

January 25, 2011

The Honorable Pete Brungardt, Chairperson
Senate Committee on Federal and State Affairs
Statehouse, Room 136-E
Topeka, Kansas 66612

Dear Senator Brungardt:

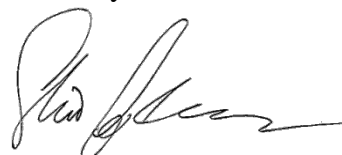
SUBJECT: Fiscal Note for SB 26 by Joint Committee on Legislative Post Audit

In accordance with KSA 75-3715a, the following fiscal note concerning SB 26 is respectfully submitted to your committee.

SB 26 would change the background investigation requirements for the vendor selected to perform the security audit for the Kansas Lottery. The bill would require background investigations only on the vendor that is awarded the contract, those individuals who have a controlling interest in the vendor, and those staff members of the vendor specifically engaged in the audit. Under current law, additional background investigations are also required on all officers and directors of the vendor and all persons who own 5.0 percent or more interest in the vendor.

The Kansas Lottery indicates SB 26 would have no fiscal effect on its operations. The bill may increase the number of vendors that choose to apply to perform the security audit, which has the potential to lead to a more competitive bidding process and possibly lower costs for future security audits.

Sincerely,



Steven J. Anderson, CPA, MBA
Director of the Budget

cc: Stephen Durrell, Stephen Durrell, Lottery
Pat Higgins, Administration