

February 18, 2016

The Honorable Janice Pauls, Chairperson
House Committee on Federal and State Affairs
Statehouse, Room 285-N
Topeka, Kansas 66612

Dear Representative Pauls:

SUBJECT: Fiscal Note for HB 2628 by House Committee on Education

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2628 is respectfully submitted to your committee.

HB 2628 would require the Kansas Lottery Commission to establish the Pre-kindergarten Program Instant Lottery Scratch-Off Game. The tickets would prominently state that the profits derived from the game would be used to benefit pre-kindergarten programs provided by school districts in Kansas. All net profits received from the sale of such tickets would be deposited in the Pre-Kindergarten Program Benefit Game Fund in the Department of Education. At least annually, the Department of Education would be required to disburse the funds from the game's net profits to each district that provides a pre-kindergarten program on the basis of a school district's enrollment. If a school district did not provide for a pre-kindergarten program in the immediately preceding school year but does at the time funds are disbursed, the Department would disburse funds based on the average enrollment of pre-kindergarten pupils in the immediately preceding school year among those districts that provided pre-kindergarten programs.

According to the Kansas Lottery Commission, sales of the Pre-kindergarten Program Instant Lottery Scratch-Off Game would likely reduce other lottery game sales. This effect would ultimately reduce the transfer that the Lottery makes to the State General Fund, as net profits from the game would be deposited to the Pre-Kindergarten Program Benefit Game Fund in the Department of Education, instead of the State General Fund. However, the agency is not able to provide an estimate of the potential reduced transfer.

The Department of Education indicates it would ensure all funds would be disbursed as required in the bill and would require no additional expenditures to implement the bill's

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requirements. Enactment of the bill would increase revenues available to school districts; however, the Department is unable to estimate the amount of Pre-Kindergarten Program Benefit Game Fund revenues to be transferred to school districts. Any fiscal effect associated with HB 2650 is not reflected in *The FY 2017 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Shawn Sullivan", with a horizontal line extending to the right.

Shawn Sullivan,
Director of the Budget

cc: Stephen Durrell, Lottery
Dale Dennis, Education