

February 19, 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 2650 by House Committee on Education

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2650 is respectfully submitted to your committee.

HB 2650 would require the Kansas Lottery Commission to establish the School District Benefit Instant Lottery Scratch-Off Game. The tickets would prominently state that the profits derived from the game would be used to benefit school districts. All net profits received from the sale of such tickets would be deposited in the School District 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 on the basis of a school district's enrollment in the immediately preceding school year.

According to the Kansas Lottery Commission, sales of the School District Benefit Instant Lottery Scratch-Off Game would likely reduce other lottery game sales. This affect 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 School District 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 to all school districts and would require no additional expenditures to implement the bill's requirements. Enactment of the bill would increase revenues available to school districts; however, the Department is unable to estimate the amount of School District 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,



Shawn Sullivan,
Director of the Budget

cc: Dale Dennis, Education
Stephen Durrell, Lottery