

March 8, 2013

The Honorable Marvin Kleeb, Chairperson
House Committee on Commerce, Labor and Economic Development
Statehouse, Room 286-N
Topeka, Kansas 66612

Dear Representative Kleeb:

SUBJECT: Fiscal Note for HB 2276 by House Committee on Corrections and Juvenile Justice

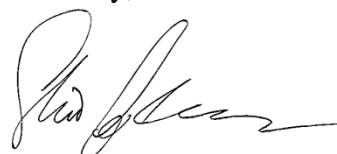
In accordance with KSA 75-3715a, the following fiscal note concerning HB 2276 is respectfully submitted to your committee.

Currently, the provision that allows Kansas Correctional Industries (KCI) to sell products and services to Kansas residents and businesses will expire on June 30, 2013. HB 2276 would remove the sunset clause attached to the provision.

Estimated State Fiscal Effect				
	FY 2013 SGF	FY 2013 All Funds	FY 2014 SGF	FY 2014 All Funds
Revenue	--	--	--	\$75,000 to \$100,000
Expenditure	--	--	--	--
FTE Pos.	--	--	--	--

The Department of Corrections estimates that removing the sunset clause would generate additional revenue of approximately \$75,000 to \$100,000 for the Kansas Correctional Industries Fund in FY 2014. Without advertising, KCI has generated \$122,161 from sales to Kansas residents and businesses since the beginning of FY 2012. To help increase potential revenue, the Department states that it is KCI's intent to implement a strategic marketing plan upon enactment of the bill. Any fiscal effect associated with HB 2276 is not reflected in *The FY 2014 Governor's Budget Report*.

Sincerely,



Steven J. Anderson, CPA, MBA
Director of the Budget

cc: Jeremy Barclay, KDOC