

KANSAS LOTTERY

Executive Summary

Budget for Fiscal Years 2024 & 2025

Strategic Plan for Lottery

The vision of the Lottery is to be proactive in the industry, maintain public confidence in all lottery products, and provide services that meet or exceed the expectations of the Kansas citizenry. The mission of the Kansas Lottery is to produce the greatest amount of revenue possible for the State of Kansas while ensuring the integrity of all games.

Programs

The Kansas Lottery's eight (8) operating programs consist of Administration, Information Technology, Sales, Security, Cost of Sales, Marketing, Expanded Lottery – Casino Gaming, and Expanded Lottery – Sports Wagering. All but Cost of Sales are working departments within the Lottery. The Lottery divides its focus between two main areas – “Traditional Lottery” that involves selling instant scratch and pull-tab tickets, as well as draw and monitor games like Powerball and Keno and “Expanded Lottery,” which involves management of the State's casino games and sports wagering and administration of the state's contracts with the casino facility managers.

Prior Year Review of Traditional Lottery

Lottery sales of instant tickets and draw games for fiscal year 2023 were \$338.2 million. This was the Lottery's highest sales total ever, besting the previous record of \$326.0 million in the fiscal year 2021. Actual cash transfers to the designated beneficiaries (State Gaming Revenues Fund, veterans' programs, and mental health programs) for fiscal year 2023 totaled \$85.08 million, which was the highest total ever.

The record sales were in part due to multiple large jackpots in the national jackpot games, Mega Millions and Powerball, during fiscal year 2023, with three separate jackpots topping one billion dollars. The combined sales of these two games increased by \$24.9 million above the previous year.

Instant and Pull-Tab tickets sales in fiscal year 2023 saw a combined sales decrease of \$3.4 million from the previous fiscal year. The combined \$203.6 million in ticket sales still represented the third-highest sales year ever. Players have continued to respond favorably to new Lottery-created games at a variety of price points. Increasingly, players are gravitating toward higher price point tickets with bigger prizes and payouts.

In 2018, legislation passed and was signed allowing the Lottery to use self-service ticket vending machines at new and existing retailer locations. The ticket vending machines have allowed for greater sales distribution, while easing long lines during peak purchasing times.

To grow its player base and create more product value, the Lottery continued to emphasize the PlayOn[®] players' loyalty program. The Lottery continued offering instant scratch games with interactive games and second-chance drawings, extending the play experience for players and giving them more chances to win.

Traditional Lottery contributed a total of \$85,076,074 to the State. Of that amount, \$1,260,000 was transferred to state programs that provide benefits to Kansas military veterans, \$9,000,000 was transferred for designated mental health programs, and the remainder to the State Gaming Revenues Fund (SGRF).

Overall administrative expenses in FY 2023 were \$14,233,110. Cost of Sales expenses for FY 2023 were \$14,379,052. Total prizes paid to players and commissions earned by retailers for FY 2023 were \$205,014,371 and \$19,758,825, respectively.

Action Plan for Traditional Lottery

The Lottery's goals are to continue healthy sales even when not driven by large multi-state jackpots. After crossing the \$300 million sales barrier for the first time in FY 2021 and achieving new record sales totals in FY 2023, sales goals are now \$318.6 million and \$320.6 million for FY 2024 and FY 2025, respectively.

The budgeted transfers for designated beneficiaries (State Gaming Revenues Fund, veterans' programs, and mental health programs) were ultimately set at \$84.00 million in FY 2023 and \$80.25 million in FY 2024. The Lottery is proposing transfers of \$80.25 million and \$80.75 million for FY 2024 and FY 2025, respectively.

To accomplish these goals, the Lottery will continue many successful initiatives, including the use of various licensed properties and replacement of in-counter ticket dispensers with larger on-counter dispensers to give players a better view of ticket offerings. The Lottery also will continue its partnerships with the Kansas Speedway, the Kansas State Fair, and local universities. To grow its player base and create more product value, the Lottery will continue to emphasize the PlayOn[®] players' loyalty program, and is again participating in the national Powerball First Millionaire of the Year promotion in conjunction with Dick Clark's New Year's Rockin' Eve.

Further expansion of the self-service ticket vending machines will allow for even greater sales distribution while easing long lines during peak purchasing times. With more than 325 vending machines now deployed, the Lottery placed an order of 72 additional machines that are scheduled to arrive in Fall 2023. The Lottery continues to evaluate the performance of the machines that are currently in service and work with retailer partners to secure additional placements.

Actual and Proposed Sales for Traditional Lottery

	Actual FY 2023	Proposed FY 2024	Proposed FY 2025
Instant Tickets	\$196,947,252	\$197,000,000	\$199,000,000
Pull Tabs	6,694,070	7,000,000	7,000,000
Draw Games	<u>134,558,131</u>	<u>114,600,000</u>	<u>114,600,000</u>
	\$338,199,453	\$318,600,000	\$320,600,000

Actual and Proposed Transfers for Traditional Lottery

	Actual FY 2023	Proposed FY 2024	Proposed FY 2025
SGRF / SGF	\$74,816,074	\$69,990,000	\$71,490,000
Mental Health Programs	9,000,000	9,000,000	8,000,000
Veterans' Games	<u>1,260,000</u>	<u>1,260,000</u>	<u>1,260,000</u>
	\$85,076,074	\$80,250,000	\$80,750,000

Budgeted Expenses for Traditional Lottery

Expenses for Traditional Lottery are generally divided into two categories – cost of sales and operating expenses. Budgeted cost of sales expenses include costs for ticket printing and distribution, contracted costs for the central gaming system and the player loyalty program, and prize payments to players. Non-budgeted cost of sales expenses include tax withholding on prize payments and retailer commissions. Operating expenses include costs for the Administration, Information Technology, Sales, Security and Marketing department functions.

The FY 2024 legislative-approved cost of sales expenses total \$53,095,000. Total estimated cost of sales expenses for FY 2024 are unchanged. Total estimated cost of sales expenses for FY 2025 are \$53,495,000.

The FY 2024 legislative-approved operating expenses total \$15,243,693. The majority of the Lottery's operating expenses are for payroll, IT and security protocols, and promotion and sale of lottery products. The Lottery estimates its administrative expenses for FY 2024 and FY 2025 to total \$15,464,920 and \$16,626,539, respectively.

Prior Year Review of Expanded Lottery

Casino Gaming Revenues

The Lottery is responsible for distributing the net casino gaming revenues in accordance with the Kansas Expanded Lottery Act.

For fiscal year 2023, casino gaming net revenues totaled \$407.1 million, which is \$6.1 million more than the previous year. Combined transfers totaling \$97.7 million from casino activities were made to the Expanded Lottery Act Revenues Fund (ELARF) and the Problem Gambling and Addictions Grant Fund (PGAGF). This represents a \$1.5 million increase above the previous year.

Boot Hill Casino in Dodge City: As a mature casino in a relatively sparsely populated area, visitation and gaming at the casino had been consistent over the past several years. Casino management has increasingly placed a great deal of emphasis upon attracting visitors from outside the immediate area. In addition, there has been a strengthening of partnerships with other stakeholders interested in generally increasing tourism in the Dodge City area, especially with the Convention Center adjacent to the Casino, which is sponsored by the Casino itself. Boot Hill has faced increased competition from the “Golden Mesa Casino” in Guymon, Oklahoma, that opened in September 2019.

Kansas Star Casino in Mulvane: The Kansas Star Casino once again generated the most gaming revenue of all four casinos with state-owned games. In addition to the gaming facilities themselves, the 300-room hotel, event center, restaurants, and equestrian facilities are being utilized to attract players and other visitors. Under normal circumstances a wide range of entertainment events are held, as well as hosting conventions, wedding receptions, corporate meetings, and similar activities. The Kansas Star Casino experiences a great deal of competition from the numerous tribal casinos in Oklahoma and a tribal facility in Sedgwick County.

Hollywood Casino at Kansas Speedway in Kansas City: Hollywood Casino continues to compete quite favorably with other casinos in the Kansas City metro area, most of which were in business and well-established prior to Hollywood having opened. Hollywood’s interrelationship with Kansas Speedway, the Legends Shopping Center, and the Sporting KC Soccer Arena augment visitation and play at the casino. Hollywood’s market share among the five major casinos has steadily risen from about 14 percent when it opened to around 20 percent.

Kansas Crossing Casino in Pittsburg: Kansas Crossing Casino is the newest (and last) casino to open with state-owned casino gaming, having opened in March 2017. Despite significant competition from pre-existing casinos in Oklahoma and to some extent those in the Kansas City metropolitan area, overall Kansas Crossing has increased its month-over-month gaming revenues. Strong marketing efforts have included music concerts, comedy acts and other activities in the “Corral” indoor/outdoor event area, tournaments, various promotions and giveaways and a robust player loyalty program. In addition, the 123-room hotel connected to the Casino and the full-service restaurant located in the Casino have proven to be popular amenities.

Sports Wagering Revenues

The 2022 Legislature passed Senate Bill 84 (SB 84) authorizing sports wagering under the Kansas Expanded Lottery Act. SB 84 authorizes the Lottery to offer sports wagering through one or more lottery gaming facility managers. Each of the four lottery gaming facility managers may contract with up to three interactive sports wagering platform providers to offer mobile sports wagering throughout the state. Each manager has also chosen to offer retail sports wagering within the casino through one of the approved interactive sports wagering platforms.

The Lottery began sports wagering operations in September 2022. The state share of sports wagering revenues for the first year of operations was more than \$5.8 million and was transferred to the designated beneficiaries in July 2023.

Actual and Proposed Net Revenue and Transfer Estimate for Expanded Lottery*

Casino Gaming Revenues

	FY 2023	FY 2024	FY 2025
ELARF	\$ 89,563,258	\$ 90,530,000	\$ 89,430,000
Problem Gambling & Addictions	\$ 8,142,115	\$ 8,230,000	\$ 8,130,000
Cities & Counties	\$ 12,213,171	\$ 12,345,000	\$ 12,195,000
Lottery Gaming Facility Managers	<u>\$297,187,177</u>	<u>\$300,395,000</u>	<u>\$296,745,000</u>
Net Casino Gaming Revenues	\$407,105,721	\$411,500,000	\$406,500,000

Sports Wagering Revenues**

	FY 2023	FY 2024	FY 2025
White Collar Crime Fund	\$ 750,000	\$ 750,000	\$ 750,000
Problem Gambling & Addictions	\$ 102,452	\$ 185,000	\$ 209,000
Attracting Professional Sports in Kansas	\$ 4,098,097	\$ 7,400,000	\$ 8,360,000
SGRF / SGF	\$ 922,072	\$ 1,665,000	\$ 1,881,000
Lottery Gaming Facility Managers	<u>\$ 52,853,586</u>	<u>\$ 90,000,000</u>	<u>\$100,800,000</u>
Net Sports Wagering Revenues	\$ 58,706,207	\$100,000,000	\$112,000,000

**Consensus Revenue Estimate for ELARF – April 2023.*

***State Share of Revenues is distributed in July of the following fiscal year.*

Action Plan for Expanded Lottery

The goal of the Kansas Expanded Lottery Act (KELA) is to provide increased revenues to the State of Kansas and other funds as set forth in KELA through the operating of electronic gaming machines, table games, sports wagering, and other casino operations within the gaming zones. Objectives associated with this goal include:

- Work with all casino managers to administer and monitor their contracts with the Lottery and with third party sports wagering platform providers.
- Provide a system of review and audit to ensure the integrity of casino gaming devices and the accurate reporting of net casino gaming revenues at all casinos with state-owned and -operated gaming.
- Provide a system of review and audit to ensure the integrity of sports wagering operations and the accurate reporting of net sports wagering revenues at all casinos with state-owned and -operated sports wagering.

Budgeted Expenses for Expanded Lottery

Budgeted expenses for Expanded Lottery can be divided into two categories: contractual distributions of net revenues and operating expenses.

For casino gaming revenues, the distributions to the Facility Managers and the city and county governments are considered budgeted expenses, while the transfer to ELARF and Problem Gambling and Addictions Grant Fund are considered non-budgeted expenses.

For sports wagering revenues, the distributions to the Facility Managers are considered budgeted expenses, while the transfers to the White Collar Crime Fund, Problem Gambling and Addictions Grant Fund, Attracting Professional Sports to Kansas Fund and the State Gaming Revenues Fund are considered non-budgeted expenses.

Total budgeted contractual distributions are \$390,395,000 and \$397,545,000 for FY 2024 and FY 2025, respectively.

The FY 2024 legislative-approved operating expenses total \$4,350,644. Estimated operating expenses are \$4,350,644 and \$4,441,779 in FY 2024 and FY 2025, respectively.

The budgets include salaries and wages for 22.00 FTE positions. Other costs include travel and training for current staff and costs for legal counsel and consultant fees when necessary. Commodities include vehicle expenses and professional and office supplies. Fees for the Central Communications System are included in the above amount and are estimated as a percentage of net electronic gaming machine revenues.

The operating expenses for the Expanded Lottery are to be reimbursed by the Facility Managers as set forth in KELA and contractual agreements.

Narrative Information—DA 400

Division of the Budget

Agency 450-00 KANSAS LOTTERY

State of Kansas

Program AGENCY INFORMATION

GENERAL AGENCY INFORMATION:

The State of Kansas has received more than \$2.1 billion in funds from Kansas Lottery transfers since the Lottery was established in 1987. Those monies were generated from nearly \$7.5 billion in lottery ticket sales from the 1987 launch through the end of Fiscal Year 2023. Kansas Lottery players have won nearly \$4.2 billion in prizes during that timeframe and lottery retailers have earned more than \$431.2 million in commissions and selling bonuses. The State of Kansas has received \$61.0 million in privilege fees and \$969.5 million in revenue transfers from casino gaming under the Kansas Expanded Lottery Act. In addition, local units of government have received \$132.1 million from state-owned casino gaming. More than \$88.0 million has gone to the Problem Gambling and Addictions Grant Fund. The State of Kansas share of revenue from sports wagering totaled more than \$5.8 million in the first year of operations.

AGENCY MISSION:

To produce the maximum amount of revenue possible for the State of Kansas, while ensuring the integrity of all games.

AGENCY PHILOSOPHY:

To be proactive in the lottery industry, to maintain public confidence in all lottery products, and to provide services that exceed the expectations of Kansas citizens.

PROGRAMS ESTABLISHED TO ASSIST WITH AGENCY MISSION:

Administration

Information Technology

Sales

Security

Marketing

Cost of Sales

Expanded Lottery – Casino Gaming

Expanded Lottery – Sports Wagering

Narrative Information—DA 400

Division of the Budget

Agency 450-00 KANSAS LOTTERY

State of Kansas

Program AGENCY INFORMATION

STATUTORY HISTORY:

In November 1986, by a 64 percent majority vote, Kansas voters approved legislation to authorize a state lottery. The 1987 Kansas Legislature established the Kansas Lottery under K.S.A. 74-8701, *et seq.*, which among other things empowered the governor to appoint an executive director and five commissioners, to oversee operations of the agency. Commissioners serve staggered four-year terms. The Lottery, which is self-funding and self-sustaining, is one of the few remaining state agencies subject to a “sunset” law. The 2007 Legislature passed legislation extending the Lottery until July 1, 2022, which expiration was subsequently extended to July 1, 2037 (see below).

The 2007 Legislature passed SB 66, the Kansas Expanded Lottery Act (KELA). The Act provides for the Lottery to own and operate electronic gaming machines at the three then-existing Kansas Horse and Dog racetracks, upon the county’s voter approval. The Act also allows for the Lottery, upon county voter approval, to own and operate the gaming in four casinos in specific gaming zones. The Kansas Racing and Gaming Commission (KRGC) was given authority of oversight and regulation, background investigations, credentialing and certain auditing functions.

The 2015 Legislature passed House Bill 2155 that, among other gaming-related issues, allowed the Lottery to sell its own products and to advertise onsite at amateur sporting events where the majority of the participants are 18 years old or older. The new law also made it unlawful for anyone under the age of 18 to redeem a winning lottery ticket.

The 2018 Legislature passed House Bill 2194 that, among other gaming-related issues, allowed the Lottery to sell products using self-service ticket vending machines at new and existing retailer locations. A portion of net profits from the related sales have been dedicated by the legislature for mental health programs. The new law extended the Lottery sunset provision to July 1, 2037, and made any ticket null and void if purchased by anyone under the age of 18. The law also extended the Kansas Debt Setoff program to apply to winners of \$1,200 or more at the four casinos with state-owned and operated games.

The 2022 Legislature passed Senate Bill 84 (SB 84) authorizing sports wagering under the Kansas Expanded Lottery Act. SB 84 authorizes the Lottery to offer sports wagering through one or more lottery gaming facility managers. The managers may offer sports wagering in person at the lottery casino facilities or through mobile device applications via interactive sports wagering platforms approved by the Lottery. SB 84 also allows the Lottery to offer sports wagering through federally recognized Indian tribes in the state of Kansas, subject to requests to negotiate new or existing gaming compacts and certain contractual agreements.

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Division of the Budget

Agency 450-00 KANSAS LOTTERY

State of Kansas

Program AGENCY INFORMATION

OVERVIEW OF AGENCY-WIDE ACTION PLAN AT EACH BUDGET LEVEL:

PRIOR YEAR FY 2023:

Lottery sales of instant tickets and draw games for fiscal year 2023 were \$338.20 million. This was the Lottery's highest sales total ever, besting the previous record \$326.0 million in the fiscal year 2021. Actual cash transfers to the designated beneficiaries (State Gaming Revenues Fund, veterans' programs, and mental health programs) for fiscal year 2023 totaled \$85.08 million, which was the highest total ever. The record sales were in part due to multiple large jackpots in the national jackpot games, Mega Millions and Powerball, during fiscal year 2023, with three separate jackpots topping one billion dollars.

Instant and Pull-Tab tickets sales in fiscal year 2023 saw a combined sales decrease of \$3.4 million from the previous fiscal year. The combined \$203.6 million in ticket sales still represented the third-highest sales year ever. Players have continued to respond favorably to new Lottery-created games at a variety of price points. Increasingly, players are gravitating toward higher price point tickets with bigger prizes and payouts.

In 2018, legislation passed and was signed allowing the Lottery to use self-service ticket vending machines at new and existing retailer locations. The ticket vending machines have allowed for greater sales distribution, while easing long lines during peak purchasing times. The Lottery currently has more than 300 machines at retailers across the state and has initiated a purchase of an additional 72 machines that are expected to arrive in Fall 2023.

The Lottery is responsible for distributing the net casino revenues in accordance with the Kansas Expanded Lottery Act. Combined revenues at the four facilities exceeded \$407.1 million, which was the highest total since fiscal year 2019. Three of the four facilities reported the highest revenue totals since opening.

The 2022 Legislature passed Senate Bill 84 (SB 84) authorizing sports wagering under the Kansas Expanded Lottery Act, which permitted the Lottery to offer sports wagering through its lottery gaming facility managers. The first wagers were placed in September 2022, resulting in more than \$5.8 million in revenues retained by the state during the first fiscal year of operation.

Narrative Information—DA 400

Division of the Budget

Agency 450-00 KANSAS LOTTERY

State of Kansas

Program AGENCY INFORMATION

CURRENT YEAR FY 2024:

The Kansas Lottery estimates sales revenues for the 2024 budget year will be \$318.6 million. As in the past, the Lottery will continue to compete with the Oklahoma Lottery and casinos; the Missouri Lottery and riverboat casinos; and the Native American casinos in Kansas as well as internet gaming like Daily Fantasy Sports websites and “gray machines” for a portion of the consumers’ entertainment dollars.

The Lottery will: (1) continue to provide a wide variety of instant scratch games with various price-points; (2) continue to actively recruit new full-service retailers to the Lottery’s sales outlet base and ensure they are ADA compliant; (3) continue to offer new and exciting retailer and player sales promotions and incentives, including second-chance drawings, by partnering with various Kansas-based businesses; and, (4) look for other types of lottery products to introduce into the product mix.

The Lottery’s marketing and gaming efforts will include identifying new Kansas-focused partnerships for its instant ticket games as well as improving and expanding its Kansas-only draw games. To grow its player-base and to create more product value, the Lottery will continue to emphasize the PlayOn® players’ loyalty program, and is again participating in the First Powerball Millionaire of the Year promotion in conjunction with Dick Clark’s New Year’s Rockin’ Eve.

Further expansion of the self-service ticket vending machines will allow for even greater sales distribution, while easing long lines during peak purchasing times. The Lottery continues to evaluate the performance of the machines that are currently in service and work with retailer partners to secure additional placements. With more than 325 vending machines now deployed, the Lottery placed an order of 72 additional machines that is expected to arrive in Fall 2023.

The Kansas Lottery has proposed for FY 2024 the Lottery’s minimum transfer to the Lottery’s designated beneficiaries (State Gaming Revenues Fund, veterans’ programs, and mental health programs) to be \$80.25 million including \$1.26 million from veterans’ games and \$9.0 million for mental health programs.

Lottery operating expenditures for the budget year have been budgeted for \$15.5 million. Prize expenses are estimated at \$195.3 million, and retailer commissions are estimated at \$18.6 million for FY 2024. The payroll, contractual service, and commodities are projected to have moderate increases. Capital outlay includes the replacement of four high-mileage vehicles to be replaced during the budget year for the Sales Department.

Narrative Information—DA 400

Division of the Budget

Agency 450-00 KANSAS LOTTERY

State of Kansas

Program AGENCY INFORMATION

CURRENT YEAR FY 2024: (Continued)

The Expanded Lottery contractual disbursements for City/County governments and to the gaming facility managers related to casino gaming are expected to be \$312.7 million for FY 2024. Contractual distributions for gaming facility managers related to sports wagering are expected to be \$90.0 for FY 2024.

Due to the uncertainty of revenue projections after less than one year of sports wagering, it is anticipated that the underlying revenue projections may change significantly during both the fall and spring consensus revenue estimate meetings.

All operating expenses are to be reimbursed by the lottery gaming facility managers as set forth in KELA and contractual agreements. Expanded Lottery operating expenses are estimated to be \$4.4 million for FY 2024.

BUDGET YEAR FY 2025:

The Kansas Lottery estimates sales revenues for the 2025 budget year will be \$320.6 million. As in the past, the Lottery will continue to compete with the Oklahoma Lottery and casinos; the Missouri Lottery and riverboat casinos; and the Native American casinos in Kansas as well as internet gaming like Daily Fantasy Sports websites and “gray machines” for a portion of the consumers’ entertainment dollars.

The Lottery will: (1) continue to provide a wide variety of instant scratch games with various price-points; (2) continue to actively recruit new full-service retailers to the Lottery’s sales outlet base and ensure they are ADA compliant; (3) continue to offer new and exciting retailer and player sales promotions and incentives, including second-chance drawings, by partnering with various Kansas-based businesses; and, (4) look for other types of lottery products to introduce into the product mix.

The Lottery’s marketing and gaming efforts will include identifying new Kansas-focused partnerships for its instant ticket games as well as improving and expanding its Kansas-only draw games. To grow its player-base and to create more product value, the Lottery will continue to emphasize the PlayOn® players’ loyalty program.

Narrative Information—DA 400

Division of the Budget

Agency 450-00 KANSAS LOTTERY

State of Kansas

Program AGENCY INFORMATION

BUDGET YEAR FY 2025: (Continued)

Further expansion of the self-service ticket vending machines will allow for even greater sales distribution, while easing long lines during peak purchasing times. The Lottery continues to evaluate the performance of the machines that are currently in service and work with retailer partners to secure additional placements. With more than 325 vending machines now deployed, the Lottery placed an order of 72 additional machines that is expected to arrive in Fall 2023.

The Kansas Lottery has proposed for FY 2025 the Lottery’s minimum transfer to the Lottery’s designated beneficiaries (State Gaming Revenues Fund, veterans’ programs, and mental health programs) to be \$80.75 million including \$1.26 million from veterans’ games and \$8.0 million for mental health programs.

Lottery operating expenditures for the budget year have been budgeted for \$16.6 million. Prize expenses are estimated at \$196.7 million, and retailer commissions are estimated at \$18.7 million for FY 2025. The payroll, contractual service, and commodities are projected to have moderate increases. Capital outlay includes the replacement of four high-mileage vehicles to be replaced during the budget year for the Sales Department and two high-mileage vehicles to be replaced for the Security Department.

The Expanded Lottery contractual disbursements for City/County governments and to the gaming facility managers related to casino gaming are expected to be \$308.9 million for FY 2025. Contractual distributions for gaming facility managers related to sports wagering are expected to be \$100.8 for FY 2025.

Due to the uncertainty of revenue projections after less than one year of sports wagering, it is anticipated that the underlying revenue projections may change significantly during both the fall and spring consensus revenue estimate meetings.

All operating expenses are to be reimbursed by the lottery gaming facility managers as set forth in KELA and contractual agreements. Expanded Lottery operating expenses are estimated to be \$4.4 million for FY 2025.

NARRATIVE INFORMATION - DA 400

DIVISION OF THE BUDGET
STATE OF KANSAS

AGENCY NAME
AGENCY CODE

KANSAS LOTTERY
450-00

Performance indicators	FY 2023 Budgeted	% of KL Sales	FY 2023 Actual	% of KL Sales	FY 2024 Current Year	% of KL Sales	FY 2025 Budget Year	% of KL Sales
Lottery Sales (actual)	310,600,000	100.00%	338,088,369	100.00%	318,600,000	100.00%	320,600,000	100.00%
Cost Reimbursements - Retailers	1,000,000		1,051,174		1,000,000		1,000,000	
Casino Gaming Net Revenue	406,900,000		407,105,721		411,500,000		406,500,000	
Sports Wagering Net Revenue	18,000,000		58,726,207		100,000,000		112,000,000	
Expanded Lottery Reimbursements	4,671,115		4,135,077		4,350,644		4,441,779	
Lottery Operating:								
Prize payments (actual)	191,089,500	61.52%	205,014,371	60.64%	195,352,000	61.32%	196,692,000	61.35%
Transfers to the State (actual)	77,250,000	24.87%	85,076,074	25.16%	80,250,000	25.19%	80,750,000	25.19%
Administrative Expenses	15,312,030	4.93%	14,233,110	4.21%	15,464,920	4.85%	16,626,539	5.19%
Expanded Lottery Expenses	4,671,115		4,135,077		4,350,644		4,441,779	
Retailer Commissions	18,286,496	5.89%	19,758,825	5.84%	18,573,889	5.83%	18,723,530	5.84%
Vendor Commissions and Contracts	8,912,000	2.87%	9,248,183	2.74%	9,062,000	2.84%	9,142,000	2.85%
Ticket Printing	5,000,000	1.61%	3,499,250	1.04%	4,800,000	1.51%	4,800,000	1.50%
Ticket Auto-Shipping	520,816	0.17%	620,000	0.18%	750,000	0.24%	750,000	0.23%
Casino Gaming Distribution:								
ELARF	89,518,000		89,563,258		90,530,000		89,430,000	
Problem Gambling & Addictions	8,138,000		8,142,115		8,230,000		8,130,000	
County/City	12,207,000		12,213,171		12,345,000		12,195,000	
Management Fees	297,037,000		297,187,177		300,395,000		296,745,000	
Sports Wagering Distribution:								
White Collar Crime Fund	750,000		750,000		750,000		750,000	
Problem Gambling & Addictions	21,000		102,452		185,000		209,000	
Attracting Professional Sports	840,000		4,098,097		7,400,000		8,360,000	
SGRF / SGF	189,000		922,072		1,665,000		1,881,000	
Management Fees	1,620,000		52,853,586		90,000,000		100,800,000	

KANSAS LOTTERY

SALES ESTIMATES	FY 2023 ACTUAL	FY 2024 CURRENT YEAR	FY 2025 BUDGET YEAR
Instant Tickets			
Regular	197,003,772	197,000,000	199,000,000
Pulltab	6,694,070	7,000,000	7,000,000
TOTAL INSTANT & PULLTABS	203,697,842	204,000,000	206,000,000
CHANGE FROM PRIOR YEAR		0.1%	1.0%
On-Line Games			
Powerball	44,071,779	33,000,000	33,000,000
Mega Millions	32,471,047	25,000,000	25,000,000
Lotto America	8,687,530	6,500,000	6,500,000
2 by 2	1,604,643	1,600,000	1,600,000
Raffles	3,000,000	3,000,000	3,000,000
Kansas Cash	10,145,892	11,000,000	11,000,000
Keno	10,213,303	10,000,000	10,000,000
Pick 3	8,540,825	8,500,000	8,500,000
Lucky 4 Life	7,875,002	8,000,000	8,000,000
Racetrax	7,780,506	8,000,000	8,000,000
TOTAL ON-LINE	134,390,527	114,600,000	114,600,000
CHANGE FROM PRIOR YEAR		-14.7%	0.0%
TOTAL NET SALES	338,088,369	318,600,000	320,600,000
CHANGE FROM PRIOR YEAR		-5.8%	0.6%

ACTUALS - ALL DEPARTMENTS FY 2023

DIVISION OF THE BUDGET
DEPARTMENT OF ADMINISTRATION, STATE OF KANSAS

Agency Name KANSAS LOTTERY
Agency Number 450-00
Program Title & Number

OBJECT OF EXPENDITURES	OBJ CODE	Administration 01303	IT 70100	Sales 70300	Security 70400	COS 70500	Exp - Casino 70600	Marketing 70700	Sports Wag 70800	TOTAL All Depts
01 TOTAL SALARY & WAGES	100	1,497,692	599,207	2,060,939	516,792	-	1,466,869	583,729	-	6,725,228
05 Communication	200	11,801	243,876	5	-	-	10,343	-	-	266,025
05 Freight & Express	210	-	-	-	-	620,000	-	-	-	620,000
05 Printing & Advertising	220	1,213	-	3,390	-	3,499,250	-	750	-	3,504,603
05 Rents	230	842,408	-	5,773	-	-	1,474	3,863	-	853,518
05 Repairing & Servicing	240	26,085	231,230	4,211	5,134	450,000	411	2,190	-	719,261
05 Travel & Subsistence-In State	250	10,050	4,289	66,572	10,185	-	26,586	11,019	-	128,701
05 Travel & Subsistence-Out State	250	-	-	-	-	-	-	-	-	-
05 Fees-Other Services	260	472,850	28,001	2,670	10,029	-	295,694,600	3,960	52,427,574	348,639,684
05 Fees-Professional Services	270	125,677	180	-	66,011	9,475,431	2,654,349	5,715,819	90,075	18,127,542
05 Utilities	280	-	-	-	-	-	-	-	-	-
05 Other Contractual Services	290	48,895	-	1,075	100	-	450	-	-	50,520
06 TOTAL CONTRACTUAL SERVICES		1,538,979	507,576	83,696	91,459	14,044,681	298,388,213	5,737,601	52,517,649	372,909,854
10 Clothing	300	-	-	-	-	-	-	-	-	-
10 Feed & Forage	310	-	-	-	-	-	-	-	-	-
10 Food for Human Consumption	320	-	-	-	-	48	-	-	-	48
10 Fuel	330	-	-	-	-	-	-	-	-	-
10 Maint. Materials, Supplies & Parts	340	822	8,034	-	826	687	28	1,725	-	12,122
10 Motor Vehicle Parts, Supplies	350	9,043	-	75,971	4,274	-	3,691	1,317	-	94,296
10 Professional & Scientific Supplies	360	1,174	1,890	137,944	341	-	-	1,627	-	142,976
10 Stationery & Office Supplies	370	11,818	17,735	1,033	9	60,380	87	3,174	-	94,236
10 Scientific Research Supplies	380	-	-	-	-	-	-	-	-	-
10 Other Supplies, Materials, Parts	390	8,511	157	25,017	438	6,605	67	130,354	-	171,149
11 TOTAL COMMODITIES		31,368	27,816	239,965	5,888	67,720	3,873	138,197	-	514,827
15 TOTAL CAPITAL OUTLAY	400	38,550	472,602	60,075	330	7,901	26,375	649	-	606,482
20 CLAIMS	500	73,161	-	-	-	258,750	-	-	-	331,911
25										
30 5100-LOTTERY OPERATING FUND		3,179,750	1,607,201	2,444,675	614,469	14,379,052	299,885,330	6,460,176	52,517,649	381,088,302
35 Federal Aid to Local Units	500	-	-	-	-	-	-	-	-	-
35 State Aid to Local Units	510	-	-	-	-	-	12,157,349	-	-	12,157,349
36 TOTAL AID TO LOCAL UNITS										
37 State Paid Prizes (Fund 7381)		-	-	-	-	34,973,448	-	-	-	34,973,448
37 Tax Withholding - Non-Expense		-	-	-	-	19,288,170	-	-	-	19,288,170
37 Operating Transfers - Non-Expense		-	-	-	-	-	-	-	-	-
37 5104-Hospitality		-	-	-	-	-	-	-	-	-
37		-	-	-	-	-	-	-	-	-
40										
45 Number of Full Time Positions		24.75	6.75	29.37	5.75	-	17.00	6.38	5.00	95.00

BUDGETED - ALL DEPARTMENTS FY 2024

DIVISION OF THE BUDGET
DEPARTMENT OF ADMINISTRATION, STATE OF KANSAS

Agency Name KANSAS LOTTERY
Agency Number 450-00
Program Title & Number

OBJECT OF EXPENDITURES		OBJ CODE	Administration 01303	IT 70100	Sales 70300	Security 70400	COS 70500	Exp - Casino 70600	Marketing 70700	Sports Wag 70800	TOTAL All Depts
01	TOTAL SALARY & WAGES	100	1,870,524	644,737	2,303,703	594,080	-	1,756,244	584,252	293,500	8,047,040
05	Communication	200	30,000	280,000	-	-	-	12,000	-	-	322,000
05	Freight & Express	210	500	-	1,000	-	750,000	500	4,000	-	756,000
05	Printing & Advertising	220	7,500	-	29,000	-	4,800,000	350	30,000	-	4,866,850
05	Rents	230	883,000	-	7,000	-	-	1,800	10,000	-	901,800
05	Repairing & Servicing	240	24,000	150,000	20,000	5,000	350,000	6,000	10,000	-	565,000
05	Travel & Subsistence-In State	250	28,000	3,000	32,000	3,200	-	27,500	50,000	-	143,700
05	Travel & Subsistence-Out State	250	55,200	10,000	15,000	10,000	-	35,000	12,500	-	137,700
05	Fees-Other Services	260	388,000	80,000	2,500	7,000	500,000	300,395,000	10,000	90,000,000	391,382,500
05	Fees-Professional Services	270	115,000	70,000	22,000	15,000	8,625,000	2,500,000	5,850,000	-	17,197,000
05	Utilities	280	1,000	-	-	-	-	-	500	-	1,500
05	Other Contractual Services	290	40,000	-	2,000	600	-	750	500	-	43,850
06	TOTAL CONTRACTUAL SERVICES		1,572,200	593,000	130,500	40,800	15,025,000	302,978,900	5,977,500	90,000,000	416,317,900
10	Clothing	300	1,000	-	3,400	1,000	-	3,000	7,000	-	15,400
10	Feed & Forage	310	-	-	-	-	-	-	-	-	-
10	Food for Human Consumption	320	-	-	-	-	-	-	-	-	-
10	Fuel	330	-	-	-	-	-	-	-	-	-
10	Maint. Materials, Supplies & Parts	340	3,500	10,000	-	150	-	200	-	-	13,850
10	Motor Vehicle Parts, Supplies	350	11,500	-	70,000	6,000	-	6,000	3,000	-	96,500
10	Professional & Scientific Supplies	360	5,600	-	138,000	5,000	-	500	4,250	-	153,350
10	Stationery & Office Supplies	370	18,100	90,000	2,600	500	70,000	600	1,000	-	182,800
10	Scientific Research Supplies	380	-	-	-	-	-	-	-	-	-
10	Other Supplies, Materials, Parts	390	10,000	500	39,000	1,600	-	200	224,000	-	275,300
11	TOTAL COMMODITIES		49,700	100,500	253,000	14,250	70,000	10,500	239,250	-	737,200
15	TOTAL CAPITAL OUTLAY	400	25,000	300,000	141,924	25,000	-	-	-	-	491,924
20	CLAIMS	500	-	-	-	-	-	-	-	-	-
25											
30	5100-LOTTERY OPERATING FUND		3,517,424	1,638,237	2,829,127	674,130	15,095,000	304,745,644	6,801,002	90,293,500	425,594,064
35	Federal Aid to Local Units	500	-	-	-	-	-	-	-	-	-
35	State Aid to Local Units	510	-	-	-	-	-	12,345,000	-	-	12,345,000
36	TOTAL AID TO LOCAL UNITS										-
37	State Paid Prizes (Fund 7381)		-	-	-	-	38,000,000	-	-	-	38,000,000
37	Tax Withholding - Non-Expense		-	-	-	-	6,000,000	-	-	-	6,000,000
37	Operating Transfers - Non-Expense		-	-	-	-	-	-	-	-	-
37	5104-Hospitality		5,000	-	-	-	-	-	-	-	5,000
37			-	-	-	-	-	-	-	-	-
40											
45	Number of Full Time Positions		23.75	6.75	29.37	6.75	-	17.00	6.38	5.00	95.00

BUDGETED - ALL DEPARTMENTS FY 2025

DIVISION OF THE BUDGET
DEPARTMENT OF ADMINISTRATION, STATE OF KANSAS

Agency Name KANSAS LOTTERY
Agency Number 450-00
Program Title & Number

Page

OBJECT OF EXPENDITURES	OBJ CODE	Administration 01303	IT 70100	Sales 70300	Security 70400	COS 70500	Exp - Casino 70600	Marketing 70700	Sports Wag 70800	TOTAL All Depts	
01	TOTAL SALARY & WAGES	100	2,293,413	675,675	2,425,431	636,966	-	1,847,379	613,520	383,303	8,875,687
05	Communication	200	30,000	280,000	-	-	12,000	-	-	-	322,000
05	Freight & Express	210	500	-	1,000	-	750,000	500	4,000	-	756,000
05	Printing & Advertising	220	7,500	-	29,000	-	4,800,000	350	30,000	-	4,866,850
05	Rents	230	933,000	-	7,000	-	-	1,800	10,000	-	951,800
05	Repairing & Servicing	240	24,000	170,000	20,000	5,000	350,000	6,000	10,000	-	585,000
05	Travel & Subsistence-In State	250	28,000	3,000	32,000	3,200	-	27,500	50,000	-	143,700
05	Travel & Subsistence-Out State	250	55,200	10,000	15,000	10,000	-	35,000	12,500	-	137,700
05	Fees-Other Services	260	388,000	110,000	2,500	7,000	500,000	296,745,000	10,000	100,800,000	398,562,500
05	Fees-Professional Services	270	120,000	70,000	22,000	15,000	9,025,000	2,500,000	6,150,000	-	17,902,000
05	Utilities	280	1,000	-	-	-	-	-	500	-	1,500
05	Other Contractual Services	290	40,000	-	2,000	600	-	750	500	-	43,850
06	TOTAL CONTRACTUAL SERVICES		1,627,200	643,000	130,500	40,800	15,425,000	299,328,900	6,277,500	100,800,000	424,272,900
10	Clothing	300	1,000	-	3,400	1,000	-	3,000	7,000	-	15,400
10	Feed & Forage	310	-	-	-	-	-	-	-	-	-
10	Food for Human Consumption	320	-	-	-	-	-	-	-	-	-
10	Fuel	330	-	-	-	-	-	-	-	-	-
10	Maint. Materials, Supplies & Parts	340	3,500	10,000	-	150	-	200	-	-	13,850
10	Motor Vehicle Parts, Supplies	350	11,500	-	70,000	6,000	-	6,000	3,000	-	96,500
10	Professional & Scientific Supplies	360	5,600	-	138,000	5,000	-	500	4,250	-	153,350
10	Stationery & Office Supplies	370	18,100	90,000	2,600	500	70,000	600	1,000	-	182,800
10	Scientific Research Supplies	380	-	-	-	-	-	-	-	-	-
10	Other Supplies, Materials, Parts	390	10,000	500	39,000	1,600	-	200	224,000	-	275,300
11	TOTAL COMMODITIES		49,700	100,500	253,000	14,250	70,000	10,500	239,250	-	737,200
15	TOTAL CAPITAL OUTLAY	400	25,000	300,000	179,204	96,630	-	-	-	-	600,834
20	CLAIMS	500	-	-	-	-	-	-	-	-	-
25											
30	5100-LOTTERY OPERATING FUND		3,995,313	1,719,175	2,988,135	788,646	15,495,000	301,186,779	7,130,270	101,183,303	434,486,621
35	Federal Aid to Local Units	500	-	-	-	-	-	-	-	-	-
35	State Aid to Local Units	510	-	-	-	-	-	12,195,000	-	-	12,195,000
36	TOTAL AID TO LOCAL UNITS										
37	State Paid Prizes (Fund 7381)		-	-	-	-	38,000,000	-	-	-	38,000,000
37	Tax Withholding - Non-Expense		-	-	-	-	6,000,000	-	-	-	6,000,000
37	Operating Transfers - Non-Expense		-	-	-	-	-	-	-	-	-
37	5104-Hospitality		5,000	-	-	-	-	-	-	-	5,000
37			-	-	-	-	-	-	-	-	-
40											
45	Number of Full Time Positions		23.75	6.75	29.37	6.75	-	17.00	6.38	5.00	95.00

KANSAS LOTTERY

AGENCY 450

OBJ CODE	OBJECT OF EXPENDITURE	FY 2023 ACTUAL	FY 2024 BUDGET YEAR	FY 2024 ENHANCEMENT	FY 2025 BUDGET YEAR
100	TOTAL SALARY & WAGES	6,725,228	8,047,040		8,875,687
200	COMMUNICATION	266,025	322,000		322,000
210	FREIGHT & EXPRESS	620,000	756,000		756,000
220	PRINTING & ADVERTISING	3,504,603	4,866,850		4,866,850
230	RENTS	853,518	901,800		951,800
240	REPAIRING & SERVICING	719,261	565,000		585,000
250	TRAVEL & SUBSISTENCE	128,701	281,400		281,400
260	FEES - OTHER SERVICES	348,639,684	391,382,500		398,562,500
270	FEES - PROFESSIONAL SERVICES	18,127,542	17,197,000		17,902,000
280	UTILITIES	-	1,500		1,500
290	OTHER CONTRACTUAL SERVICES	50,520	43,850		43,850
	TOTAL CONTRACTUAL SERVICES	372,909,854	416,317,900	-	424,272,900
300	CLOTHING	-	15,400		15,400
310	FEED & FORAGE	-	-		-
320	FOOD FOR HUMAN CONSUMPTION	48	-		-
330	FUEL	-	-		-
340	MAINT. MATERIALS, SUPPLIES, PARTS	12,122	13,850		13,850
350	MOTOR VEHICLE PARTS, SUPPLIES	94,296	96,500		96,500
360	PROFESSIONAL & SCIENTIFIC SUPPLIES	142,976	153,350		153,350
370	STATIONERY & OFFICE SUPPLIES	94,236	182,800		182,800
380	SCIENTIFIC RESEARCH SUPPLIES	-	-		-
390	OTHER SUPPLIES, MATERIALS, PARTS	171,149	275,300		275,300
	TOTAL COMMODITIES	514,827	737,200	-	737,200
400	TOTAL CAPITAL OUTLAY	606,482	491,924	-	600,834
	Claims-COS Royalty Fees	331,911	-		-
	SUBTOTAL - STATE OPERATIONS	381,088,302	425,594,064	-	434,486,621
510	State Aid to Local Units	12,157,349	12,345,000		12,195,000
900	OPERATING TRANSFERS - NON-EXPENSE	-	-		-
104	HOSPITALITY	-	5,000		5,000
	TOTAL EXPENDITURES OPERATING EXPENSES	381,088,302	425,594,064	-	434,486,621
	MANAGEMENT PRIV. FEES (CASINOS) (Fund 5129)				
	STATE PAID PRIZES (Fund 7381)	54,261,618	44,000,000	-	44,000,000



FY 2024 Lottery Requested Budget

Total FY 2024 Lottery Expenditures: \$475,944,064

Expanded Lottery

Traditional Lottery

**Casino Gaming
Revenues - \$411.5 M***

**Sports Wagering
Revenues - \$100.0 M***

Cost of Sales - \$53.1 M

Operations - \$15.5 M

Expenditures - \$317.0 M*

Expenditures - \$90.3 M*

\$ 4.8 M Ticket Printing

\$ 6.0 M Salary and Wages

\$ 300.4 M Facility Mgrs. (73%)*
\$ 12.3 M Local Governments (3%)*
\$ 4.3 M Expanded Lottery
Expenses**

\$ 90.0 M Facility Mgrs. (90%)*
\$ 0.3 M Expanded Lottery
Expenses**

\$ 9.5 M Vendor Contracts

\$ 0.5 M Sales Expenses

\$ 0.8 M Ticket Shipping

\$ 6.2 M Marketing Expenses

\$ 38.0 M Prize Fund Payments

\$ 1.1 M Security / IT Expenses

\$ 1.7 M Administrative Expenses

Transfers to the State

\$ 90.5 M ELARF (22%)*

\$ 8.3 M PGAGF (2%)*

Transfers to the State

\$ 0.75 M White Collar Crime*

\$ 0.19 M PGAGF (2%)*

\$ 7.40 M APSK (80%)*

\$ 1.66 M SGRF/SGF (18%)*

Prize payments to players are net of Federal and State tax withholding when applicable.

These are considered 'non-expense items.'

Transfers to the State

\$80.25 M #

The payments to gaming facility managers and local governments are included as contractual expenditures in the Lottery budget.

The payments to gaming facility managers are included as contractual expenditures in the Lottery budget.

In general, these type of expenditures increase with increasing sales or decrease with decreasing sales.

Transfers are inclusive of:

- \$1.26 M - Veterans' programs
- \$9.0 M - Mental Health
- \$50 M to SGRF by formula
- Remainder to SGF

*These figures reflect the Spring 2023 CRE meeting.

*These figures reflect the Spring 2023 CRE meeting.

The Lottery monitors sales throughout the year and adjusts its spending in these areas appropriately based on sales volume.

**Expanded Lottery expenses incurred by the Lottery are reimbursed by the casino facility managers.

**Expanded Lottery expenses incurred by the Lottery are reimbursed by the casino facility managers.



FY 2025 Lottery Requested Budget

Total FY 2025 Lottery Expenditures: \$484,686,621

Expanded Lottery

Traditional Lottery

**Casino Gaming
Revenues - \$406.5 M***

**Sports Wagering
Revenues - \$112.0 M***

Cost of Sales - \$53.5 M

Operations - \$16.6 M

Expenditures - \$313.4 M*
 \$ 296.8 M Facility Mgrs. (73%)*
 \$ 12.2 M Local Governments (3%)*
 \$ 4.4 M Expanded Lottery
 Expenses**

Expenditures - \$101.2 M*
 \$ 100.8 M Facility Mgrs. (90%)*
 \$ 0.4 M Expanded Lottery
 Expenses**

\$ 4.8 M Ticket Printing
 \$ 9.9 M Vendor Contracts
 \$ 0.8 M Ticket Shipping
 \$ 38.0 M Prize Fund Payments

\$ 6.6 M Salary and Wages
 \$ 0.6 M Sales Expenses
 \$ 6.5 M Marketing Expenses
 \$ 1.2 M Security / IT Expenses
 \$ 1.7 M Administrative Expenses

Transfers to the State
 \$ 89.4 M ELARF (22%)*
 \$ 8.1 M PGAGF (2%)*

Transfers to the State
 \$ 0.75 M White Collar Crime*
 \$ 0.21 M PGAGF (2%)*
 \$ 8.36 M APSK (80%)*
 \$ 1.88 M SGRF/SGF (18%)*

Prize payments to players are net of Federal and State tax withholding when applicable. These are considered 'non-expense items.'

Transfers to the State
 \$80.75 M #

The payments to gaming facility managers and local governments are included as contractual expenditures in the Lottery budget.

The payments to gaming facility managers are included as contractual expenditures in the Lottery budget.

In general, these type of expenditures increase with increasing sales or decrease with decreasing sales.

- # Transfers are inclusive of:
- \$1.26 M - Veterans' programs
 - \$8.0 M - Mental Health
 - \$50 M to SGRF by formula
 - Remainder to SGF

*These figures reflect the Spring 2023 CRE meeting.

*These figures reflect the Spring 2023 CRE meeting.

The Lottery monitors sales throughout the year and adjusts its spending in these areas appropriately based on sales volume.

**Expanded Lottery expenses incurred by the Lottery are reimbursed by the casino facility managers.

**Expanded Lottery expenses incurred by the Lottery are reimbursed by the casino facility managers.

Narrative Information—DA 400

Division of the Budget

State of Kansas

Agency

450-00 KANSAS LOTTERY

Program

ADMINISTRATION 01030

EXPENDITURE JUSTIFICATION – ADMINISTRATION

Account Code 100: Salaries and Wages

Summary: This program is headed by the Executive Director of the Kansas Lottery. FY 2024 and FY2025 includes twenty-three and seventy-five hundredths (23.75) FTE positions, five (5) Non FTE Classified and Unclassified Temporary and five (5) Appointed Commissioner positions. Program responsibilities encompass executive and administrative functions: human resources, procurement, facilities and vehicle management, policy formation and distribution; communications and public information and social media; research, internal auditing, claims receipt and processing, financial and accounting services, daily certification and transfer of dollars to applicable state fund accounts, accounts receivable and accounts payable, budget and other financial operations, and general office and electronic game draw support, and agency-wide information security . Less than 100% positions that perform work primarily for traditional lottery and on a limited basis for expanded lottery are funded in this program area and in the Expanded Lottery program area. Filled and Vacant Unclassified and Classified Regular FTE positions included in this program are: one (1) fifty percent (50%) Executive Director, one (1) Director of Administration and Business Operations, one (1) fifty percent (50%) Assistant Attorney General, one (1) fifty percent (50%) Director of Finance, one (1) Public Information Officer, one (1) seventy-five percent (75%) Chief Information Security Officer, one (1) seventy-five percent (75%) Executive Secretary, one (1) fifty percent (50%) Director of Human Resources, one (1) Draw Game Product Manager, one (1) Procurement Manager, one (1) seventy-five(75%) Director of Social Media, one (1) Program Specialist, one (1) Draw Official, one (1) Administrative Assistant, one (1) Office Assistant, one (1) Internal Auditor, two (2) Policy and Program Analysts, one (1) Administrative Officer, one (1) Fiscal Analyst, two (2) Accountants, one (1) Deputy Draw Manager, one (1) Program Consultant, one (1) fifty percent (50%) Deputy Executive Director, one (1) Program Associate, one (1) Administrative Specialist, and five (5) Non FTE Classified Temporary and Unclassified positions: one (1) Unclassified Temporary Program Specialist/Draw Official, one (1) Classified Temporary Seasonal Worker, two (2) Classified Temporary Senior Administrative Assistants, and five (5) fifty-percent (50%) Non-FTE Commissioner positions.

Budget Year FY 2024: \$1,870,525. Requested dollars include monies to fund salary and wages, overtime, and funding for the employee recognition program.

Budget Year FY 2025: \$2,293,412. Requested dollars include monies to fund salary and wages, overtime, merit increases and funding for the employee recognition program. All positions included in FY 2023 are included in the FY 2024 request.

Agency vacancies, including those that are earmarked to be filled in FY 2024 and FY 2025 are included in the Administration Program.

Narrative Information—DA 400

Division of the Budget

State of Kansas

Agency

450-00 KANSAS LOTTERY

Program

ADMINISTRATION 01030

Object Code 200: Contractual Services

Summary: The expenditures in this category include rent on the Topeka facility and agency costs for postage, supplies and copier rentals. Also included are the publication fees from the Secretary of State's office for publishing the official game rules, and other service fees.

The travel expenses for the Lottery Commissioners and members of the Executive Director's staff to attend gaming and lottery industry conferences, meetings and seminars and to perform other lottery related duties throughout the state of Kansas. Training and attendance at the conferences is very important to remain current on new technologies, games and products, industry research, legal concerns and marketing, advertising and operational trends, ensuring staff industry expertise.

Fees for professional services include costs for annual financial audits and for preparation and distribution of annual tax reporting forms for players and retailers. Fees for other services include items that further enhance agency goals and business such as multi-state lottery (MUSL) operating costs and annual fees that dues to industry organizations and subscriptions to industry periodicals. This also includes annual inter-agency support fees such as the Monumental Building Surcharge, Department of Administration Systems Support, and Lease Administration.

The official hospitality line item of \$5,000 is also included here.

Current Year FY 2024:

\$1,577,200 is requested. \$883,000 is for the rents for the Lottery office in Topeka and for equipment. \$83,200 is requested to cover the travel expenses of the Executive Director, staff, and the five Kansas Lottery Commissioners. The professional fees include \$70,000 for the annual financial and compliance audit and costs for processing annual W-2G and 1099 documents. Included in other services fees is the annual monumental building surcharge fee, and the Financial Management Service (FMS) fee. Other services fees include the publication of game rules, NASPL and WLA membership dues and \$5,000 for the hospitality fund. Other contractual services include lottery related membership dues and periodical subscriptions and other minor expenses.

Budget Year FY 2025:

\$1,632,200 is requested. This funding level would continue the Lottery's occupation of the Topeka office. It also provides for postage, mailing service fees, annual monumental buildings surcharge fee, and other professional services. Hospitality is included in the amount of \$5,000.

Narrative Information—DA 400

Division of the Budget

Agency 450-00 KANSAS LOTTERY

State of Kansas

Program ADMINISTRATION 01030

Object Code 300: Commodities

Summary: The Administration Program is responsible for the maintenance of a number of Lottery owned vehicles and the purchase of office and other supplies for the full agency, except for the Information Technology Department’s office supplies.

Current Year FY 2024:

\$49,700 is requested. The majority of this request is to maintain adequate supplies of paper and general office supplies. Paper products continue to show substantial cost increases, and an increase in vehicle expenses. Also purchased as needed are copies of the Kansas Session Laws, Legislative Handbook, statute supplements and other professional items. Additional office supplies are needed for the replacement of non-capital outlay items such as office chairs that have become deteriorated or broken. Also included in this request is the purchase of Lottery shirts for employees working with the public.

Budget Year FY 2025:

\$49,700 is requested. This funding level would allow the Lottery to maintain the same inventory level of office supplies and material needed to sustain ongoing operations, vehicle expenses, and continuing to replace equipment as needed.

Object Code 400: Capital Outlay

Current Year FY 2024:

\$25,000 is requested. \$15,000 has been designated for any renovations to accommodate any warehouse or other agency restructuring due to remote work capabilities and changes in related processes. The remainder is requested for the purchase of computer hardware and software to improve agency efficiency and to accommodate central gaming system vendor needs.

Budget Year FY 2025:

\$25,000 is requested. \$15,000 has been designated for any renovations to accommodate any warehouse or other agency restructuring due to remote work capabilities and changes in related processes. The remainder is requested for the purchase of computer hardware and software to improve agency efficiency and to accommodate central gaming system vendor needs.

Narrative Information—DA 400

Division of the Budget

State of Kansas

Agency 450-00 KANSAS LOTTERY

Program INFORMATION TECHNOLOGY 01351

EXPENDITURE JUSTIFICATION – INFORMATION TECHNOLOGY

Account Code 100: Salaries and Wages

Summary: This program is headed by the Director of Information Technology. It consists of six and seventy-five one hundredths (6.75) FTE in FY 2024 and FY 2025. One (1) less than 100% position (positions that perform work primarily for traditional lottery and on a limited basis for expanded lottery) is also funded in the Expanded Lottery Program. The Information Technology program provides support services to the entire Lottery staff (traditional and expanded), approximately 1,750 Lottery retailers, and all Lottery players in Kansas. Program responsibilities encompass electronic information and telecommunications functions. Positions included in this program for FY 2024 and FY 2025 are: one (1) seventy-five percent (75%) Director of Information Technology, two (2) Applications Developers, one (1) Program Administrator/Change Management/UAT System Administrator, one (1) Information Systems Administrator, one (1) Technology Support Consultant, and one (1) Program Analyst.

Budget Year FY 2024: \$644,736. Requested dollars include monies to fund salary and wages, overtime, and funding for the employee recognition program.

Budget Year FY 2025: \$675,675. Requested dollars include monies to fund salary and wages, overtime, merit increases, and funding for the employee recognition program.

Narrative Information—DA 400

Division of the Budget

State of Kansas

Agency 450-00 KANSAS LOTTERY

Program INFORMATION TECHNOLOGY 01351

Account Codes 200: Contractual Services

Summary: The major expenditures in this category are for communications and computer maintenance. Travel expenses are for the training of employees to remain current in hardware/software technology and other IT needs. These items requested are considered basic necessities for the ongoing statewide operations of the Lottery.

Current Year FY 2024: \$593,000

Budget Year FY 2025: \$643,000

Account Code 300: Commodities

Summary: The Information Technology division is responsible for the maintenance of all Lottery computer equipment, and the purchase of microcomputers and toner for printers throughout the agency. Office Supplies are needed for replacement of equipment as it comes off warranty and if the repair costs would exceed the cost of the item as computer components, communication equipment.

Current Year FY 2024: \$100,500

Budget Year FY 2025: \$100,500

Account Code 400: Capital Outlay

This request also provides funding for the purchase of computer hardware and software to improve agency efficiency, security, and integrity of Lottery's operation.

Current Year FY 2024: \$300,000

Budget Year FY 2025: \$300,000

Narrative Information—DA 400

Division of the Budget

State of Kansas

Agency 450-00 KANSAS LOTTERY

Program SALES 04201

EXPENDITURE JUSTIFICATION – SALES

Account Code: 100 Salaries and Wages

Summary: This program is headed by the Director of Sales and Marketing. It consists of funding for twenty-nine and thirty-seven hundredths (29.37) FTE and two (2) classified temporary position in FY 2024 and FY 2025. Less than 100% positions (positions that perform work primarily for traditional lottery and on a limited basis for expanded lottery) are also funded in the Expanded Lottery and Marketing Programs. This program provides direct services to approximately 1,750 Lottery retailers and all Kansas Lottery players. Responsibilities encompass retailer recruitment and retention, telephone and in-person sales calls to independent and corporate retailers, developing and recommending strategies to increase retailer sales, retailer training, product promotion and player education. Positions included in this program are: one (1) thirty-seven percent (37%) Director of Sales and Marketing, two (2) Lottery Regional Sales Managers, one (1) Instant Ticket Order & Distribution Manager, one (1) Vending Machine Manager, fourteen (14) Lottery District Managers, three (3) Senior District Managers, one (1) Administrative Director, two (2) Program Consultants, two (2) Coordinators, one (1) Shipping and Warehouse Supervisor, one (1) Shipping and Warehouse Associate, one (1) Senior Administrative Assistant and two (2) classified temporary Storekeeper Specialist. Organization changes began in January 2019 that combined the Sales and Marketing departments under the Director of Sales and Marketing. These changes were designed to enhance coordination between and amongst departments, streamline operations and provide for consistent, coordinated service delivery strategies and increased sales and transfers to the state. As sales professionals are generally paid via base and commission pay, a Retailer Recruitment Commission was implemented. This commission is designed to enhance the recruitment of qualified lottery retailers and provide incentive to staff that recruit and service new retailers. Additional commission-type incentive options will be explored as the Lottery looks for additional ways to increase sales and transfers to the State and program changes within the Sales department and within the Lottery will continue to occur to fulfill agency goals, enhance capacity, and dollar transfers to the State.

Budget Year FY 2024: \$2,303,703. Requested dollars include monies to fund salary and wages, overtime, funding for the employee recognition program and the Retailer Recruitment Commission.

Budget Year FY 2025: \$2,425,431. Requested dollars include monies to fund salary and wages, overtime, merit increases, and funding for the employee recognition program and the Retailer Recruitment Commission.

Narrative Information—DA 400

Division of the Budget

State of Kansas

Agency 450-00 KANSAS LOTTERY

Program SALES 04201

Account Code: 200 Contractual Services

Summary: The Sales Department makes sales calls throughout the state to approximately 1800 retail locations. Regular sales calls to these retailers, statewide recruiting efforts, and sales calls to the headquarter offices of corporate accounts all require travel. The travel to provide adequate service for these retailers and prospective new retailers constitutes the majority of the budget monies directed to travel expenses. Recruiting efforts, state sales team meetings, regular sales calls and sales management staff spending time in the field training and monitoring sales efforts will continue. In accord with the on-line contract, all of the retailers receive equipment of terminals, customer display screens, keno boards, LDDS monitors, and check-a-ticket devices.

The freight and express expenses associated with our automated distribution system of instant tickets via a courier delivery service is included as a no-limit item in Cost of Sales. The field sales staff will be required to complete increased sales related duties; recruiting new retailers; promoting lottery products, providing retailer and player education, and reviewing sales with individual and corporate retail accounts to identify opportunities to increase sales.

Merchandise, printing and advertising expenses will increase in a continued effort to improve Lottery impulse purchasing, and communications with our retailers. New programs developed on the Lottery Internet site as well as the District Managers having more immediate access to reports and information in the field will change the type of reports and signs produced. Co-op advertising with corporate chains will be increased to promote our products.

Current Year FY 2024: \$130,500

Budget Year FY 2025: \$130,500

Narrative Information—DA 400

Division of the Budget

Agency 450-00 KANSAS LOTTERY

State of Kansas

Program SALES 04201

Account Code: 300 Commodities

Summary: Professional supplies are needed to implement the Lottery's merchandising standards and to provide new retailers with necessary equipment; along with other supplies needed to support promotional efforts account for the majority of this allocation. Better merchandising of games means larger dispensers and increased price points of instant scratch games as well as other supplies to support our projected sales goals. New products need additional support to be successful in terms of advertising, printed informational flyers, retailer training, player education and promotions at Lottery retailers. As the price of gas continues to rise along with the cost of maintaining vehicles, more money is allocated to meet these expenses.

The Sales Department also will require supplies to fulfill the objective to promote awareness of Lottery products. Promotions will be held at retail locations, targeting specific products and player education will be emphasized. Promotional items containing Lottery advertising messages will be distributed with Lottery purchases.

Current Year FY 2024: \$253,000

Budget Year FY 2025: \$253,000

Account Code 400 Capital Outlay

Summary: These amounts will allow four vehicles (account code 5406) to be replaced in each of the fiscal years. The vehicles are used by the Sales Department to service retailer accounts, recruitment, and other Lottery related duties. The vehicles will be replacements because of their high mileage and excessive repairs. The estimates are based on projected prices in the Budget Cost Indices.

Current Year FY 2024: \$141,924

Budget Year FY 2025: \$179,204

Narrative Information—DA 400

Division of the Budget

State of Kansas

Agency 450-00 KANSAS LOTTERY

Program SECURITY 04301

EXPENDITURE JUSTIFICATION - SECURITY

Account Code 100: Salaries and Wages:

Summary: This program is headed by the Director of Security. It consists of funding for six and seventy-five one hundredths (6.75) FTE positions in FY 2024 and FY 2025. Less than 100% positions (positions that perform work primarily for traditional lottery and on a limited basis for expanded lottery) are also funded in the Expanded Lottery Program. Program responsibilities encompass all Lottery security, including physical structures and inventory, facility and computer system security, retailer and staff background clearances, investigations related to lottery products, sales, and other activities, the administration and oversight of all ADA Compliance reviews on new retailers, bonus compliance, and change of ownerships. Security related to casino operations is also provided. Included in this program is funding for one (1) seventy-five percent (75%) Director of Security, four (4) Enforcement Agents, one (1) InfoTech Security Analyst/Lottery Forensic Security Auditor, and one (1) Program Manager. The Director of Security and the Enforcement Agents are certified law enforcement officers. As certified law enforcement officers they may also conduct and/or assist local law enforcement with criminal investigations that involve Lottery products.

Budget Year FY 2024: \$594,080. Requested dollars include monies to fund salary and wages, overtime, merit increases, and funding for the employee recognition program.

Budget Year FY 2025: \$636,966. Requested dollars include monies to fund salary and wages, overtime, merit increases, and funding for the employee recognition program.

Narrative Information—DA 400

Division of the Budget

Agency 450-00 KANSAS LOTTERY

State of Kansas

Program SECURITY 04301

Account Code 200: Contractual Services

Summary: The expenditures are for repairs, travel and other service fees. The repairs and maintenance expense is for building security video monitoring and recording equipment, building access control system, alarm system, and vehicle repair/service. The in-state travel is for lodging and subsistence cost related to investigations, support activity for major Lottery events and training. The out-of-state travel is for vendor background investigation travel, second chance drawing events, and attendance at training events by Security personnel. Other service fees are incurred for background criminal history record checks and fingerprinting of employees, applicants, vendors and lottery retailers. Also included in the fees is the expense incurred for facility access control and alarm maintenance.

Current Year FY 2024: \$40,800

Budget Year FY 2025: \$40,800

Account Code 300: Commodities

Summary: Computer printer ink cartridge replacement and replacement photo I.D. badge supplies. The Enforcement Agents are required to qualify with their issued handguns twice annually. Replacement ammunition will be necessary. Vehicle operating costs include fuel, replacement parts and repairs for the Security Department's three vehicles. The cost for replacement maintenance supplies for the lifeline automated external defibrillators (AED's) has been requested for each year. Soft uniform shirts are being issued to agents for wear at events.

Current Year FY 2024: \$14,250

Budget Year FY 2025: \$14,250

Account Code 400: Capital Outlay

Summary: Costs each year include replacements or upgrades to security access controls and monitoring equipment. Costs in FY 2025 include replacement of two vehicles.

Current Year FY 2024: \$25,000

Budget Year FY 2025: \$96,630

Narrative Information—DA 400

Division of the Budget

State of Kansas

Agency 450-00 KANSAS LOTTERY

Program COST OF SALES 04401

COST OF SALES 70500

EXPENDITURE JUSTIFICATION

Account Code 200: Contractual Services

Summary: These costs consist of Ticket Printing, Ticket Shipping and Third Party Vendor Fees. The ticket printing contracts were effective September 10, 2016 and were renewed in July 2022. The Central Gaming Services contract was effective July 1, 2018 for a ten-year period. The Lottery has a third party contract for its PlayOn Players' Loyalty program that helps increase player engagement, gather player data and facilitates second chance drawings.

Ticket Printing – Instant and Pull-tab ticket sales in FY 2023 and FY 2022 were \$203.7 million and \$207.2 million, respectively. The Lottery has between 40 and 60 games marketable at all times. Each game printed consists of anywhere from 300 thousand to 8.0 million tickets and is sold by Lottery retailers until the announced end of the game by the Executive Director. The number of tickets and games printed are in direct relationship to sales. Tickets printed for larger denominations tend to be of larger size and have more eye-catching graphics.

The cost of printing \$1 tickets is about \$.02 per ticket up through \$.04 per ticket depending on the number of tickets printed, whereas the \$2 tickets cost approximately \$.02 per ticket to \$.09 per ticket, the \$3 tickets cost from \$.03 per ticket to \$.12, the \$5 tickets cost from \$.05 to \$.27 per ticket, the \$10 tickets cost from \$.09 to \$.38 per ticket, and the \$20 tickets cost from \$.14 to \$.59 per ticket. Printing costs for Pull-tab tickets run from \$.02 to \$.07 per ticket.

Shipping--In FY 2023 all instant tickets were delivered by FedEx with a cost of \$620,000 plus \$67,720 in shipping services and supplies (commodities).

Central Gaming Services –The Lottery began the contract in FY 2019 with its vendor, Scientific Games (SGI) after completing an RFP process for a ten-year contract period ending on 7/1/2028. The contract includes a base annual amount of \$1.04 million plus 5.2559% of gross gaming revenues (GGR), which is defined as sales net of prizes paid to players. Other SGI costs under the gaming system contract include maintenance and other costs related to operation of the Lottery's self-service vending machines. Total payments for the central gaming system and other services for FY 2023 were \$8,663,431, compared to \$8,375,067 in FY 2022.

PlayOn Players' Loyalty program – The contract with Pollard Banknote Limited (Pollard) initially began in October 2016 and has been extended through October 31, 2026. The contract is for \$812,000 annually. All costs for prizes awarded through the program are the responsibility of the Lottery.

Narrative Information—DA 400

Division of the Budget

Agency 450-00 KANSAS LOTTERY

State of Kansas

Program COST OF SALES 04401

	FY 2023	FY 2024	FY 2025
	Actual	Current Year	Budget Year
Ticket Printing	3,499,250	4,800,000	4,800,000
Third Party Vendor Fees	9,475,431	9,125,000	9,525,000
Ticket Shipping	620,000	750,000	750,000

Account Code 300: Commodities

Summary: Shipping of the instant and pull-tab tickets requires supplies consisting of boxes, envelopes, tape and other related commodities. FY 2023 commodities were \$67,720.

Budget Year FY 2024: \$70,000

Budget Year FY 2025: \$70,000

Account Code 400: Capital Outlay

Budget Year FY 2024: \$0

Budget Year FY 2025: \$0

During the 2018 legislative session, the Lottery received the ability to implement the use of self-service vending terminals as are utilized in 38 of 45 lottery jurisdictions. The Lottery was granted an amendment to the FY 2019 budget of \$4,423,736 for the initial purchase of 272 machines. A similar purchase was anticipated and approved for the FY 2020 budget. Due to COVID-19 issues, the second purchase was delayed and the FY 2020 appropriation was allowed to lapse. The Lottery executed purchases of 72 additional machines from both FY 2021 and FY 2022 appropriations. The machines typically have a manufacturing lead time of 6 to 8 months, which has been longer due to recent supply chain issues. The 72 machines ordered in FY 2021 arrived in Summer 2022 and have begun being placed at retailers. The 72 machines ordered in FY 2022 are expected to arrive in Fall 2023. At this time, no future purchase are anticipated.

Narrative Information—DA 400

Division of the Budget

State of Kansas

Agency 450-00 KANSAS LOTTERY

Program COST OF SALES 04401

Non-Revenue Items:

Summary--Retailer Commissions:

Retailer Commissions is the five percent commission each retailer earns on their net lottery ticket sales and the one percent commission they earn for cashing instant and on-line winning tickets, except two percent is earned on Keno, Racetrax, and Kansas Hold'Em cashing. Retailers receive bonuses ranging from \$1,000 to \$10,000 for selling jackpot and other top tier prizes for Powerball, Mega Millions, Raffle, Lotto America, or Lucky for Life. Retailers also receive selling commissions of up ranging from \$10 to \$100 for other prizes in excess of \$599 that are required to be claimed at the Lottery.

Commission payments are made to retailers through the lottery's retailer accounts receivable by issuing a credit for the amount of commission. Retailers have the option of paying prizes on validated winning tickets up to and including an amount of \$599. Retailer commissions are deducted from the sales accounts receivable.

Summary--Prizes:

Prizes consist of retailer paid and prizes paid by the Lottery using fund 7381. Prizes may be claimed at the retailers up to \$599. Retailer paid prizes are deducted from the sales accounts receivable. Claims \$600 and larger must be claimed at the Lottery. Claims less than and including \$5,000 are paid instantly at the Lottery Headquarters using an imprest fund which is replenished from the prize fund 7381. Claims over \$5,000 and the federal and state taxes (taxes are non-expense items) associated with that claim are paid with a state check from the prize fund 7381. Approximately 30 percent of the prizes are paid by the prize fund each year, and this is the amount reported on the DA404 and DA 406.

	FY 2023 Actual	FY 2024 Current Year	FY 2025 Budget Year
Prizes paid by State (7381)	34,973,448	38,000,000	38,000,000
Non-Expense—Federal & State Taxes	19,288,170	6,000,000	6,000,000
Prizes paid by Retailers	149,436,232	147,490,760	148,502,460

Narrative Information—DA 400

Division of the Budget

State of Kansas

Agency 450-00 KANSAS LOTTERY

Program EXPANDED LOTTERY EXPENSES 04501

EXPENDITURE JUSTIFICATION – EXPANDED LOTTERY EXPENSES

NOTE: All funding is from the Lottery Operating Fund (5123). The fund is to be reimbursed for all costs by the Facility Managers with signed contracts per requirements set forth in the KELA, and contracts with the Lottery. No Expanded Lottery expenses have any impact on the State General Fund.

Account Code 100: Salaries and Wages

CASINO GAMING

Summary: This program is headed by the Director of Gaming Facilities and includes seventeen (17.00) FTE positions in FY 2024 and FY 2025. Responsibilities encompass the requirements of the KELA. Included in this program are one (1) Director of Gaming Facilities, one (1) Manager Casino Audits, ten (10) Lottery Gaming Facility Analysts and one (1) Lottery Gaming Facility Accountant. Less than 100% positions that perform work primarily for traditional lottery and on a limited basis for expanded lottery are funded in their respective program areas and in the Expanded Lottery program area. These positions and their respective Expanded Lottery percentages include one (1) of each of the following positions: 50% Lottery Executive Director, 50% Lottery Deputy Executive Director, 50% Assistant Attorney General, 50% Director of Finance, 50% Director of Human Resources, 25% Director of Security, 25% Director of Social Media, 25% Director of Information Technology, 25% Director of Sales and Marketing, 25% Chief Information Security Officer, 25% Executive Secretary, and 50% of each of the five commissioner positions.

Budget Year FY 2024: \$1,756,244. Requested dollars include monies to fund salary and wages, overtime, and funding for the employee recognition program.

Budget Year FY 2025: \$1,847,379. Requested dollars include monies to fund salary and wages, overtime, merit increases, and funding for the employee recognition program.

Narrative Information—DA 400

Division of the Budget

State of Kansas

Agency 450-00 KANSAS LOTTERY

Program EXPANDED LOTTERY EXPENSES 04501

Account Code 100: Salaries and Wages

SPORTS WAGERING

Summary: This program is headed by the Sports Wagering Director and includes five (5.00) FTE positions in FY 2024 and FY 2025. Responsibilities encompass the requirements of the Sports Wagering bill in accordance with the provisions of the Kansas Lottery Act and the Kansas Expanded Lottery Act. Included in this program are one (1) Sports Wagering Director, one (1) Manager Sports Wagering Audits, one (1) Sports Wagering Fiscal Analyst, one (1) Sports Wagering Facility Analyst, and one (1) IT System Administrator.

Budget Year FY 2024: \$293,501. Requested dollars include monies to fund salary and wages, and funding for the employee recognition program.

Budget Year FY 2025: \$383,303. Requested dollars include monies to fund salary and wages, and funding for the employee recognition program.

Narrative Information—DA 400

Division of the Budget

State of Kansas

Agency 450-00 KANSAS LOTTERY

Program EXPANDED LOTTERY EXPENSES 04501

Account Codes 200: Contractual Services

CASINO GAMING AND SPORTS WAGERING

Summary: The major expenditures in this category are for communications, travel, services fees, professional fees, and other contractual services which include the Casino Management (fund 5128) fees. These items are considered basic necessities for the operations. Note that any cost to the Lottery is reimbursed by the Facility Managers with signed contracts per requirements set forth in the KELA, and contracts with the Lottery.

Current Year FY 2024:

\$392,978,900 is requested. This funding level would continue the Expanded Lottery Department's training and travel to the casino facilities. Also included in the request is the potential continued need for an outside legal counsel, and the needs and requirements for the many aspects of the KELA.

\$300,395,000 has been estimated for other services to cover Casino Facility Management fees. This estimate will be evaluated and may be revised during October and April CRE meetings. Casino Facility Management fees are based on 73% of net casino gaming revenue. Funding for this expense will be from the ELARF fund (5128). IGT Central System professional fees are budgeted at \$2,500,000.

\$90,000,000 has been estimated for other services to cover Sports Wagering Management fees. This estimate will be evaluated and may be revised during October and April CRE meetings. Sports Wagering Management fees are based on 90% of net sports wagering revenue. Funding for this expense will be from the Sports Wagering Receipts fund (2946).

Budget Year FY 2025:

\$400,128,900 is requested. This funding level would continue the Expanded Lottery Department's training and travel to the casino facilities. Also included in the request is the potential continued need for an outside legal counsel, and the needs and requirements for the many aspects of the KELA.

\$296,745,000 has been estimated for other services to cover Casino Facility Management fees. This estimate will be evaluated and may be revised during October and April CRE meetings. Casino Facility Management fees are based on 73% of net casino gaming revenue. Funding for this expense will be from the ELARF fund (5128). IGT Central System professional fees are budgeted at \$2,500,000.

\$100,800,000 has been estimated for other services to cover Sports Wagering Management fees. This estimate will be evaluated and may be revised during October and April CRE meetings. Sports Wagering Management fees are based on 90% of net sports wagering revenue. Funding for this expense will be from the Sports Wagering Receipts fund (2946).

Narrative Information—DA 400

Division of the Budget

State of Kansas

Agency 450-00 KANSAS LOTTERY

Program EXPANDED LOTTERY EXPENSES 04501

Account Codes 300: Commodities

CASINO GAMING AND SPORTS WAGERING

Summary: The Expanded Lottery Department will be responsible for the maintenance of a number of Lottery owned vehicles and the purchase of supplies for staffing and managing the department. Note that any cost to the Lottery is reimbursed by the Facility Managers with signed contracts per requirements set forth in the KELA, and contracts with the Lottery.

Current Year FY 2024:

\$10,500 is requested. This funding level would allow the Expanded Lottery Department to provide supplies for existing staff, as well as, maintain and fuel Lottery owned vehicles.

Budget Year FY 2025:

\$10,500 is requested. This funding level would allow the Expanded Lottery Department to provide supplies for existing staff, as well as, maintain and fuel Lottery owned vehicles.

Object Code 400: Capital Outlay

CASINO GAMING AND SPORTS WAGERING

Summary: The Expanded Lottery Department will be responsible for the maintenance of a number of Lottery owned vehicles and the purchase of supplies for staffing and managing the department. Note that any cost to the Lottery is reimbursed by the Facility Managers with signed contracts per requirements set forth in the KELA, and contracts with the Lottery.

Current Year FY 2024: \$0

Budget Year FY 2025: \$0

Narrative Information—DA 400

Division of the Budget

State of Kansas

Agency 450-00 KANSAS LOTTERY

Program MARKETING 04601

EXPENDITURE JUSTIFICATION – MARKETING

Account Code 100: Salaries and Wages

Summary: This program is headed by the Director of Sales and Marketing and consists of six and thirty-eight hundredths (6.38) FTE positions for FY 2024 and FY 2025. Less than 100% positions (positions that perform work primarily for traditional lottery and on a limited basis for expanded lottery) are also funded in the Expanded Lottery and Marketing Program. Marketing Program responsibilities encompass the development of new games and collaborative partnerships, contracted advertising, and special promotional events and activities. Included in this program are: one (1) thirty-eight hundredths percent (38%) Director of Sales and Marketing, one (1) Design and Promotion Administrator, one (1) Events Coordinator, one (1) Program Consultant/Media Promotions and Prize Fulfillment Administrator, and one (1) Program Manager/Loyalty/PlayOn Program Administrator, one (1) Manager/Product Development Manager, and one (1) Deputy Director of Marketing. Strategies designed to enhance player involvement and ticket sales continue to be the focus of all marketing staff. Organization changes began in January 2019 that combined the Sales and Marketing departments under the Director of Sales and Marketing. These changes were designed to enhance coordination between and amongst departments, streamline operations and provide for consistent, coordinated service delivery strategies and increased sales and transfers to the State.

Budget Year FY 2024: \$584,252. Requested dollars include monies to fund salary and wages, overtime, merit increases, and funding for the employee recognition program.

Budget Year FY 2025: \$613,520. Requested dollars include monies to fund salary and wages, overtime, merit increases, and funding for the employee recognition program.

Narrative Information—DA 400

Division of the Budget

State of Kansas

Agency 450-00 KANSAS LOTTERY

Program MARKETING 04601

Account Code 200: Contractual Services

Summary: The major expenditures in this category are for professional services, printing, travel and costs required marketing for the various lottery products. The Lottery will continue the Veterans' instant scratch games as well as its partnerships with Kansas Speedway, the Wichita Riverfest, the Kansas State Fair, Kansas universities and the use of various licensed properties.

The Lottery will invest advertising monies to promote these new products and engage a broader demographic, while maintaining the interest of the Lottery's current solid base. This will include on-going media levels of TV, radio, and web ads to engage a broader demographic of players in order to increase sales of all products.

Printing expenditures are used for printing through contracted printers and/or the State Printer, brochures, publications, and in store display materials, which highlight the specific games or the availability of Lottery products. With any game changes, new game materials will need to be produced in order to educate the players on the changes as well as a comprehensive media campaign implemented.

Travel and subsistence expenditures are utilized for travel of staff to host special events, media interviews, radio remote broadcasts, and to supervise advertising agency projects.

Professional services include all advertising agency fees, production costs, and media placement costs of Lottery advertising. This includes television, radio, billboards, and sponsorships including a sponsorship with Kansas Speedway.

Expenditures continue to increase with the volume of partnerships and sponsorships the Lottery will need to participate in. Increased work will have to be done by the ad agency in order to supply advertising and promotional support for the additional promotions and new games. With any changes to national games, monies will have to be used to develop new TV and radio ads in order to educate the public on the new product offering.

FY 2024 expenditures include an increase of \$200,000 over what was previously approved. The increases in projected contractual expenditures in FY 2024 and FY 2025 are due to increases in production and placement costs for lottery advertising.

Current Year FY 2024: \$5,977,500

Budget Year FY 2025: \$6,277,750

Narrative Information—DA 400

Division of the Budget

Agency 450-00 KANSAS LOTTERY

State of Kansas

Program MARKETING 04601

Account Codes 300: Commodities

Summary: This includes promotional items given to players at events throughout the state. A portion of the marketing budget is for professional supplies. One factor is the maintenance of existing equipment and the replacement of deteriorated equipment. Repairs are required for vehicles used to pull the sales trailers.

Current Year FY 2024: \$239,250

Budget Year FY 2025: \$239,250

Account Code 400: Capital Outlay

Current Year FY 2024: \$0

Budget Year FY 2025: \$0

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Lottery Operating Fund (5123)

The Operating Fund was established by K.S.A.74-8711. All moneys collected from the sale of lottery tickets and any other monies received by or on behalf of the Kansas Lottery are deposited with the State Treasurer in accordance with the provisions of K.S.A.75-4215.

Estimated Receipts

Revenue Sources:	<u>FY 2023 Actual</u>	<u>FY 2024 Projected</u>	<u>FY 2025 Projected</u>
Other Service Charges	-	10,000	10,000
License Fees	10,800	20,000	20,000
Usable (on demand Equipment)	5,875	14,000	14,000
Sales & Communications Recovery (Retailer Net Accounts Receivable)	171,450,732	155,335,351	156,174,010
Expanded Lottery Reimbursement			
Operating Transfer In (Casino Reimburse)	3,812,771	4,290,178	4,312,032
Operating Transfer In (Sports Wag. Reimburse)		380,937	389,391
Loan proceeds (Capital Lease)			
Reimbursements & Refunds	344,183		
Other Miscellaneous Revenue	29,694	1,000	1,000
Recovery of Prior FY Expenditures	-		
Insurance Reimbursement			
TOTAL	175,654,055	160,051,466	160,920,433

Lottery Prize Payment Fund (7381)

The Lottery Prize Payment Fund was established by K.S.A.74-8712. The Executive Director of the Kansas Lottery shall certify periodically to the Director of Accounts and Reports the amount to be transferred from the Operating Fund to the Lottery Prize Payment Fund to pay prizes to the holders of valid winning lottery tickets or for the purchase of non-monetary prizes.

Estimated Receipts

Revenue Sources:	<u>FY 2023 Actual</u>	<u>FY 2024 Projected</u>	<u>FY 2025 Projected</u>
Transfers	54,100,000	45,000,000	45,000,000

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Expanded Lottery Act Revenues Fund (1700)

The Expanded Lottery Act Revenues Fund was established by SB 66, Section 37, Session of 2007.
The amount collected will be transferred. The transfer includes the Problem Gambling & Addictions Grant Fund.

Estimated Receipts

Revenue Sources:	<u>FY 2023 Actual</u>	<u>FY 2024 Projected</u>	<u>FY 2025 Projected</u>
5138 Casino NE	34,432,760	35,090,000	35,090,000
5140 Casino SW	10,610,223	10,780,000	10,780,000
5142 Casino SC	35,469,434	35,200,000	34,100,000
5144 Casino SE	9,050,841	9,460,000	9,460,000
TOTAL	<u>89,563,258</u>	<u>90,530,000</u>	<u>89,430,000</u>

Expanded Lottery Act Receipts Fund (5128)

The Expanded Lottery Act Receipts Fund was established by SB 66, Section 37, Session of 2007. All monies from the racetracks and casino are to be electronically swept daily and accounted for separately. All monies are deposited with the State Treasurer. The monies will be distributed as set forth in SB 66, as listed on the next page.

Estimated Receipts

Revenue Sources:	<u>FY 2023 Actual</u>	<u>FY 2024 Projected</u>	<u>FY 2025 Projected</u>
5132 Racetrack NE	-	-	-
5136 Racetrack SE	-	-	-
5138 Casino NE	156,512,547	159,500,000	159,500,000
5140 Casino SW	48,228,287	49,000,000	49,000,000
5142 Casino SC	161,224,699	160,000,000	155,000,000
5144 Casino SE	41,140,188	43,000,000	43,000,000
TOTAL	<u>407,105,721</u>	<u>411,500,000</u>	<u>406,500,000</u>

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Expanded Lottery Act Receipts Fund (continued)

	<u>FY 2023 Actual</u>	<u>FY 2024 Projected</u>	<u>FY 2025 Projected</u>
Distributions from Race Track Revenues:			
Expanded Lottery Act Revenue Fund (40%)	-	-	-
Management fees (25%)	-	-	-
Gaming Expenses (15%)	-	-	-
Live Horse Racing Purse Supp. Fund (7%)	-	-	-
Live Greyhound Racing Purse Supp Fund (7%)	-	-	-
County/City (3%)	-	-	-
Problem Gambling & Addictions Grant Fund (2%)	-	-	-
Kansas Horse Fair Racing Benefit Fund (1%)	-	-	-
TOTAL RACE TRACK DISTRIBUTIONS	-	-	-

5138 Casino NE

Disbributions from Casino Revenues:

Expanded Lottery Act Revenue Fund (22%)	34,432,760	35,090,000	35,090,000
Problem Gambling & Addictions Grant Fund (2%)	3,130,251	3,190,000	3,190,000
County/City (3%)	4,695,376	4,785,000	4,785,000
Management fees (73%)	114,254,160	116,435,000	116,435,000
TOTAL CASINO DISTRIBUTIONS	156,512,547	159,500,000	159,500,000

5140 Casino SW

Disbributions from Casino Revenues:

Expanded Lottery Act Revenue Fund (22%)	10,610,223	10,780,000	10,780,000
Problem Gambling & Addictions Grant Fund (2%)	964,566	980,000	980,000
County/City (3%)	1,446,848	1,470,000	1,470,000
Management fees (73%)	35,206,650	35,770,000	35,770,000
TOTAL CASINO DISTRIBUTIONS	48,228,287	49,000,000	49,000,000

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Expanded Lottery Act Receipts Fund (continued)

	<u>FY 2023 Actual</u>	<u>FY 2024 Projected</u>	<u>FY 2025 Projected</u>
5142 Casino SC			
Disributions from Casino Revenues:			
Expanded Lottery Act Revenue Fund (22%)	35,469,434	35,200,000	34,100,000
Problem Gambling & Addictions Grant Fund (2%)	3,224,494	3,200,000	3,100,000
County/City (3%)	4,836,741	4,800,000	4,650,000
Management fees (73%)	117,694,030	116,800,000	113,150,000
TOTAL CASINO DISTRIBUTIONS	161,224,699	160,000,000	155,000,000

5144 Casino SE			
Disributions from Casino Revenues:			
Expanded Lottery Act Revenue Fund (22%)	9,050,841	9,460,000	9,460,000
Problem Gambling & Addictions Grant Fund (2%)	822,804	860,000	860,000
County/City (3%)	1,234,206	1,290,000	1,290,000
Management fees (73%)	30,032,337	31,390,000	31,390,000
TOTAL CASINO DISTRIBUTIONS	41,140,188	43,000,000	43,000,000

Lottery Gaming Facility Manager Fund (5129)

The Lottery Gaming Facility Manger Fund was established in the SB 66, Section 3, Session of 2007. All privilege fees from the prospective gaming facility mangers (casinos) are deposited with the State Treasurer. (\$25M and \$5.5M) All monies collected from successful applicants are transferred to the State.

Estimated Receipts

Revenue Sources:	<u>FY 2023 Actual</u>	<u>FY 2024 Projected</u>	<u>FY 2025 Projected</u>
Casino NE	-	-	-
Casino SW	-	-	-
Casino SC	-	-	-
Casino SE	-	-	-
TOTAL	-	-	-

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Sports Wagering Receipts Fund (2946)

The Sports Wagering Receipts Fund was established in the SB 84, Section 11, Session of 2022.

All revenues from sports wagering conducted by the lottery gaming facility managers are remitted to this fund on a weekly basis.

All monies are deposited with the State Treasurer. The monies will be distributed as set forth in SB 84, as follows.

Estimated Receipts

Revenue Sources:	<u>FY 2023 Actual</u>	<u>FY 2024 Projected</u>	<u>FY 2025 Projected</u>
Casino NE	-	-	-
Casino SW	-	-	-
Casino SC	-	-	-
Casino SE	-	-	-
TOTAL	<u>58,706,207</u>	<u>100,000,000</u>	<u>112,000,000</u>

Disbributions from Sports Wagrering Revenues:	<u>FY 2023 Actual</u>	<u>FY 2024 Projected</u>	<u>FY 2025 Projected</u>
Management fees (90%)	52,853,586	90,000,000	100,800,000
White Collar Crime Fund (\$750,000 per fiscal year)	750,000	750,000	750,000
Remainder Distributed as follows:			
Problem Gambling & Addictions Grant Fund (2%)	102,452	185,000	209,000
Attracting Professional Sports Teams to Kansas Fund (80%)	4,098,097	7,400,000	8,360,000
State Gaming Revenues Fund (18%)	<u>922,072</u>	<u>1,665,000</u>	<u>1,881,000</u>
TOTAL SPORTS WAGERING DISTRIBUTIONS	<u>58,726,207</u>	<u>100,000,000</u>	<u>112,000,000</u>

** Note: Transfers from Sports Wagering actually occur in July of the subsequent fiscal year.

RESOURCES ESTIMATE BY ALL OTHER FUNDS--DA 404

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FUND NAME & ACCOUNT NUMBER		FY 2023 ACTUAL	DOB USE ONLY	FY 2024 ESTIMATE	DOB USE ONLY	FY 2025 BUDGET YEAR	DOB USE ONLY
<u>LOTTERY OPERATING FUND 5123</u>							
ADD: Balance Forward		(813,071)		2,786,580		2,583,982	
RECEIPTS BY NAME & NUMBER							
2099 Other Service Charges	050	-		10,000		10,000	
2099 Expanded Lottery Reimbursement	050	3,812,771		4,290,178		4,312,032	
2099 Sports Wagering Reimbursement	050	-		380,937		389,391	
2111 License	050	10,800		20,000		20,000	
2260 Usable (on demand equipment)	050	5,875		14,000		14,000	
2401 Sales & Communications Recovery	050	171,450,732		155,335,351		156,174,010	
(Retailer Net Accounts Receivable)	050						
6201 Reimbursements & Refunds	050	-					
5409 Other fines, penalties & forfeitures	050						
5909 Other Miscellaneous Revenue	050	29,694		1,000		1,000	
6101 Insurance Reimbursements	050						
6211 Recovery of Current FY Expenditures	050	44,387		-		-	
6602 Transfers-Gaming Fund	050	(85,076,074)		(80,250,000)		(80,750,000)	
6602 Transfers-Prize Fund	050	(54,100,000)		(45,000,000)		(45,000,000)	
6602 Transfers-Miscellaneous	050						
6901 Recovery of Prior FY Expenditure	050	299,796					
	050						
SUBTOTAL - RECEIPTS		36,477,981		34,801,466		35,170,433	
TOTAL AVAILABLE		35,664,910		37,588,046		37,754,415	
SUBTRACT:							
Balance Forward	090	2,786,580		2,583,982		807,794	
Non-Reportable Expenditures	100	-		-		-	
Reportable Expenditures (KSIP)		32,878,330		35,004,064		36,946,621	
TOTAL EXPENDITURES		32,878,330		35,004,064		36,946,621	
EXPENDITURE LIMITATION	110	17,600,371		19,602,208		19,870,397	
		*		*		*	

* Budgeted Expenditures without Cost of Sales; includes Expanded Lottery Expenses (less Management fees and Aid to Local Govts)

RESOURCES ESTIMATE BY ALL OTHER FUNDS--DA 404

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FUND NAME & ACCOUNT NUMBER		FY 2023 ACTUAL	DOB USE ONLY	FY 2024 ESTIMATE	DOB USE ONLY	FY 2025 BUDGET YEAR	DOB USE ONLY
<u>LOTTERY PRIZE PAYMENT FUND 7381</u>							
ADD: Balance Forward		(1,395,124)		(1,652,514)		(652,514)	
RECEIPTS BY NAME & NUMBER							
6290 Refunds - MUSL	050						
6600 Transfers	050						
6601 Transfers	050	54,100,000		45,000,000		45,000,000	
6901 Recovery of Prior FY Expenditures	050						
6909 Other	050						
	050						
SUBTOTAL - RECEIPTS		54,100,000		45,000,000		45,000,000	
TOTAL AVAILABLE		52,704,876		43,347,486		44,347,486	
SUBTRACT:							
Balance Forward	090	(1,652,514)		(652,514)		347,486	
Reportable Expenditures-Prizes	100	35,057,220		38,000,000		38,000,000	
Non-Reportable Expenditures-Taxes		19,300,170		6,000,000		6,000,000	
TOTAL EXPENDITURES		54,357,390		44,000,000		44,000,000	
EXPENDITURE LIMITATION	110	NO LIMIT		NO LIMIT		NO LIMIT	

RESOURCES ESTIMATE BY ALL OTHER FUNDS--DA 404

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FUND NAME & ACCOUNT NUMBER		FY 2023 ACTUAL	DOB USE ONLY	FY 2024 ESTIMATE	DOB USE ONLY	FY 2025 BUDGET YEAR	DOB USE ONLY
<u>EXPANDED LOTTERY ACT RECEIPTS 5128 (5130)</u>							
ADD: Balance Forward		-		-		-	
6601:							
RECEIPTS BY NAME & NUMBER							
5130 Receipts							
5132 Racetrack NE							
5136 Racetrack SE							
5138 Casino NE		156,512,547		159,500,000		159,500,000	
5140 Casino SW		48,228,287		49,000,000		49,000,000	
5142 Casino SC		161,224,699		160,000,000		155,000,000	
5144 Casino SE		41,140,188		43,000,000		43,000,000	
6602 Transfers							
Expanded Lottery Act Revenue Fund (1700)		(89,563,258)		(90,530,000)		(89,430,000)	
Problem Gambling & Addictions		(8,142,115)		(8,230,000)		(8,130,000)	
SUBTOTAL - RECEIPTS		309,400,348		312,740,000		308,940,000	
TOTAL AVAILABLE		309,400,348		312,740,000		308,940,000	
SUBTRACT:							
Balance Forward	090	-		-		-	
Reportable Expenditures	100	297,187,177		300,395,000		296,745,000	
Local Aid -- City/County		12,213,171		12,345,000		12,195,000	
TOTAL EXPENDITURES		309,400,348		312,740,000		308,940,000	
		NO LIMIT		NO LIMIT		NO LIMIT	
Total Expenditures includes the Local Aid							

RESOURCES ESTIMATE BY ALL OTHER FUNDS--DA 404

DIVISION OF THE BUDGET
STATE OF KANSAS

AGENCY NAME KANSAS LOTTERY
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FUND NAME & ACCOUNT NUMBER		FY 2023 ACTUAL	DOB USE ONLY	FY 2024 ESTIMATE	DOB USE ONLY	FY 2025 BUDGET YEAR	DOB USE ONLY
<u>SPORTS WAGERING RECIEPTS FUND 2946</u>							
ADD: Balance Forward		-		5,825,254		9,952,633	
RECEIPTS BY NAME & NUMBER							
6601:							
Privelege Fees - Racetracks							
Privelege Fees - Casinos		-		-			
Racetrack Proceeds		-					
Casinos Proceeds		58,252,541		100,000,000		112,000,000	
Tribal Casinos Proceeds		-		-		-	
6602-Transfers		-		(5,872,621)		(10,000,000)	
SUBTOTAL - RECEIPTS		58,252,541		94,127,379		102,000,000	
TOTAL AVAILABLE		58,252,541		99,952,633		111,952,633	
SUBTRACT:							
Balance Forward	090	5,825,254		9,952,633		11,152,633	
Reportable Expenditures	100	52,427,287		90,000,000		100,800,000	
Non-Reportable Expenditures		-		-		-	
TOTAL EXPENDITURES		52,427,287		90,000,000		100,800,000	
EXPENDITURE LIMITATION	110	NO LIMIT		NO LIMIT		NO LIMIT	

ACTUALS - ALL DEPARTMENTS FY 2023

DIVISION OF THE BUDGET
DEPARTMENT OF ADMINISTRATION, STATE OF KANSAS

Agency Name KANSAS LOTTERY
Agency Number 450-00
Program Title & Number

OBJECT OF EXPENDITURES	OBJ CODE	Administration 01303	IT 70100	Sales 70300	Security 70400	COS 70500	Exp - Casino 70600	Marketing 70700	Sports Wag 70800	TOTAL All Depts
01 TOTAL SALARY & WAGES	100	1,497,692	599,207	2,060,939	516,792	-	1,466,869	583,729	-	6,725,228
05 Communication	200	11,801	243,876	5	-	-	10,343	-	-	266,025
05 Freight & Express	210	-	-	-	-	620,000	-	-	-	620,000
05 Printing & Advertising	220	1,213	-	3,390	-	3,499,250	-	750	-	3,504,603
05 Rents	230	842,408	-	5,773	-	-	1,474	3,863	-	853,518
05 Repairing & Servicing	240	26,085	231,230	4,211	5,134	450,000	411	2,190	-	719,261
05 Travel & Subsistence-In State	250	10,050	4,289	66,572	10,185	-	26,586	11,019	-	128,701
05 Travel & Subsistence-Out State	250	-	-	-	-	-	-	-	-	-
05 Fees-Other Services	260	472,850	28,001	2,670	10,029	-	295,694,600	3,960	52,427,574	348,639,684
05 Fees-Professional Services	270	125,677	180	-	66,011	9,475,431	2,654,349	5,715,819	90,075	18,127,542
05 Utilities	280	-	-	-	-	-	-	-	-	-
05 Other Contractual Services	290	48,895	-	1,075	100	-	450	-	-	50,520
06 TOTAL CONTRACTUAL SERVICES		1,538,979	507,576	83,696	91,459	14,044,681	298,388,213	5,737,601	52,517,649	372,909,854
10 Clothing	300	-	-	-	-	-	-	-	-	-
10 Feed & Forage	310	-	-	-	-	-	-	-	-	-
10 Food for Human Consumption	320	-	-	-	-	48	-	-	-	48
10 Fuel	330	-	-	-	-	-	-	-	-	-
10 Maint. Materials, Supplies & Parts	340	822	8,034	-	826	687	28	1,725	-	12,122
10 Motor Vehicle Parts, Supplies	350	9,043	-	75,971	4,274	-	3,691	1,317	-	94,296
10 Professional & Scientific Supplies	360	1,174	1,890	137,944	341	-	-	1,627	-	142,976
10 Stationery & Office Supplies	370	11,818	17,735	1,033	9	60,380	87	3,174	-	94,236
10 Scientific Research Supplies	380	-	-	-	-	-	-	-	-	-
10 Other Supplies, Materials, Parts	390	8,511	157	25,017	438	6,605	67	130,354	-	171,149
11 TOTAL COMMODITIES		31,368	27,816	239,965	5,888	67,720	3,873	138,197	-	514,827
15 TOTAL CAPITAL OUTLAY	400	38,550	472,602	60,075	330	7,901	26,375	649	-	606,482
20 CLAIMS	500	73,161	-	-	-	258,750	-	-	-	331,911
25										
30 5100-LOTTERY OPERATING FUND		3,179,750	1,607,201	2,444,675	614,469	14,379,052	299,885,330	6,460,176	52,517,649	381,088,302
35 Federal Aid to Local Units	500	-	-	-	-	-	-	-	-	-
35 State Aid to Local Units	510	-	-	-	-	-	12,157,349	-	-	12,157,349
36 TOTAL AID TO LOCAL UNITS										
37 State Paid Prizes (Fund 7381)		-	-	-	-	34,973,448	-	-	-	34,973,448
37 Tax Withholding - Non-Expense		-	-	-	-	19,288,170	-	-	-	19,288,170
37 Operating Transfers - Non-Expense		-	-	-	-	-	-	-	-	-
37 5104-Hospitality		-	-	-	-	-	-	-	-	-
40										
45 Number of Full Time Positions		24.75	6.75	29.37	5.75	-	17.00	6.38	5.00	95.00

BUDGETED - ALL DEPARTMENTS FY 2024

DIVISION OF THE BUDGET
DEPARTMENT OF ADMINISTRATION, STATE OF KANSAS

Agency Name KANSAS LOTTERY
Agency Number 450-00
Program Title & Number

OBJECT OF EXPENDITURES		OBJ CODE	Administration 01303	IT 70100	Sales 70300	Security 70400	COS 70500	Exp - Casino 70600	Marketing 70700	Sports Wag 70800	TOTAL All Depts
01	TOTAL SALARY & WAGES	100	1,870,524	644,737	2,303,703	594,080	-	1,756,244	584,252	293,500	8,047,040
05	Communication	200	30,000	280,000	-	-	-	12,000	-	-	322,000
05	Freight & Express	210	500	-	1,000	-	750,000	500	4,000	-	756,000
05	Printing & Advertising	220	7,500	-	29,000	-	4,800,000	350	30,000	-	4,866,850
05	Rents	230	883,000	-	7,000	-	-	1,800	10,000	-	901,800
05	Repairing & Servicing	240	24,000	150,000	20,000	5,000	350,000	6,000	10,000	-	565,000
05	Travel & Subsistence-In State	250	28,000	3,000	32,000	3,200	-	27,500	50,000	-	143,700
05	Travel & Subsistence-Out State	250	55,200	10,000	15,000	10,000	-	35,000	12,500	-	137,700
05	Fees-Other Services	260	388,000	80,000	2,500	7,000	500,000	300,395,000	10,000	90,000,000	391,382,500
05	Fees-Professional Services	270	115,000	70,000	22,000	15,000	8,625,000	2,500,000	5,850,000	-	17,197,000
05	Utilities	280	1,000	-	-	-	-	-	500	-	1,500
05	Other Contractual Services	290	40,000	-	2,000	600	-	750	500	-	43,850
06	TOTAL CONTRACTUAL SERVICES		1,572,200	593,000	130,500	40,800	15,025,000	302,978,900	5,977,500	90,000,000	416,317,900
10	Clothing	300	1,000	-	3,400	1,000	-	3,000	7,000	-	15,400
10	Feed & Forage	310	-	-	-	-	-	-	-	-	-
10	Food for Human Consumption	320	-	-	-	-	-	-	-	-	-
10	Fuel	330	-	-	-	-	-	-	-	-	-
10	Maint. Materials, Supplies & Parts	340	3,500	10,000	-	150	-	200	-	-	13,850
10	Motor Vehicle Parts, Supplies	350	11,500	-	70,000	6,000	-	6,000	3,000	-	96,500
10	Professional & Scientific Supplies	360	5,600	-	138,000	5,000	-	500	4,250	-	153,350
10	Stationery & Office Supplies	370	18,100	90,000	2,600	500	70,000	600	1,000	-	182,800
10	Scientific Research Supplies	380	-	-	-	-	-	-	-	-	-
10	Other Supplies, Materials, Parts	390	10,000	500	39,000	1,600	-	200	224,000	-	275,300
11	TOTAL COMMODITIES		49,700	100,500	253,000	14,250	70,000	10,500	239,250	-	737,200
15	TOTAL CAPITAL OUTLAY	400	25,000	300,000	141,924	25,000	-	-	-	-	491,924
20	CLAIMS	500	-	-	-	-	-	-	-	-	-
25											
30	5100-LOTTERY OPERATING FUND		3,517,424	1,638,237	2,829,127	674,130	15,095,000	304,745,644	6,801,002	90,293,500	425,594,064
35	Federal Aid to Local Units	500	-	-	-	-	-	-	-	-	-
35	State Aid to Local Units	510	-	-	-	-	-	12,345,000	-	-	12,345,000
36	TOTAL AID TO LOCAL UNITS										
37	State Paid Prizes (Fund 7381)		-	-	-	-	38,000,000	-	-	-	38,000,000
37	Tax Withholding - Non-Expense		-	-	-	-	6,000,000	-	-	-	6,000,000
37	Operating Transfers - Non-Expense		-	-	-	-	-	-	-	-	-
37	5104-Hospitality		5,000	-	-	-	-	-	-	-	5,000
37			-	-	-	-	-	-	-	-	-
40											
45	Number of Full Time Positions		23.75	6.75	29.37	6.75	-	17.00	6.38	5.00	95.00

BUDGETED - ALL DEPARTMENTS FY 2025

DIVISION OF THE BUDGET
DEPARTMENT OF ADMINISTRATION, STATE OF KANSAS

Agency Name KANSAS LOTTERY
Agency Number 450-00
Program Title & Number

OBJECT OF EXPENDITURES	OBJ CODE	Administration 01303	IT 70100	Sales 70300	Security 70400	COS 70500	Exp - Casino 70600	Marketing 70700	Sports Wag 70800	TOTAL All Depts
01 TOTAL SALARY & WAGES	100	2,293,413	675,675	2,425,431	636,966	-	1,847,379	613,520	383,303	8,875,687
05 Communication	200	30,000	280,000	-	-	-	12,000	-	-	322,000
05 Freight & Express	210	500	-	1,000	-	750,000	500	4,000	-	756,000
05 Printing & Advertising	220	7,500	-	29,000	-	4,800,000	350	30,000	-	4,866,850
05 Rents	230	933,000	-	7,000	-	-	1,800	10,000	-	951,800
05 Repairing & Servicing	240	24,000	170,000	20,000	5,000	350,000	6,000	10,000	-	585,000
05 Travel & Subsistence-In State	250	28,000	3,000	32,000	3,200	-	27,500	50,000	-	143,700
05 Travel & Subsistence-Out State	250	55,200	10,000	15,000	10,000	-	35,000	12,500	-	137,700
05 Fees-Other Services	260	388,000	110,000	2,500	7,000	500,000	296,745,000	10,000	100,800,000	398,562,500
05 Fees-Professional Services	270	120,000	70,000	22,000	15,000	9,025,000	2,500,000	6,150,000	-	17,902,000
05 Utilities	280	1,000	-	-	-	-	-	500	-	1,500
05 Other Contractual Services	290	40,000	-	2,000	600	-	750	500	-	43,850
06 TOTAL CONTRACTUAL SERVICES		1,627,200	643,000	130,500	40,800	15,425,000	299,328,900	6,277,500	100,800,000	424,272,900
10 Clothing	300	1,000	-	3,400	1,000	-	3,000	7,000	-	15,400
10 Feed & Forage	310	-	-	-	-	-	-	-	-	-
10 Food for Human Consumption	320	-	-	-	-	-	-	-	-	-
10 Fuel	330	-	-	-	-	-	-	-	-	-
10 Maint. Materials, Supplies & Parts	340	3,500	10,000	-	150	-	200	-	-	13,850
10 Motor Vehicle Parts, Supplies	350	11,500	-	70,000	6,000	-	6,000	3,000	-	96,500
10 Professional & Scientific Supplies	360	5,600	-	138,000	5,000	-	500	4,250	-	153,350
10 Stationery & Office Supplies	370	18,100	90,000	2,600	500	70,000	600	1,000	-	182,800
10 Scientific Research Supplies	380	-	-	-	-	-	-	-	-	-
10 Other Supplies, Materials, Parts	390	10,000	500	39,000	1,600	-	200	224,000	-	275,300
11 TOTAL COMMODITIES		49,700	100,500	253,000	14,250	70,000	10,500	239,250	-	737,200
15 TOTAL CAPITAL OUTLAY	400	25,000	300,000	179,204	96,630	-	-	-	-	600,834
20 CLAIMS	500	-	-	-	-	-	-	-	-	-
25										
30 5100-LOTTERY OPERATING FUND		3,995,313	1,719,175	2,988,135	788,646	15,495,000	301,186,779	7,130,270	101,183,303	434,486,621
35 Federal Aid to Local Units	500	-	-	-	-	-	-	-	-	-
35 State Aid to Local Units	510	-	-	-	-	-	12,195,000	-	-	12,195,000
36 TOTAL AID TO LOCAL UNITS										-
37 State Paid Prizes (Fund 7381)		-	-	-	-	38,000,000	-	-	-	38,000,000
37 Tax Withholding - Non-Expense		-	-	-	-	6,000,000	-	-	-	6,000,000
37 Operating Transfers - Non-Expense		-	-	-	-	-	-	-	-	-
37 5104-Hospitality		5,000	-	-	-	-	-	-	-	5,000
37		-	-	-	-	-	-	-	-	-
40										
45 Number of Full Time Positions		23.75	6.75	29.37	6.75	-	17.00	6.38	5.00	95.00

DA 406/410 - Expenditures and Plans for Financing

KANSAS LOTTERY

AGENCY 450

OBJ CODE	OBJECT OF EXPENDITURE	FY 2023 ACTUAL	FY 2024 BUDGET YEAR	FY 2024 ENHANCEMENT	FY 2025 BUDGET YEAR
100	TOTAL SALARY & WAGES	6,725,228	8,047,040		8,875,687
200	COMMUNICATION	266,025	322,000		322,000
210	FREIGHT & EXPRESS	620,000	756,000		756,000
220	PRINTING & ADVERTISING	3,504,603	4,866,850		4,866,850
230	RENTS	853,518	901,800		951,800
240	REPAIRING & SERVICING	719,261	565,000		585,000
250	TRAVEL & SUBSISTENCE	128,701	281,400		281,400
260	FEES - OTHER SERVICES	348,639,684	391,382,500		398,562,500
270	FEES - PROFESSIONAL SERVICES	18,127,542	17,197,000		17,902,000
280	UTILITIES	-	1,500		1,500
290	OTHER CONTRACTUAL SERVICES	50,520	43,850		43,850
	TOTAL CONTRACTUAL SERVICES	372,909,854	416,317,900	-	424,272,900
300	CLOTHING	-	15,400		15,400
310	FEED & FORAGE	-	-		-
320	FOOD FOR HUMAN CONSUMPTION	48	-		-
330	FUEL	-	-		-
340	MAINT. MATERIALS, SUPPLIES, PARTS	12,122	13,850		13,850
350	MOTOR VEHICLE PARTS, SUPPLIES	94,296	96,500		96,500
360	PROFESSIONAL & SCIENTIFIC SUPPLIES	142,976	153,350		153,350
370	STATIONERY & OFFICE SUPPLIES	94,236	182,800		182,800
380	SCIENTIFIC RESEARCH SUPPLIES	-	-		-
390	OTHER SUPPLIES, MATERIALS, PARTS	171,149	275,300		275,300
	TOTAL COMMODITIES	514,827	737,200	-	737,200
400	TOTAL CAPITAL OUTLAY	606,482	491,924	-	600,834
	Claims-COS Royalty Fees	331,911	-		-
	SUBTOTAL - STATE OPERATIONS	381,088,302	425,594,064	-	434,486,621
510	State Aid to Local Units	12,157,349	12,345,000		12,195,000
900	OPERATING TRANSFERS - NON-EXPENSE	-	-		-
104	HOSPITALITY	-	5,000		5,000
	TOTAL EXPENDITURES OPERATING EXPENSES	381,088,302	425,594,064	-	434,486,621
	MANAGEMENT PRIV. FEES (CASINOS) (Fund 5129)				
	STATE PAID PRIZES (Fund 7381)	54,261,618	44,000,000	-	44,000,000