

# KANSAS LOTTERY

## FY 2022 – FY 2024 BUDGET ANALYSIS

FIGURE 1  
**BUDGET OVERVIEW, FY 2022 – FY 2024**

|                                | Actual<br>FY 2022            | Agency<br>FY 2023            | Governor<br>FY 2023          | Agency<br>FY 2024            | Governor<br>FY 2024          |
|--------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| <b>Operating Expenditures:</b> |                              |                              |                              |                              |                              |
| State General Fund             | \$ -                         | \$ -                         | \$ -                         | \$ -                         | \$ -                         |
| Federal Funds                  | -                            | -                            | -                            | -                            | -                            |
| All Other Funds                | 381,692,466                  | 399,434,145                  | 399,025,186                  | 439,638,788                  | 438,977,897                  |
| <i>Subtotal</i>                | <u>\$ 381,692,466</u>        | <u>\$ 399,434,145</u>        | <u>\$ 399,025,186</u>        | <u>\$ 439,638,788</u>        | <u>\$ 438,977,897</u>        |
| <b>Capital Improvements:</b>   |                              |                              |                              |                              |                              |
| State General Fund             | \$ -                         | \$ -                         | \$ -                         | \$ -                         | \$ -                         |
| Federal Funds                  | -                            | -                            | -                            | -                            | -                            |
| All Other Funds                | -                            | -                            | -                            | -                            | -                            |
| <i>Subtotal</i>                | <u>\$ -</u>                  | <u>\$ -</u>                  | <u>\$ -</u>                  | <u>\$ -</u>                  | <u>\$ -</u>                  |
| <b>TOTAL</b>                   | <b><u>\$ 381,692,466</u></b> | <b><u>\$ 399,434,145</u></b> | <b><u>\$ 399,025,186</u></b> | <b><u>\$ 439,638,788</u></b> | <b><u>\$ 438,977,897</u></b> |
| <b>Percentage Change:</b>      |                              |                              |                              |                              |                              |
| State General Fund             | -- %                         | -- %                         | -- %                         | -- %                         | -- %                         |
| All Funds                      | 7.8 %                        | 4.6 %                        | 4.5 %                        | 10.1 %                       | 10.0 %                       |
| FTE Positions                  | 90.0                         | 95.0                         | 95.0                         | 95.0                         | 95.0                         |

For purposes of this analysis, full-time equivalent (FTE) positions include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

The Kansas Lottery operates under Article 15, Section 3c of the *Kansas Constitution*, which authorizes a lottery that is owned and operated by the State. KSA 74-8710(a) allows, by rule and regulation, the establishment of the types of lottery games to be conducted, including, but not limited to, instant lottery, online, and traditional games. The Kansas Lottery has established multiple types of traditional games, including instant tickets, Powerball, Mega Millions, Super Kansas Cash, 2 by 2, Keno, Racetrax, Lucky for Life, and Pick 3. The agency also engages in partnerships, including with the Kansas City Chiefs, Sporting Kansas City, Kansas City Royals, Kansas Speedway, and the Kansas State Fair for special instant games and second chance prize drawings.

The 2007 Legislature repealed a provision prohibiting games on video lottery machines and established the Expanded Lottery Act to provide for gaming at racetracks and casinos in limited jurisdictions where approved by local voters. This allows the Kansas Lottery to own and operate electronic gaming machines at designated locations. The Kansas Racing and Gaming Commission is given authority to regulate the gaming activities at racetracks and casinos.

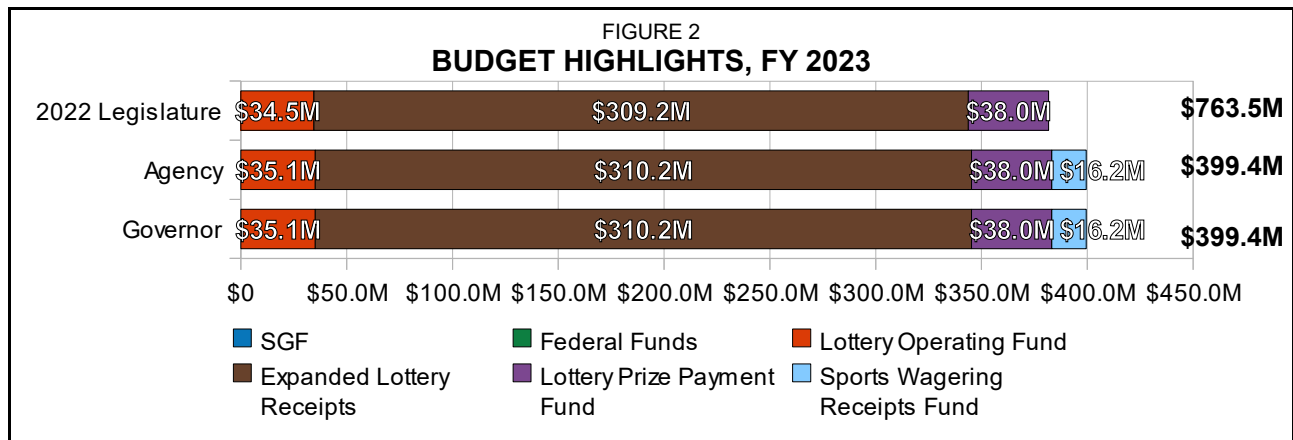
The 2022 Legislature passed House Sub. for Sub. for SB 84, which allows the Kansas Lottery to enter into a contract with gaming facility managers to offer sports wagering in the state on behalf of the State of Kansas through the Kansas Lottery. Gaming facility managers are allowed to offer sports wagering in-person at their facility or over the internet through websites and mobile device applications from up to three licensed interactive sports wagering platforms approved by the Kansas Lottery. If a gaming facility manager offers sports wagering, then the management contract will include a provision that 10.0 percent of the sports wagering revenue will be distributed to the Lottery Operating Fund and the manager will be allowed to retain the remaining 90.0 percent. Sports wagering revenue is defined as total revenues from sports wagering excluding voided tickets and after all prize related payments are made and after federal excise taxes, free plays, or

other promotional credits. Sports wagering will be regulated by the Kansas Racing and Gaming Commission. However, if sports wagering is allowed to operate at a tribal gaming facility, then it will be regulated by the Tribal Gaming Regulation Program (State Gaming Agency) of the Kansas Racing and Gaming Commission.

The agency has eight budget programs that support its operations. These programs are Administration, Information Technology, Sales, Security, Cost of Sales, Expanded Lottery Act, Marketing, and Sports Wagering. All are detailed in this analysis.

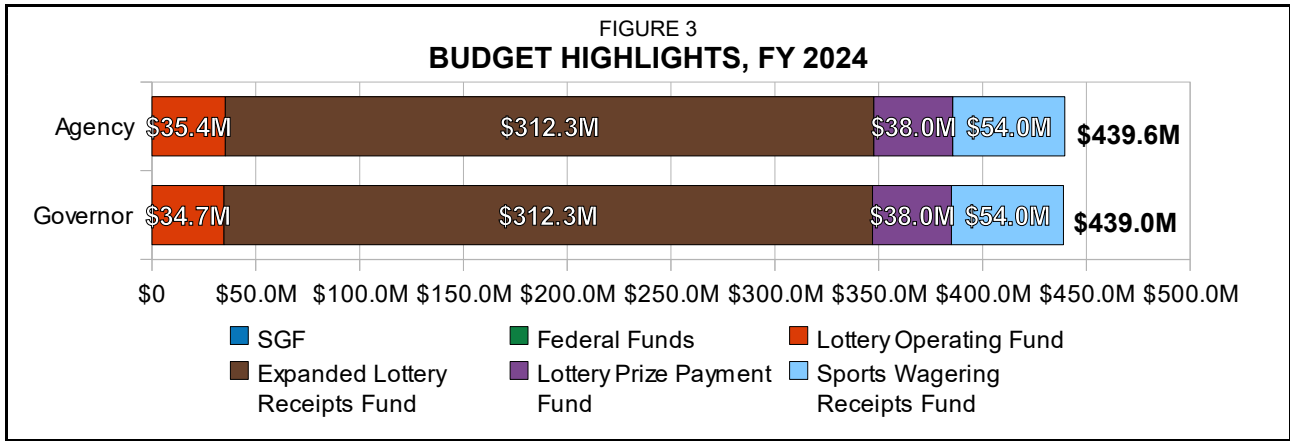
## EXECUTIVE SUMMARY

The 2022 Legislature approved a budget of \$387.8 million, all from special revenue funds, for the Kansas Lottery in FY 2023. No adjustments have been made subsequently to that amount.



The **agency** submits a revised estimate of \$399.4 million, all from special revenue funds, in expenditures and 95.0 FTE positions in FY 2023. This is an increase of \$17.7 million, or 4.6 percent, above the FY 2023 approved amount. The majority of the increase is for the Sports Wagering Management Fee based on 90.0 percent of net sports wagering revenue (\$16.2 million). The agency added \$912,000 for adjusted consensus revenue estimates for the expanded lottery act revenues fund, and \$250,000 for a revised estimate for vendor fees for regular lottery ticket sales. The agency also made operating adjustments totaling \$314,196 for salaries and vehicle replacements.

The **Governor** recommends expenditures of \$399.0 million, all from special revenue funds, for FY 2023. This is a decrease of \$408,959, or less than 0.1 percent, below the agency's FY 2023 revised estimate. The decrease is entirely due to the decrease of salaries and wages and reduced funding for vacant positions to more accurately reflect the agency's actual expenditures. The recommendation includes 95.0 FTE positions, which is the same as the agency's FY 2023 revised estimate.



The **agency** requests \$439.6 million, all from special revenue funds, in expenditures and 95.0 FTE positions for FY 2024. This is an increase of \$40.2 million, or 10.1 percent, above the FY 2023 revised estimate. The majority of the increase is for the sports wagering management fees \$37.8 million and a revised expanded lottery gaming estimate (\$2.1 million). The request also makes operating adjustments totaling \$276,643; including \$239,823 for salaries and wages.

The **Governor** recommends expenditures of \$439.0 million, all from special revenue funds, in expenditures and 95.0 FTE positions for FY 2024. This is a decrease of \$660,891, or 0.2 percent, below the agency's FY 2024 revised estimate. The recommendation deletes a requested 3.0 percent salary adjustment (\$252,570), and reduces salaries to more accurately reflect filled positions (\$408,321). The recommendation includes 95.0 FTE positions, which is the same as the agency request for FY 2024.

## EXPENDITURES AND FINANCING

FIGURE 4  
**BUDGET SUMMARY BY CATEGORY OF EXPENDITURE, FY 2022 – FY 2024**

|                                   | Actual<br>FY 2022            | Agency<br>FY 2023            | Governor<br>FY 2023          | Agency<br>FY 2024            | Governor<br>FY 2024          |
|-----------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| <b>Category of Expenditure:</b>   |                              |                              |                              |                              |                              |
| Salaries and Wages                | \$ 6,678,512                 | \$ 8,179,170                 | \$ 7,770,211                 | \$ 8,418,993                 | \$ 7,758,102                 |
| Contractual Services              | 321,112,737                  | 339,780,900                  | 339,780,900                  | 379,684,900                  | 379,684,900                  |
| Commodities                       | 635,224                      | 735,200                      | 735,200                      | 737,200                      | 737,200                      |
| Capital Outlay                    | 1,315,306                    | 495,875                      | 495,875                      | 470,695                      | 470,695                      |
| Debt Service Interest             | -                            | -                            | -                            | -                            | -                            |
| <i>Subtotal</i>                   | <u>\$ 329,741,779</u>        | <u>\$ 349,191,145</u>        | <u>\$ 348,782,186</u>        | <u>\$ 389,311,788</u>        | <u>\$ 388,650,897</u>        |
| Aid to Local Units                | 12,066,679                   | 12,243,000                   | 12,243,000                   | 12,327,000                   | 12,327,000                   |
| Other Assistance                  | 39,884,008                   | 38,000,000                   | 38,000,000                   | 38,000,000                   | 38,000,000                   |
| <i>Subtotal—Operating</i>         | <u>\$ 381,692,466</u>        | <u>\$ 399,434,145</u>        | <u>\$ 399,025,186</u>        | <u>\$ 439,638,788</u>        | <u>\$ 438,977,897</u>        |
| Capital Improvements              | -                            | -                            | -                            | -                            | -                            |
| Debt Service Principal            | -                            | -                            | -                            | -                            | -                            |
| <b>TOTAL</b>                      | <u><b>\$ 381,692,466</b></u> | <u><b>\$ 399,434,145</b></u> | <u><b>\$ 399,025,186</b></u> | <u><b>\$ 439,638,788</b></u> | <u><b>\$ 438,977,897</b></u> |
| <b>Financing:</b>                 |                              |                              |                              |                              |                              |
| State General Fund                | \$ -                         | \$ -                         | \$ -                         | \$ -                         | \$ -                         |
| Sports Wagering<br>Receipts Fund  | -                            | 16,200,000                   | 16,200,000                   | 54,000,000                   | 54,000,000                   |
| Lottery Operating<br>Fund         | 31,469,750                   | 35,078,145                   | 34,669,186                   | 35,354,788                   | 34,693,897                   |
| Expanded Lottery<br>Receipts Fund | 310,394,958                  | 310,156,000                  | 310,156,000                  | 312,284,000                  | 312,284,000                  |
| Lottery Prize Payment<br>Fund     | 39,827,758                   | 38,000,000                   | 38,000,000                   | 38,000,000                   | 38,000,000                   |
| Federal Funds                     | -                            | -                            | -                            | -                            | -                            |
| All Other Funds                   | -                            | -                            | -                            | -                            | -                            |
| <b>TOTAL</b>                      | <u><b>\$ 381,692,466</b></u> | <u><b>\$ 399,434,145</b></u> | <u><b>\$ 399,025,186</b></u> | <u><b>\$ 439,638,788</b></u> | <u><b>\$ 438,977,897</b></u> |
| FTE Positions                     | 90.0                         | 95.0                         | 95.0                         | 95.0                         | 95.0                         |

## FY 2023 ANALYSIS

FIGURE 5  
**SUMMARY OF BUDGET REQUEST, FY 2023**

|   | SGF       | Special Revenue<br>Funds | All Funds             | FTE                   |             |
|---|-----------|--------------------------|-----------------------|-----------------------|-------------|
| <b>Legislative Approved:</b>            |           |                          |                       |                       |             |
| Amount Approved by 2022 Legislature     | \$        | -                        | \$ 381,757,949        | \$ 381,757,949        | 95.0        |
| 1. No Changes                           |           | -                        | -                     | -                     | --          |
| <i>Subtotal—Legislative Approved</i>    | \$        | -                        | \$ 381,757,949        | \$ 381,757,949        | 95.0        |
| <b>Agency Revised Estimate:</b>         |           |                          |                       |                       |             |
| 2. Sports Wagering Management Fees      | \$        | -                        | \$ 16,200,000         | \$ 16,200,000         | -           |
| 3. Expanded Lottery Revenue Estimate    |           | -                        | 912,000               | 912,000               | -           |
| 4. Salaries and Wages Adjustments       |           | -                        | 287,821               | 287,821               | -           |
| 5. Vehicles                             |           | -                        | 28,375                | 28,375                | -           |
| 6. Regular Lottery Vendor Fees          |           | -                        | 250,000               | 250,000               | -           |
| 7. All Other Adjustments                |           | -                        | (2,000)               | (2,000)               | -           |
| <i>Subtotal—Agency Revised Estimate</i> | \$        | -                        | \$ 399,434,145        | \$ 399,434,145        | 95.0        |
| <b>Governor's Recommendation:</b>       |           |                          |                       |                       |             |
| 8. Salaries and Wages Adjustments       |           | -                        | (408,959)             | (408,959)             | --          |
| <b>TOTAL</b>                            | <b>\$</b> | <b>-</b>                 | <b>\$ 399,025,186</b> | <b>\$ 399,025,186</b> | <b>95.0</b> |

### LEGISLATIVE APPROVED

Subsequent to the 2022 Session, no adjustments were made to the \$381.8 million appropriated to the Kansas Lottery for FY 2023.

- NO CHANGES.** No adjustments were made to the \$381.8 million appropriated to the Kansas Lottery for FY 2023.

### AGENCY ESTIMATE

The **agency** submits a revised estimate of \$399.4 million, all from special revenue funds, in expenditures and 95.0 FTE positions in FY 2023. This is an increase of \$17.7 million, or 4.6 percent, above the FY 2023 approved amount. The majority of the increase is for the Sports Wagering Management Fee based on 90.0 percent of net sports wagering revenue (\$16.2 million). The agency added \$912,000 for adjusted consensus revenue estimates for the expanded lottery act revenues fund, and \$250,000 for a revised estimate for vendor fees for regular lottery ticket sales. The agency also made operating adjustments totaling \$314,196 for salaries and vehicle replacements.

The **agency** estimate includes the following adjustments:

- SPORTS WAGERING MANAGEMENT FEES.** The revised estimate includes an additional \$16.2 million, all from the Sports Wagering Receipts Fund, in expenditures for management fees that are based on 90.0 percent of net sports wagering revenue in FY 2023.
- EXPANDED LOTTERY REVENUE ESTIMATE.** The agency request adds \$912,000 for gaming facility manager fees. The majority of the increase \$3.9 million is in the North East gaming zone (Hollywood Casino), partially offset by a \$3.0 million decrease in the South Central gaming zone (Kansas Star).

4. **SALARIES AND WAGES ADJUSTMENTS.** The revised estimate includes an additional \$287,821, all from the Lottery Operating Fund, in expenditures to fully fund all positions for the entire fiscal year.
5. **VEHICLES.** The revised estimate includes an additional \$28,375 in expenditures to replace vehicles in FY 2023. The agency plans on replacing six high-mileage vehicles for the sales department and expanded lottery. The total agency request is \$145,875 for vehicle replacement in FY 2023.
6. **REGULAR LOTTERY VENDOR COMMISSIONS.** The recommendation adds \$250,000 for regular lottery vendor commissions for the processing of regular lottery sales.
7. **OTHER ADJUSTMENTS.** The remaining adjustments delete \$2,000 for other various adjustments to operating expenditures.

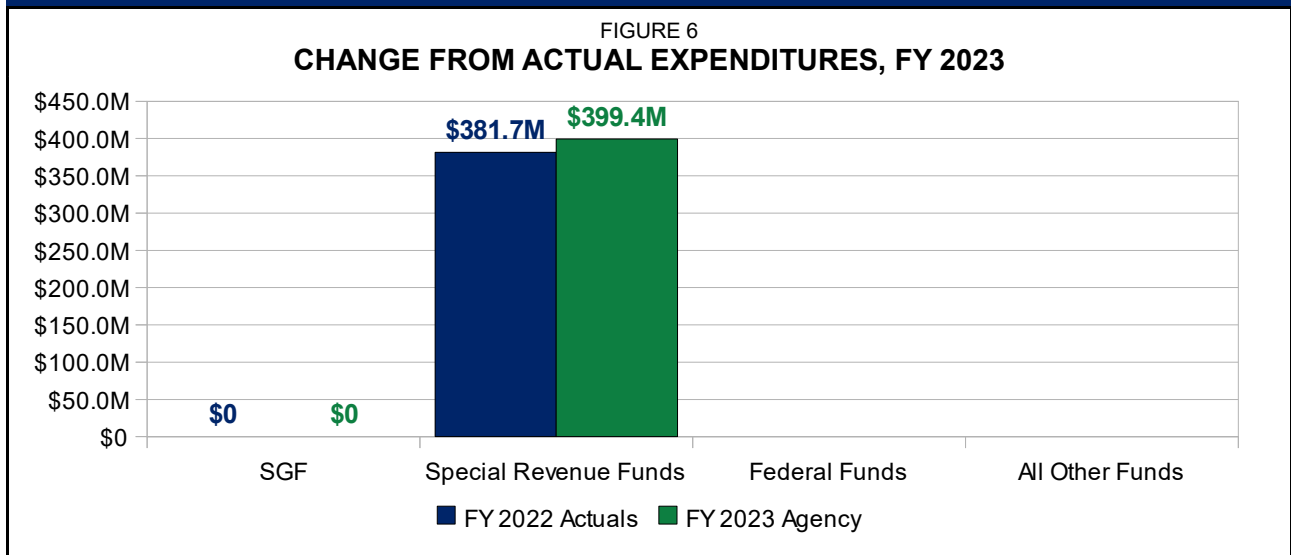
### **GOVERNOR'S RECOMMENDATION**

---

The **Governor** recommends expenditures of \$399.0 million, all from special revenue funds, in expenditures and 95.0 FTE positions in FY 2023. This is a decrease of \$408,959, or 0.1 percent, below the agency's FY 2023 revised estimate.

8. **SALARIES AND WAGES ADJUSTMENTS.** The Governor recommends a deletion of \$408,959 to decrease salaries and wages expenditures and reduce funding for vacant positions to more accurately reflect the agency's actual expenditures. This is due to the agency maintaining multiple vacant and funded positions over the last few fiscal years.

## FY 2023 CHANGE FROM ACTUAL EXPENDITURES



The **agency** estimates revised expenditures of \$399.4 million, all from special revenue funds, in FY 2023. This is an increase of \$17.7 million, or 4.6 percent, above the FY 2022 actual amount. This increase is primarily attributable to the increase in sports wagering management fees that are based on 90.0 percent of net sports wagering revenue. The agency also increased expenditures for salaries and wages by \$1.5 million, or 22.5 percent, above the FY 2022 actuals. The salaries increase is attributable to vacant positions and the 5.0 percent legislative salary adjustment.

## FY 2024 ANALYSIS

FIGURE 7  
**SUMMARY OF BUDGET REQUEST, FY 2024**

|   | SGF       |          | Special Revenue<br>Funds | All Funds             | FTE         |
|---|-----------|----------|--------------------------|-----------------------|-------------|
| <b>Agency Revised Estimate, FY 2023</b> | \$        | -        | \$ 399,434,145           | \$ 399,434,145        | 95.0        |
| <b>Agency Request:</b>                  |           |          |                          |                       |             |
| 1. Sports Wagering Management Fees      | \$        | -        | \$ 37,800,000            | \$ 37,800,000         | -           |
| 2. Expanded Lottery Revenue Estimate    |           | -        | 2,128,000                | 2,128,000             | -           |
| 3. Salaries and Wages Adjustments       |           | -        | 239,823                  | 239,823               | -           |
| 4. All Other Adjustments                |           | -        | 36,820                   | 36,820                | -           |
| <i>Subtotal—Agency Estimate</i>         | \$        | -        | \$ 439,638,788           | \$ 439,638,788        | 95.0        |
| <b>Governor’s Recommendation:</b>       |           |          |                          |                       |             |
| 5. Salaries and Wages Adjustments       | \$        | -        | \$ (252,570)             | \$ (252,570)          | --          |
| 6. Vacancy Adjustments                  |           | -        | (408,321)                | (408,321)             | --          |
| <b>TOTAL</b>                            | <b>\$</b> | <b>-</b> | <b>\$ 438,977,897</b>    | <b>\$ 438,977,897</b> | <b>95.0</b> |

### **AGENCY REQUEST**

The **agency** requests \$439.6 million, all from special revenue funds, in expenditures and 95.0 FTE positions for FY 2024. This is an increase of \$40.2 million, or 10.1 percent, above the FY 2023 revised estimate. The majority of the increase is for the sports wagering management fees \$37.8 million and a revised expanded lottery gaming estimate (\$2.1 million). The request also makes operating adjustments totaling \$276,643; including \$239,823 for salaries and wages.

The **agency** request includes the following adjustments:

1. **SPORTS WAGERING MANAGEMENT FEES.** The agency requests an increase of \$37.8 million, all from the Sports Wagering Receipts Fund, for management fees that are based on 90.0 percent of net sports wagering revenue for FY 2024.
2. **EXPANDED LOTTERY REVENUE ESTIMATE.** The agency requests an increase of \$2.1 million to implement the revised estimate for expanded lottery. The estimate adds \$1.4 million for the North East Gaming zone, and \$1.1 million for the South East gaming zone.
3. **SALARIES AND WAGES ADJUSTMENTS.** The agency request adds \$239,823 for salaries and wages for FY 2024.
4. **ALL OTHER ADJUSTMENTS.** The agency requests an additional \$36,820, all from special revenue funds, for adjustment to operating expenditures for FY 2024.

### **GOVERNOR’S RECOMMENDATION**

The **Governor** recommends expenditures of \$439.0 million, all from special revenue funds, in expenditures and 95.0 FTE positions for FY 2024. This is a decrease of \$660,891, or 0.2 percent, below the agency's FY 2024 revised estimate. The recommendation deletes a requested 3.0 percent salary adjustment (\$252,570), and reduces salaries to more accurately reflect filled positions (\$408,321).



The **Governor's** recommendation includes the following adjustments:

5. **SALARIES AND WAGES ADJUSTMENTS.** The Governor recommends \$252,570 less in expenditures to decrease salaries and wages expenditures for FY 2024. The recommendation deletes a planned 3.0 percent salary adjustment. The recommendation notes that merit-based increases should be implemented across all agencies by the Legislature.
6. **VACANCY ADJUSTMENTS.** The Governor recommends deletes \$408,321 less in salaries and wages to reduce funding for vacant positions to more accurately reflect the agency's actual expenditures. This is due to the agency maintaining multiple vacant and funded positions over the last few fiscal years.

## **SPECIAL TOPICS**

### **TRADITIONAL LOTTERY REVENUES AND TRANSFERS**

Lottery sales of instant tickets and draw games for FY 2022 were \$313.0 million. The agency notes it was the second highest sales total ever, trailing only the record \$326.0 million in the previous year. Actual cash transfers to designated beneficiaries (State Gaming Revenues Fund, veterans' programs, and mental health programs) for FY 2022 totaled \$80.15 million, which was the highest total ever. The agency's goals are to continue increasing sales even when not driven by large multi-state jackpots. The State crossed the \$300.0 million sales barrier for the first time in FY 2021 and again in FY 2022. Current sales goals are \$310.6 million in FY 2023 and \$313.6 million for FY 2024.

#### **FY 2023**

For FY 2023, the agency estimates total net sales of \$310.6 million, which is a decrease of \$2.4 million below the FY 2022 actual amount. Net profits from the sale of regular lottery tickets are deposited in the following funds:

- \$42.4 million, 85.0 percent, to the Economic Development Initiatives Fund;
- \$7.5 million, 15.0 percent, to the Correctional Institutions Building Fund and Juvenile Alternatives to Detention Fund;
- \$19.5 million to the SGF;
- \$1.3 million to the Kansas Commission on Veterans' Affairs Office; and
- \$100,000 to the Problem Gambling and Addictions Grant Fund.

In addition to the transfers to the SGF and other special revenue funds from traditional lottery sales, up to the first \$8.0 million of the net revenue from lottery ticket vending machines is to be used for mental health programs and is transferred to the Kansas Department for Aging and Disability Services to support the Clubhouse Model (25.0 percent) and Crisis Intervention Centers (75.0 percent). The agency estimates a \$8.0 million transfer to the Kansas Department for Aging and Disability Services to support the Clubhouse Model (\$2.0 million) and Crisis Intervention Centers (\$6.0 million) in FY 2023.

#### **FY 2024**

For FY 2024, the agency estimates total net sales of \$313.6 million, which is an increase of \$3.0 million above the FY 2023 revised estimate. The net profits from the sale of regular lottery tickets are deposited in the following funds:

- \$42.4 million, 85.0 percent, to the Economic Development Initiatives Fund;
- \$7.5 million, 15.0 percent, to to the Correctional Institutions Building Fund and Juvenile Alternatives to Detention Fund;
- \$20.0 million to the SGF;
- \$1.3 million to the Kansas Commission on Veterans' Affairs Office; and
- \$100,000 to the Problem Gambling and Addictions Grant Fund.

In addition to the transfers to the SGF and other special revenue funds from traditional lottery sales, up to the first \$8.0 million of the net revenue from lottery ticket vending machines is to be used for mental health programs and is transferred to the Kansas Department for Aging and Disability Services to support the Clubhouse Model (25.0 percent) and Crisis Intervention Centers (75.0 percent). The agency estimates an \$8.0 million transfer to the Kansas Department for Aging and Disability Services to support the Clubhouse Model (\$2.0 million) and Crisis Intervention Centers (\$6.0 million) for FY 2024.

## **SPECIAL TOPICS**

### **SPORTS WAGERING AND EXPANDED LOTTERY ACT REVENUES AND TRANSFERS**

#### **Sports Wagering**

The 2022 Legislature passed House Sub. for Sub. for SB 84, which amended the Kansas Expanded Lottery Act (KELA) concerning the conducting of sports wagering operations by lottery gaming facilities. Additionally, the bill amended the Kansas Parimutuel Racing Act (KSA 74-8801 *et seq.*) and authorizes the operation of historical horse race machines.

#### **FY 2023**

The agency estimates revenues from sports wagering of \$18.0 million in FY 2023. Of this amount, the State will retain \$1.8 million in revenues while gaming facility managers will retain the remaining \$16.2 million. If revenue targets are achieved, the agency will make the following transfers:

- \$750,000 to the White Collar Crime Fund;
- \$21,000 to the Problem Gambling and Addictions Fund;
- \$840,000 to the Attracting Professional Sports Teams to Kansas Fund; and
- \$189,000 to State Gaming Revenues Fund.

#### **FY 2024**

The agency estimates revenues from sports wagering of \$60.0 million, which is an increase of \$42.0 million above the FY 2023 estimate. If revenue targets are achieved, the agency will make the following transfers in FY 2024:

- \$750,000 to the White Collar Crime Fund;
- \$105,000 to the Problem Gambling and Addictions Fund;
- \$4.2 million to the Attracting Professional Sports Teams to Kansas Fund; and
- \$945,000 to State Gaming Revenues Fund.

#### **Expanded Lottery Act Revenues and Transfers**

#### **FY 2023**

The agency estimates revenues from the four state-owned casinos of \$408.1 million in net gaming revenue in FY 2023. If revenue targets are achieved, the agency will make the following transfers in FY 2023:

- \$89.8 million to the Expanded Lottery Act Revenues Fund;
- \$8.2 million to the Problem Gambling and Addictions Grant Fund; and
- \$12.2 million to local cities and counties that host gaming facilities.
- \$297.9 million to the gaming facility managers

#### **FY 2024**

The agency estimates revenues from the four state-owned casinos of \$410.9 million, which is an increase of \$2.1 million above the FY 2023 revised estimate. If revenue targets are achieved, the agency will make the following transfers in FY 2024:

- \$90.4million to the Expanded Lottery Act Revenues Fund;
- \$8.2 million to the Problem Gambling and Addictions Grant Fund; and
- \$12.3 million to local cities and counties that host gaming facilities.
- \$300.0 million to the gaming facility managers.

## PROGRAM AND PERFORMANCE MEASURES OVERVIEW

FIGURE 8  
**EXPENDITURES AND FTE POSITIONS BY PROGRAM, FY 2022 – FY 2024**

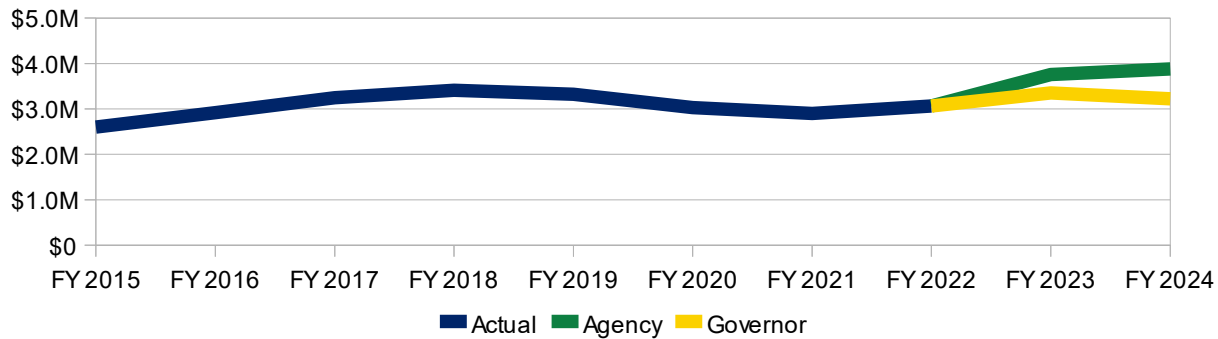
| Programs              | Actual<br>FY 2022     | Agency<br>FY 2023     | Governor<br>FY 2023   | Agency<br>FY 2024     | Governor<br>FY 2024   |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <b>Expenditures:</b>  |                       |                       |                       |                       |                       |
| Administration        | \$ 3,066,079          | \$ 3,760,160          | \$ 3,351,201          | \$ 3,883,426          | \$ 3,222,535          |
| Information           | 1,231,201             | 1,602,898             | 1,602,898             | 1,621,124             | 1,621,124             |
| Technology            |                       |                       |                       |                       |                       |
| Sales                 | 2,257,166             | 2,723,780             | 2,723,780             | 2,796,590             | 2,796,590             |
| Security              | 468,371               | 603,181               | 603,181               | 618,509               | 618,509               |
| Cost of Sales         | 53,630,517            | 53,095,000            | 53,095,000            | 53,095,000            | 53,095,000            |
| Expanded Lottery Act  | 314,761,681           | 314,446,178           | 314,446,178           | 316,596,032           | 316,596,032           |
| Marketing             | 6,277,451             | 6,622,011             | 6,622,011             | 6,638,716             | 6,638,716             |
| Sports Wagering       | -                     | 16,580,937            | 16,580,937            | 54,389,391            | 54,389,391            |
| <b>TOTAL</b>          | <b>\$ 381,692,466</b> | <b>\$ 399,434,145</b> | <b>\$ 399,025,186</b> | <b>\$ 439,638,788</b> | <b>\$ 438,977,897</b> |
| <b>FTE Positions:</b> |                       |                       |                       |                       |                       |
| Administration        | 25.8                  | 24.8                  | 24.8                  | 24.8                  | 24.8                  |
| Information           | 5.8                   | 6.8                   | 6.8                   | 6.8                   | 6.8                   |
| Technology            |                       |                       |                       |                       |                       |
| Sales                 | 28.4                  | 29.4                  | 29.4                  | 29.4                  | 29.4                  |
| Security              | 5.8                   | 5.8                   | 5.8                   | 5.8                   | 5.8                   |
| Cost of Sales         | -                     | -                     | -                     | -                     | -                     |
| Expanded Lottery Act  | 17.0                  | 17.0                  | 17.0                  | 17.0                  | 17.0                  |
| Marketing             | 7.4                   | 6.4                   | 6.4                   | 6.4                   | 6.4                   |
| Sports Wagering       | -                     | 5.0                   | 5.0                   | 5.0                   | 5.0                   |
| <b>TOTAL</b>          | <b>90.0</b>           | <b>95.0</b>           | <b>95.0</b>           | <b>95.0</b>           | <b>95.0</b>           |

### PERFORMANCE MEASURES

The 2016 Legislature passed HB 2739, which outlined a three-year process for state agencies to develop and implement a system of performance budgeting using outcome measures to evaluate program effectiveness.

## ADMINISTRATION

FIGURE 9  
ADMINISTRATION EXPENDITURES, FY 2015 – FY 2024



**STATUTORY BASIS:** • KSA 74-8701 through 74-8780

**PROGRAM GOALS:** • There were no goals submitted for this program.

The Administration program is responsible for human resources, procurement, facility and vehicles, and policy information and distribution that supports the Lottery. The program ensures Lottery personnel are knowledgeable of the newest and most effective products,

technologies, security operations, marketing, advertising strategies, and legal issues within the gaming and lottery industry. Additionally, the program provides service, information, and ticket shipments to current retailers.

FIGURE 10  
ADMINISTRATION, PERFORMANCE MEASURES

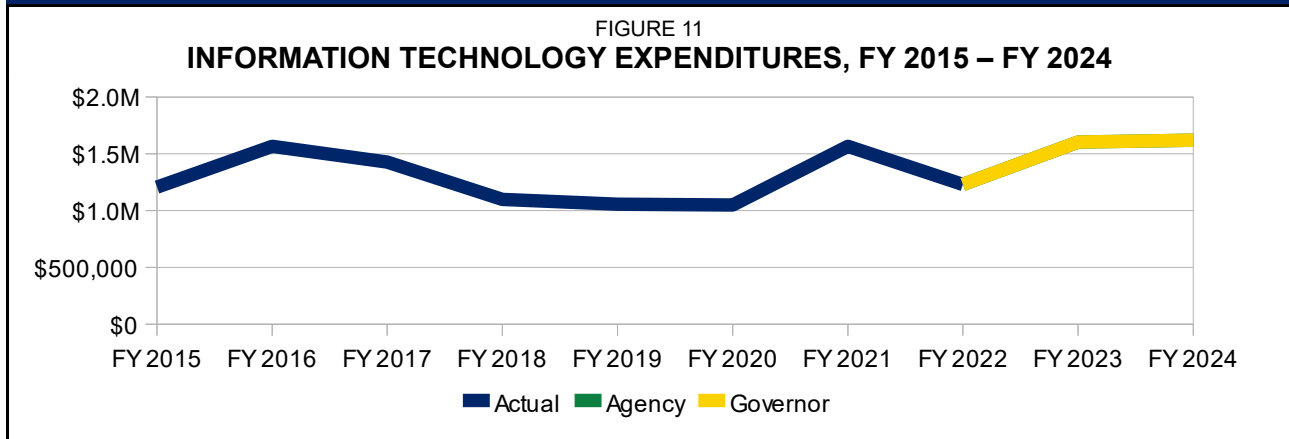
|   | Actual<br>FY 2021   | Actual<br>FY 2022   | Actual<br>3-Year Avg. | Target<br>FY 2023   | Target<br>FY 2024   |
|---|---------------------|---------------------|-----------------------|---------------------|---------------------|
| There were no agency performance measures submitted for this program. |                     |                     |                       |                     |                     |
| Financing   | Actual<br>FY 2021   | Actual<br>FY 2022   |                       | Governor<br>FY 2023 | Governor<br>FY 2024 |
| SGF   | \$ -                | \$ -                |                       | \$ -                | \$ -                |
| Federal Funds   | -                   | -                   |                       | -                   | -                   |
| All Other Funds   | 2,901,109           | 3,066,079           |                       | 3,351,201           | 3,222,535           |
| <b>TOTAL</b>  | <b>\$ 2,901,109</b> | <b>\$ 3,066,079</b> |                       | <b>\$ 3,351,201</b> | <b>\$ 3,222,535</b> |
| <b>Percentage Change:</b>   |                     |                     |                       |                     |                     |
| SGF   | -- %                | -- %                |                       | -- %                | -- %                |
| All Funds   | (4.2) %             | 5.7 %               |                       | 9.3 %               | (3.8) %             |
| FTE Positions   | 25.8                | 25.8                |                       | 24.8                | 24.8                |

## BUDGET ANALYSIS

The **agency** requests expenditures of \$3.9 million, all from special revenue funds, for the Administration program for FY 2024. This is an increase \$126,266, or 3.3 percent, above the agency's FY 2023 revised estimate. This increase is attributable to salaries and wages along with contractual services increases.

The **Governor** recommends \$3.2 million, all from special revenue funds, and 24.8 FTE positions for FY 2024. This is a decrease of \$660,891, or 17.0 percent below the agency's FY 2024 request. The decrease is due to the Governor not recommending the agency's merit-based increases (\$252,570 decrease) and not funding the agency's vacant FTE positions (\$408,321 decrease).

## INFORMATION TECHNOLOGY



**STATUTORY BASIS:** • KSA 74-8701 through 74-8780  
**PROGRAM GOALS:** • There were no goals submitted for this program.

The Information Technology program of all Lottery computer operations to ensure provides technological infrastructure in support retailer and player satisfaction.

FIGURE 12  
**INFORMATION TECHNOLOGY, PERFORMANCE MEASURES**

|   | Actual<br>FY 2021   | Actual<br>FY 2022   | Actual<br>3-Year Avg. | Target<br>FY 2023   | Target<br>FY 2024   |
|---|---------------------|---------------------|-----------------------|---------------------|---------------------|
| There were no agency performance measures submitted for this program. |                     |                     |                       |                     |                     |
| Financing   | Actual<br>FY 2021   | Actual<br>FY 2022   |                       | Governor<br>FY 2023 | Governor<br>FY 2024 |
| SGF   | \$ -                | \$ -                |                       | \$ -                | \$ -                |
| Federal Funds   | -                   | -                   |                       | -                   | -                   |
| All Other Funds   | 1,565,628           | 1,231,201           |                       | 1,602,898           | 1,621,124           |
| <b>TOTAL</b>  | <u>\$ 1,565,628</u> | <u>\$ 1,231,201</u> |                       | <u>\$ 1,602,898</u> | <u>\$ 1,621,124</u> |
| <b>Percentage Change:</b>   |                     |                     |                       |                     |                     |
| SGF   | -- %                | -- %                |                       | -- %                | -- %                |
| All Funds   | 10.0 %              | (21.4) %            |                       | 30.2 %              | 1.1 %               |
| FTE Positions   | 4.6                 | 5.8                 |                       | 6.8                 | 6.8                 |

### BUDGET ANALYSIS

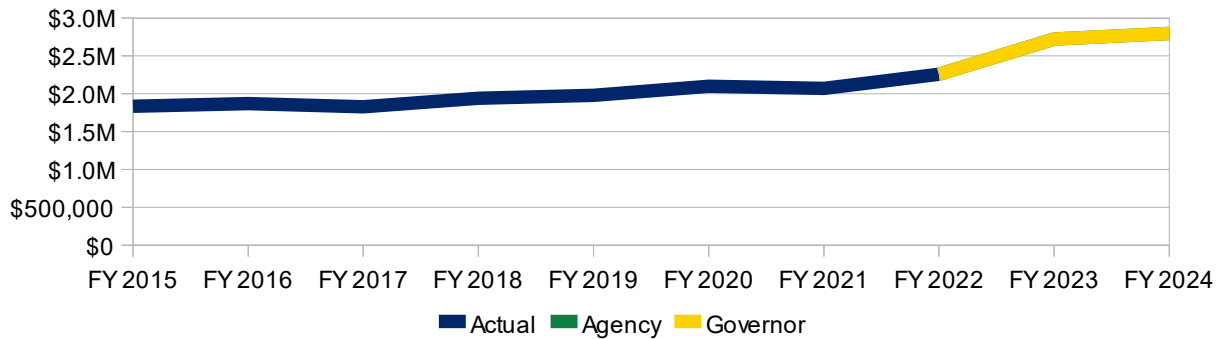
The **agency** requests \$1.6 million, all from special revenue funds, and 6.8 FTE positions for the Information Technology Program for FY 2024. This is an increase of \$18,226, or 1.1 percent, above the FY 2023 revised estimate. The increase is attributable to employee pay

(\$12,720) and employer contributions for fringe benefits such as group health insurance (\$4,997) and Medicare (\$971).

The **Governor** concurs with the agency's request for FY 2024.

# SALES

FIGURE 13  
SALES EXPENDITURES, FY 2015 – FY 2024



**STATUTORY BASIS:** • KSA 74-8701 through 74-8780

**PROGRAM GOALS:** • There were no goals submitted specific to this program.

The Sales program works to increase sales awareness of available Lottery products, and of all Lottery products through the training of increasing corporate account involvement in sales staff on Lottery products, retailer Lottery advertising and promotions. recruitment and training, promoting player

FIGURE 14  
SALES, PERFORMANCE MEASURES

|   | Actual<br>FY 2021   | Actual<br>FY 2022   | Actual<br>3-Year Avg. | Target<br>FY 2023   | Target<br>FY 2024   |
|---|---------------------|---------------------|-----------------------|---------------------|---------------------|
| <b>Outcome Measure:</b>                                       |                     |                     |                       |                     |                     |
| 1. Transfers to State Gaming Revenue Fund and SGF*            | \$ 69,702,589       | \$ 71,475,762       | \$ 69,109,974         | \$ 67,990,000       | \$ 68,490,000       |
| 2. Transfers for Mental Health from Lottery Vending Machines* | \$ 5,563,671        | \$ 7,418,897        | \$ 4,899,595          | \$ 8,000,000        | \$ 8,000,000        |
| 3. Transfers to Veterans' Programs*                           | \$ 1,260,000        | \$ 1,260,000        | \$ 1,260,000          | \$ 1,260,000        | \$ 1,260,000        |
| 4. Amounts Captured for Setoff Program*                       | \$ 347,149          | \$ 333,795          | \$ 291,092            | \$ 250,000          | \$ 250,000          |
| 5. State of Kansas Withholding*                               | \$ 1,022,928        | \$ 946,085          | \$ 888,902            | \$ 1,000,000        | \$ 1,000,000        |
| 6. Sales of Lottery Tickets                                   | \$ 326,010,583      | \$ 312,985,036      | \$ 304,662,580        | \$ 310,600,000      | \$ 313,600,000      |
| 7. Lottery Vending Machines in Service*                       | 204                 | 196                 | 192                   | 260                 | 330                 |
| <b>Financing</b>  |                     |                     |                       |                     |                     |
|   | Actual<br>FY 2021   | Actual<br>FY 2022   |                       | Governor<br>FY 2023 | Governor<br>FY 2024 |
| SGF   | \$ -                | \$ -                |                       | \$ -                | \$ -                |
| Federal Funds   | -                   | -                   |                       | -                   | -                   |
| All Other Funds   | 2,070,552           | 2,257,166           |                       | 2,723,780           | 2,796,590           |
| <b>TOTAL</b>  | <b>\$ 2,070,552</b> | <b>\$ 2,257,166</b> |                       | <b>\$ 2,723,780</b> | <b>\$ 2,796,590</b> |
| <b>Percentage Change:</b>                                     |                     |                     |                       |                     |                     |
| SGF   | -- %                | -- %                |                       | -- %                | -- %                |
| All Funds   | -- %                | 9.0 %               |                       | 20.7 %              | 2.7 %               |
| FTE Positions   | 28.4                | 28.4                |                       | 29.4                | 29.4                |

\* The Governor's Office does not utilize this measure for evaluation purposes.

## **BUDGET ANALYSIS**

---

The **agency** requests \$2.8 million, all from special revenue funds, and 29.4 FTE positions for the Sales Program for FY 2024. This is an increase of \$72,810, or 2.7 percent, above the FY 2023 revised estimate. This increase is primarily attributable to expenditures for employee pay (\$43,702) and employer contributions for fringe benefits such as group

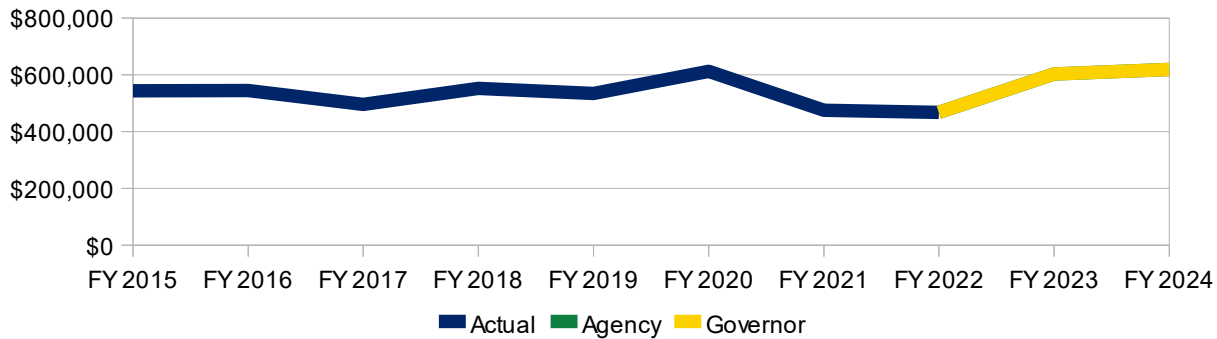
health insurance (\$24,318) and Medicare (\$3,350).

The **Governor** concurs with the agency's request for FY 2024.



## SECURITY

FIGURE 15  
SECURITY EXPENDITURES, FY 2015 – FY 2024



**STATUTORY BASIS:** • KSA 74-8714

**PROGRAM GOALS:** • There were no goals submitted for this program.

The Security program provides security to Lottery personnel and property, investigates and prosecutes criminal violations related to the Lottery, and preserves the integrity of the Lottery and all of its activities. To accomplish these goals, the program ensures all enforcement agents receive training and remain

knowledgeable of changing techniques, procedures, and statutes; conducts background investigation on all vendors and retailers; and visits Lottery retail locations to advise and inform retailers of proper security and product inventory practices.

FIGURE 16  
SECURITY, PERFORMANCE MEASURES

|  | Actual<br>FY 2021 | Actual<br>FY 2022 | Actual<br>3-Year Avg. | Target<br>FY 2023   | Target<br>FY 2024   |
|--|-------------------|-------------------|-----------------------|---------------------|---------------------|
| There were no performance measures submitted for this program. |                   |                   |                       |                     |                     |
| Financing  | Actual<br>FY 2021 | Actual<br>FY 2022 |                       | Governor<br>FY 2023 | Governor<br>FY 2024 |
| SGF  | \$ -              | \$ -              |                       | \$ -                | \$ -                |
| Federal Funds  | -                 | -                 |                       | -                   | -                   |
| All Other Funds  | 475,487           | 468,371           |                       | 603,181             | 618,509             |
| <b>TOTAL</b>   | <b>\$ 475,487</b> | <b>\$ 468,371</b> |                       | <b>\$ 603,181</b>   | <b>\$ 618,509</b>   |
| <b>Percentage Change:</b>                                      |                   |                   |                       |                     |                     |
| SGF  | -- %              | -- %              |                       | -- %                | -- %                |
| All Funds  | (22.4) %          | (1.5) %           |                       | 28.8 %              | 2.5 %               |
| FTE Positions  | 5.8               | 5.8               |                       | 5.8                 | 5.8                 |

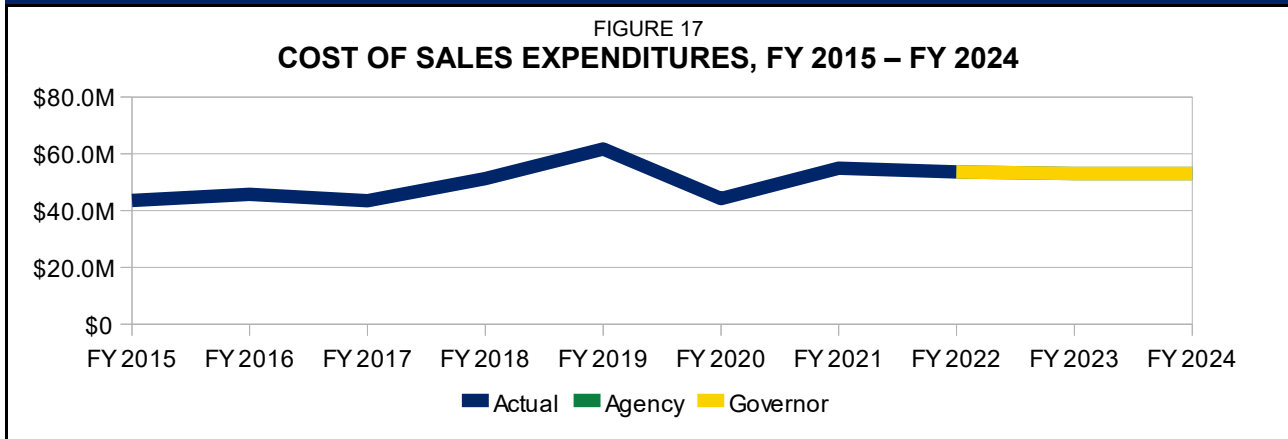
## BUDGET ANALYSIS

The **agency** requests \$618,509, all from special revenue funds, and 5.8 FTE positions for the Security program for FY 2024. This is an increase of \$15,328, or 2.5 percent, above the FY 2023 revised estimate. The increase is entirely attributable to spending on employee

pay (\$10,905) and employer contributions on fringe benefits (\$4,423).

The **Governor** concurs with the agency's request for FY 2024.

## COST OF SALES



**STATUTORY BASIS:** • KSA 74-8701 through 74-8780  
**PROGRAM GOALS:** • There were no goals submitted for this program.

The Cost of Sales program captures the contractual services and commodities expenditures necessary to operate a state lottery. Other assistance expenditures within this program are prize claims between \$600 and \$5,000 paid instantly at the Lottery headquarters from the Lottery Prize Payment

Fund. Other assistance expenditures also include the payment of prize claims more than \$5,000 via state checks from the Lottery Prize Payment Fund. Approximately 30.0 percent of player prizes are paid from this fund; the remaining prizes are paid by Lottery retailers.

FIGURE 18  
**COST OF SALES, PERFORMANCE MEASURES**

|  | Actual<br>FY 2021 | Actual<br>FY 2022 | Actual<br>3-Year Avg. | Target<br>FY 2023   | Target<br>FY 2024   |
|--|-------------------|-------------------|-----------------------|---------------------|---------------------|
| <b>Output Measure:</b>                                       |                   |                   |                       |                     |                     |
| 1. Traditional Lottery Ticket Prize Payments                 | \$ 200,187,234    | \$ 191,473,867    | \$ 186,062,771        | \$ 191,089,500      | \$ 193,084,500      |
| 2. Commissions Earned by Retailers from Traditional Lottery* | \$ 19,176,483     | \$ 18,402,762     | \$ 17,940,436         | \$ 18,315,788       | \$ 18,446,243       |
| <b>Financing</b>   |                   |                   |                       |                     |                     |
|  | Actual<br>FY 2021 | Actual<br>FY 2022 |                       | Governor<br>FY 2023 | Governor<br>FY 2024 |
| SGF  | \$ -              | \$ -              |                       | \$ -                | \$ -                |
| Federal Funds  | -                 | -                 |                       | -                   | -                   |
| All Other Funds (Dollars in Millions)                        | 54.1              | 53.6              |                       | 53.1                | 53.1                |
| <b>TOTAL</b>   | <b>\$ 54</b>      | <b>\$ 54</b>      |                       | <b>\$ 53</b>        | <b>\$ 53</b>        |
| <b>Percentage Change:</b>                                    |                   |                   |                       |                     |                     |
| SGF  | -- %              | -- %              |                       | -- %                | -- %                |
| All Funds  | 22.4 %            | (0.9) %           |                       | (0.9) %             | -- %                |
| FTE Positions  | --                | --                |                       | --                  | --                  |

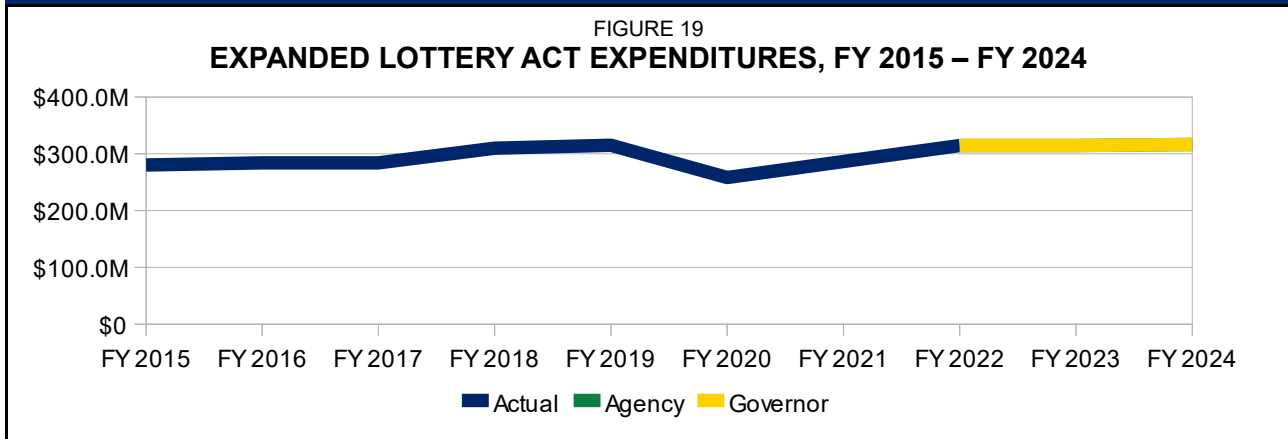
\* The Governor's Office does not utilize this measure for evaluation purposes.

## BUDGET ANALYSIS

The **agency** requests \$53.1 million, all from special revenue funds, and no FTE positions, for the Cost of Sales Program for FY 2024. This is same amount as the FY 2023 revised estimate.

The **Governor** concurs with the agency's request for FY 2024.

# EXPANDED LOTTERY ACT



**STATUTORY BASIS:** • KSA 74-8701 through 74-8780

**PROGRAM GOALS:**

- Maintain public confidence in all casino gaming and provide services that meet or exceed the expectations of the Kansas citizenry.
- Produce the greatest amount of revenue possible for the State of Kansas while ensuring the integrity of all games.

The Expanded Lottery Act program ensures the integrity of electronic gaming devices, accurate reporting of net expanded gaming revenues, and compliance with management contracts, as well as duties and responsibilities prescribed within the Kansas Expanded Lottery Act.

FIGURE 20  
**EXPANDED LOTTERY ACT, PERFORMANCE MEASURES**

|   | Actual<br>FY 2021 | Actual<br>FY 2022 | Actual<br>3-Year Avg. | Target<br>FY 2023 | Target<br>FY 2024 |
|---|-------------------|-------------------|-----------------------|-------------------|-------------------|
| <b>Outcome Measure:</b>   |                   |                   |                       |                   |                   |
| 1. Transfers to the Expanded Lottery Act Revenues Fund*         | \$ 82,422,361     | \$ 88,214,021     | \$ 81,419,561         | \$ 89,518,000     | \$ 89,650,000     |
| 2. Transfers to the Problem Gambling and Addictions Grant Fund* | \$ 7,492,942      | \$ 8,019,456      | \$ 7,397,879          | \$ 8,138,000      | \$ 8,150,000      |
| 3. Transfers to City and County*                                | \$ 11,239,412     | \$ 12,029,183     | \$ 11,096,818         | \$ 12,207,000     | \$ 12,225,000     |
| 4. Amounts captured for Setoff**                                | \$ 3,055,781      | \$ 3,201,788      | \$ --                 | \$ 3,000,000      | \$ 3,000,000      |
| <b>Financing</b>  |                   |                   |                       |                   |                   |
| SGF   | \$ -              | \$ -              |                       | \$ -              | \$ -              |
| Federal Funds   | -                 | -                 |                       | -                 | -                 |
| All Other Funds (Dollars in Millions)                           | 286.5             | 314.8             |                       | 314.5             | 316.6             |
| <b>TOTAL</b>  | <b>\$ 286.5</b>   | <b>\$ 314.8</b>   |                       | <b>\$ 314.5</b>   | <b>\$ 316.6</b>   |
| <b>Percentage Change:</b>                                       |                   |                   |                       |                   |                   |
| SGF   | -- %              | -- %              |                       | -- %              | -- %              |
| All Funds   | 10.8 %            | 9.9 %             |                       | (0.1) %           | 0.7 %             |
| FTE Positions   | 17.0              | 17.0              |                       | 17.0              | 17.0              |

\* The Governor's Office does not utilize this measure for evaluation purposes.

## **BUDGET ANALYSIS**

---

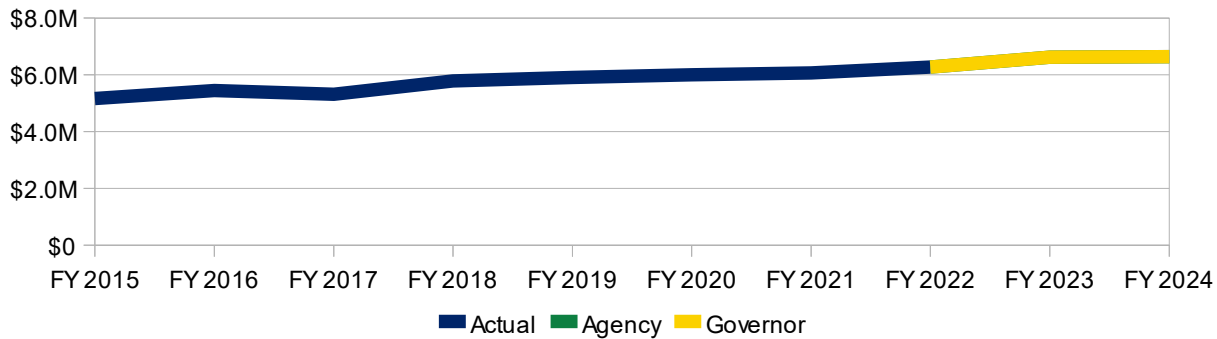
The **agency** requests \$316.6 million, all from special revenue funds, and 17.0 FTE positions, for the Expanded Lottery Act Program for FY 2024. This is an increase of \$2.1 million, or 0.7 percent, above the FY 2023 revised estimate. This increase is primarily attributable to additional \$2.0 million in contractual services expenditures due to increased revenue estimates made during the April consensus revenue estimating process. The remaining

increase includes an increase in expenditures for employee pay (\$33,462), employer contributions for fringe benefits (\$14,767), and state aid to locals (\$84,000).

The **Governor** concurs with the agency's request for FY 2024.

# MARKETING

FIGURE 21  
MARKETING EXPENDITURES, FY 2015 – FY 2024



**STATUTORY BASIS:** • KSA 74-8701 through 74-8780

**PROGRAM GOALS:** • There were no goals submitted for this program.

The Marketing program works to promote the Kansas Lottery and its games in a responsible and effective manner. To achieve this, the program works to produce advertising media messages across a variety of platforms to

maximize sales and returns to the state; produce a wide variety of scratch games; and coordinate special events programs, fairs, and other community events.

FIGURE 22  
MARKETING, PERFORMANCE MEASURES

|   | Actual<br>FY 2021 | Actual<br>FY 2022 | Actual<br>3-Year Avg. | Target<br>FY 2023   | Target<br>FY 2024   |
|---|-------------------|-------------------|-----------------------|---------------------|---------------------|
| <b>Outcome Measure:</b>                 |                   |                   |                       |                     |                     |
| 1.PlayOn - Increase in members*         | 32.0 %            | 7.0 %             | 10.0 %                | 10.0 %              | 10.0 %              |
| 2.PlayOn - Increase in tickets entered* | 35.0 %            | 1.0 %             | 14.0 %                | 5.0 %               | 5.0 %               |
| 3.PlayOn - Average monthly engagement*  | 24.0 %            | 24.0 %            | 24.0 %                | 25.0 %              | 25.0 %              |
| <b>Financing</b>                        |                   |                   |                       |                     |                     |
|   | Actual<br>FY 2021 | Actual<br>FY 2022 |                       | Governor<br>FY 2023 | Governor<br>FY 2024 |
| SGF                                     | \$ -              | \$ -              |                       | \$ -                | \$ -                |
| Federal Funds                           | -                 | -                 |                       | -                   | -                   |
| All Other Funds (Dollars in Millions)   | 6.1               | 6.3               |                       | 6.6                 | 6.6                 |
| <b>TOTAL (Dollars in Millions)</b>      | <b>\$ 6.1</b>     | <b>\$ 6.3</b>     |                       | <b>\$ 6.6</b>       | <b>\$ 6.6</b>       |
| <b>Percentage Change:</b>               |                   |                   |                       |                     |                     |
| SGF                                     | -- %              | -- %              |                       | -- %                | -- %                |
| All Funds                               | 1.7 %             | 3.3 %             |                       | 4.8 %               | -- %                |
| FTE Positions                           | 7.4               | 6.4               |                       | 6.4                 | 6.4                 |

\* The Governor's office does not utilize this measure for evaluation purposes.

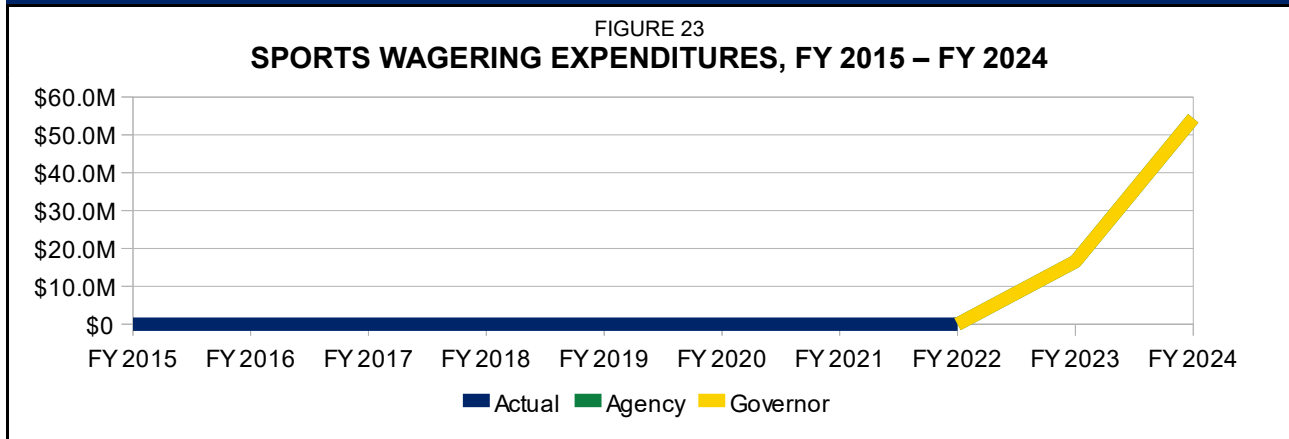
## BUDGET ANALYSIS

The **agency** requests \$6.6 million, all from the Lottery Operating Fund, in expenditures and 6.4 FTE positions for the Marketing Program for FY 2024. This is an increase of \$16,705, or 0.3 percent, above the FY 2023 revised estimate. The increase is entirely attributable to higher

expenditures for employee pay (\$10,459) and employer contributions for fringe benefits (\$6,246).

The **Governor** concurs with the agency's request for FY 2024.

# SPORTS WAGERING



**STATUTORY BASIS:** • KSA 74-8701 through 74-8794  
**PROGRAM GOALS:** • There were no goals submitted for this program.

The Sports Wagering program facilitates provisions of the Kansas Lottery Act and the sports wagering in accordance with the Kansas Expanded Lottery Act.

FIGURE 24  
**SPORTS WAGERING, PERFORMANCE MEASURES**

|  | Actual<br>FY 2021 | Actual<br>FY 2022 | Actual<br>3-Year Avg. | Target<br>FY 2023    | Target<br>FY 2024    |
|--|-------------------|-------------------|-----------------------|----------------------|----------------------|
| There were no performance measures submitted for this program. |                   |                   |                       |                      |                      |
| Financing  | Actual<br>FY 2021 | Actual<br>FY 2022 |                       | Governor<br>FY 2023  | Governor<br>FY 2024  |
| SGF  | \$ -              | \$ -              |                       | \$ -                 | \$ -                 |
| Federal Funds  | -                 | -                 |                       | -                    | -                    |
| All Other Funds  | -                 | -                 |                       | 16,580,937           | 54,389,391           |
| <b>TOTAL</b>   | <b>\$ -</b>       | <b>\$ -</b>       |                       | <b>\$ 16,580,937</b> | <b>\$ 54,389,391</b> |
| <b>Percentage Change:</b>                                      |                   |                   |                       |                      |                      |
| SGF  | -- %              | -- %              |                       | -- %                 | -- %                 |
| All Funds  | -- %              | -- %              |                       | -- %                 | 228.0 %              |
| FTE Positions  | 5.0               | 5.0               |                       | 5.0                  | 5.0                  |

## PERFORMANCE AND BUDGET ANALYSIS

The **agency** requests \$54.4 million, including \$54.0 million from the Sports Wagering Receipts Fund, in expenditures and 5.0 FTE positions for the Sports Wagering Program for FY 2024. This is an increase of \$37.8 million, or 228.0 percent, above the FY 2023 revised estimate. The increase is attributable to sports wagering management fees that are based on

90.0 percent of net sports wagering revenue (\$37.8 million). The increase is also due to higher expenditures for employee pay (\$5,001) and employer contributions for fringe benefits (\$3,453).

The **Governor** concurs with the agency's request for FY 2024.