

Testimony

Veterans and Military Committee

Tuesday, February 7, 2017

Hearing on: HB2196 — Requiring disclosure to veterans in certain materials concerning veterans' benefits.

Chairman Osterman, Committee members, my name is Wayne Bollig, Deputy Director of Veteran Services for the Kansas Commission on Veterans' Affairs Office. Thank you for the opportunity to provide this testimony regarding: HB-2196.

This bill is intended to do two (2) things.

1. It allows veterans benefit game lottery proceeds to pass directly to the intended program fund in the agency not as part of SGF as they do now.
 - a. The way the process currently works is, each year since FY 2004, veteran services has budgeted funds for the enhanced mobile program and other services funded by these lottery proceeds. Once a year on June 15th funds are transferred to the state treasury, while other lottery transfers are made monthly to the State Gaming Revenues Fund. These funds go into and become part of the state general fund.
 - b. Currently there is currently no reporting method for the agency to receive an accounting of annual proceeds received. But we have a simple method that seems to work. Since the transfer is made on June 15th each year, sometime after that date I contact the Lottery and ask for the total proceeds from the Kansas Lottery Veterans games, the lottery is very cooperative and supportive and have always responded immediately. Because actual receipts for a fiscal year are not available until after the end of that fiscal year, the amount requested for a particular budget year is always an estimate of expected available funds. For example, a request for authorization to spend Scratch Lotto funds in FY 2019 is submitted in September 2016. The actual revenues

earned during a specific fiscal year, however, cannot be known until the end of that fiscal year. Once we get the amount the agency calculates the percentages then it is up to our fiscal department to request a supplement for any increase in funds. If DOB denies the supplements the agency must appeal the DOB recommendation. If for some reason fiscal does not include a supplement request funds are lost.

c. And requires the designation on the front of the ticket.

For 13 years the Kansas Veterans Benefit Lottery Tickets has available. been providing a small amount of funding for the KCVAO through the. The proceeds from these ticket sales have helped thousands of veterans and are an important part of the funding necessary for veteran services. In 2016 the veterans benefit lottery ticket sales proceeds amounted to \$1,658,099. This \$1.7 million in lottery ticket proceeds represents just 2% of the \$78 million in lottery transfers to the state general funds. While this amount is an insignificant part of the total lottery to SGF transfers, it is a significant part of Veteran Services funding, making up approximately 22% of the Veterans Services program operating budget. It funds our Enhanced mobile program a program that travels to communities throughout Kansas assisting veterans. Assists veterans in rural Kansas communities by advocating and filing for earned benefits. Even a small drop in sales can have a negative impact on multiple programs effecting not just benefits advocacy from the VA but also services to veterans in our homes and cemeteries.

Since these funds become SGF once when transferred they become subject to allotments and other cuts potentially resulting in less than 100% of the funds being used for veterans programs as intended.

Therefore, the KCVAO comes out in support of HB 2196. It is our hope that by finding ways to clearly designate this tickets as veteran tickets, and by being able to show that the funds are not comingled but are flowing directly to the intended programs it will help increase sales and provide stability to the flow of funds.