 2025

	Agency	LBC	House	Senate	Approved
State Operations	\$ 444,772,098	\$ 444,606,907	\$ 443,955,534	\$ 443,955,534	\$ 443,955,534
State General Fund	-	-	-	-	-
Federal Funds	-	-	-	-	-
All Other Funds	444,772,098	444,606,907	443,955,534	443,955,534	443,955,534
State Aid and Assistance	\$ 50,225,000	\$ 50,225,000	\$ 50,225,000	\$ 50,225,000	\$ 50,225,000
State General Fund	-	-	-	-	-
Federal Funds	-	-	-	-	-
All Other Funds	50,225,000	50,225,000	50,225,000	50,225,000	50,225,000
Capital Budget and Debt	\$ -	\$ -	\$ -	\$ -	\$ -
State General Fund	-	-	-	-	-
Federal Funds	-	-	-	-	-
All Other Funds	-	-	-	-	-
TOTAL	\$ 494,997,098	\$ 494,831,907	\$ 494,180,534	\$ 494,180,534	\$ 494,180,534
FTE Positions	91.0	91.0	91.0	91.0	91.0

Agency

The **agency** requests a revised estimate of \$495.0 million, all from special revenue funds, in expenditures, and 91.0 FTE positions, in FY 2025. This is an increase of \$14.8 million, or 3.1 percent, above the amount approved by the 2024 Legislature, and a decrease of 4.0 FTE positions below the number of approved positions. The primary reasons for the increase are due to:

- The expansion of the PlayOn player loyalty program to include the electronic sale of tickets (\$3.7 million), and
- The amount of revenue retained by lottery gaming facility managers to be in line with the Fall 2024 consensus revenue estimates for casino gaming and sports wagering (\$11.3 million).

Otherwise, the agency requests supplemental funding in the amount of \$165,191 to increase the salaries of certain employees who have taken on additional duties related to the expansion of the player loyalty program.

Special Committee on Legislative Budget

The **Special LBC** concurs with the agency's revised estimate in FY 2025, with the following adjustments:

- Delete \$165,191, all from the lottery operating fund, to not increase the salaries of certain employees who have taken on additional duties related to the expansion of the player loyalty program.

House Committee on General Government Budget

The **Budget Committee** concurs with the Special LBC's recommendation in FY 2025.

House Committee on Appropriations

The **House Committee** concurs with the Budget Committee's recommendation in FY 2025 with the following adjustment:

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

House Committee on Appropriations (SB 125 Claims Bill)

The **House Committee** concurs with the claims listed in SB 125, previously known as the Claims Bill, in FY 2025 with the following adjustment for this agency:

KANSAS LOTTERY

Budget Committee Report

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

House Committee of the Whole

The **House Committee of the Whole** concurs with the House Committee's recommendation in FY 2025.

Senate Committee on Ways and Means

The **Senate Committee** concurs with the House Committee of the Whole's recommendation in FY 2025 with the following adjustment:

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

Senate Committee of the Whole

The **Senate Committee of the Whole** concurs with the Senate Committee's recommendation in FY 2025.

Conference Committee

The **Conference Committee** concurs with the Special LBC's recommendation in FY 2025 with the following adjustments:

1. Delete \$651,373, all from the Lottery Operating Fund, to implement a 7.5 percent shrinkage rate in FY 2025.
2. Add language providing that the Kansas Lottery shall not expend moneys to negotiate or enter into any contract or extension of an existing contract or renewal of an existing contract for the management of sports wagering with any lottery gaming facility manager in FY 2025.

KANSAS LOTTERY

Budget Committee Report

FY 2026

	Agency	LBC	House	Senate	Approved
State Operations	\$ 446,923,675	\$ 446,588,742	\$ 445,930,491	\$ 445,930,491	\$ 446,104,326
State General Fund	-	-	-	-	-
Federal Funds	-	-	-	-	-
All Other Funds	446,923,675	446,588,742	445,930,491	445,930,491	446,104,326
State Aid and Assistance	\$ 50,225,000	\$ 50,225,000	\$ 50,225,000	\$ 50,225,000	\$ 50,225,000
State General Fund	-	-	-	-	-
Federal Funds	-	-	-	-	-
All Other Funds	50,225,000	50,225,000	50,225,000	50,225,000	50,225,000
Capital Budget and Debt	\$ -	\$ -	\$ -	\$ -	\$ -
State General Fund	-	-	-	-	-
Federal Funds	-	-	-	-	-
All Other Funds	-	-	-	-	-
TOTAL	\$ 497,148,675	\$ 496,813,742	\$ 496,155,491	\$ 496,155,491	\$ 496,329,326
FTE Positions	91.0	91.0	91.0	91.0	91.0

Agency

The **agency** requests a revised estimate of \$497.0 million, all from special revenue funds, in expenditures, and 91.0 FTE positions, for FY 2026. This is an increase of \$16.9 million, or 3.5 percent, above the amount approved for FY 2025 by the 2024 Legislature, and a decrease of 4.0 FTE positions below the number of approved positions. The primary reasons for the increase are due to:

- The expansion of the PlayOn player loyalty program to include the electronic sale of tickets (\$5.5 million), and
- The amount of revenue retained by lottery gaming facility managers to be in line with the Fall 2024 consensus revenue estimates for casino gaming and sports wagering (\$10.7 million).

Otherwise, the agency requests enhancement funding in the amount of \$334,933 to increase the salaries of certain employees who have taken on additional duties related to the expansion of the player loyalty program.

Special Committee on Legislative Budget

The **Special LBC** concurs with the agency's revised estimate for FY 2026, with the following adjustments:

- Delete \$334,933, all from the Lottery Operating Fund, to not increase the salaries of certain employees who have taken on additional duties related to the expansion of the player loyalty program.

House Committee on General Government Budget

The **Budget Committee** concurs with the Special LBC's recommendation for FY 2026.

House Committee on Appropriations

The **House Committee** concurs with the Budget Committee's recommendation for FY 2026 with the following adjustment:

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

House Committee on Appropriations (SB 125 Claims Bill)

The **House Committee** concurs with the claims listed in SB 125, previously known as the Claims Bill, for FY 2026 with the following adjustment for this agency:

KANSAS LOTTERY

Budget Committee Report

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

House Committee of the Whole

The **House Committee of the Whole** concurs with the House Committee's recommendation for FY 2026.

Senate Committee on Ways and Means

The **Senate Committee** concurs with the House Committee of the Whole's recommendation for FY 2026 with the following adjustment:

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

Senate Committee of the Whole

The **Senate Committee of the Whole** concurs with the Senate Committee's recommendation for FY 2026.

Conference Committee

The **Conference Committee** concurs with the Special LBC's recommendation for FY 2026 with the following adjustments:

1. Delete \$658,251, all from the Lottery Operating Fund, to implement a 7.5 percent shrinkage rate for FY 2026.
2. Add language providing that the Kansas Lottery shall not expend moneys to negotiate or enter into any contract or extension of an existing contract or renewal of an existing contract for the management of sports wagering with any lottery gaming facility manager for FY 2026.

State Finance Council

The **State Finance Council** approved the following adjustment for FY 2026:

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