

SESSION OF 2024

**SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2667**

As Amended by House Committee on Federal  
and State Affairs

**Brief\***

HB 2667, as amended, would amend law regarding transfers made from the Lottery Operating Fund for certain programs administered by the Kansas Department for Aging and Disability Services (KDADS).

Under current law, 75.0 percent of the net profits from lottery vending machine sales are transferred each month to the KDADS Community Crisis Stabilization Centers (CCSC) Fund and 25.0 percent of the net profits to the Clubhouse Model Program (CMP) Fund, with limitations on such transfers of \$9.0 million for FY 2024 in the aggregate and \$8.0 million for FY 2025.

The bill would require, during FY 2025 and FY 2026, \$750,000 be transferred to the CCSC Fund and \$250,000 be transferred to the CMP Fund by the 15<sup>th</sup> of each month. The aggregate limit for FY 2025 would be removed and a limit of \$8.0 million would be added for FY 2027 and each subsequent fiscal year.

The bill would also make technical amendments to remove outdated language regarding the current fiscal year and references to prior fiscal years.

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\*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

## **Background**

The bill was introduced by the House Committee on Appropriations at the request of Representative Helgerson.

### ***House Committee on Federal and State Affairs***

In the House Committee hearing on the bill, **proponent** testimony was provided by representatives of the Association of Community Mental Health Centers of Kansas, Bert Nash Community Health Center, Breakthrough Episcopal Social Services, KDADS, Milestone Clubhouse, and Wyandotte Behavioral Health Network, and by two representatives of Lotus House. Four of the above-named proponents also indicated their testimony was on behalf of the Kansas Clubhouse Coalition. The proponents discussed the benefits of the programs currently receiving funding. The proponents further indicated the bill proposes an increased cap on transfers of lottery vending machine net profits to the CCSC Fund and the CMP Fund from \$8.0 million to \$12.0 million, which represents a significant opportunity to address and further support efforts to address the pressing needs of individuals experiencing mental health crises in Kansas.

Written proponent testimony was provided by a representative of the Johnson County Mental Health Center.

Written neutral testimony was provided by a representative of the Kansas Lottery.

The House Committee amended the bill to:

- Remove an aggregate limit for FY 2025;
- Set an aggregate transfer limit of \$8.0 million in FY 2027 and each following year; and
- Set specific monthly transfers to the CCSC Fund and the CMP Fund.

## **Fiscal Note**

According to the fiscal note prepared by the Division of the Budget on the bill, as introduced, the Kansas Lottery indicates, depending upon actual net profits from lottery ticket vending machines, the bill would likely increase annual transfers to the CCSC Fund by \$3.0 million and the CMP Fund by \$1.0 million. Additionally, because the amounts above the vending machine net profit transfer cap are ultimately transferred to the State General Fund at the conclusion of the fiscal year, the bill would likely reduce State General Fund revenues by \$4.0 million in FY 2025 and in future fiscal years. The Kansas Lottery indicates the bill would have no fiscal effect on its operations.

KDADS indicates the bill would increase funding for mental health programs as noted above.

Any fiscal effect associated with enactment of the bill is not reflected in *The FY 2025 Governor's Budget Report*.

Kansas lottery; Kansas Department for Aging and Disability Services; Kansas Department for Aging and Disability Services Clubhouse Model Program Fund; community crisis stabilization centers fund; lottery vending machine revenue