

AGENDA
KANSAS RACING AND GAMING COMMISSION
10:00 a.m., Friday, September 13, 2013

AUDITORIUM A
Dwight D. Eisenhower State Office Building
700 SW Harrison, Suite 450
Topeka, KS 66603

A. CALL TO ORDER

B. APPROVAL OF AGENDA

C. APPROVAL OF MINUTES

1. [Minutes of August 16, 2013](#)

D. CONSENT AGENDA

Items listed on the consent agenda are routine in nature. If requested by a commissioner, an item may be removed from the Consent Agenda and placed under Commission Items for further discussion and consideration.

1. Approvals and revocations for certain lottery facility games and related components
 - a. [GLI Approval Letters September 2013](#)
2. Internal control amendment approvals
 - a. [Kansas Star Casino internal control amendment approvals](#)
 - b. [Hollywood Casino at Kansas Speedway internal control amendment approvals](#)

E. LOTTERY GAMING FACILITY REPORTS/ITEMS

1. Boot Hill Casino and Resort
 - a. [Monthly Report](#)
 - b. [August 2013 Gaming Revenue Report](#)
2. Kansas Star Casino
 - a. [Monthly Report](#)
 - b. [August 2013 Gaming Revenue Report](#)
3. Hollywood Casino at Kansas Speedway
 - a. [Monthly Report](#)
 - b. [August 2013 Gaming Revenue Report](#)

F. COMMISSION ITEMS

1. FY 2014-2015 Budget

Commission Action: Commission discussion, consideration and approval of the revised FY 2014 and FY 2015 budget request for the Racing & Gaming Commission and the State Gaming Agency.

Staff Presentation: Richard Petersen-Klein, Executive Director KRG
Jamie Nickoley, State Gaming Agency

Staff Recommendation: Staff recommends approval of the proposed budget, subject to technical changes to be made upon entering the budget into IBARS, the State Budget System and to potential future changes made by Division of Budget, the Governor and the Legislature.

a. [Staff Memo](#)

b. [Budget Tables](#)

c. [Budget Narrative](#)

2. Consideration of a revised final draft of proposed regulations related to the licensing of junket service providers funded in whole or in part by lottery gaming facility managers under K.A.R. 112-102-1 and 112-102-2 as authorized by K.S.A. 74-8751 and 74-8772.

Commission Action: Commission review and discussion

Staff Presentation: Richard Petersen-Klein, Executive Director

Presentation Order: Proponents of current regulation
Opponents of current regulation

a. [Staff Memo](#)

b. [Proposed junket regulation amendment](#)

3. Public comments on proposed amendments to K.A.R. 112, Article 104, Accounting and Internal Controls, and Article 108, Table Games.

Commission Action: Commission review and discussion

Staff Presentation: Brandi White, Director of Administration, Audit & Finance

Staff Recommendation: Approve proposed amendments for formal review pursuant to the Kansas rules and regulations filing act

a. [Staff Memo](#)

b. [Proposed amendments to Article 104 and Article 108 \(submitted to commissioners via email and under separate cover at last meeting\)](#)

G. PUBLIC COMMENTS

H. STAFF REPORTS

1. Executive Director
 - a. [Voluntary Exclusion Report](#)

I. EXECUTIVE SESSIONS

The Commission conducts executive sessions in accordance with the Kansas Open Meetings Act and all discussions are limited to the specified purposes listed in K.S.A. 75-4319. The Commission utilizes executive sessions to consult with the Commission's attorney, to discuss personnel matters, to protect the confidentiality of necessarily closed information, and to protect the integrity of gaming and finances.

1. Attorney-Client Privilege
2. Security
3. Background reports

J. OTHER BUSINESS/FURTHER COMMISSION ACTION

1. Consideration of proposed gaming licenses and renewals

K. ADJOURNMENT

KANSAS RACING AND GAMING COMMISSION

MINUTES – AUGUST 16, 2013

- CALL TO ORDER:
(A.)
- Chairman Timothy A. Shultz called the August 16, 2013, meeting to order at 10:00 a.m. at 700 SW Harrison, Auditorium A, Suite 450, Topeka, Kansas. Vice-Chair Dennis McKinney, Secretary Eileen King and Commissioner David H. Moses were also present. Staff members present included Executive Director Richard Petersen-Klein, General Counsel Judith Taylor, Director of Security Don Brownlee, Director of Administration and Finance Brandi White, Director of IT and Electronic Security Dennis Bachman, recording secretary Chris Vega and other staff.
- MOTION, APPROVE AGENDA:
(B.)
- Commissioner King (McKinney) moved to approve the agenda. Motion passed unanimously.
- MOTION, APPROVE JULY 19, 2013, MEETING MINUTES:
(C.)
- Commissioner McKinney (Moses) moved to approve the July 19, 2013 meeting minutes. Motion passed unanimously.
- MOTION, APPROVE CONSENT AGENDA:
(D.)
- Commissioner King (McKinney) moved to approve the agenda. Motion passed unanimously.
- LOTTERY GAMING FACILITY REPORTS/ITEMS; BOOT HILL CASINO AND RESORT:
(E.1.)
- Sharon Stroburg, General Manager, reported:
- For the month of July 2013, table games win decreased over prior months by approximately seven percentage points. This was due to an increased level of winners during the month, which led to just over a one percent decrease in July 2013 revenue over June 2013 revenue.
 - The truck give-away was won by a young woman from Dodge City. There was a record crowd with 1,800 people on the casino floor and record coin-in.
 - The Dodge City PRCA Rodeo and the Taste of the Wild West events were a success.
- LOTTERY GAMING FACILITY REPORTS/ITEMS; KANSAS STAR:
(E.2.)
- Scott Cooper, General manager, reported:
- July 2013 admissions per day were up four percent over June 2013.
 - July revenue numbers:
 - Total gaming revenue flat from June 2013.
 - Slot coin-in (handle) up four percent from June 2013.

- Slot win up five-and-a-half percent from June 2013. July hold was flat compared to June 2013.
- Table game drop up five percent from June 2013.
- Table game win down three percent from June 2013. Hold was 18.4 percent in July vs. twenty percent in June.
- Poker room revenue daily average up six percent from June 2013.
- The next concert at the Arena will be the band Journey, scheduled for August 24, 2013.
- The Kansas Star Casino continues to book upcoming acts in a variety of areas for the Arena.

LOTTERY GAMING FACILITY REPORTS/ITEMS; HOLLYWOOD CASINO AT KANSAS SPEEDWAY: (E.3.)

Bob Sheldon, General Manager, reported:

- Visitation in July 2013 slightly exceeded July 2012.
- Gaming revenues for July 2013 also exceeded July 2012.
- Total gaming revenue was \$11.0 million in July 2013 which was \$1.1 million, or eleven percent greater than July 2012.
- Table games revenue was \$1.6 million, which was six percent less than prior year.
- Slot revenue was \$9.4 million, an increase of \$1.2 million, or fourteen percent, over last year.
- Hollywood Casino continued its normal compliment of weekly gaming promotions in the month of July. In addition to the standard promotional programming, Hollywood Casino held its first invitational slot tournament on Sunday, July 28, 2013 which was very well received by its customers. In Food & Beverage, Hollywood launched a “Hit the Strip” special at the Final Cut steakhouse, where every Thursday patrons can enjoy a 14 ounce strip steak, Caesar salad, loaded baked potato and fresh baked brioche for \$19.99.

COMMISSION ITEMS; SEMI-ANNUAL ACTIVITY REPORT OF BINGO OPERATIONS: (F.1.)

Patsy Congrove, Administrator of Charitable Gaming, gave the semi-annual report of Bingo operations.

COMMISSION ITEMS; CONSIDERATION OF A FINAL DRAFT OF PROPOSED REGULATIONS RELATED TO LICENSING OF

Mr. Petersen-Klein spoke about the consideration of a final draft of proposed regulations related to licensing of junket service providers funded in whole or in part by lottery gaming facility managers under K.A.R. 112-102-1 and 112-102-2 as authorized by K.S.A. 74-8751 and 74-8772. The commission requested staff amend the proposed junket regulations to eliminate the current regulation that requires junket service providers to obtain certification prior to doing business

JUNKET SERVICE
PROVIDERS:
(F.2.)

with a gaming facility, eliminate the proposed amendment that would have permitted discretionary waiver of certification for a junket service provider under certain conditions, make minor changes to other proposed amendments, and submit an updated version of the regulation for public comment at September's meeting. Scott Cooper asked to review the revised regulation a week in advance before next month's meeting and Chairman Shultz asked that KRGC legal counsel send the draft to each of the three casino's general managers or their legal staff.

PUBLIC COMMENTS:
(G.)

There were no public comments.

STAFF REPORTS:
(H.1.)

Mr. Petersen-Klein, reported:

- The Voluntary Exclusion Program has surpassed 500 enrollees in July, with twenty-eight new enrollees during the month of July 2013.
- Dennis Bachman is now the permanent Director of IT and Electronic Security.
- The budget will be presented at next month's meeting.
- The next KRGC Commission Meeting will be held on September 13, 2013.

MOTION, EXECUTIVE
SESSIONS:
(I.1.-3.)

Chairman Shultz moved that the commission go into executive session for the purpose of (1) attorney-client communication, (2) security information and (3) reviewing the list of confidential backgrounds for licensing. Those included in the executive sessions were the commissioners, executive director, general counsel, director of security, and director of IT and electronic security. The total combined time for the executive sessions was anticipated to be two hours and forty-five minutes, from 11:30 a.m. until 2:15 p.m., preceded by a 10 minute break. No action is to be taken in executive session, and the subjects discussed are to be limited as previously described. A full record of this motion is to be maintained as part of the permanent record of the Kansas Racing and Gaming Commission. At the conclusion of the executive session, the meeting is to be continued in open session. Commissioner King (McKinney) made a motion to adjourn to executive session. Motion passed unanimously.

RECONVENE:

The commission meeting reconvened at 1:05 p.m. with all members present as previously noted.

MOTION; CONTINUE
EXECUTIVE
SESSIONS:

Commissioner King (McKinney) moved to continue the executive sessions for the purpose of completing background reviews from 2:20 p.m. until 2:30 p.m. Motion passed unanimously.

(I.1.-3.)

RECONVENE:

The commission meeting reconvened at 2:32 p.m. with all members present as previously noted.

MOTION TO DENY
LICENSE
APPLICATIONS:
(J.1.)

Commissioner King (McKinney) moved to *deny* three license applications from the August 16, 2013, list of background reports referred to the commission for action (the "List"). Motion passed unanimously.

MOTION TO
APPROVE REQUEST
FOR
RECONSIDERATION
OF OCCUPATION
LICENSE: (J.1.)

Commissioner McKinney (King) moved to *approve the request for reconsideration of one occupation license* application from the List. Motion passed unanimously.

MOTION TO
APPROVE LICENSES:
(J.1.)

Commissioner King (McKinney) moved to *approve* the remaining 270 license applications appearing on the List. Motion passed unanimously.

MOTION REGARDING
TRANSFER OF PENN
NATIONAL ASSETS
TO A REAL ESTATE
INVESTMENT TRUST:
(J.1.)

Commissioner McKinney (Moses) moved that the commission note in the minutes their concern that shifting of Penn National's assets to a real estate investment trust may impair the ability of one of the parent companies of Hollywood Casino to stand behind the company in periods of financial stress. However, the commission lacks authority to cause further review of the restructuring. Commissioner McKinney and Commissioner Moses in favor, Chairman Shultz against and Commissioner King abstained. The motion failed.

ADJOURNMENT:
(K.)

Chairman Shultz reminded the commission that the next meeting will take place on September 13, 2013. Commissioner King (Moses) moved to adjourn the meeting. Motion passed unanimously. The commission meeting adjourned at 2:35 p.m.

SUBMITTED BY:

(Signature on file)

R. Eileen King
Secretary

APPROVED BY:

(Signature on file)

Timothy A. Shultz
Chairman

Recommended for Approval					
	Manufacturer	File Number	ID Number	Version	Game Name
1	ADVANCED CASINO SYST	SY-08-ADC-13-01	SMS_NT.hex	120.97	N/A
2	ADVANCED CASINO SYST	SY-50-ADC-13-02	SMS_NT.hex	120.98	N/A
3	ADVANCED CASINO SYST	SY-73-ADC-13-04	SMS_NT.hex	120.95	N/A
4	ADVANCED CASINO SYST	SY-73-ADC-13-04	GNSService.exe	202.20 Build 2	N/A
5	ARISTOCRAT	MO-22-ARI-13-41	1.01-62244	GEN7X	The Mummy Tomb of the Dragon Emperor
6	ARISTOCRAT	SY-73-ARI-13-01	nk.nb0	2.4.16	N/A
7	ARISTOCRAT	SY-73-ARI-13-01	NK.nb0 2.4.16_smd.S3DA	2.4.16	N/A
8	ARISTOCRAT	SY-73-ARI-13-01	SIII 2.4.24.1.S3DA	2.4.24.1	N/A
9	ARISTOCRAT	SY-73-ARI-13-01	SIII 2.4.24.1_NK.nb0 2.4.16_smd.S3DA	2.4.24.1	N/A
10	ARISTOCRAT	SY-73-ARI-13-01	SpeedMediaAdministrator.exe	11.10.6301.10	N/A
11	ARISTOCRAT	SY-73-ARI-13-01	SpeedMediaCache.exe	11.10.6301.10	N/A
12	ARISTOCRAT	SY-73-ARI-13-01	Sentinel3.exe	2.4.24.1	N/A
13	ARISTOCRAT	SY-73-ARI-13-01	SpeedMediaMidTier.exe	11.10.6301.10	N/A
14	ARISTOCRAT	SY-73-ARI-13-01	Aristocrat.OASIS.Business.SpeedMediaLo gic.dll	TR32717/11.10.6302.1	N/A
15	ARISTOCRAT	SY-73-ARI-13-03	Sentinel.exe	1.8.4.36	N/A
16	ARISTOCRAT	SY-73-ARI-13-03	nCompass1.5.6.34_1.7.3_to_1.8.4.36_1. 9.9.S3DA	1.8.4.36	N/A
17	ARISTOCRAT	SY-73-ARI-13-03	nCompass1.8.1.17_1.9.5_to_1.8.4.36_1. 9.9.S3DA	1.8.4.36	N/A
18	ARISTOCRAT	SY-73-ARI-13-03	nCompass1.8.2.28_1.9.6_to_1.8.4.36_1. 9.9.S3DA	1.8.4.36	N/A
19	ARISTOCRAT	SY-73-ARI-13-03	nCompass1.8.4.36_1.9.9_to_1.8.1.17_1. 9.5.S3DA	1.8.4.36	N/A
20	ARISTOCRAT	SY-73-ARI-13-03	Sentinel.exe	1.8.4.36	N/A
21	ARISTOCRAT	SY-73-ARI-13-03	userdll_rev2.dll	1.0.1.0	N/A
22	ARISTOCRAT	SY-73-ARI-13-03	nCompass1.8.4.36_1.9.9_to_1.5.6.34_1. 7.3.S3DA	1.8.4.36	N/A
23	ARISTOCRAT	SY-73-ARI-13-03	nCompass1.8.4.36_1.9.9_to_1.8.2.28_1. 9.6.S3DA	1.8.4.36	N/A
24	ARISTOCRAT	SY-73-ARI-13-03	nCLite1.8.4.36_OS1.1.9.img	1.1.9	N/A
25	ARISTOCRAT	SY-73-ARI-13-03	nCompass1.8.4.36_OS1.9.9.img	1.9.9	N/A
26	ARISTOCRAT	SY-35-ARI-12-02	HARDWARE	07-10334 Rev A2	N/A
27	ARISTOCRAT	SY-35-ARI-12-02	HARDWARE	07-10335 Rev B1	N/A
28	ARISTOCRAT	SY-35-ARI-12-02	HARDWARE	07-10336 Rev B0	N/A
29	BALLY	MO-73-BAL-13-103	3RUSABA02	3RUSABA02	FUTURE LOGIC GEN3 PRINTER FIRMWARE
30	BALLY	MO-73-BAL-13-108	300441B	B	EXPEDITION TOP OF THE WORLD
31	BALLY	MO-73-BAL-13-108	300441B	TopOfWorld_300441B	EXPEDITION TOP OF THE WORLD
32	BALLY	MO-73-BAL-13-108	300441B	links_TopOfWorld_300 441B	EXPEDITION TOP OF THE WORLD
33	IGT	MO-04-IGT-13-23	GI014-005MV3-B015	AVP INSTALL	Silk Seduction
34	IGT	MO-04-IGT-13-23	GAME014-005MV3-B15	AVP GAME PACKAGE	Silk Seduction
35	IGT	MO-04-IGT-13-23	GI014-005MV3-B015.V02	AVP INSTALL	Silk Seduction
36	IGT	MO-22-IGT-13-149	U10USA 024	2.51-23	JCM U10USA 024 BILL VALIDATOR FIRMWARE
37	IGT	MO-286-IGT-13-17	GI014-005KN1-E003	AVP INSTALL	Goddess of Desire
38	IGT	MO-286-IGT-13-17	GAME014-005KN1-E03	AVP GAME PACKAGE	Goddess of Desire
39	IGT	MO-286-IGT-13-17	GI014-005KN1-E003.V02	AVP INSTALL	Goddess of Desire
40	IGT	MO-286-IGT-13-20	GI014-004PK8-B003	AVP INSTALL	Gold Bar 7's
41	IGT	MO-286-IGT-13-20	GAME014-004PK8-B03	AVP GAME PACKAGE	Gold Bar 7's
42	IGT	MO-286-IGT-13-20	GI014-004PK8-B003.V02	AVP INSTALL	Gold Bar 7's
43	KONAMI GAMING INC.	MO-73-KON-13-43	PLAV170G18	MAIN PROGRAM	K2V 2.0 Platform
44	KONAMI GAMING INC.	MO-73-KON-13-43	PLAV170G18	MAIN PROGRAM	K2V 2.0 Platform
45	KONAMI GAMING INC.	MO-73-KON-13-43	PLAV170G18	MAIN PROGRAM	K2V 2.0 Platform
46	KONAMI GAMING INC.	MO-73-KON-13-59	HARDWARE	K2V/KP3	N/A
47	MULTIMEDIA GAMES	MO-171-MMG-13-56	DOA5523-00	9.26.113.16.5	M11_FemmeFatales_50L500C
48	MULTIMEDIA GAMES	MO-171-MMG-13-56	DOA5523-27	9.26.113.16.5	M11_FemmeFatales_50L500C
49	SDS	SY-22-SDS-13-01	DMGlass.hex	IDMTS06000F1208_1	N/A
50	SHFL Entertainment, Inc.	LO-00-SHU-13-03	TABLE GAME ANALYSIS	N/A	BIG RAISE STUD POKER PROGRESSIVE
51	SHFL Entertainment, Inc.	LO-00-SHU-13-05	TABLE GAME ANALYSIS	N/A	THREE CARD POKER - 6 CARD BONUS
52	SHFL Entertainment, Inc.	LO-52-SHU-13-03	TABLE GAME ANALYSIS	BIG RAISE STUD POKER WITH OPTIONAL 3 CARD BONUS	BIG RAISE STUD POKER WITH OPTIONAL 3 CARD BONUS
53	SPIELO	MO-329-SPE-13-02	HARDWARE	SCN6604	N/A
54	SPIELO	MO-329-SPE-13-02	6NY320008222.xcf	3.20/2.22	MEI ADVANCED BILL VALIDATOR FIRMWARE
55	WMS	MO-132-WMS-13-04	S96F-000-1010C9	1010 H13.37	Multi-game Game Chest

Kansas Star Casino Internal Control Amendments

September 13, 2013

<u>Item #/ (Description)</u>	<u>Regulation Waiver?</u>	<u>Regulation/IC Reference</u>	<u>Staff Recommendation</u>
KS122 Title Change Director of Internal Audit to Internal Audit Manager	Yes	KAR 112-104-2(b)(2)(A), Admin – 2, Admin – 2a, Admin – 3, Admin – 9, Admin – 9a	Approval
KS128 Changes for Consistency in Cage and Accounting	No	KAR 112-104-18(c)(5), Accounting – 11, Cage – 3	Approval
KS138 Server Supported Machines	No	KAR 112-107-28, Slots – 15	Approval

Hollywood Casino Internal Control Amendments

September 13, 2013

<u>Item #/ (Description)</u>	<u>Regulation Waiver?</u>	<u>Regulation/IC Reference</u>	<u>Staff Recommendation</u>
HW50 Addition of Luhn Tao Wheel Definition	No	Chapter D – Rules of the Game EZ Pai Gow	Approval

BOOTHILL CASINO & RESORT
REPORT PRESENTED TO
THE KANSAS RACING AND GAMING COMMISSION
SEPTEMBER 13, 2013

BY: SHARON STROBURG

- 1) For the month of August 2013, we experienced a slight decrease from July 2013 (.04%). Promotional activity at the beginning of the month (truck giveaway) made for a strong month early on; however, with back to school, the second half of the month was lighter than anticipated.

BOOT HILL CASINO & RESORT

Lottery Gaming Facility Revenue-Unaudited*

	August 2013	August 2012	Fiscal YTD 2014	Fiscal YTD 2013
Electronic gaming machines	3,108,886.54	3,158,854.31	6,252,931.89	6,440,266.33
Table games	468,266.00	562,737.50	891,866.00	1,383,522.50
Other #	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,087.44</u>
Total Lottery Gaming Facility Revenue	<u><u>3,577,152.54</u></u>	<u><u>3,721,591.81</u></u>	<u><u>7,144,797.89</u></u>	<u><u>7,826,876.27</u></u>
State Share 22%	786,973.56	818,750.20	1,571,855.54	1,721,912.78
Local Share 3%	107,314.58	111,647.75	214,343.94	234,806.29
Problem Gambling Share 2%	71,543.05	74,431.84	142,895.96	156,537.53
Casino Share 73%	2,611,321.35	2,716,762.02	5,215,702.46	5,713,619.68

****Unaudited-as reported by the Kansas Lottery Central Computer system.***

#Other sweeps, principally lost and found funds.

KANSAS STAR CASINO
REPORT PRESENTED TO
THE KANSAS RACING AND GAMING COMMISSION
September 13, 2013

BY: SCOTT COOPER – GERNERAL MANAGER

Operational Notes

- August admissions per day down 2% from July 2013.
- In August the KSC checked 29,281 ID's (12.5% of customers entering casino) with 155 not allowed entrance due to being under 21.

August Revenue #'s

- Total Gaming Revenue flat from July 2013.
- Slot Coin-In (Handle) down 3% from July 2013.
- Slot Win up 2% from July 2013. August hold up from July 2013.
- Table Game drop flat from July 2013.
- Table Game Win up 17% from July. Hold 21.5% in August vs. 18.4% in July.
- Poker Room revenue up 3% from July 2013.

Arena Update

- Journey concert on August 24th played to a sold out house.
- Upcoming arena events are as follows:
 - Don Gay Bull Riding Sept 26th – 28th
 - Wrestling October 4th
 - Bellator MMA (Televised) October 11th
 - Tim McGraw October 12th

KANSAS STAR CASINO & RESORT

Lottery Gaming Facility Revenue-Unaudited*

	August 2013	August 2012	Fiscal YTD 2014	Fiscal YTD 2013
Electronic gaming machines	13,774,245.75	13,786,767.44	27,828,749.84	26,719,419.22
Table games	2,636,570.71	1,886,508.75	4,904,563.48	3,970,255.61
Other #	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Lottery Gaming Facility Revenue	<u>16,410,816.46</u>	<u>15,673,276.19</u>	<u>32,733,313.32</u>	<u>30,689,674.83</u>
State Share 22% (Tier 1)	3,610,379.62	3,448,120.76	7,201,328.93	6,751,728.46
State Share 2% marginal (Tier 2)	-	-	-	-
Local Share 3%	492,324.49	470,198.29	981,999.40	920,690.24
Problem Gambling Share 2%	328,216.33	313,465.52	654,666.27	613,793.50
Casino Share	11,979,896.02	11,441,491.62	23,895,318.72	22,403,462.63

****Unaudited-as reported by the Kansas Lottery Central Computer system.***

#Other sweeps, principally lost and found funds.

HOLLYWOOD CASINO AT KANSAS SPEEDWAY
REPORT PRESENTED TO
THE KANSAS RACING AND GAMING COMMISSION
SEPTEMBER 13, 2013

BY: BOB SHELDON – VICE PRESIDENT & GENERAL MANAGER

Visitation in August showed strong increase over prior year which significantly increased Gaming Revenues over August of last year.

Total Gaming Revenue was \$11.4 MM in August 2013 which was \$1.8 MM, or 18%, greater than August 2012.

Slot Revenue was \$9.7 MM which was an increase of \$1.7MM, or 20 %, over the prior year.

Table Games Revenue was \$1.7 MM, which was a 7% increase over prior year.

We continued our normal compliment of weekly gaming promotions in the month of August. The month was complimented by the addition of the Grand Am Race which was held over the weekend of August 16th and 17th. On August 23rd we held our Hot August Nights sweepstakes drawing where we gave over \$15K in cash and free play where one lucky winner walked away with \$10K in cash. In Food & Beverage we continue to see a strong response to our “Hit the Strip” special at our fine steakhouse, Final Cut.

HOLLYWOOD CASINO & RESORT

Lottery Gaming Facility Revenue-Unaudited*

	August 2013	August 2012	Fiscal YTD 2014	Fiscal YTD 2013
Electronic gaming machines	9,697,915.56	8,041,037.26	19,072,619.17	16,255,249.73
Table games	1,692,940.60	1,582,651.11	3,280,285.02	3,274,708.17
Other #	-	-	-	-
Total Lottery Gaming Facility Revenue	<u>11,390,856.16</u>	<u>9,623,688.37</u>	<u>22,352,904.19</u>	<u>19,529,957.90</u>
State Share 22%	2,505,988.36	2,117,211.44	4,917,638.92	4,296,590.74
Local Share 3%	341,725.68	288,710.65	670,587.13	585,898.74
Problem Gambling Share 2%	227,817.12	192,473.77	447,058.08	390,599.16
Casino Share 73%	8,315,325.00	7,025,292.51	16,317,620.06	14,256,869.27

****Unaudited-as reported by the Kansas Lottery Central Computer system.***

#Other sweeps, principally lost and found funds.

STAFF AGENDA MEMORANDUM

DATE OF MEETING: September 13, 2013

AGENDA ITEM: **FY 2014-2015 Budget**

PRESENTER: Richard Petersen-Klein, Executive Director, Kansas Racing and Gaming
Jamie Nickoley, State Gaming Agency

ISSUE SUMMARY: The annual budget must be submitted to the Division of the Budget on or before September 15, 2013. Prior to submittal, the Commission approves the Racing and Gaming Commission budget, as well as the State Gaming Agency budget. In the past KRGC would submit revisions to the current year and propose a budget for the upcoming fiscal year. The State of Kansas has gone to a biennial budget for all agencies. Therefore, there are currently two approved budgets one for FY 2014 and one for FY 2015.

KRGC General Assumptions

The revised FY 2014 and FY 2015 budgets are based upon the following assumptions: 1) full year of operation for Boot Hill Casino; 2) full year of operation for Kansas Star Casino; 3) full year of operation for Hollywood Casino; 4) no licensed pari-mutuel racing activity; 5) KRGC staff will administer the Kansas Bred Registry Program.

FY 2014

Each year, agencies are instructed by the Division of Budget to adjust, within appropriation constraints, projected current year expenditures to reflect the most current and realistic estimate of expected expenditures. The KRGC's revised FY 2014 budget is \$5.59 million, which is a .29% increase over the approved FY 2014 budget of \$5.57 million. There are two primary contributing factors to the \$20,000 increase. The first is related to an increase in capital outlay costs for anticipated WiFi regulation on casino floors. Several of the State-owned casinos have shown interest in having gaming equipment on the floor that utilize WiFi capabilities. In order to successfully regulate the use of this technology KRGC will need to purchase equipment to test the parameters of the systems. The second is an increase in contractual services for the purpose of reviewing the appropriateness of current KRGC regulations. The increase is split evenly between capital outlay and contractual services. Shrinkage refers to the amount of savings generated from employee turnover or vacant positions. KRGC has assumed a shrinkage rate of 2% for FY 2014 which totals a shrinkage amount of approximately \$93,000.

The revised FY 2014 budget reflects a decrease of 2 full-time equivalent (FTE) positions compared to the approved FY 2014 budget, or a reduction from 70.5 FTE to 68.5 FTE total positions. The reduction is the elimination of 2 unclassified FTE positions that have been vacant. Included in the remaining FTE number are one part-time unclassified regular position and a part-time unclassified temporary position. The FTE count by policy and procedure for budget purposes does not include the part-time unclassified temporary position. However, the total number of employees is 67 full- and part-time employees with 2 vacant full-time positions.

There is no expected racing related expenses in FY 2014, with the exception of record storage costs and the costs related to operating the Kansas Bred Registry by the agency. Costs related to these two items are not expected to be significant. Fees will be charged for horses registered with the Kansas Bred Registry.

The budget includes a request to expend from the Illegal Gaming Enforcement fund for operations related to seizure of illegal gambling devices. Funding derived from seizures of illegal gambling devices is authorized by appropriations. The fund is restricted to use for investigatory activities related to illegal gaming.

FY 2015

The KRGC's revised FY 2015 budget is \$5.61 million and is comparable to the approved FY 2015 budget of \$5.61 million. KRGC has assumed a shrinkage rate of 2% for FY 2015 which totals a shrinkage amount of approximately \$93,000.

The number of FTE for the revised FY 2015 budget remains the same from the revised FY 2014 budget with a total of 68.5 FTE. This FTE number is composed of one part-time unclassified regular position and a part-time unclassified temporary position. The FTE count for by policy and procedure for budget purposes does not include the part-time unclassified temporary position. However, the total number of employees is 67 full- and part-time employees with 2 vacant full-time positions.

Pari-mutuel racing expenses for FY 2015 are expected to be minimal with records storage costs and the administration of the Kansas-Bred Registry Program being the only expenditures.

The budget includes a request to expend from the Illegal Gaming Enforcement fund for operations related to seizure of illegal gambling devices. Funding derived from seizures of illegal gambling devices is authorized by appropriations. The fund is restricted to use for investigatory activities related to illegal gaming.

Jamie Nickoley from the State Gaming Agency will present its budget.

COMMISSION ACTION REQUIRED/REQUESTED: Commission discussion, consideration and approval of the revised FY 2014 and revised FY 2015 budget request for the Racing & Gaming Commission and the State Gaming Agency.

STAFF RECOMMENDATIONS: Staff recommends approval of the proposed budget, subject to technical changes to be made upon entering the budget into IBARS, the State Budget System and to potential future changes made by Division of Budget, the Governor and the Legislature.

Kansas Racing and Gaming Commission

Summary of Expenditures FY 2013 - FY 2015--- Expanded Gaming Program and Parimutuel Program

	FY 2013 Actual	FY 2014 Approved	FY 2014 Revised	Change from FY 2014 Approved	% Change from Approved	FY 2015 Approved	FY 2015 Revised	Change from FY 2015 Approved	% Change from Approved
Salaries and Wages		4,934,422	4,651,079	(283,343)	(5.74)	4,968,147	4,672,955	(295,192)	(5.94)
Less Shrinkage		(337,951)	(93,112)	244,839	72.45	(337,951)	(93,112)	244,839	72.45
Net Salaries and Wages	4,603,089	4,596,471	4,557,967	(38,504)	(0.84)	4,630,196	4,579,843	(50,353)	(1.09)
Other Operating									
Contractual Services	723,266	784,294	817,739	33,445	4.26	784,294	824,452	40,158	5.12
Commodities	53,725	118,110	115,610	(2,500)	(2.12)	118,110	115,610	(2,500)	(2.12)
Capital Outlay	88,035	74,921	97,921	23,000	0.31	74,921	86,921	12,000	0.16
Subtotal Other Operating	865,026	977,325	1,031,270	53,945	5.52	977,325	1,026,983	49,658	5.08
VRIP and Interest on PMIB	6,412	6,995	6,995	-		6,995	6,995	-	
Total Reportable Expense	5,474,527	5,580,791	5,596,232	15,441	0.28	5,614,516	5,613,821	(695)	(0.01)
Non-Reportable Expense:									
Petty Cash Advance	676	-	800	800		-	800	800	
Grand Total Reportable and Non Reportable	5,475,203	5,580,791	5,597,032	16,241	0.29	5,614,516	5,614,621	105	0.00
FTE authorized positions	74.00	70.50	68.50	(2.00)		70.50	68.50	(2.00)	
Financing:	FY 2012		FY 2013			FY 2014			
State Racing Fund	560		3,515			3,526			
Expanded Lottery Regulation Fund	4,763,310		5,711,500			5,403,262			
Gaming Background Investigations Fund	334,577		200,000			200,000			
Illegal Gambling Fund	-		5,000			10,000			
Total	4,763,310		5,716,500			5,413,262			

Kansas Racing and Gaming Commission
 Budget request by major sub-object
 FY 2014 and FY 2015

	FY 2014 Approved	FY 2014 Revised	Change from FY 2014 Approved	% Change	FY 2015 Approved	FY 2015 Revised	Change from FY 2015 approved	% Change
Salaries and Wages	4,934,422	4,651,079	(283,343)	(5.74)	4,968,147	4,672,955	(295,192)	(5.94)
Less Shrinkage	(337,951)	(93,112)	244,839	72.45	(337,951)	(93,112)	244,839	72.45
Net Salaries and Wages	4,596,471	4,557,967	(38,504)	(0.84)	4,630,196	4,579,843	(50,353)	(1.09)
Other Operating Expense:								
Contra-cutal Services	784,294	817,739	33,445	4.26	784,294	824,452	40,158	5.12
Commodities	118,110	115,610	(2,500)	(2.12)	118,110	115,610	(2,500)	(2.12)
Capital Outlay	74,921	97,921	23,000	0.31	74,921	86,921	12,000	0.16
Subtotal OOE	977,325	1,031,270	53,945	5.52	977,325	1,026,983	49,658	5.08
Total Salaries and OOE	5,573,796	5,589,237	15,441	0.28	5,607,521	5,606,826	(695)	(0.01)
Other (Voluntary Retirement Incentive)	6,995	6,995	-		6,995	6,995	-	
Total Reportable Expense	5,580,791	5,596,232	15,441	0.28	5,614,516	5,613,821	(695)	(0.01)
Non-Reportable Expense:								
Petty Cash Advance	-	800	800		-	800	800	
Grand Total	5,580,791	5,597,032	16,241	0.29	5,614,516	5,614,621	105	0.00

Kansas Racing and Gaming Commission
Expenditures from All Funding Sources
FY 2009 - FY 2015

	FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	Revised FY 2014 Budget	Revised FY 2015 Budget
<u>Parimutuel Funds</u>							
2296 - Horse Fair Racing Benefit Fund	228,345	13,375	-	-	-	-	-
2516 - Kansas Horse Breeding Development Fund	151,776	63,510	-	-	-	-	-
2561 - Greyhound Promotion & Development Fund	-	-	-	-	-	-	-
2570 - Racing Investigative Expense Fund	1,523	-	-	-	-	-	-
2601 - Kansas Greyhound Breeding Development Fund	125,280	-	-	-	-	-	-
2616 - Racing Reimbursable Expense Fund Summary	184,206	-	-	-	-	-	-
5131 - State Racing Fund	616,053	116,737	7,116	800	1,670	3,515	3,526
Subtotal	1,307,183	193,622	7,116	800	1,670	3,515	3,526
<u>Gaming Funds</u>							
2535 - Expanded Lottery Act Regulation (Gaming) Fund	3,379,508	3,379,076	9,121,832	4,877,440	5,131,361	5,262,339	5,278,164
2682 - Gaming Background Investigations Fund	-	-	225,762	299,423	340,972	328,678	329,996
2998 - Gaming Machine Examination Fund	-	579,446	-	-	-	-	-
2734 - Illegal Gaming Enforcement Fund	-	-	-	-	1,200	2,500	2,500
Subtotal	3,379,508	3,958,522	9,347,594	5,176,863	5,473,533	5,593,517	5,610,660
Total Expenses	4,686,691	4,152,144	9,354,710	5,177,663	5,475,203	5,597,032	5,614,186

Kansas Racing and Gaming Commission
Approved Expenditures from All Funding Sources
FY 2013 - FY 2015

	Revised GBR	FY 2013 Legislative Changes	Approved	GBR	FY 2014 Legislative Changes	Approved	GBR	FY 2015 Legislative Changes	Approved
<u>Parimutuel Funds</u>									
5131 - State Racing Fund	3,425		3,425	3,441	-	3,441	3,459	-	3,459
Subtotal	3,425	-	3,425	3,441	-	3,441	3,459	-	3,459
<u>Gaming Funds</u>									
2535 - Expanded Lottery Act Regulation (Gaming) Fund	5,510,227		5,510,227	5,423,371	(214,042)	5,209,329	5,455,170	(214,439)	5,240,731
2682 - Gaming Background Investigations Fund	395,445		395,445	340,521	-	340,521	342,429	-	342,429
2734- Illegal Gaming Enforcement Fund	5,000		5,000	27,500	-	27,500	27,500	-	27,500
Subtotal	5,910,672	-	5,910,672	5,791,392	(214,042)	5,577,350	5,825,099	(214,439)	5,610,660
Total Expenses	5,914,097	-	5,914,097	5,794,833	(214,042)	5,580,791	5,828,558	(214,439)	5,614,119

Kansas Racing and Gaming Commission
Expenditures from All Funding Sources
FY 2013 - FY 2015

	FY 2013 Budget	FY 2013 Actual	Difference	FY 2014 Approved Budget	Revisions in FY 2014	Revised FY 2014 Budget	FY 2015 Approved Budget	Revisions in FY 2014	Revised FY 2015 Budget
Parimutuel Funds									
5131 - State Racing Fund	3,425	1,670	(1,755)	3,441	74	3,515	3,459	67	3,526
Subtotal	3,425	1,670	(1,755)	3,441	74	3,515	3,459	67	3,526
Gaming Funds									
2535 - Expanded Lottery Act Regulation (Gaming) Fund	5,510,227	5,131,361	(378,866)	5,209,329	53,010	5,262,339	5,240,731	37,433	5,278,164
2682 - Gaming Background Investigations Fund	395,445	340,972	(54,473)	340,521	(11,843)	328,678	342,429	(12,433)	329,996
2734- Illegal Gaming Enforcement Fund	5,000	1,200	(3,800)	27,500	(25,800)	2,500	27,500	(25,000)	2,500
Subtotal	5,910,672	5,473,533	(437,139)	5,577,350	15,367	5,593,517	5,610,660	-	5,610,660
Total Expenses	5,914,097	5,475,203	(438,894)	5,580,791	15,441	5,597,032	5,614,119	67	5,614,186

Kansas Racing and Gaming Commission
Fund Status Summary
FY 2013 - FY 2015

	FY 2013 Ending Balance	FY 2013 Revenues	FY 2013 Expend	FY 2013 Ending Balance	FY 2014 Revenues Projection	FY 2014 Expend Projection	FY 2014 Ending Balance	FY 2015 Revenues Projection	FY 2015 Expend Projection	FY 2015 Ending Balance
Parimutuel Funds										
2516 - Kansas Horse Breeding Development Fund	51,913	-	-	51,913	-	-	51,913	-	-	51,913
2561 - Greyhound Promotion & Development Fund	39,681	-	-	39,681	-	(39,681)	-	-	-	-
2601 - Kansas Greyhound Breeding Development Fund	87,012	-	-	87,012	-	(87,012)	-	-	-	-
5131 - State Racing Fund	88,443	560	(1,670)	87,333	3,515	(3,515)	87,333	3,526	(3,526)	87,333
Subtotal	267,049	560	(1,670)	265,939	3,515	(130,208)	139,246	3,526	(3,526)	139,246
Gaming Funds										
2535 - Expanded Lottery Act Regulation (Gaming) Fund	3,254,335	4,763,310	(5,131,361)	2,886,284	5,711,500	(5,262,339)	3,335,445	5,403,262	(5,278,164)	3,460,543
2682 - Gaming Background Investigations Fund	482,831	334,577	(340,972)	476,436	200,000	(328,678)	347,758	200,000	(329,996)	217,762
2734- Illegal Gaming Enforcement Fund	5,000	-	(1,200)	3,800	5,000	(2,500)	6,300	10,000	(2,500)	13,800
Subtotal	3,742,166	5,097,887	(5,473,533)	3,366,520	5,916,500	(5,593,517)	3,689,503	5,613,262	(5,610,660)	3,692,105
Total Funds	4,009,215	5,098,447	(5,475,203)	3,632,459	5,920,015	(5,723,725)	3,828,749	5,616,788	(5,614,186)	3,831,351

Kansas Racing and Gaming Commission

FTE Summary

FY 2008 - FY 2015

	1-Jul-09 Actual	FY 2010 Approved	FY 2010 Revised	1-Jul-10 Actual	FY 2011 Approved	FY 2011 Revised	FY 2011 Actual	FY 2012 Approved	FY 2012 Revised	FY 2012 Actual	FY 2013 Approved	FY 2013 Revised	FY 2013 Actual	FY 2014 Approved	FY 2014 Revised	FY 2015 Requested
Central Office																
Executive	6.0	6.5	6.5	5.0	8.0	8.0	6.0	8.0	7.0	7.0	7.0	7.0	7.0	7.0	6.0	6.0
Administration and Audit	8.0	8.0	8.0	8.0	11.0	11.0	7.0	11.0	10.0	10.0	10.0	9.0	9.0	9.0	8.0	8.0
Animal Health	-	1.0	1.0	-	-	-	-	-	-	-	-	-	-	-	-	-
IT and Electronic Security	4.0	5.0	5.0	4.0	5.0	5.0	4.0	6.0	6.0	6.0	6.0	5.0	5.0	5.0	6.0	6.0
Racing	-	1.0	1.0	-	-	-	-	-	-	-	-	-	-	-	-	-
Security & Licensing ¹	9.0	17.0	17.0	11.5	14.5	14.5	12.0	15.5	16.5	16.5	16.5	15.0	15.0	14.0	14.0	14.0
<i>Subtotal - Central Office</i>	<i>27.0</i>	<i>38.5</i>	<i>38.5</i>	<i>28.5</i>	<i>38.5</i>	<i>38.5</i>	<i>29.0</i>	<i>40.5</i>	<i>39.5</i>	<i>39.5</i>	<i>39.5</i>	<i>36.0</i>	<i>36.0</i>	<i>36.0</i>	<i>34.0</i>	<i>34.0</i>
Facilities																
Wichita Greyhound Park	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Woodlands (Kansas City)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Boot Hill (Dodge City)	-	11.0	11.0	6.0	11.0	11.0	9.0	9.0	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5
Sumner Co. Gaming Facility	-	-	-	-	-	-	-	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0
Hollywood (WY Co.)	-	-	-	-	-	-	-	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0
<i>Subtotal - Facilities</i>	<i>-</i>	<i>11.0</i>	<i>11.0</i>	<i>6.0</i>	<i>11.0</i>	<i>11.0</i>	<i>9.0</i>	<i>35.0</i>	<i>34.5</i>	<i>34.5</i>	<i>34.5</i>	<i>34.5</i>	<i>34.5</i>	<i>34.5</i>	<i>34.5</i>	<i>34.5</i>
Total	27.0	49.5	49.5	34.5	49.5	49.5	38.0	75.5	74.0	74.0	74.0	70.5	70.5	70.5	68.5	68.5

Notes

1. Does not include Temporary, Unclassified positions (0.50 Administrative Aide and 5 Commissioners)

Kansas Racing and Gaming Commission
 Current Year by Major Object Code
 FY 2014

	Salaries	Contractual	Commodities	Capital Outlay	Grants	Debt Service	Petty Cash	Revised FY 2014 Budget
Parimutuel Funds								
2296 - Horse Fair Racing Benefit Fund								
2516 - Kansas Horse Breeding Development Fund								
2546 - Live Horse Racing Purse Supplement Fund								
2557 - Live Greyhound Racing Purse Supplement Fund								
2561 - Greyhound Promotion & Development Fund								
2570 - Racing Investigative Expense Fund								
2601 - Kansas Greyhound Breeding Development Fund								
2616 - Racing Reimbursable Expense Fund Summary								
5131 - State Racing Fund	2,515	1,000	-	-	-	-	-	3,515
Subtotal	2,515	1,000	-	-	-	-	-	3,515
Gaming Funds								
2459 - Education and Training Fund								
2535 - Expanded Lottery Act Regulation (Gaming) Fund	4,273,678	769,835	113,910	97,921	-	6,995		5,262,339
2682 - Gaming Background Investigations Fund	281,774	45,204	1,700	-	-	-		328,678
2734 - Illegal Gaming Enforcement Fund	-	1,700	-	-	-	-	800	2,500
Subtotal	4,555,452	816,739	115,610	97,921	-	6,995	800	5,593,517
Total Expenses	4,557,967	817,739	115,610	97,921	-	6,995	800	5,597,032

Kansas Racing and Gaming Commission
 Current Year Requested Changes to Approved Budget
 FY 2014

FY 2014 Approved Budget	Change							Revised FY 2014 Budget	Percent Change
	Salaries	Contractual	Commodities	Capital Outlay	Grants	Petty Cash	Debt Service		
Parimutuel Funds									
2296 - Horse Fair Racing Benefit Fund									
2516 - Kansas Horse Breeding Development Fund									
2546 - Live Horse Racing Purse Supplement Fund									
2557 - Live Greyhound Racing Purse Supplement Fund									
2561 - Greyhound Promotion & Development Fund									
2570 - Racing Investigative Expense Fund									
2601 - Kansas Greyhound Breeding Development Fund									
2616 - Racing Reimbursable Expense Fund Summary									
5131 - State Racing Fund	3,441	74	-	-	-	-	-	-	
Subtotal	3,441	74	-	-	-	-	-	-	3,515 2.15%
Gaming Funds									
2459 - Education and Training Fund									
2535 - Expanded Lottery Act Regulation (Gaming) Fund	5,209,329	(38,578)	72,788	(4,200)	23,000	-	-	-	5,262,339 1.02%
2682 - Gaming Background Investigations Fund	340,521	-	(13,543)	1,700	-	-	-	-	328,678 (3.48%)
2734- Illegal Gaming Enforcement Fund	27,500	-	(25,800)	-	-	-	800	-	2,500 (90.91%)
Subtotal	5,577,350	(38,578)	33,445	(2,500)	23,000	-	800	-	5,593,517 0.29%
Total Expenses	5,580,791	(38,504)	33,445	(2,500)	23,000	-	800	-	5,597,032 0.29%

Kansas Racing and Gaming Commission
 Budget Year by Major Object Code
 FY 2015

	Salaries	Contractual	Commodities	Capital Outlay	Grants	Debt Service	Petty Cash	Submitted FY 2015 Budget
Parimutuel Funds								
2296 - Horse Fair Racing Benefit Fund								
2516 - Kansas Horse Breeding Development Fund								
2546 - Live Horse Racing Purse Supplement Fund								
2557 - Live Greyhound Racing Purse Supplement Fund								
2561 - Greyhound Promotion & Development Fund								
2570 - Racing Investigative Expense Fund								
2601 - Kansas Greyhound Breeding Development Fund								
2616 - Racing Reimbursable Expense Fund Summary								
5131 - State Racing Fund	2,526	1,000	-	-	-	-	-	3,526
Subtotal	2,526	1,000	-	-	-	-	-	3,526
Gaming Funds								
2459 - Education and Training Fund								
2535 - Expanded Lottery Act Regulation (Gaming) Fund	4,293,835	776,503	113,910	86,921	-	6,995		5,278,164
2682 - Gaming Background Investigations Fund	283,047	45,249	1,700	-	-	-		329,996
2734 - Illegal Gaming Enforcement Fund	-	1,700	-	-	-	-	800	2,500
Subtotal	4,576,882	823,452	115,610	86,921	-	6,995	800	5,610,660
Total Expenses	4,579,408	824,452	115,610	86,921	-	6,995	800	5,614,186

Kansas Racing and Gaming Commission
 Budget Year Changes from Approved Budget
 FY 2015

	Approved FY 2015 Budget	Change							Revised FY 2015 Budget	Percent Change
		Salaries	Contractual	Commodities	Capital Outlay	Grants	Petty Cash	Debt Service		
Parimutuel Funds										
2296 - Horse Fair Racing Benefit Fund										
2516 - Kansas Horse Breeding Development Fund										
2546 - Live Horse Racing Purse Supplement Fund										
2557 - Live Greyhound Racing Purse Supplement Fund										
2561 - Greyhound Promotion & Development Fund										
2570 - Racing Investigative Expense Fund										
2601 - Kansas Greyhound Breeding Development Fund										
2616 - Racing Reimbursable Expense Fund Summary										
5131 - State Racing Fund	3,459	67	-	-	-	-	-	-	3,526	1.94%
Subtotal	3,459	67	-	-	-	-	-	-	3,526	1.94%
Gaming Funds										
2459 - Education and Training Fund										
2535 - Expanded Lottery Act Regulation (Gaming) Fund	5,240,731	(50,458)	80,091	(4,200)	12,000	-	-	-	5,278,164	0.71%
2682 - Gaming Background Investigations Fund	342,429	-	(14,133)	1,700	-	-	-	-	329,996	(3.63%)
2734- Illegal Gaming Enforcement Fund	27,500	-	(25,800)	-	-	-	800	-	2,500	(90.91%)
Subtotal	5,610,660	(50,458)	40,158	(2,500)	12,000	-	800	-	5,610,660	0.00%
Total Expenses	5,614,119	(50,391)	40,158	(2,500)	12,000	-	800	-	5,614,186	0.00%

Kansas Racing and Gaming Commission
 Budget Worksheet - Receipts
 FY 2013 - FY 2015

2535 - Expanded Lottery Act Regulation (Gaming) Fund

	A	B	C	D	E	F	G	H	I	J
	FY 2013 Actual	FY 2013 Budget	Difference	FY 2014 Approved Budget	Revisions to FY 2014	Revised FY 2014 Budget	Changes from Revised FY 2014 to FY 2015	FY 2015 Approved Budget	Revisions to FY 2015	Submitted FY 2015 Budget
Receipts										
PMIB Loan Proceeds	-	-	-	-	-	-	-	-	-	-
WY Start-up Reimbursement		-	-		-	-	-	-	-	-
SU Start-up Reimbursement		-	-		-	-	-	-	-	-
BHRC Start-up Reimb.		-	-		-	-	-	-	-	-
WY (Hollywood) Ops Reimbursment	1,805,619	2,027,224	(221,605)	1,971,869	291,551	2,263,420	(291,551)	1,971,869	143,219	2,115,088
SU (KC Star) Ops Reimbursment	1,839,796	1,948,688	(108,892)	1,944,869	283,335	2,228,204	(283,335)	1,944,869	134,299	2,079,168
BHRC Ops Reimbursment	1,116,453	1,069,988	46,465	1,053,647	166,229	1,219,876	(166,229)	1,053,647	155,359	1,209,006
Vendor Background Fees			-		-	-	-	-	-	-
Miscellaneous Revenue	1,442		1,442	-	-	-	-	-	-	-
ELARF Transfer			-		-	-	-	-	-	-
Transfer Out			-		-	-	-	-	-	-
Total Receipts	4,763,310	5,045,900	(282,590)	4,970,385	741,115	5,711,500	(741,115)	4,970,385	432,877	5,403,262
Total Expenses	5,131,361	5,477,879	(346,518)	5,209,329	53,010	5,262,339	(21,608)	5,240,731	37,433	5,278,164
										-
Beginning Cash Balance	3,254,335					2,886,284		3,335,445		3,335,445
Change in Net Assets	(368,051)	(431,979)	(800,030)	(238,944)	688,105	449,161	(719,507)	(270,346)	395,444	125,098
Ending Unobligated Cash Balance	2,886,284					3,335,445				3,460,543

Kansas Racing and Gaming Commission
 Expanded Lottery Act Regulation (Gaming) Fund - Summary of Expenditures by Sub-Account
 FY 2013 - FY 2015

2535 - Expanded Lottery Act Regulation (Gaming) Fund

	A	B	C	D	E	F	G	H	I	J
	FY 2013 Actual	FY 2013 Budget	Difference	FY 2014 Approved Budget	Revisions to FY 2014	Revised FY 2014 Budget	Changes from Revised FY 2014 to FY 2015	FY 2015 Approved Budget	Revisions to FY 2015	Submitted FY 2015 Budget
Salaries										
Topeka	1,747,343	2,037,466	(290,123)	1,784,663	(15,498)	1,769,165	308,182	2,077,347	(98,344)	1,979,003
Wyandotte	950,172	851,799	98,373	956,109	(4,244)	951,865	(168,540)	783,325	47,886	831,211
Sumner	925,501	949,425	(23,924)	908,685	(9,418)	899,267	(15,200)	884,067	-	884,067
Ford	675,986	666,944	9,042	662,799	(9,418)	653,381	(53,827)	599,554	-	599,554
Total Salaries	4,299,002	4,505,634	(206,632)	4,312,256	(38,578)	4,273,678	70,615	4,344,293	(50,458)	4,293,835
Contractual Services										
Topeka	388,957	636,651	(247,694)	402,862	64,831	467,693	(65,466)	402,227	72,134	474,361
Wyandotte	97,407	35,140	62,267	102,140	5,615	107,755	(5,615)	102,140	5,615	107,755
Sumner	109,082	30,860	78,222	126,860	(9,440)	117,420	9,440	126,860	(9,440)	117,420
Ford	90,299	22,185	68,114	65,185	11,782	76,967	(11,782)	65,185	11,782	76,967
Total Contractual	685,745	724,836	(39,091)	697,047	72,788	769,835	(73,423)	696,412	80,091	776,503
Commodities										
Topeka	25,109	61,510	(36,401)	52,110	(900)	51,210	900	52,110	(900)	51,210
Wyandotte	8,290	16,600	(8,310)	26,000	(2,900)	23,100	2,900	26,000	(2,900)	23,100
Sumner	8,857	23,500	(14,643)	23,500	(400)	23,100	400	23,500	(400)	23,100
Ford	9,911	16,500	(6,589)	16,500	-	16,500	-	16,500	-	16,500
Total Commodities	52,167	118,110	(65,943)	118,110	(4,200)	113,910	4,200	118,110	(4,200)	113,910
Capital Outlay										
Topeka	40,091	88,604	(48,513)	7,695	56,526	64,221	10,700	74,921	(1,450)	73,471
Wyandotte	22,801	4,050	18,751	4,050	-	4,050	(4,050)	-	4,050	4,050
Sumner	21,321	17,400	3,921	53,776	(36,376)	17,400	(17,400)	-	-	-
Ford	3,822	12,250	(8,428)	9,400	2,850	12,250	(12,250)	-	9,400	9,400
Total Capital Outlay	88,035	122,304	(34,269)	74,921	23,000	97,921	(23,000)	74,921	12,000	86,921
Subtotal Operating	5,124,949	5,470,884	(345,935)	5,202,334	53,010	5,255,344	(21,608)	5,233,736	37,433	5,271,169
Other (Debt and VRIP)										
Topeka	6,412	6,995	(583)	6,995	-	6,995	-	6,995	-	6,995
Wyandotte	-	-	-	-	-	-	-	-	-	-
Sumner	-	-	-	-	-	-	-	-	-	-
Ford	-	-	-	-	-	-	-	-	-	-
Total Other	6,412	6,995	(583)	6,995	-	6,995	-	6,995	-	6,995
Total Expenditures	5,131,361	5,477,879	(346,518)	5,209,329	53,010	5,262,339	(21,608)	5,240,731	37,433	5,278,164
Total										
Topeka	2,207,912	2,831,226	(623,314)	2,254,325	104,959	2,359,284	254,316	2,613,600	(28,560)	2,585,040
Wyandotte	1,078,670	907,589	171,081	1,088,299	(1,529)	1,086,770	(175,305)	911,465	54,651	966,116
Sumner	1,064,761	1,021,185	43,576	1,112,821	(55,634)	1,057,187	(22,760)	1,034,427	(9,840)	1,024,587
Ford	780,018	717,879	62,139	753,884	5,214	759,098	(77,859)	681,239	21,182	702,421
Total Expenditures	5,131,361	5,477,879	(346,518)	5,209,329	53,010	5,262,339	(21,608)	5,240,731	37,433	5,278,164

Kansas Racing and Gaming Commission
 Budget Worksheet - Expenditures
 FY 2013 - FY 2015

2535 - Expanded Lottery Act Regulation (Gaming) Fund

	A	B	C	D	E	F	G	H	I	J
	FY 2013 Actual	FY 2013 Budget	Difference	FY 2014 Approved Budget	Revisions to FY 2014	Revised FY 2014 Budget	Changes from Revised FY 2014 to FY 2015	FY 2015 Approved Budget	Revisions to FY 2015	Submitted FY 2015 Budget
Salaries	4,299,002	4,505,634	(206,632)	4,312,256	(38,578)	4,273,678	70,615	4,344,293	(50,458)	4,293,835
Contractual Services										
Communication	520 76,940	74,794	2,146	74,794	-	74,794	-	74,794	-	74,794
Freight & express	521 548	1,900	(1,352)	2,000	-	2,000	-	2,000	-	2,000
Printing & advertising	522 1,783	7,700	(5,917)	7,700	(4,600)	3,100	4,600	7,700	(4,600)	3,100
Rents	523 175,499	178,872	(3,373)	166,754	5,177	171,931	(5,177)	166,754	5,177	171,931
Repairing & servicing	524 41,266	64,305	(23,039)	64,305	(576)	63,729	576	64,305	(576)	63,729
Travel & subsistence	525 89,378	159,444	(70,066)	159,044	(35,309)	123,735	21,503	145,238	(21,503)	123,735
Fees-other services	526 288,831	215,921	72,910	205,550	74,477	280,027	(61,306)	218,721	67,974	286,695
Fees-professional services	527 8,125	14,500	(6,375)	12,000	24,176	36,176	(24,176)	12,000	24,176	36,176
Other contractual services	529 3,375	7,400	(4,025)	4,900	9,443	14,343	(9,443)	4,900	9,443	14,343
Total contractual services	685,745	724,836	(39,091)	697,047	72,788	769,835	(73,423)	696,412	80,091	776,503
Commodities										
Clothing	530 -	-	-	-	-	-	-	-	-	-
Food	532 -	-	-	-	-	-	-	-	-	-
Maintenance materials	534 1,082	3,210	(2,128)	3,210	-	3,210	-	3,210	-	3,210
Vehicle parts, supplies	535 10,919	24,800	(13,881)	24,800	(1,700)	23,100	1,700	24,800	(1,700)	23,100
Prof. & scientific supplies	536 4,507	22,300	(17,793)	22,300	(2,500)	19,800	2,500	22,300	(2,500)	19,800
Office supplies	537 28,220	64,400	(36,180)	64,400	-	64,400	-	64,400	-	64,400
Other supplies & materials	539 7,439	3,400	4,039	3,400	-	3,400	-	3,400	-	3,400
Total commodities	52,167	118,110	(65,943)	118,110	(4,200)	113,910	4,200	118,110	(4,200)	113,910
Capital outlay	54 88,035	122,304	(34,269)	74,921	23,000	97,921	(23,000)	74,921	12,000	86,921
Other										
Voluntary Retirement	6,412	6,995	(583)	6,995	-	6,995	-	6,995	-	6,995
Interest	-	-	-	-	-	-	-	-	-	-
Principal	-	-	-	-	-	-	-	-	-	-
Subtotal	6,412	6,995	(583)	6,995	-	6,995	-	6,995	-	6,995
Total Expenditures	5,131,361	5,477,879	(346,518)	5,209,329	53,010	5,262,339	(21,608)	5,240,731	37,433	5,278,164

Kansas Racing and Gaming Commission
 Budget Worksheet - Expenditures
 FY 2013 - FY 2015

2535 - Topeka Sub-Account

	A	B	C	D	E	F	G	H	I	J
	FY 2013 Actual	FY 2013 Budget	Difference	FY 2014 Approved Budget	Revisions to FY 2014	Revised FY 2014 Budget	Changes from Revised FY 2014 to FY 2015	FY 2015 Approved Budget	Revisions to FY 2015	Submitted FY 2015 Budget
Salaries	1,747,343	2,037,466	(290,123)	1,784,663	(15,498)	1,769,165	308,182	2,077,347	(98,344)	1,979,003
Contractual Services										
Communication	520 65,798	62,544	3,254	62,544	-	62,544	-	62,544	-	62,544
Freight & express	521 111	700	(589)	800	-	800	-	800	-	800
Printing & advertising	522 1,724	7,500	(5,776)	7,000	(4,322)	2,678	4,322	7,000	(4,322)	2,678
Rents	523 174,944	177,372	(2,428)	165,254	5,177	170,431	(5,177)	165,254	5,177	170,431
Repairing & servicing	524 11,117	23,270	(12,153)	26,270	(576)	25,694	576	26,270	(576)	25,694
Travel & subsistence	525 29,734	133,444	(103,710)	88,544	(38,544)	50,000	24,738	74,738	(24,738)	50,000
Fees-other services	526 100,932	215,921	(114,989)	41,550	69,477	111,027	(56,306)	54,721	62,974	117,695
Fees-professional services	527 1,566	10,000	(8,434)	7,500	24,176	31,676	(24,176)	7,500	24,176	31,676
Other contractual services	529 3,031	5,900	(2,869)	3,400	9,443	12,843	(9,443)	3,400	9,443	12,843
Total contractual services	388,957	636,651	(247,694)	402,862	64,831	467,693	(65,466)	402,227	72,134	474,361
Commodities										
Clothing	530 -	-	-	-	-	-	-	-	-	-
Food	532 -	-	-	-	-	-	-	-	-	-
Maintenance materials	534 620	1,410	(790)	1,410	-	1,410	-	1,410	-	1,410
Vehicle parts, supplies	535 2,936	18,900	(15,964)	14,500	(900)	13,600	900	14,500	(900)	13,600
Prof. & scientific supplies	536 -	15,500	(15,500)	10,500	-	10,500	-	10,500	-	10,500
Office supplies	537 17,556	23,900	(6,344)	22,900	1,000	23,900	(1,000)	22,900	1,000	23,900
Other supplies & materials	539 3,997	1,800	2,197	2,800	(1,000)	1,800	1,000	2,800	(1,000)	1,800
Total commodities	25,109	61,510	(36,401)	52,110	(900)	51,210	900	52,110	(900)	51,210
Capital outlay	54 40,091	88,604	(48,513)	7,695	56,526	64,221	10,700	74,921	(1,450)	73,471
Other										
Voluntary Retirement Incentive	6,412	6,995	(583)	6,995	-	6,995	-	6,995	-	6,995
Interest	-	-	-	-	-	-	-	-	-	-
Principal	-	-	-	-	-	-	-	-	-	-
Total Debt Service	6,412	6,995	(583)	6,995	-	6,995	-	6,995	-	6,995
Total Expenditures	2,207,912	2,831,226	(623,314)	2,254,325	104,959	2,359,284	254,316	2,613,600	(28,560)	2,585,040

Kansas Racing and Gaming Commission
 Budget Worksheet - Expenditures
 FY 2013 - FY 2015

2535 - Wyandotte Casino Sub-Account (2730)

	A	B	C	D	E	F	G	H	I	J
	FY 2013 Actual	FY 2013 Budget	Difference	FY 2014 Approved Budget	Revisions to FY 2014	Revised FY 2014 Budget	Changes from Revised FY 2014 to FY 2015	FY 2015 Approved Budget	Revisions to FY 2015	Submitted FY 2015 Budget
Salaries	950,172	851,799	98,373	956,109	(4,244)	951,865	(168,540)	783,325	47,886	831,211
Contractual Services										
Communication	520 4,120	4,600	(480)	4,600	-	4,600	-	4,600	-	4,600
Freight & express	521 11	400	(389)	400	-	400	-	400	-	400
Printing & advertising	522 43	100	(57)	100	-	100	-	100	-	100
Rents	523 176	500	(324)	500	-	500	-	500	-	500
Repairing & servicing	524 12,685	17,540	(4,855)	14,540	-	14,540	-	14,540	-	14,540
Travel & subsistence	525 8,000	10,000	(2,000)	10,000	10,615	20,615	(10,615)	10,000	10,615	20,615
Fees-other services	526 72,023	-	72,023	70,000	(5,000)	65,000	5,000	70,000	(5,000)	65,000
Fees-professional services	527 299	1,500	(1,201)	1,500	-	1,500	-	1,500	-	1,500
Other contractual services	529 50	500	(450)	500	-	500	-	500	-	500
Total contractual services	97,407	35,140	62,267	102,140	5,615	107,755	(5,615)	102,140	5,615	107,755
Commodities										
Clothing	530 -	-	-	-	-	-	-	-	-	-
Food	532 -	-	-	-	-	-	-	-	-	-
Maintenance materials	534 242	600	(358)	600	-	600	-	600	-	600
Vehicle parts, supplies	535 1,458	-	1,458	4,400	(400)	4,000	400	4,400	(400)	4,000
Prof. & scientific supplies	536 1,441	-	1,441	5,000	(2,500)	2,500	2,500	5,000	(2,500)	2,500
Office supplies	537 3,724	15,000	(11,276)	16,000	(1,000)	15,000	1,000	16,000	(1,000)	15,000
Other supplies & materials	539 1,425	1,000	425	-	1,000	1,000	(1,000)	-	1,000	1,000
Total commodities	8,290	16,600	(8,310)	26,000	(2,900)	23,100	2,900	26,000	(2,900)	23,100
Capital outlay	54 22,801	4,050	18,751	4,050	-	4,050	(4,050)	-	4,050	4,050
Other										
Voluntary Retirement										
Interest	-	-	-	-	-	-	-	-	-	-
Principal	-	-	-	-	-	-	-	-	-	-
Total Debt Service	-	-	-	-	-	-	-	-	-	-
Total Expenditures	1,078,670	907,589	171,081	1,088,299	(1,529)	1,086,770	(175,305)	911,465	54,651	966,116

Kansas Racing and Gaming Commission
 Budget Worksheet - Expenditures
 FY 2013 - FY 2015

2535 - Sumner Casino Sub-Account (2750)

		A	B	C	D	E	F	G	H	I	J
		FY 2013 Actual	FY 2013 Budget	Difference	FY 2014 Approved Budget	Revisions to FY 2014	Revised FY 2014 Budget	Changes from Revised FY 2014 to FY 2015	FY 2015 Approved Budget	Revisions to FY 2015	Submitted FY 2015 Budget
Salaries		925,501	949,425	(23,924)	908,685	(9,418)	899,267	(15,200)	884,067	-	884,067
Contractual Services											
Communication	520	3,791	4,010	(219)	4,010	-	4,010	-	4,010	-	4,010
Freight & express	521	403	400	3	400	-	400	-	400	-	400
Printing & advertising	522	5	100	(95)	100	-	100	-	100	-	100
Rents	523	120	500	(380)	500	-	500	-	500	-	500
Repairing & servicing	524	11,838	13,850	(2,012)	13,850	-	13,850	-	13,850	-	13,850
Travel & subsistence	525	25,184	10,000	15,184	36,000	(9,440)	26,560	9,440	36,000	(9,440)	26,560
Fees-other services	526	66,978	-	66,978	70,000	-	70,000	-	70,000	-	70,000
Fees-professional services	527	600	1,500	(900)	1,500	-	1,500	-	1,500	-	1,500
Other contractual services	529	163	500	(337)	500	-	500	-	500	-	500
Total contractual services		109,082	30,860	78,222	126,860	(9,440)	117,420	9,440	126,860	(9,440)	117,420
Commodities											
Clothing	530	-	-	-	-	-	-	-	-	-	-
Food	532	-	-	-	-	-	-	-	-	-	-
Maintenance materials	534	-	600	(600)	600	-	600	-	600	-	600
Vehicle parts, supplies	535	3,098	4,400	(1,302)	4,400	(400)	4,000	400	4,400	(400)	4,000
Prof. & scientific supplies	536	1,625	5,000	(3,375)	5,000	-	5,000	-	5,000	-	5,000
Office supplies	537	3,277	13,500	(10,223)	13,500	-	13,500	-	13,500	-	13,500
Other supplies & materials	539	857	-	857	-	-	-	-	-	-	-
Total commodities		8,857	23,500	(14,643)	23,500	(400)	23,100	400	23,500	(400)	23,100
Capital outlay	54	21,321	17,400	3,921	53,776	(36,376)	17,400	(17,400)	-	-	-
Other											
Voluntary Retirement											
Interest		-	-	-	-	-	-	-	-	-	-
Principal		-	-	-	-	-	-	-	-	-	-
Total Debt Service		-	-	-	-	-	-	-	-	-	-
Total Expenditures		1,064,761	1,021,185	43,576	1,112,821	(55,634)	1,057,187	(22,760)	1,034,427	(9,840)	1,024,587

Kansas Racing and Gaming Commission
 Budget Worksheet - Expenditures
 FY 2013 - FY 2015

2535 - Ford Casino Sub-Account (2760,BootHill)

		A	B	C	D	E	F	G	H	I	J
		FY 2013 Actual	FY 2013 Budget	Difference	FY 2014 Approved Budget	Revisions to FY 2014	Revised FY 2014 Budget	Changes from Revised FY 2014 to FY 2015	FY 2015 Approved Budget	Revisions to FY 2015	Submitted FY 2015 Budget
Salaries	51	675,986	666,944	9,042	662,799	(9,418)	653,381	(53,827)	599,554	-	599,554
Contractual Services											
Communication	520	3,231	3,640	(409)	3,640	-	3,640	-	3,640	-	3,640
Freight & express	521	23	400	(377)	400	-	400	-	400	-	400
Printing & advertising	522	11	-	11	500	(278)	222	278	500	(278)	222
Rents	523	259	500	(241)	500	-	500	-	500	-	500
Repairing & servicing	524	5,626	9,645	(4,019)	9,645	-	9,645	-	9,645	-	9,645
Travel & subsistence	525	26,460	6,000	20,460	24,500	2,060	26,560	(2,060)	24,500	2,060	26,560
Fees-other services	526	48,898	-	48,898	24,000	10,000	34,000	(10,000)	24,000	10,000	34,000
Fees-professional services	527	5,660	1,500	4,160	1,500	-	1,500	-	1,500	-	1,500
Other contractual services	529	131	500	(369)	500	-	500	-	500	-	500
Total contractual services		90,299	22,185	68,114	65,185	11,782	76,967	(11,782)	65,185	11,782	76,967
Commodities											
Clothing	530	-	-	-	-	-	-	-	-	-	-
Food	532	-	-	-	-	-	-	-	-	-	-
Maintenance materials	534	220	600	(380)	600	-	600	-	600	-	600
Vehicle parts, supplies	535	3,427	1,500	1,927	1,500	-	1,500	-	1,500	-	1,500
Prof. & scientific supplies	536	1,441	1,800	(359)	1,800	-	1,800	-	1,800	-	1,800
Office supplies	537	3,663	12,000	(8,337)	12,000	-	12,000	-	12,000	-	12,000
Other supplies & materials	539	1,160	600	560	600	-	600	-	600	-	600
Total commodities		9,911	16,500	(6,589)	16,500	-	16,500	-	16,500	-	16,500
Capital outlay	54	3,822	12,250	(8,428)	9,400	2,850	12,250	(12,250)	-	9,400	9,400
Other											
Voluntary Retirement											
Interest				-	-	-	-	-	-	-	-
Principal				-	-	-	-	-	-	-	-
Total Debt Service		-	-	-	-	-	-	-	-	-	-
Total Expenditures		780,018	717,879	62,139	753,884	5,214	759,098	(77,859)	681,239	21,182	702,421

Kansas Racing and Gaming Commission
 Budget Worksheet - Receipts
 FY 2013 - FY 2014

2682 - Gaming Background Investigations Fund

	A	B	C	D	E	F	G	H	I	J
	FY 2013 Actual	FY 2013 Budget	Difference	FY 2014 Approved Budget	Revisions to FY 2014	Revised FY 2014 Budget	Changes from Revised FY 2014 to FY 2015	FY 2015 Approved Budget	Revisions to FY 2015	Submitted FY 2015 Budget
Receipts										
Vendor Background Deposits	334,577	200,000	134,577	200,000	-	200,000	-	200,000	-	200,000
Miscellaneous revenues	-	-	-	-	-	-	-	-	-	-
State General Fund	-	-	-	-	-	-	-	-	-	-
Transfer Out	-	-	-	-	-	-	-	-	-	-
Total Receipts	334,577	200,000	134,577	200,000	-	200,000	-	200,000	-	200,000
Total Expenses	340,972	430,347	(89,375)	340,521	-	328,678	13,751	342,429	-	329,996
Beginning Cash Balance	482,831					476,436		347,758		347,758
Change in Net Assets	(6,395)	(230,347)	223,952	(140,521)	-	(128,678)	(13,751)	(142,429)	-	(129,996)
Ending Cash Balance	476,436					347,758		205,329		217,762

Kansas Racing and Gaming Commission
 Budget Worksheet - Expenditures
 FY 2013 - FY 2014

2682 - Gaming Background Investigations Fund

		A	B	C	D	E	F	G	H	I	J
		FY 2013 Actual	FY 2013 Budget	Difference	FY 2014 Approved Budget	Revisions to FY 2014	Revised FY 2014 Budget	Changes from Revised FY 2014 to FY 2015	FY 2015 Approved Budget	Revisions to FY 2015	Submitted FY 2015 Budget
Salaries	51	302,797	303,893	(1,096)	281,774	-	281,774	1,273	283,047	-	283,047
Contractual Services											
Communication	520	-	-	-	-	-	-	-	-	-	-
Freight & express	521	65	-	65	-	-	-	-	-	-	-
Printing & advertising	522	-	-	-	-	-	-	-	-	-	-
Rents	523	-	-	-	-	-	-	-	-	-	-
Repairing & servicing	524	-	-	-	-	-	-	-	-	-	-
Travel & subsistence	525	34,791	91,400	(56,609)	23,747	11,457	35,204	(10,822)	24,382	10,867	35,249
Fees-other services	526	2,239	35,000	(32,761)	35,000	(25,000)	10,000	25,000	35,000	(25,000)	10,000
Fees-professional services	527	-	-	-	-	-	-	-	-	-	-
Other contractual services	529	-	-	-	-	-	-	-	-	-	-
Total contractual services		37,095	126,400	(89,305)	58,747	(13,543)	45,204	14,178	59,382	(14,133)	45,249
Commodities											
Clothing	530	-	-	-	-	-	-	-	-	-	-
Food	532	-	-	-	-	-	-	-	-	-	-
Maintenance materials	534	-	-	-	-	-	-	-	-	-	-
Vehicle parts, supplies	535	1,080	-	1,080	-	1,700	1,700	(1,700)	-	1,700	1,700
Prof. & scientific supplies	536	-	-	-	-	-	-	-	-	-	-
Office supplies	537	-	-	-	-	-	-	-	-	-	-
Other supplies & materials	539	-	-	-	-	-	-	-	-	-	-
Total commodities		1,080	-	1,080	-	1,700	1,700	(1,700)	-	1,700	1,700
Capital outlay	54	-	54	(54)	-	-	-	-	-	-	-
Total Expenditures		340,972	430,347	(89,375)	340,521	(11,843)	328,678	13,751	342,429	(12,433)	329,996

Kansas Racing and Gaming Commission
 Budget Worksheet - Receipts
 FY 2013 - FY 2015

2734- Illegal Gaming Enforcement Fund

	A	B	C	D	E	F	G	H	I	J
	FY 2013 Actual	FY 2013 Budget	Difference	FY 2014 Approved Budget	Revisions to FY 2014	Revised FY 2014 Budget	Changes from Revised FY 2014 to FY 2015	FY 2015 Approved Budget	Revisions to FY 2015	Submitted FY 2015 Budget
Receipts										
Transfer from ELARF	-	-	-	-		-	-	-	-	-
Seized Assets	-	10,000	(10,000)	27,500	(22,500)	5,000	22,500	27,500	(17,500)	10,000
Miscellaneous Revenues	-	-	-	-		-	-	-	-	-
State General Fund	-	-	-	-		-	-	-	-	-
Transfer Out	-	-	-	-		-	-	-	-	-
Total Receipts	-	10,000	(10,000)	27,500	(22,500)	5,000	22,500	27,500	(17,500)	10,000
Total Expenses	1,200	2,500	(1,300)	27,500	(25,000)	2,500	25,800	27,500	(25,000)	2,500
Beginning Cash Balance	5,000					3,800				6,300
Change in Net Assets	(1,200)					2,500				7,500
Ending Cash Balance	3,800					6,300				13,800

Kansas Racing and Gaming Commission
 Budget Worksheet - Expenditures
 FY 2013 - FY2015

2734- Illegal Gaming Enforcement Fund

	A	B	C	D	E	F	G	H	I	J	
	FY 2013 Actual	FY 2013 Budget	Difference	FY 2014 Approved Budget	Revisions to FY 2014	Revised FY 2014 Budget	Changes from Revised FY 2014 to FY 2015	FY 2015 Approved Budget	Revisions to FY 2015	Submitted FY 2015 Budget	
Salaries	51	-	-	-	-	-	-	-	-	-	
Contractual Services											
Communication	520	-	-	-	-	-	-	-	-	-	
Freight & express	521	-	-	-	-	-	-	-	-	-	
Printing & advertising	522	-	-	-	-	-	-	-	-	-	
Rents	523	-	-	16,157	(16,157)	-	16,157	16,157	(16,157)	-	
Repairing & servicing	524	-	-	-	-	-	-	-	-	-	
Travel & subsistence	525	-	-	-	-	-	-	-	-	-	
Fees-other services	526	-	-	2,500	(2,500)	-	-	-	-	-	
Fees-professional services	527	-	2,500	8,843	(8,843)	-	2,500	2,500	(2,500)	-	
Other contractual services	529	110	-	-	1,700	1,700	7,143	8,843	(7,143)	1,700	
Petty Cash Fund Advance		-	110	-	-	-	-	-	-	-	
Total contractual services		110	2,500	(2,390)	27,500	(25,800)	1,700	25,800	27,500	(25,800)	1,700
Commodities											
Clothing	530	-	-	-	-	-	-	-	-	-	
Food	532	-	-	-	-	-	-	-	-	-	
Maintenance materials	534	-	-	-	-	-	-	-	-	-	
Vehicle parts, supplies	535	-	-	-	-	-	-	-	-	-	
Prof. & scientific supplies	536	-	-	-	-	-	-	-	-	-	
Office supplies	537	-	-	-	-	-	-	-	-	-	
Other supplies & materials	539	414	-	414	-	-	-	-	-	-	
Total commodities		414	-	414	-	-	-	-	-	-	
Capital outlay	54	-	-	-	-	-	-	-	-	-	
Other											
Voluntary Retirement Incentive		-	-	-	-	-	-	-	-	-	
Interest		-	-	-	-	-	-	-	-	-	
Petty Cash Fund Advance		676	-	676	800	800	(800)	-	800	800	
Total Debt Service		676	-	676	-	800	800	(800)	-	800	
Total Expenditures		1,200	2,500	(1,300)	27,500	(25,800)	2,500	25,800	27,500	(25,000)	2,500

Kansas Racing and Gaming Commission
 Budget Worksheet - Receipts
 FY 2013 - FY 2015

5131 - State Racing Fund

	A	B	C	D	E	F	G	H	I	J
	FY 2013 Actual	FY 2013 Budget	Difference	FY 2014 Approved Budget	Revisions to FY 2014	Revised FY 2014 Budget	Changes from Revised FY 2014 to FY 2015	FY 2015 Approved Budget	Revisions to FY 2015	Submitted FY 2015 Budget
Receipts										
Parimutuel tax - live			-	-	-		-		-	-
Parimutuel tax - simulcast			-	-	-		-		-	-
Admissions tax			-	-	-		-		-	-
Fees (License, Registration, etc)			-	3,519	(4)	3,515	-	3,459	67	3,526
Fines	410	3,500	(3,090)	-	-		-		-	-
Unclaimed winnings			-	-	-		-		-	-
Miscellaneous receipts	150		150	-	-		-		-	-
Operating Transfer out	-		-	-	-		-		-	-
Transfer In (Racing Funds)	-		-	-	-		-		-	-
Total Receipts	560	3,500	(2,940)	3,519	(4)	3,515	-	3,459	67	3,526
Total Expenses	1,670	3,550	(1,880)	3,441	74	3,515	(56)	3,459	67	3,526
Beginning Cash Balance	88,443					87,333				87,333
Change in Net Assets	(1,110)					-			-	-
Ending Cash Balance	87,333					87,333		-		87,333

Kansas Racing and Gaming Commission

Budget Worksheet - Expenditures

FY 2013 - FY 2014

5131 - State Racing Fund

	A	B	C	D	E	F	G	H	I	J	
	FY 2013 Actual	FY 2013 Budget	Difference	FY 2014 Approved Budget	Revisions to FY 2014	Revised FY 2014 Budget	Changes from Revised FY 2014 to FY 2015	FY 2015 Approved Budget	Revisions to FY 2015	Submitted FY 2015 Budget	
Salaries	51	1,290	2,500	(1,210)	2,441	74	2,515	(56)	2,459	67	2,526
Contractual Services											
Communication	520	-	-	-	-	-	-	-	-	-	-
Freight & express	521	-	-	-	-	-	-	-	-	-	-
Printing & advertising	522	-	-	-	-	-	-	-	-	-	-
Rents	523	470	500	(30)	500	-	500	-	500	-	500
Repairing & servicing	524	-	-	-	-	-	-	-	-	-	-
Travel & subsistence	525	(154)	-	(154)	-	-	-	-	-	-	-
Fees-other services	526	-	-	-	-	-	-	-	-	-	-
Fees-professional services	527	-	500	(500)	500	-	500	-	500	-	500
Other contractual services	529	-	-	-	-	-	-	-	-	-	-
Total contractual services		316	1,000	(684)	1,000	-	1,000	-	1,000	-	1,000
Commodities											
Clothing	530	-	-	-	-	-	-	-	-	-	-
Food	531	-	50	(50)	-	-	-	-	-	-	-
Maintenance materials	534	-	-	-	-	-	-	-	-	-	-
Vehicle parts, supplies	535	38	-	38	-	-	-	-	-	-	-
Prof. & scientific supplies	536	-	-	-	-	-	-	-	-	-	-
Office supplies	537	26	-	26	-	-	-	-	-	-	-
Other supplies & materials	539	-	-	-	-	-	-	-	-	-	-
Total commodities		64	50	14	-	-	-	-	-	-	-
Capital outlay	54	-	-	-	-	-	-	-	-	-	-
Settlement	55	-	-	-	-	-	-	-	-	-	-
Total Expenditures		1,670	3,550	(1,880)	3,441	74	3,515	(56)	3,459	67	3,526

NARRATIVE INFORMATION -- DA 400

DIVISION OF THE BUDGET
STATE OF KANSAS

AGENCY NAME	Kansas Racing and Gaming Commission	
AGENCY NUMBER	553	FUNCTION NO. 1
PROGRAM TITLE AND CODE		
SUBPROGRAM TITLE AND CODE		

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NARRATIVE INFORMATION -- DA 400

DIVISION OF THE BUDGET

STATE OF KANSAS

AGENCY NAME	Kansas Racing and Gaming Commission	
AGENCY NUMBER	553	Function 1
PROGRAM TITLE AND CODE	Agency-Wide Overview	
SUBPROGRAM TITLE AND CODE		

KRGC Mission

The Kansas Racing and Gaming Commission (KRGC) is dedicated to protecting the integrity of racing and gaming in Kansas through enforcement of Kansas laws and regulations, and is committed to preserving and instilling public trust and confidence.

KRGC Philosophy

The KRGC approaches its duties with a dedicated sense of purpose and responsibility in service to the public in order to maintain the integrity of gaming, to ensure accountability and compliance with gaming regulations, to educate the public concerning illegal and unregulated gaming operations, to educate operators and the public about responsible gambling practices, and to protect the health, safety and welfare of animals racing at licensed Kansas racetracks.

Programs Established to Assist with KRGC Mission

03800 - Expanded Lottery Act Regulation Program

03900 – Racing Program

Programs Established to Assist with State Gaming Agency Goals and Objectives (see Tribal Gaming Program narrative for details)

03700 – Tribal Gaming Program

KRGC Statutory History

In 1986, Article 15, Section 3 of the Kansas Constitution was amended by Kansas voters to permit pari-mutuel wagering on horse and greyhound races. The Kansas Parimutuel Racing Act was enacted by the Kansas Legislature in 1987 setting forth the terms and conditions of the agency's operation as enumerated in Chapter 74, Article 88 of the Kansas Statutes Annotated (KSA). The powers and duties of the Kansas Racing Commission, as it was originally named, may be found in K.S.A. 74-8804, as amended. In 1996, the Kansas Racing Commission was renamed the Kansas Racing and Gaming Commission (KRGC) pursuant to K.S.A. 74-8803a.

In 2007, the Kansas Legislature enacted the Kansas Expanded Lottery Act (KELA), which is found in K.S.A. 74-8733 through 74-8773. Under KELA, the Kansas Lottery is authorized to own and operate casino-style games, including slot machines and table games, in specified geographical gaming zones, as well as pari-mutuel racetrack facilities located within certain of those gaming zones. The KRGC, under KELA, regulates and licenses lottery and racetrack gaming facility managers under contract with the Kansas Lottery to operate the games owned by the Kansas Lottery. In addition, the KRGC licenses gaming and non-gaming suppliers and vendors used by the lottery or racetrack gaming facility managers.

State Gaming Agency Executive and Statutory History

In 1995, the State of Kansas by Executive Order No. 95-177 designated the Kansas Department of Commerce & Housing as the State Gaming Agency to carry out certain duties and responsibilities under the gaming compacts entered into with resident Native American Tribes until the Kansas Legislature could enact legislation to designate a permanent State Gaming Agency.

In 1996, the Kansas Legislature enacted the Tribal Gaming Oversight Act, which is set forth in K.S.A. 74-9801 through 74-9809, as amended. Under K.S.A. 74-9803, the State Gaming Agency was attached to the KRGC for budget purposes, human resource assistance, and dispute resolution under the terms of the tribal-state gaming compacts. All other management functions of the State Gaming Agency are administered by its executive director. (See Tribal Gaming Program narrative)

NARRATIVE INFORMATION -- DA 400

AGENCY NAME Kansas Racing and Gaming Commission
AGENCY NUMBER 553
PROGRAM TITLE AND CODE Agency-Wide Overview
SUBPROGRAM TITLE AND CODE

DIVISION OF THE BUDGET
STATE OF KANSAS

KRGC/Budget Overview

Background

The passage of KELA provided for the creation of four gaming zones in which one lottery gaming facility manager would be selected. In addition, KELA authorized the operation of slot machines at pari-mutuel racetrack facilities under specific conditions. Three lottery gaming facilities (casinos) have been construed to date and are in operation in the southwest, northeast and south-central gaming zones. The southeast gaming zone remains available for a lottery gaming facility, but the Kansas Lottery has not received any applications from any parties interested in constructing and operating a casino in either Crawford or Cherokee county. Additionally, no licensed pari-mutuel racetrack facilities currently exist in Kansas.

In December 2009 the Boot Hill Casino & Resort (Boot Hill Casino) began operations in Dodge City, Kansas in the southwest gaming zone. Boot Hill Casino has over 700 state-owned slot machines, 16 table games and 5 poker tables. The Boot Hill Casino is flanked on one side by the Dodge City/Ford County United Wireless events and convention center, which includes a 6,000 seat arena, and on the other side by a Hampton Inn that opened in March 2012.

In 2010, Peninsula Gaming, LLC (Peninsula) was selected as the lottery gaming facility manager for the south-central gaming zone. Peninsula constructed a temporary gaming facility known as the Kansas Star Arena Casino that opened in December 2011 in Mulvane, Kansas. The Kansas Star Casino's permanent gaming facility with several dining options opened in December 2012. A connected Hampton Inn with 150 rooms opened in November 2012. The temporary gaming facility has been reconfigured into a event center. The final phase of the gaming enterprise will include a number of stables and other equestrian facilities, as well as an increase in the number of hotel rooms. The final phase is expected to be completed the first quarter of 2015. Boyd Gaming, Inc. acquired 100% of Peninsula Gaming in a stock transaction in November 2012.

The third lottery gaming facility is located in the northeast gaming zone and opened February 2012 in Wyandotte County. The facility, known as the Hollywood Casino at Kansas Speedway (Hollywood Casino), is operated by Kansas Entertainment, LLC, which is a joint venture between Penn National Gaming, Inc. and International Speedway, Corp. International Speedway, Corp. owns and operates the Kansas Speedway and the Hollywood Casino is located on turn two of the Kansas Speedway.

KRGC General Assumptions

The FY 2014 and FY 2015 revised budgets are based upon the following assumptions: 1) full year of operation for Boot Hill Casino; 2) full year of operation for Kansas Star Casino; 3) full year of operation for Hollywood Casino; 4) no licensed pari-mutuel racing activity; 5) KRGC staff will administer the Kansas Bred Registry Program.

The Kansas Bred Registry Program registers Kansas bred horses in various categories for the purpose of distributing moneys credited to the Kansas horse breeding development fund. Distributions from this fund include purse supplements, stakes and awards, and equine research. The registry was previously administered under a contract that expired between the KRGC and the Kansas Horsemen's Association. Although licensed pari-mutuel racing activities are presently dormant, interest in encouraging a resumption of such activities has been high, which warrants the continuation of the registry program. Under current conditions funding for the maintenance of the registry program will come from existing State Racing Funds and registration fees deposited into the State Racing Fund.

The KRGC renews its request to continue the practice of using no-limit fee funds for all funds, thus allowing the necessary flexibility to regulate racing and gaming activities as conditions change. Additionally, the KRGC has requested that the current balances in all funds related to pari-mutuel activities be maintained in the event licensed pari-mutuel racing activity resumes in Kansas and to fund the administration of the registry program.

NARRATIVE INFORMATION -- DA 400

AGENCY NAME	Kansas Racing and Gaming Commission
AGENCY NUMBER	553
PROGRAM TITLE AND CODE	Agency-Wide Overview
SUBPROGRAM TITLE AND CODE	

DIVISION OF THE BUDGET
STATE OF KANSAS

KRGC Budget Overview (continued)

Current Year Comparison of FY 2014 Approved and Revised Budget Expenditures

The KRGC's revised FY 2014 budget is \$5.59 million as compared to the approved FY 2014 budget of \$5.57 million, which is a .29% increase over the approved FY 2014 budget. There are two primary contributing factors to the \$20,000 increase. The first is related to an increase in capital outlay costs for anticipated WiFi regulation on casino floors. Several of the State-owned casinos have shown interest in having gaming equipment on the floor that utilize WiFi capabilities. In order to successfully regulate the use of this technology KRGC will need to purchase equipment to test the parameters of the systems. The second is an increase in contractual services for the purpose of reviewing the appropriateness of current KRGC regulations. The increase is split evenly between capital outlay and contractual services. Shrinkage refers to the amount of savings generated from employee turnover or vacant positions. KRGC has assumed a shrinkage rate of 2% for FY 2014 which totals a shrinkage amount of approximately \$93,000.

The revised FY 2014 budget reflects a decrease of 2 full-time equivalent (FTE) positions compared to the approved FY 2014 budget, or a decrease from 70.5 FTE total positions to 68.5 FTE. The decrease is due to the reduction of three positions and the addition of one position. This FTE number is composed of one part-time unclassified regular position and a part-time unclassified temporary position. For purposes of the FTE count for budget purposes by policy and procedure the part-time unclassified temporary position is not included in the FTE count. However, the total number of employees is 67 full- and part-time employees with 2 vacant full-time positions.

Pari-mutuel racing expenses for FY 2014 are expected to be minimal with records storage costs and the administration of the Kansas-Bred Registry Program being the only expenditure.

Current Year Comparison of FY 2015 Approved and Revised Budget Expenditures

The KRGC's revised FY 2015 budget is \$5.61 million and is comparable to the approved FY 2015 budget of \$5.61 million. KRGC has assumed a shrinkage rate of 2% for FY 2015 which totals a shrinkage amount of approximately \$93,000.

The revised FY 2015 budget remains the same from FY 2014 total positions of 68.5 FTE. This FTE number is composed of one part-time unclassified regular position and a part-time unclassified temporary position. For purposes of the FTE count for budget purposes by policy and procedure the part-time unclassified temporary position is not included in the FTE count. However, the total number of employees is 67 full- and part-time employees with 2 vacant full-time positions.

Pari-mutuel racing expenses for FY 2015 are expected to be minimal with records storage costs and the administration of the Kansas-Bred Registry Program being the only expenditures.

Budget Year – Comparison of FY 2015 and FY 2014 Revised Budget Expenditures

The FY 2015 budget request and the FY 2014 revised budget are virtually identical with minor adjustments for FY 2015. The FY 2015 revised budget requests a total of \$5.61 million in expenditures and funding compared to the FY 2014 revised budget of \$5.9 million an increase of approximately \$20,000 or a .36% increase in expenditures. The increase is primarily a result of an increase in salaries and wages costs.

The number of FTE positions requested for FY 2015 is unchanged from the FY 2014 revised budget at 68.5 FTE positions.

NARRATIVE INFORMATION -- DA 400

AGENCY NAME	Kansas Racing and Gaming Commission
AGENCY NUMBER	553
PROGRAM TITLE AND CODE	Agency-Wide Overview
SUBPROGRAM TITLE AND CODE	

DIVISION OF THE BUDGET
STATE OF KANSAS

KRGC Budget Overview (continued)

KRGC Revenues

All expenditures by the KRGC are currently paid by the lottery gaming facility managers with the exception of costs associated with the licensing of vendors who pay their own costs. Expenditures are allocated between direct and indirect costs with direct costs being those expenditures identified with a specific lottery gaming facility manager, which primarily includes the cost of the KRGC staff located at each lottery gaming facility. Indirect costs are primarily associated with the Topeka office, and are generally allocated among the lottery gaming facility managers based upon a number of factors (i.e. revenues, direct expenses, number of slot machines and table games, number of employees, etc.). In order for the KRGC to be completely self-funded it bills the lottery gaming facility managers quarterly in advance based upon approved budget expenditures. The first quarterly billings were for six months each to establish the necessary cash balances for ongoing operations. Currently, the KRGC bills for the quarter representing 4-6 months in the future and reconciles quarterly billings to actual expenditures for the quarter just ended making the necessary adjustments to the quarterly billing.

The lottery gaming facility managers also remit payments to cover the cost of the background investigations of their employees. As noted above, certain vendors doing business with lottery gaming facility managers also remit payments to cover the cost of their background investigations. Up front deposits are required based upon an estimate of the total background cost and are supplemented with additional payments if the amount of the deposit is insufficient to cover the actual costs incurred as the background investigation progresses. If the payments received exceed the background costs incurred, the vendor is sent a refund of the unused funds.

Review of KRGC Prior Year - 2013

Racing Program

KRGC FY 2013 expenditures of \$1,644 were related to the storage of racing programs at the Kansas Historical Society and salaries and wages related to administering the Kansas Horse Registry.

Expanded Lottery Act Gaming Program

KRGC expenditures for FY 2013 reflect the costs of ongoing regulatory oversight for Boot Hill Casino & Resort, Kansas Star Casino, and Hollywood Casino at Kansas Speedway. Total actual FY 2013 expenditures were \$430,000 or 7.4% below budget at \$5.47 million compared to budgeted expenditures of \$5.7 million. Contractual services, capital outlays and commodities were below budget by \$230,000, net salaries and wages including benefits were under budget by \$207,000.

NARRATIVE INFORMATION -- DA 400

DIVISION OF THE BUDGET
STATE OF KANSAS

AGENCY NAME	Kansas Racing and Gaming Commission
AGENCY NUMBER	553
PROGRAM TITLE AND CODE	Agency-Wide Overview
SUBPROGRAM TITLE AND CODE	

Agency Wide Overview of Current Year Estimate and Budget Year Scenarios

Current Year - 2014

Racing Program

The budget is built on the assumptions that no pari-mutuel racing is expected to occur in Kansas during FY 2014 and KRGC staff will administer the Kansas Bred Registry Program..

Tribal Gaming Program

The Tribal Gaming Program requests no additional funding for FY 2014.

Expanded Lottery Act Regulation Program

The FY 2014 revised budget is based on the following assumptions: 1) full year of operation for Boot Hill Casino; 2) full year of operation for Kansas Star Casino, including expansion; and 3) full year of operation for Hollywood Casino.

Supplemental Package - FY 2014

Racing Program

The Racing Program does not request any supplemental funding for the current year.

Tribal Gaming Program

The Tribal Gaming Program does not request any supplemental funding for the current year.

Expanded Gaming Program

The Expanded Gaming Program does not request any supplemental funding for the current year.

Budget Year Information - 2015

Racing Program

The budget is built on the assumption that no pari-mutuel racing will occur in Kansas during FY 2015. However, the KRGC will continue the Kansas Bred Registry Program.

Tribal Gaming Program

The Tribal Gaming Program's current service request is consistent with the current year budget.

Expanded Lottery Act Regulation Program

The FY 2015 revised budget is based on the following assumptions: 1) full year of operation for Boot Hill Casino; 2) full year of operation for Kansas Star Casino, including expansion; and 3) full year of operation for Hollywood Casino.

NARRATIVE INFORMATION -- DA 400

AGENCY NAME Kansas Racing and Gaming Commission
AGENCY NUMBER 553
PROGRAM TITLE AND CODE Agency-Wide Overview
SUBPROGRAM TITLE AND CODE

DIVISION OF THE BUDGET
STATE OF KANSAS

Agency Wide Overview of Current Year Estimate and Budget Year Scenarios (continued)

Enhancement Package - FY 2015

Racing Program

The Racing Program does not request any enhancement packages.

Tribal Gaming Program

The Tribal Gaming Program does not request any enhancement packages.

Expanded Lottery Act Regulation Program

The Expanded Gaming Program does not request any enhancement packages.

EXPLANATION OF RECEIPT ESTIMATES

DA 405

DIVISION OF THE BUDGET
STATE OF KANSAS

AGENCY NAME:

Kansas Racing and Gaming Commission

AGENCY--SUBAGENCY CODES:

553-00

PROGRAM TITLE AND CODE:

Racing Program - 03900

SUBPROGRAM TITLE AND CODE:

RACING PROGRAM

State Racing Fund - 5131

K.S.A 74-8826 established the State Racing Fund. All taxes on pari-mutuel wagering, admission tax, application fees and fines must be credited to the fund. The Racing Program is currently on hold as all tracks in the State have ceased operations.

This budget assumes there will be no racing activity to generate revenues or expenditures to this fund in FY 2014 or FY 2015. The operating transfer into the fund in FY 2011 represents the transfer of the outstanding balances in the Horse Fair Racing Benefit Fund, the Racing Investigative Expense Fund, and the Racing Reimbursable Expense Fund to the State Racing Fund at the end of FY 2011. The estimated revenues projected in FY 2014 and FY 2015 are attributed to fees charged for the registration of horses for the Kansas Bred Registry Program. The registration of horses was formerly administered by the Kansas Horsemen's Association but will now be done by KRGC staff.

	Actual FY10	Actual FY11	Actual FY12	Actual FY13	Estimate FY14	Estimate FY15
Pari-mutuel Tax	9,882	-	-	-	-	-
Pari-mutuel Tax - Simulcast	-	-	-	-	-	-
Admissions Tax	1,204	-	-	-	-	-
Charges - Inspect, Examine, Audit	-	-	-	560	3,500	3,500
License Fee - Personal Service	1,517	-	-	-	-	-
License Fee - Business	-	-	-	-	-	-
License Fee - Other	-	-	-	-	-	-
Fines	5,286	637	920	-	-	-
Other Miscellaneous Revenue	16,327	682	-	-	-	-
Operating Transfer In	-	31,300	-	-	-	-
Operating Transfer Out	(123)	(5,000)	-	-	-	-
Total Receipts	34,092	27,619	920	560	3,500	3,500

EXPLANATION OF RECEIPT ESTIMATES

DA 405

DIVISION OF THE BUDGET
STATE OF KANSAS

AGENCY NAME: Kansas Racing and Gaming Commission

AGENCY--SUBAGENCY CODES: 553-00

PROGRAM TITLE AND CODE: Racing Program - 03900

SUBPROGRAM TITLE AND CODE:

Horse Fair Racing Benefit Fund - 2296

K.S.A 74-8838 states that one-third of the simulcast pari-mutuel tax be credited to the County Fair Horse Racing Benefit Fund. Moneys in the horse fair racing benefit fund shall be expended for the following fair meet associated costs: the commission's regulatory costs, tote board expenses, background investigations for fair association or associated non-profit organization's members, purse supplements, operating assistance grants, and the employment of key race officials. The only exception is that the statute allows 25% of moneys credited to the fund, on approval by the Commission, to be used for capital improvements to racetrack facilities.

K.S.A. 74-8747 directs that 1% of net electronic gaming machine income from racetrack facilities be deposited in the Horse Fair Racing Benefit Fund.

Because this fund is now idle and will not be utilized unless racing resumes, the balance in this fund was transferred to the State Racing Fund to simplify the accounting of idle funds.

	Actual FY10	Actual FY11	Actual FY12	Actual FY13	Estimate FY14	Estimate FY15
Simulcast Pari-mutuel Tax	-	-	-			
Operating Transfer In	-	-	-			
Balance Transfer Out	-	(51)	-			
	-	(51)	-	-	-	-

Racing Investigative Expense Fund - 2570

K.S.A. 74-8835 established the Racing Investigative Expense Fund and requires that all receipts other than the application fee received for licensure of facility owners or organizational licensees are to be deposited to the Racing Investigative Expense Fund. Moneys in the fund are to be used for expenses of investigation of an applicant's qualifications for an organization license, facility owner license or facility manager license.

Because this fund is now idle and will not be utilized unless racing resumes, the balance in this fund was transferred to the State Racing Fund to simplify the accounting of idle funds.

	Actual FY10	Actual FY11	Actual FY12	Actual FY13	Estimate FY14	Estimate FY15
Reimbursed Backgrounding Fees	-	-	-			
Balance Transfer Out	-	(19,774)	-			
	-	(19,774)	-	-	-	-

EXPLANATION OF RECEIPT ESTIMATES

DA 405

DIVISION OF THE BUDGET
STATE OF KANSAS

AGENCY NAME: Kansas Racing and Gaming Commission

AGENCY--SUBAGENCY CODES: 553-00

PROGRAM TITLE AND CODE: Racing Program - 03900

SUBPROGRAM TITLE AND CODE:

Racing Reimbursable Expense Fund - 2616

K.S.A. 74-8827 establishes the Racing Reimbursable Expense Fund and states all fees for processing fingerprints and reimbursements from licensees for the services of assistant animal health officers, stewards and racing judges at racetrack facilities are to be credited to it.

Because this fund is now idle and will not be utilized unless racing resumes, the balance in this fund was transferred to the State Racing Fund to simplify the accounting of idle funds.

	Actual FY10	Actual FY11	Actual FY12	Actual FY13	Estimate FY14	Estimate FY15
Fingerprint Fees	50					
Salary Reimbursements	-	-	-	-	-	-
Balance Transfer Out		(11,472)				
	50	(11,472)	-	-	-	-

Racing Applicant Deposit Fund - 7383

K.S.A. 74-8828 establishes the Racing Applicant Deposit Fund. K.S.A. 74-8815 directs the application deposit fee for a facility owner's license shall be credited to the Racing Applicant Deposit Fund with interest accruing monthly.

There are currently no deposits to this fund and these estimates are based on the assumption there will not be a licensed operational track in FY 2014 or FY 2015.

	Actual FY10	Actual FY11	Actual FY12	Actual FY13	Estimate FY14	Estimate FY15
Interest	0	0	0	0	0	0

EXPLANATION OF RECEIPT ESTIMATES

DA 405

DIVISION OF THE BUDGET
STATE OF KANSAS

AGENCY NAME: Kansas Racing and Gaming Commission

AGENCY--SUBAGENCY CODES: 553-00

PROGRAM TITLE AND CODE: Racing Program - 03900

SUBPROGRAM TITLE AND CODE:

Horse Breeding Development Fund - 2516

K.S.A. 74-8829 established the Horse Breeding Development Fund. Moneys credited to the Kansas horse breeding development fund must be proportionally categorized by various breeds of horses based upon participation in live races. Money from each category must be used to provide purse supplements, stakes and awards for Kansas-bred horses and research grants to Kansas regents institutions for equine research.

K.S.A. 74-8821 states all horse breakage proceeds be credited to the fund. K.S.A. 74-8767 directs 25% of the net gaming machine income from racetrack facilities deposited to the Live Horse Racing Purse Supplement Fund be transferred to this fund.

This budget assumes there will be no revenue to, or expenditures from, this fund in FY 2014 or FY 2015.

	Actual FY10	Actual FY11	Actual FY12	Actual FY13	Estimate FY14	Estimate FY15
Breakage	4,549	-	0	-	-	-
Unclaimed Winning Tickets	8,955	-	0	-	-	-
Other Misc Revenue	-	1	0	-	-	-
Operating Transfer In	-	-	0	-	-	-
Total	13,503	1	-	-	-	-

Live Horse Racing Purse Supplement Fund - 2546

K.S.A. 74-8767 establishes the Live Horse Racing Purse Supplement Fund. The statute requires that 25% of moneys deposited to this fund be transferred to the Horse Breeding Development Fund. The remainder of the funds are to be distributed as purse supplements in accordance with rules and regulations adopted by the KRGC with recommendations by the official registering agency. K.S.A. 74-8747 directs 7% of the net gaming machine income from racetrack facilities, up to a maximum of \$3,750 per machine, be deposited to this fund.

This budget assumes there will be no revenue to, or expenditures from, this fund in FY 2014 or FY 2015. There has been no activity in this fund in previous years.

Live Greyhound Racing Purse Supplement Fund - 2557

K.S.A. 74-8767 establishes the Live Greyhound Racing Purse Supplement Fund. The statute requires that 25% of the moneys deposited to this fund be transferred to the Greyhound Breeding Development Fund. The remainder of the funds are to be distributed as purse supplements in accordance with rules and regulations adopted by the KRGC with recommendations by the official registering agency. K.S.A. 74-8747 directs 7% of the net gaming machine income from racetrack facilities, up to a maximum of \$3,750 per machine, be deposited to this fund.

This budget assumes there will be no revenue to, or expenditures from, this fund in FY 2014 or FY 2015. There has been no activity in this fund in previous years.

EXPLANATION OF RECEIPT ESTIMATES

DA 405

DIVISION OF THE BUDGET
STATE OF KANSAS

AGENCY NAME:	Kansas Racing and Gaming Commission
AGENCY--SUBAGENCY CODES:	553-00
PROGRAM TITLE AND CODE:	Racing Program - 03900
SUBPROGRAM TITLE AND CODE:	

Greyhound Breeding Development Fund - 2601

K.S.A. 74-8831 established the Greyhound Breeding Development Fund and requires that all moneys credited to this fund be used only for the benefit of greyhounds. The statute directs moneys to be used as follows: 15% is credited to the greyhound tourism fund, 35% for research conducted within the state of Kansas relating to the prevention of injury to and disease of greyhounds; 50% for purse supplements, and an amount determined by the commission, but not to exceed \$30,000 is used to pay a portion of the administrative costs of the official registering agency.

K.S.A. 74-8822 states all monies from unclaimed winning ticket wagers on greyhounds be credited to this fund. K.S.A. 74-8767 directs 25% of the net gaming machine income from racetrack facilities deposited to the Live Greyhound Racing Purse Supplement Fund be transferred to this fund.

The remainder of the moneys in this fund at the end of FY 2013 were swept by the legislature at the beginning of FY 2014. This budget assumes that there will be no revenue to, or expenditures from this fund in FY 2014 and FY2015.

	Actual FY10	Actual FY11	Actual FY12	Actual FY13	Estimate FY14	Estimate FY15
Other	-	-	-	-	-	-
Unclaimed Winning Tickets	337	-	-	-	-	-
Operating Transfers Out	(247)	-	-	-	-	-
Transfer Out (Swept by Legislature)	-	-	-	-	(87,012)	-
	<u>90</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(87,012)</u>	<u>-</u>

Greyhound Promotion and Development Fund - 2561

K.S.A. 74-8842 creates the Greyhound Promotion and Development Fund and is funded through a voluntary greyhound purse checkoff program which provides for the deduction of 2% from all purses paid to kennels and greyhound owners who participate in the program. Greyhound owners and kennel operators are provided the opportunity annually not to participate in the program. Moneys deposited into the fund are distributed to the official greyhound registering agency and are to be used only for the development, promotion and representation of the greyhound industry in Kansas.

Language was included in the appropriations bill for the 2009 and 2010 legislative sessions that redirected the 15% transfer from the Greyhound Breeding Development Fund to the Greyhound Tourism Fund (in the Department of Commerce) to this fund.

The remainder of the moneys in this fund at the end of FY 2013 were swept by the legislature at the beginning of FY 2014. This budget assumes that there will be no revenue to, or expenditures from this fund in FY 2014 and FY2015.

	Actual FY10	Actual FY11	Actual FY12	Actual FY13	Estimate FY14	Estimate FY15
Operating Transfer In	247	-	-	-	-	-
Other Misc Revenue	-	-	-	-	-	-
Transfer Out (Swept by Legislature)	-	-	-	-	(39,681)	-
	<u>247</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(39,681)</u>	<u>-</u>

EXPLANATION OF RECEIPT ESTIMATES

DA 405

DIVISION OF THE BUDGET
STATE OF KANSAS

AGENCY NAME: Kansas Racing and Gaming Commission FUNCTION NO. 01
 AGENCY--SUBAGENCY CODES: 553-00
 PROGRAM TITLE AND CODE: Tribal Gaming Program - 10000
 SUBPROGRAM TITLE AND CODE: _____ PAGE 13
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TRIBAL GAMING PROGRAM

Tribal Gaming Fund - 2320

Revenues are based on the Legislative approved budgets and are approved and paid by the compacted tribes.

	<u>FY11</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>
Other Service Charges	1,854,075	1,869,193	1,784,376	1,818,015	1,818,015
Interchange of Gvt Employee Payroll					
Operating Transfer In	450,000	450,000	450,000	450,000	450,000
Operating Transfer Out	(450,000)	(450,000)	(450,000)	(450,000)	(450,000)

EXPLANATION OF RECEIPT ESTIMATES

DA 405

DIVISION OF THE BUDGET
STATE OF KANSAS

AGENCY NAME: Kansas Racing and Gaming Commission
 AGENCY--SUBAGENCY CODES: 553
 PROGRAM TITLE AND CODE: Expanded Gaming Program - 03800
 SUBPROGRAM TITLE AND CODE: _____

EXPANDED GAMING PROGRAM

Expanded Lottery Act Regulation Fund - 2535

The Kansas Expanded Lottery Act specifies that the cost of regulation is to be incurred by the lottery gaming facility managers. In 2007, the KRGC obtained a loan from the PMIB to finance expanded gaming regulation until the lottery gaming facility managers were selected and approved. During the 2008 legislative session, the amount of the loan from PMIB was increased to \$5,000,000 to cover KRGC operating costs for FY 2009 and FY 2010 and the term of the loan was extended through FY 2012. The balance of the loan was repaid in FY 2012.

Revenue projections for FY 2014 and FY 2015 include billings and payments from the currently operating casinos for the KRGC's direct and indirect costs associated with the operations of the Hollywood Casino, the Kansas Star Casino and the Boot Hill Casino. Payments are received in advance of expenditure on a quarterly billing cycle.

	Actual FY10	Actual FY11	Actual FY12	Actual FY13	Estimate FY14	Estimate FY15
PMIB Loan Proceeds	-	-	-	-	-	-
LGFRB applicant reimbursements	884,295	577,604	-	-	-	-
Hollywood Start-up Reimb.	1,298,058	652,271	-	-	-	-
Sumner Casino Start-up Reimb.	-	3,091,481	-	-	-	-
Boot Hill Start-up Reimb.	118,128	292,872	103,055	-	-	-
Hollywood Ops Reimbursement	1,381,201	1,326,471	2,814,886	1,805,619	2,263,420	2,115,088
Sumner Casino Ops Reimbursement	-	900,818	2,627,707	1,839,796	2,228,204	2,079,168
Boot Hill Ops Reimbursement	796,247	1,262,810	1,383,946	1,116,453	1,219,876	1,209,006
Facility Mgr Background Deposits	-	-	-	-	-	-
Vendor Background Fees	(89,627)	-	-	-	-	-
Miscellaneous Revenue	5,908	3,475	1,290	1,442	-	-
ELARF Transfer	-	-	-	-	-	-
Transfer Out	(14,091)	(5,451)	-	-	-	-
	<u>4,380,118</u>	<u>8,102,351</u>	<u>6,930,884</u>	<u>4,763,310</u>	<u>5,711,500</u>	<u>5,403,262</u>

EXPLANATION OF RECEIPT ESTIMATES

DA 405

DIVISION OF THE BUDGET
STATE OF KANSAS

AGENCY NAME: Kansas Racing and Gaming Commission
 AGENCY--SUBAGENCY CODES: 553
 PROGRAM TITLE AND CODE: Expanded Gaming Program - 03800
 SUBPROGRAM TITLE AND CODE:

Gaming Background Investigations Fund - 2682

The Gaming Background Investigations Fund is established by appropriations act to be used for deposits by gaming and non-gaming vendors for background investigation costs. Expenses for backgrounds will be charged to this fund and tracked individually by project code for each vendor as each vendor is entitled to a refund of unspent deposits.

	Estimate FY10	Actual FY11	Actual FY12	Actual FY13	Estimate FY14	Estimate FY15
Examination Deposits	-	160,347	564,701	378,633	200,000	200,000
Refunds	-	-	(5,790)	(44,056)	-	-
	-	160,347	558,911	334,577	200,000	200,000

Education and Training Fund - 2459

The KRGC Education and Training Fee Fund is established by appropriations act and its purpose is to allow the KRGC to receive and expend funds for training opportunities that could be offered to others outside of the KRGC. This fund is not budgeted and is used only as training opportunities arise. In FY 2014 and FY 2015, time permitting, we plan to seek out training opportunities for in-house staff and to invite employees from other agencies to help offset our training costs.

Illegal Gaming Enforcement Fund - 2734

The KRGC became the primary coordinator for state-level illegal gambling complaints after the passage of the Expanded Lottery Act, but no funds were appropriated for its activities. The Illegal Gaming Enforcement Fund was established during the 2011 legislative session and initial funding of \$5,000 was provided via a transfer from the state racing fund. A proviso was included that would allow KRGC the ability to retain funds seized as part of illegal gaming enforcement operations. For this budget submission we would again request that the proviso included for the FY 2014 appropriations act be retained for the FY 2015 appropriations.

- (1) A proviso that would allow KRGC the ability to retain funds seized as part of illegal gaming enforcement operations and deposited into the fund to be used for illegal gaming enforcement activities.
- (2) A proviso that would allow the KRGC to receive moneys from state or federal seizures or awards related to illegal gaming enforcement activities of the agency.
- (3) The fund is a no-limit fund so that monies may be used in a timely manner for enforcement activities.

	Estimate FY10	Actual FY11	Actual FY12	Actual FY13	Estimate FY14	Estimate FY15
Seizures	-	-	-	-	5,000	10,000
Transfers	-	-	5,000	-	-	-
	-	-	5,000	-	5,000	10,000

NARRATIVE INFORMATION -- DA 400

DIVISION OF THE BUDGET
STATE OF KANSAS

AGENCY NAME	Kansas Racing and Gaming Commission
AGENCY NUMBER	553
PROGRAM TITLE AND CODE	Racing Program - 03900
SUBPROGRAM TITLE AND CODE	

RACING PROGRAM

The commission's primary purpose is to regulate the pari-mutuel industry through enforcement of the Kansas parimutuel racing act, K.S.A. 74-8801, et seq., and rules and regulations adopted by the commission. The commission also collects pari-mutuel taxes and promotes the pari-mutuel industry through the Kansas-bred development funds for horses and greyhounds and the horse fair racing benefit fund.

PROGRAM'S STATUTORY HISTORY:

K.S.A. 74-8804 (a) through (q) require the commission to observe and inspect all racetrack facilities; administer oaths and take depositions; examine any books, paper records or memoranda of any licensee, racetrack or business involved in simulcasting races to racetrack facilities in Kansas; issue subpoenas; allocate race meeting dates, racing days, and hours to all organization licensees; authority to exclude, or cause to be expelled from any race meeting or racetrack facility or to prohibit a licensee from conducting business with any person who has violated the provision of this act or any rule and regulation or order of the commission, been convicted of a violation of the racing or gambling laws or has been adjudicated of committing as a juvenile an act which if committed by an adult, would constitute such a violation, whose person reflects adversely on the honesty and integrity of horse or greyhound racing or interferes with the conduct of a race meeting; review and approve all proposed construction and major renovations to racetrack facilities; review and approve all proposed contracts with racetracks or businesses involved in simulcasting races to racetrack facilities in Kansas; suspend a horse or greyhound from participation in races; impose a civil fine; adopt rules and regulations and require fingerprinting and background information of all persons for employment, license or simulcasting license.

PROGRAM GOAL

To maintain the integrity of pari-mutuel wagering systems and to protect the public and the health, safety and welfare of the racing animal.

NARRATIVE INFORMATION -- DA 400

DIVISION OF THE BUDGET
STATE OF KANSAS

AGENCY NAME
AGENCY NUMBER
PROGRAM TITLE AND CODE
SUBPROGRAM TITLE AND CODE

Kansas Racing and Gaming Commission
553
Racing Program - 03900

RACING PROGRAM

Salaries and Wages

	FY10	FY11	FY12	FY13	FY14	FY15
	Actual	Actual	Actual	Actual	Estimate	Estimate
State Racing Fund	102,097	-	-	1,290	2,515	2,526
Horse Fair Racing Benefit Fund	-	-	-	-	-	-
Racing Investigative Expense Fund	-	-	-	-	-	-
Racing Reimbursable Expense Fund	-	-	-	-	-	-
Total	102,097	-	-	1,290	2,515	2,526

Prior Year

In FY13 \$1,290 in salaries and wages were expended to maintain the Kansas Bred Registry. The Kansas Bred Registry was previously maintained by contract by the Kansas Horseman's Association.

Current Year

A small part (.05) of one FTE regular classified position is budgeted to maintain the Kansas Bred Registry Program. Some horse owners have elected to continue to register their horses in the event that pari-mutuel racing resumes.

Budget Year

A small part (.05) of one FTE position is budgeted to maintain the Kansas Bred Registry Program.

NARRATIVE INFORMATION -- DA 400

AGENCY NAME Kansas Racing and Gaming Commission
 AGENCY NUMBER 553
 PROGRAM TITLE AND CODE Racing Program - 03900
 SUBPROGRAM TITLE AND CODE

DIVISION OF THE BUDGET
 STATE OF KANSAS

RACING PROGRAM

Contractual Service

State Racing Fund

	FY10	FY11	FY12	FY13	FY14	FY15
	Actual	Actual	Actual	Actual	Estimate	Estimate
Communication	477	-	(10)	-	-	-
Freight & Express	-	8	-	-	-	-
Printing & Advertising	-	-	-	-	-	-
Rents	1,040	903	720	470	500	500
Repairing & Servicing	124	-	-	-	-	-
Travel & Subsistence	4,457	-	-	(154)	-	-
Fees - Other Services	7,606	-	-	-	-	-
Fees - Professional Services	348	-	-	-	500	500
Other Contractual Services	(267)	-	-	-	-	-
Total Contractual Services	13,785	911	710	316	1,000	1,000

Prior Year

Expenditures in the prior year were for costs associated with racing records storage at the State Historical Society records center.

Current Year

Funds are budgeted for racing records storage and to operate the Kansas Bred Registry Program for registration of horses. Some horse owners have elected to continue to register their horses in the event that pari-mutuel racing resumes.

Budget Year

Funds are budgeted for racing records storage and to operate the Kansas Bred Registry Program for registration of horses. Some horse owners have elected to continue registration in the event that pari-mutuel racing resumes.

NARRATIVE INFORMATION -- DA 400

AGENCY NAME	Kansas Racing and Gaming Commission
AGENCY NUMBER	553
PROGRAM TITLE AND CODE	Racing Program - 03900
SUBPROGRAM TITLE AND CODE	

DIVISION OF THE BUDGET
STATE OF KANSAS

RACING PROGRAM

Contractual Services (continued)

Other Funds

	FY10	FY11	FY12	FY13	FY14	FY15
	Actual	Actual	Actual	Actual	Estimate	Estimate
Horse Fair Racing Benefit Fund	13,375	-	-	-	-	-
Kansas Horse Breeding Development Fund	-	-	-	-	-	-
Racing Investigative Expense Fund	-	-	-	-	-	-
Kansas Greyhound Breeding Development Fund	-	-	-	-	-	-
Racing Reimbursable Expense Fund	-	-	-	-	-	-
Total Contractual Services	<u>13,375</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Prior Year

No funds were expended.

Current Year

No funds are budgeted.

Budget Year

No funds are budgeted.

NARRATIVE INFORMATION -- DA 400

DIVISION OF THE BUDGET
STATE OF KANSAS

AGENCY NAME
AGENCY NUMBER
PROGRAM TITLE AND CODE
SUBPROGRAM TITLE AND CODE

Kansas Racing and Gaming Commission
553
Racing Program - 03900

RACING PROGRAM

Commodities

State Racing Fund

	FY10	FY11	FY12	FY13	FY14	FY15
	Actual	Actual	Actual	Estimate	Estimate	Estimate
Animal Food	719	540	90	-	-	-
Maintenance Material, Supplies, Parts	-	-	-	-	-	-
Motor Vehicle Parts, Supplies	-	-	-	38	-	-
Professional & Scientific Supplies	136	-	-	-	-	-
Stationary & Office Supplies	-	-	-	26	-	-
Other Supplies, Materials, Parts	-	(10)	-	-	-	-
Total Commodities	855	530	90	64	-	-

Prior Year

No funds were expended.

Current Year

No funds are budgeted.

Budget Year

No funds are budgeted.

NARRATIVE INFORMATION -- DA 400

AGENCY NAME	Kansas Racing and Gaming Commission
AGENCY NUMBER	553
PROGRAM TITLE AND CODE	Racing Program - 03900
SUBPROGRAM TITLE AND CODE	

DIVISION OF THE BUDGET
STATE OF KANSAS

RACING PROGRAM

Capital Outlay

State Racing Fund

	FY10	FY11	FY12	FY13	FY14	FY15
	Actual	Actual	Actual	Actual	Estimate	Estimate
Equipment, Machinery, Furniture and Fixtures	-	-	-	-	-	-
Books and Library Materials	-	-	-	-	-	-
Professional and Scientific Equipment	-	-	-	-	-	-
Microcomputer Systems and Support Equipment	-	-	-	-	-	-
Information Processing Equipment	-	-	-	-	-	-
Computer Systems, Info Processing or Micro Software	-	-	-	-	-	-
Other Equip Furniture/Fixtures	-	-	-	-	-	-
Passenger cars	-	-	-	-	-	-
Total Capital Outlay	-	-	-	-	-	-

Prior Year

No funds were expended

Current Year

No funds are budgeted.

Budget Year

No funds are budgeted.

NARRATIVE INFORMATION -- DA 400

AGENCY NAME	Kansas Racing and Gaming Commission
AGENCY NUMBER	553
PROGRAM TITLE AND CODE	Racing Program - 03900
SUBPROGRAM TITLE AND CODE	

DIVISION OF THE BUDGET
STATE OF KANSAS

RACING PROGRAM

Other Assistance, Grants, Benefits

All Funds

	FY10	FY11	FY12	FY13	FY14	FY15
	Actual	Actual	Actual	Actual	Estimate	Estimate
State Racing fund	-	5,676	-	-	-	-
Horse Fair Horse Racing Benefit Fund	-	-	-	-	-	-
Kansas Horse Breeding Development Fund	63,510	-	-	-	-	-
Kansas Greyhound Breeding Development Fund	-	-	-	-	-	-
Live Greyhound Purse Supplement Fund	-	-	-	-	-	-
Greyhound Promotion and Development Fund	-	-	-	-	-	-
Live Horse Racing Purse Supplement Fund	-	-	-	-	-	-
Total Other Assistance, Grants, Benefits	<u>63,510</u>	<u>5,676</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Prior Year

No funds were expended.

Current Year

No funds are budgeted.

Budget Year

No funds are budgeted.

	AGENCY NAME	Kansas Racing and Gaming Commission
	AGENCY NUMBER	553
	PROGRAM TITLE AND CODE	Tribal Gaming Program - 10000
	SUBPROGRAM TITLE AND CODE	
	FUNCTION NO.	1

TRIBAL GAMING PROGRAM

The Tribal Gaming Program fulfills the duties and obligations of the state as set forth in the tribal-state gaming compacts and the Tribal Gaming Oversight Act. There are four Native American tribes in Kansas which have approved tribal-state gaming compacts which have been approved by the Kansas legislature, signed by the Governor and approved by the Bureau of Indian Affairs. These four nations are: the Iowa's Tribe of Kansas and Nebraska; the Kickapoo Nation of Kansas; the Prairie Band Potawatomi Nation; and the Sac & Fox Nation of Missouri in Kansas and Nebraska.

PROGRAM'S STATUTORY HISTORY:

K.S.A. 74-9801 through 74-9809 (a) mandate the agency shall be responsible for oversight, monitoring and compliance of class III gaming conducted pursuant to tribal-state compacts. It is the responsibility of the agency to monitor compliance with tribal-state gaming compacts and perform the duties of the state gaming agency as provided for in the tribal-state gaming compacts. The agency may examine and inspect all tribal gaming facilities and facilities linked to Kansas tribal gaming facilities for gaming, including but not limited to all machines and equipment used for tribal gaming, books, papers, records, electronic records, computer records or surveillance and security tapes and logs of any tribal gaming facility. The executive director may issue subpoenas. The agency can review all licensing and disciplinary actions and reports of noncompliance with the tribal-state compacts. Enforcement agents are vested with the power and authority of law enforcement officers.

PROGRAM GOAL

Ensure compliance with the four tribal-state compacts and the Tribal Gaming Oversight Act and that gaming is conducted in accordance with said compacts and applicable state and federal laws; protect the state of Kansas and its citizens from criminal activity in the Tribal gaming arena; ensure accurate and complete information is provided to the different tribal gaming commissions for licensing purposes and to review all licensing decisions to ensure compliance; to conduct thorough background investigations on all gaming employees, management contractors, manufacturers and distributors of gaming devices seeking licensure at gaming facilities located in this state; investigate any alleged violations of the tribal-state compacts and the Tribal Gaming Oversight Act.

OBJECTIVES:

Prohibit undesirable elements from obtaining licenses and access to casino facilities and activities.
 Ensure the provisions of the tribal-state gaming compacts, the Tribal Gaming Oversight Act and the Indian Gaming Regulatory Act are met.

AGENCY NAME	Kansas Racing and Gaming Commission		
AGENCY NUMBER	553	FUNCTION NO.	1
PROGRAM TITLE AND CODE	Tribal Gaming Program - 10000		
SUBPROGRAM TITLE AND CODE			

TRIBAL GAMING PROGRAM

OUTCOME MEASURES:

	FY12	FY13	FY14	FY15
	Actual	Actual	Current	Estimate
Average days to complete background investigations	26	27	25	25
Average days to preliminary suitability	5	8	7	7

STRATEGIES:

- Conduct all category I and category II background investigations with employees of the Tribal Gaming Program.
- Conduct investigations and inspections of the gaming operations.
- Conduct training of tribal gaming personnel on gaming operations.

OUTPUT MEASURES:

	FY12	FY13	FY14	FY15
	Actual	Actual	Current	Estimate
Number of background investigations.	503	463	550	550
Number of official slot machine inspections	625	373	450	450
Number of compliance inspections (non-slot machines)	464	821	800	800
Number of tribal personnel trained.	128	26	125	125

NARRATIVE INFORMATION -- DA 400

DIVISION OF THE BUDGET
STATE OF KANSAS

AGENCY NAME	Kansas Racing and Gaming Commission	
AGENCY NUMBER	553	FUNCTION 1
PROGRAM TITLE AND CODE	Tribal Gaming Program - 10000	
SUBPROGRAM TITLE AND CODE		

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TRIBAL GAMING PROGRAM

Salaries and Wages

Tribal Gaming Fund	FY12	FY13	FY14	FY15
	<u>Actual</u>	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
	1,145,297	1,161,960	1,433,888	1,433,888

The Tribal Gaming Program funding request will be used to finance 23 FTE positions for FY 14 and FY 15.

The Tribal Gaming Program will be performing all the background investigations necessary for category I and category II employees, manufacturers and distributors.

Current Year

Salaries and wages for the current year are continued at the approved budget.

Budget Year

Salaries and wages for the budget year are to provide for a consistent level of employment. In the budget year, the Tribal Gaming Program requests the same for salaries and wages.

Enhancement

There are no salary and wage enhancements for the Tribal Gaming Program in the budget year.

NARRATIVE INFORMATION -- DA 400

DIVISION OF THE BUDGET
STATE OF KANSAS

AGENCY NAME	Kansas Racing and Gaming Commission	
AGENCY NUMBER	553	FUNCTION 1
PROGRAM TITLE AND CODE	Tribal Gaming Program - 10000	
SUBPROGRAM TITLE AND CODE		

TRIBAL GAMING PROGRAM

Contractual Services

Tribal Gaming Fund	FY12	FY13	FY14	FY15
	Actual	Actual	Estimate	Estimate
Communication	33,037	33,674	41,579	41,579
Freight & Express	-	-	300	300
Printing & Advertising	95	38	1,200	1,200
Rents	81,922	84,880	90,000	90,000
Repairing & Servicing	7,748	7,806	25,000	25,000
Travel & Subsistence	16,330	20,652	30,000	30,000
Fees - Other Services (Background Checks)	67,676	68,954	78,500	78,500
Fees - Other Services	20,797	25,554	25,000	25,000
Fees - Professional Services	8,621	1,606	7,000	7,000
Other Contractual Services	6,209	1,010	6,000	6,000
Official Hospitality	569	506	1,500	1,500
Total Contractual Services	243,004	244,680	306,079	306,079

Prior Year

During FY 13, Contractual Services were 18% below budget. The tribes are given a credit for the amounts below the budget to the current year's assessments.

Current Year

In the current year, the Tribal Gaming Program will have a slight increase for contractual services due to a new computer system's service.

Budget Year

In the budget year, the Tribal Gaming Program will have a slight increase for contractual services due to a new computer system's service.

NOTE: The Tribal Gaming Program requests to continue the Hospitality Fund in the amount of \$1,500 for purpose of hosting meetings.

Enhancement

There are no contractual service enhancements for the Tribal Gaming Program in the budget year.

NARRATIVE INFORMATION -- DA 400

DIVISION OF THE BUDGET
STATE OF KANSAS

AGENCY NAME	Kansas Racing and Gaming Commission	
AGENCY NUMBER	553	FUNCTION 1
PROGRAM TITLE AND CODE	Tribal Gaming Program - 10000	
SUBPROGRAM TITLE AND CODE		

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TRIBAL GAMING PROGRAM

Commodities

Tribal Gaming Fund	FY12	FY13	FY14	FY15
	Actual	Actual	Estimate	Estimate
Maintenance Materials, Supplies, Parts	1,973	48	400	400
Motor Vehicle Parts, Supplies	18,710	16,008	25,000	25,000
Professional & Scientific Supplies	312	130	3,000	3,000
Stationary & Office Supplies	4,178	1,550	9,000	9,000
Other Supplies, Materials, Parts	1,163	3,018	5,445	5,445
Total Commodities	26,336	20,754	42,845	42,845

Prior Year

In FY 13, Commodities were 52% below budget. The tribes are given a credit for the amounts below the budget to the current years assessments.

Current Year

In the current year, the Tribal Gaming Program requests the same commodities budget with some adjustments.

Budget Year

In the budget year, the commodities budget remains consistent with the current year budget. Anticipated expenses were obtained through use of historical data, expected variations and executive direction.

Enhancement

There are no commodities enhancements for the Tribal Gaming Program in the budget year.

NARRATIVE INFORMATION -- DA 400

DIVISION OF THE BUDGET
STATE OF KANSAS

AGENCY NAME	Kansas Racing and Gaming Commission	
AGENCY NUMBER	553	FUNCTION 1
PROGRAM TITLE AND CODE	Tribal Gaming Program - 10000	
SUBPROGRAM TITLE AND CODE		

TRIBAL GAMING PROGRAM

Capital Outlay

Tribal Gaming Fund	FY12	FY13	FY14	FY15
	Actual	Actual	Estimate	Estimate
Vehicles	15,115	15,716	-	-
Equipment, Machinery, Furniture and Fixtures	350	1,100	-	-
Professional and Scientific Equipment	465	87	5,000	5,000
Books and Library Materials	182	175	-	-
Microcomputer Systems and Support Equipment	50	160	25,203	25,203
Information Processing Equipment	6,783	12,095	-	-
Computer Systems, Info Processing or Micro Software	90,232	1,452	5,000	5,000
Buildings & Improvements	-	-	-	-
Telecommunications/ Data Facilities	-	-	-	-
	<u>113,177</u>	<u>30,785</u>	<u>35,203</u>	<u>35,203</u>

Prior Year

In the prior year, capital outlay was 29% below the budgeted amount. The tribes are given a credit for the amounts below the budget to the current years assessments.

Current Year

In the current year, the Tribal Gaming Program requests a slightly lower commodities budget with some adjustments.

Budget Year

In the budget year, the Tribal Gaming Program requests \$35,203 to maintain and purchase of hardware/software and other equipment as needed.

Anticipated expenses were obtained through use of historical data, expected variations and executive direction.

NARRATIVE INFORMATION -- DA 400

DIVISION OF THE BUDGET
STATE OF KANSAS

AGENCY NAME	Kansas Racing and Gaming Commission
AGENCY NUMBER	553
PROGRAM TITLE AND CODE	Expanded Gaming Regulation - 03800
SUBPROGRAM TITLE AND CODE	

EXPANDED LOTTERY ACT REGULATION PROGRAM (GAMING)

The KRGC provides regulatory oversight of lottery and racetrack gaming facility managers and their operations in Kansas. Currently, no racetrack gaming facility managers are licensed in Kansas.

PROGRAM'S STATUTORY HISTORY:

Under KELA, the State of Kansas is authorized to contract with entities to operate casino-style games owned by the Kansas Lottery Commission. KELA established four gaming zones where lottery gaming facilities could be located and exclusively operated. Additionally, KELA provided that the Kansas Lottery Commission was authorized to contract with racetrack gaming facility managers in three of the four gaming zones to operate slots machines at pari-mutuel facilities.

K.S.A. 74-8772 requires the KRGC to establish and enforce rules and regulations that include but are not limited to: 1) promoting the integrity of gaming and the finances of gaming activity in Kansas that meet or exceed industry standards for monitoring and controlling lottery and racetrack gaming facility managers; 2) prescribing the on-site security at lottery and racetrack gaming facility enterprises in Kansas; 3) reporting of information concerning lottery and racetrack facility managers, their employees, vendors and vendor finances necessary or desirable to ensure the security of lottery or racetrack gaming facility operations; and 4) reporting and auditing of the financial information of lottery or racetrack gaming facility managers, and other information the KRGC requires to determine compliance with KELA and KRGC rules and regulations. KRGC rules and regulations shall include but not be limited to oversight provisions related to: 1) internal controls; 2) security of facilities; 3) performance of background investigations; 4) determination of qualifications and credentialing of employees, contractors and agents of lottery or racetrack gaming facility managers, ancillary lottery gaming facility operations and racetrack gaming facilities; 5) auditing of lottery gaming facility revenue and racetrack gaming facility slot machine income; 6) enforcement of all state laws; and 7) maintaining of the integrity of lottery and racetrack gaming facility operations.

K.S.A. 74-8769 requires that each person subject to a background check under KELA shall be subject to a state and national criminal history records check that conforms to federal standards for the purpose of verifying an applicant's identity and determining whether the applicant has been convicted of any crime that would disqualify the applicant from engaging in activities at lottery or racetrack gaming facilities or ancillary lottery gaming facilities.

K.S.A. 74-8710(a)(13)(B) states that the Kansas Lottery Commission must issue rules and regulations to enforce management contract provisions that require lottery and racetrack gaming facility managers to provide a program to alleviate problem gambling including a requirement that each lottery and racetrack gaming facility maintain a self-exclusion list by which individuals may exclude themselves from access to slots machines and other lottery facility games. Under K.S.A. 74-8772, the KRGC issues rules and regulations to provide regulatory oversight of these management contract provisions that include responsible gambling and voluntary exclusion programs.

NARRATIVE INFORMATION -- DA 400

DIVISION OF THE BUDGET
STATE OF KANSAS

AGENCY NAME
AGENCY NUMBER
PROGRAM TITLE AND CODE
SUBPROGRAM TITLE AND CODE

Kansas Racing and Gaming Commission
553
Expanded Gaming Regulation - 03800

EXPANDED LOTTERY ACT REGULATION PROGRAM (GAMING)

PROGRAM GOALS - INTEGRITY OF GAMING

Uphold and promote the integrity of gaming at lottery and racetrack gaming facilities.

Protect gaming operations from the influence of individuals or entities seeking to harm the integrity of gaming in Kansas.

Protect the state of Kansas and its citizens from criminal activity and other potential issues related to the operation of lottery and racetrack gaming facilities.

Objectives

Conduct timely and thorough background investigations on all gaming licensees required by KELA.

Investigate complaints and alleged violations of the KRGC rules and regulations and state law related to the lottery and racetrack gaming facilities.

Prohibit ineligible applicants from obtaining licenses and access to casino facilities and activities.

OUTCOME MEASURE:

	Actual FY 2011	Actual FY 2012	Actual FY 2013	Estimate FY2014	Estimate FY 2015
Corporate Background Completion %	29%	8%	41%	60%	60%
Individual Background Completion %	40%	54%	119%	100%	100%
% of Employee Applicants Denied Temporary Permits	11%	10%	10%	10%	10%
% Employee Licenses Denied by Commission	8%	5%	2%	2%	2%
Licenses revoked because of previously undiscovered information	0%	0%	0%	0%	0%

OUTPUT MEASURES:

Corporate Background Investigations:	Completed	7	4	14	20	30
	Pending/In-Process	17	15	57	57	47
	Updates/Renewals	8	11	3	5	10
Individual Background Investigations:	Completed	364	1,205	1,882	1,200	600
	Pending/In-Process	478	1,267	795	400	200
	Updates/Renewals	161	153	479	1,000	1,000
Vendor Licenses:	Approved	7	4	14	20	30
	Temporary	56	32	30	20	15
	Renewals	2	11	3	5	10
Casino Employee Licenses:	Gaming Licenses Approved	305	879	1,838	1,200	600
	Gaming Licenses Denied	26	42	44	25	15
	Temporary Work Permits Issues	140	2,211	1,448	1,000	500
	License Renewals	68	105	479	1,000	1,000
Criminal Case Reports	48	43	220	175	175	

NARRATIVE INFORMATION -- DA 400

DIVISION OF THE BUDGET
STATE OF KANSAS

AGENCY NAME	Kansas Racing and Gaming Commission
AGENCY NUMBER	553
PROGRAM TITLE AND CODE	Expanded Gaming Regulation - 03800
SUBPROGRAM TITLE AND CODE	

EXPANDED LOTTERY ACT REGULATION PROGRAM (GAMING)

PROGRAM GOALS - ACCOUNTABILITY & COMPLIANCE

Uphold and promote the integrity of gaming at lottery and racetrack gaming facilities.
Ensure the state of Kansas is receiving its fair share of gaming revenue and patrons are receiving the gaming experience according to state law.
Ensure compliance with KRGC rules and regulations and applicable state and federal laws.

Objectives

Certify all electronic gaming machines (EGM) and systems that will be used at lottery and racetrack gaming facilities in the State of Kansas.
Audit the collection of net gaming revenue.
Collect and analyze daily information on bets, wins, tickets, jackpots and drops from slots and daily table game totals.
Audit net gaming revenue by analyzing daily billings from the Lottery's central computer system and comparing it to each casino's management system.
Analyze reports on jackpot tax reporting, comps, e-promo's and customer deposits.
Audit the internal controls and procedures of each lottery gaming facility to ensure compliance with regulations and standards for operations.
Investigate complaints and alleged violations of the KRGC rules and regulations and applicable state and federal laws.

OUTCOME MEASURES:

	Actual FY 2011	Actual FY 2012	Actual FY 2013	Estimate FY 2014	Estimate FY 2015
Improper gaming outcome discovered after complaint	0	0	0	0	0
Improper payment to the state discovered after audit	0	0	0	0	0
Casino internal audits completed within allotted time	59%	100%	100%	100%	100%
Customer Complaints Investigated	100%	100%	100%	100%	100%
KRGC Responses to Customer Complaints	100%	100%	100%	100%	100%

OUTPUT MEASURES:

EGM Disputes Investigated	6	3	7	5	5
Machine Software Inspections	375	0	1,608	1,500	1,600
Initial EGM Inspections/Certifications	395	7,190	579	1,500	1,600
EGM Hardware/Software Components Tested and Approved	670	3,425	3,388	3,000	3,000
Table Games Tested and Approved	2	12	4	3	5
Internal Control Plans Approved	0	2	0	0	0
Internal Control Plan Amendments Reviewed	98	187	95	100	105
Internal Control Plan Amendments Approved	94	154	95	100	105
Investigations of Variances/Findings found in Audits	20	16	78	75	80
Security Plans Approved	0	4	0	0	0
Security Plan Amendments Reviewed	5	12	0	20	22
Security Plan Amendments Approved	4	6	0	12	14
Non-Criminal Incident Reports	62	345	621	625	650
Official Customer Complaints Received	3	2	1	4	4

NARRATIVE INFORMATION -- DA 400

DIVISION OF THE BUDGET
STATE OF KANSAS

AGENCY NAME Kansas Racing and Gaming Commission
 AGENCY NUMBER 553
 PROGRAM TITLE AND CODE Expanded Gaming Regulation - 03800
 SUBPROGRAM TITLE AND CODE

EXPANDED LOTTERY ACT REGULATION PROGRAM (GAMING)

PROGRAM GOAL - ILLEGAL GAMING ENFORCEMENT

Coordinate with state agencies and local authorities to reduce and minimize illegal gaming in Kansas.

Objectives

- Respond to inquiries and educate the public about illegal gambling.
- Seek voluntary compliance from any business or individual in the state against whom there is an illegal gambling complaint.
- Remove illegal gambling devices from public use through civil seizure and forfeiture when voluntary compliance is not possible.
- Coordinate with local authorities to litigate issues that cannot be achieved through voluntary compliance or civil seizure.

	Actual	Actual	Actual	Estimate	Estimate
	FY 2011	FY 2012	FY 2013	FY 2014	FY2015

OUTPUT MEASURES:

Illegal gaming machines seized (# does not include components, prizes and other related items seized)	12	3	91	80	80
Illegal gambling complaints received	208	165	265	280	295
Local criminal prosecutions initiated with KRGC assistance*	3	0	4	6	8

* Includes prosecutions where KRGC was appointed special counsel to prosecute as well as those where KRGC provided education, guidance, technical expertise, etc. to county or district attorneys that resulted in initiation of prosecutions.

NARRATIVE INFORMATION -- DA 400

DIVISION OF THE BUDGET
STATE OF KANSAS

AGENCY NAME
AGENCY NUMBER
PROGRAM TITLE AND CODE
SUBPROGRAM TITLE AND CODE

Kansas Racing and Gaming Commission
553
Expanded Gaming Regulation - 03800

EXPANDED LOTTERY ACT REGULATION PROGRAM (GAMING)

PROGRAM GOAL - RESPONSIBLE GAMBLING

Promote responsible gambling in the state of Kansas.

Objectives

- Administer the Voluntary Exclusion Program (VEP).
- Audit and approve each lottery gaming facility's responsible gambling plan for KRGC regulatory compliance.
- Ensure all lottery gaming facility advertising satisfies KRGC regulations.

OUTCOME MEASURE:

	Actual FY 2011	Actual FY 2012	Actual FY 2013	Estimate FY 2014	Estimate FY 2015
Number of VEP enrollees granted access to lottery gaming facility	5	18	16	15	13
Number of audit deficiencies of lottery gaming facility's responsible gambling plan (initiated FY 2013)	n/a	n/a	3	3	2
Number of lottery gaming facility advertisements published without problem gambling helpline information or KRGC approval	0	122	2	1	0
Number of problem gambling helpline calls reporting lottery gaming facility as source (% of total)	3.8%	4.5%	43%	50%	1

OUTPUT MEASURES:

Number of new Voluntary Exclusion Program enrollments	35	141	292	380	400
Number of responsible gambling plan audits (initiated FY 2013)	n/a	n/a	3	3	3
Number of lottery gaming facility advertisements approved for publication	31	492	1,100	1,150	1,200

NARRATIVE INFORMATION -- DA 400

AGENCY NAME Kansas Racing and Gaming Commission
 AGENCY NUMBER 553
 PROGRAM TITLE AND CODE Expanded Gaming Regulation - 03800
 SUBPROGRAM TITLE AND CODE

DIVISION OF THE BUDGET
 STATE OF KANSAS

GAMING PROGRAM

Salaries and Wages

	FY09	FY10	FY11	FY12	FY13	FY14	FY15
	Actual	Actual	Actual	Actual	Actual	Estimate	Estimate
Expanded Lottery Act Regulation Fund	2,004,135	2,272,084	2,457,165	3,776,165	4,299,002	4,273,678	4,293,835
Gaming Background Investigations Fund	-	-	174,068	241,985	302,797	281,774	283,047
Total Salaries and Wages	<u>2,004,135</u>	<u>2,272,084</u>	<u>2,631,233</u>	<u>4,018,150</u>	<u>4,601,799</u>	<u>4,555,452</u>	<u>4,576,882</u>

Prior Year

Salaries for the prior year were for the KRGC's employees at the central office in Topeka, the Boot Hill Casino in Dodge City, the Kansas Star Casino in Mulvane, and the Hollywood Casino at the Kansas Speedway in Wyandotte county. The KRGC had an approved FTE limit of 70.5. The FTEs consist of 47 regular classified positions and 23.5 regular unclassified positions. In addition, KRGC has 5 commissioners, all of which are non-FTE temporary unclassified.

Current Year

Salaries and wages for the current year are for the KRGC employees that regulate gaming from the central office in Topeka, at the Boot Hill Casino, the Kansas Star Casino, and the Hollywood Casino. The KRGC has an approved FTE limit of 70.5 FTE positions for FY 2014. In addition, the KRGC funds a 0.5 temporary unclassified position and 5 Commissioners in the temporary unclassified service.

K.S.A. 74-8773 authorizes the agency to employ such officers and employees as the commission deems necessary to implement, administer and enforce the provisions of KELA, with the limitation that no more than 25 employees may be in the unclassified service. For the current year, the agency budgets for 22 employees in the regular unclassified service.

Budget Year - Base Budget

The KRGC estimates 68.5 FTE positions for the base budget in FY 2015. Salaries and wages are for the agency's employees that regulate gaming from the central office in Topeka, and agents on site at the Boot Hill Casino, the Kansas Star Casino, and the Hollywood Casino. The agency budgets for 47.0 regular classified FTE positions, 21.5 regular unclassified FTE positions, 5.5 temporary unclassified positions (0.5 administrative aide and 5 Commissioners).

Budget Year - Enhancement

There is no enhancement request.

NARRATIVE INFORMATION -- DA 400

DIVISION OF THE BUDGET
STATE OF KANSAS

Kansas Racing and Gaming Commission
553
Expanded Gaming Regulation - 03800

GAMING PROGRAM

Contractual Services

	FY10	FY11	FY12	FY13	FY14	FY15
	Actual	Actual	Actual	Actual	Estimate	Estimate
Expanded Lottery Act Reg Fund						
Communication	57,546	61,308	71,644	76,940	74,794	74,794
Freight & Express	855	615	1,244	548	2,000	2,000
Printing & Advertising	5,137	1,383	7,245	1,783	3,100	3,100
Rents	183,562	178,583	168,702	175,499	171,931	171,931
Repairing & Servicing	3,524	11,956	38,635	41,266	63,729	63,729
Travel & Subsistence	128,871	60,337	118,533	89,379	123,735	123,735
Fees - Other Services	108,337	77,120	267,293	291,070	280,027	286,695
Fees - Professional Services	498,174	350,438	7,662	8,125	36,176	36,176
Other Contractual Services	3,958	10,485	1,498	3,485	14,343	14,343
Subtotal - Cont. Services - Gaming Fund	989,963	752,225	682,456	688,095	769,835	776,503

Illegal Gambling Enforcement Fund

Rents						
Fees - Professional Services				-		
Fees - Other Contractual Services				110	1,700	1,700
Subtotal - Cont. Services - Illegal Gambling Fund				110	1,700	1,700

Gaming Background Investigations Fund

Freight & Express			24	65		
Rents			53			
Repairs/Maint			5			
Travel & subsistence	-	-	15,099	34,791	35,204	35,249
Fees-other services	-	-	41,892	2,239	10,000	10,000
Fees-professional services	-	-	-	-	-	-
Subtotal - Cont. Services - Background Fund	-	-	57,073	37,095	45,204	45,249
Total - Contractual Services	989,963	752,225	739,529	725,300	816,739	823,452

Prior Year

The majority of contractual expenditures are for the regulation of the three lottery gaming facilities. Expenses for central administration primarily consist of rent and monument charge (\$167,044), and fees related to background investigations.

Current Year

Current year contractual services includes expenditures for ongoing operations associated with the regulation of the Boot Hill Casino in Dodge City, the Hollywood Casino in Wyandotte county, the Kansas Star Casino near Mulvane. Travel and subsistence is for the purpose of performing internal control audits at the facilities; voluntary exclusion program audits; electronic gaming machine and security audits; background investigations of casino employees; agent and employee training; and travel to aid in preparation of the planned casino expansions at the Boot Hill Casino and the Kansas Star Casino. Fees and professional services largely consist of database access fees (i.e. KBI database) related to background checks for casino employees. The majority of rental cost is Topeka office space and monument charge in the Eisenhower State Office Building (note monument charge on ES0B office space is included in Fees-other services). Costs from the Gaming Background Investigations fund are related to background checks of vendors who are providing goods and services to the casinos.

Budget Year - Base Budget

The budget year reflects costs for the ongoing expanded gaming regulation of the three lottery gaming facilities. Costs are similar in amount and type to that incurred in the current FY 2014.

NOTE: The KRGC requests to continue the Hospitality Fund in the amount of \$1,500 for purpose of hosting public meetings.

Enhancement

There is no enhancement request.

NARRATIVE INFORMATION -- DA 400

DIVISION OF THE BUDGET
STATE OF KANSAS

AGENCY NAME	Kansas Racing and Gaming Commission
AGENCY NUMBER	553
PROGRAM TITLE AND CODE	Expanded Gaming Regulation - 03800
SUBPROGRAM TITLE AND CODE	

GAMING PROGRAM

Commodities

	FY10	FY11	FY12	FY13	FY14	FY15
	Actual	Actual	Actual	Actual	Estimate	Estimate
Expanded Lottery Act Reg Fund						
Food	2,243	1,435	-			
Maintenance Materials, Supplies, Parts	254	809	997	1,082	3,210	3,210
Motor Vehicle Parts, Supplies	5,891	6,031	14,551	10,919	23,100	23,100
Professional & Scientific Supplies	5,776	12,874	16,923	4,506	19,800	19,800
Stationary & Office Supplies	25,656	9,031	37,325	28,220	64,400	64,400
Other Supplies, Materials, Parts	1,207	5,724	5,818	7,439	3,400	3,400
Subtotal - Commodities - ELARF	<u>41,027</u>	<u>35,904</u>	<u>75,614</u>	<u>52,167</u>	<u>113,910</u>	<u>113,910</u>
Illegal Gambling Fund						
Other Supplies and Materials				414		
Subtotal - Commodities- Illegal Gambling	<u>-</u>	<u>-</u>	<u>-</u>	<u>414</u>	<u>-</u>	<u>-</u>
Gaming Background Investigations Fund						
Motor Vehicle Parts, Supplies			365	1,080	1,700	1,700
Subtotal - Commodities - Background Fund	<u>-</u>	<u>-</u>	<u>365</u>	<u>1,080</u>	<u>1,700</u>	<u>1,700</u>
Total - Contractual Services	<u>41,027</u>	<u>35,904</u>	<u>75,979</u>	<u>53,660</u>	<u>115,610</u>	<u>115,610</u>

Prior Year

The prior year reflects costs associated with the regulation of expanded gaming for the Topeka office and the Boot Hill Casino in Ford county, Hollywood Casino in Wyandotte county, and Kansas Star Casino in Sumner county. Major categories of supplies include materials for repair of office equipment; supplies and materials (e.g. oil changes, tires) for repair and maintenance of state vehicles and fuel charges for state vehicles; professional and scientific supplies such as law enforcement materials (e.g. hand guns, ammunition, EGM testing supplies), legal directories, security tags for gaming machines; office supplies for the offices in Topeka, and at Boot Hill Casino, Kansas Star Casino, and Hollywood Casino. Office supplies include security badge printer supplies for the creation/replacement of security badges for casino and KRGC employees.

Current Year

The current year reflects costs (as described above) associated with the regulation of expanded gaming for all three lottery gaming facilities.

Budget Year - Base Budget

The base budget reflects costs associated with the regulation of expanded gaming for the Topeka office, the Boot Hill Casino, the Hollywood Casino and the Kansas Star Casino for an entire year.

Enhancement

An enhancement is not requested.

NARRATIVE INFORMATION -- DA 400

AGENCY NAME	Kansas Racing and Gaming Commission
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PROGRAM TITLE AND CODE	Expanded Gaming Regulation - 03800
SUBPROGRAM TITLE AND CODE	

DIVISION OF THE BUDGET
STATE OF KANSAS

GAMING PROGRAM

Capital Outlay

	FY10	FY11	FY12	FY13	FY14	FY15
	Actual	Actual	Actual	Actual	Estimate	Estimate
Expanded Lottery Act Reg Fund						
Passenger Cars	-	-	30,280	-	-	-
Equipment, Machinery, Furniture and Fixtures	-	28,409	5,630	1,241	1,645	1,645
Professional and Scientific Equipment	9,169	605	44,179		16,200	16,200
Books and Library Materials	557	230	100	290		
Microcomputer Systems and Support Equipment	746	32,086	121,965	19,426	30,300	27,300
Information Processing Equipment	-	1,045	-	14,351	15,000	5,000
Computer Systems, Info Processing or Micro Software	64,610	12,024	33,141	20,830	34,776	36,776
Telecommunications/ Data Facilities	920			31,897		
Total Capital Outlay	76,002	74,399	235,295	88,034	97,921	86,921

Prior Year

Fiscal Year 2013 expenses include purchase of computer workstations and related software, servers, firewalls, scanners, printers for the KRGC offices located in the new Kansas Star Casino and Hollywood Casino, and to replace some of the older workstations in the Topeka office and the Dodge City office. Capital outlay purchases also included the update of licensing software.

Current Year

The current year reflects costs associated with the regulation of expanded gaming for the Topeka office and KRGC offices located at each of the three lottery gaming facilities. Expenditures include computer workstation replacements for aged computers in the Topeka office; gaming testing equipment; printer and badge printer replacements; server replacements and other miscellaneous hardware.

Budget Year - Base Budget

The budget year reflects continued costs associated with the regulation of gaming for the Topeka office and the KRGC offices located at each of the three lottery gaming facilities. Expenditures include replacement computer workstations; replacement furniture (chairs); replacement servers; gaming testing equipment; other miscellaneous hardware.

Enhancement

An enhancement is not requested.

NARRATIVE INFORMATION -- DA 400

AGENCY NAME	Kansas Racing and Gaming Commission
AGENCY NUMBER	553
PROGRAM TITLE AND CODE	Expanded Gaming Regulation - 03800
SUBPROGRAM TITLE AND CODE	

DIVISION OF THE BUDGET
STATE OF KANSAS

GAMING PROGRAM

Other

	FY10	FY11	FY12	FY13	FY14	FY15
	Actual	Actual	Actual	Actual	Estimate	Estimate
Expanded Lottery Act Reg Fund						
Voluntary Retirement Incentive			4,880	6,412	6,995	6,996
Subtotal -Other - Expanded Lottery Act Fund	-	-	4,880	6,412	6,995	6,996
Illegal Gambling Fund						
Petty Cash Advance	-	-	-	676	800	800
Subtotal -Other - Illegal Gambling Fund	-	-	-	676	800	800
Total	-	-	4,880	7,088	7,795	7,796

Prior Year

The prior year reflects costs associated with health insurance costs related to the voluntary incentive retirement program

Current Year

The current year reflects costs associated with health insurance costs related to the voluntary incentive retirement program and the petty cash fund established for illegal gambling enforcement initiatives.

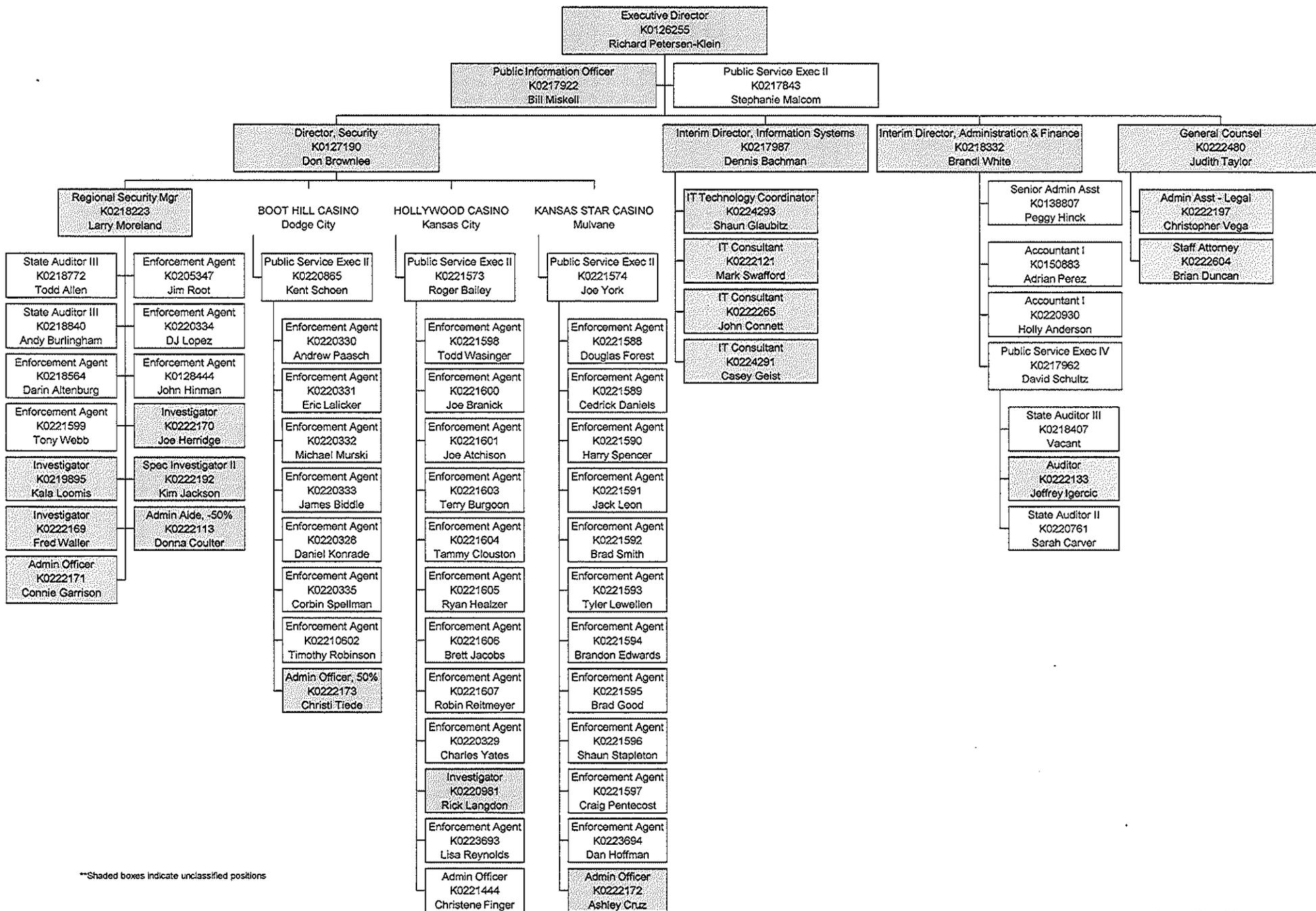
Budget Year - Base Budget

The budget year reflects costs associated with health insurance costs related to the voluntary incentive retirement program and the petty cash fund established for illegal gambling enforcement initiatives.

Enhancement

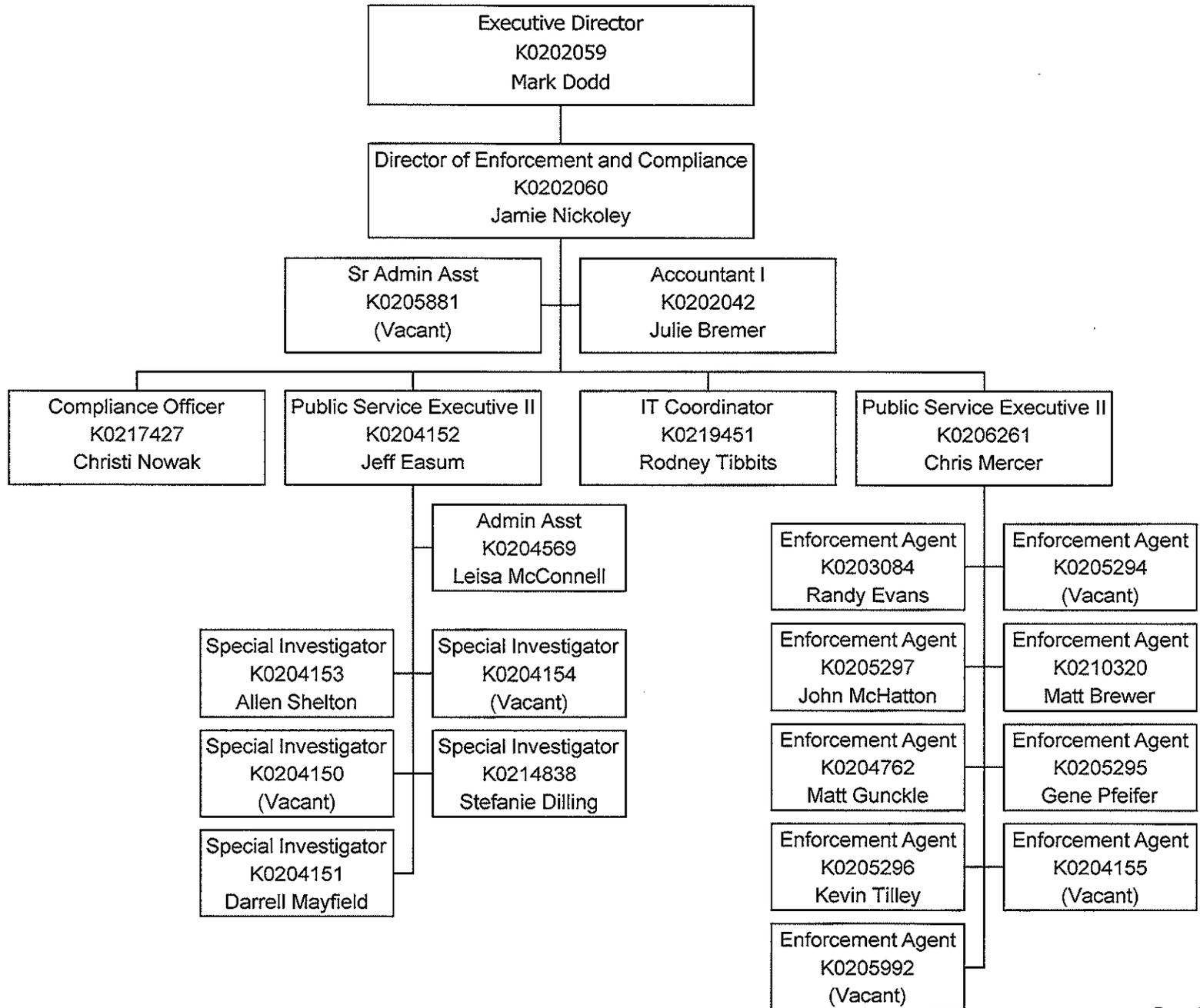
An enhancement is not requested.

Kansas Racing & Gaming Commission



**Shaded boxes indicate unclassified positions

State Gaming Agency



STAFF AGENDA MEMORANDUM

DATE OF MEETING: September 13, 2013

AGENDA ITEM: Junket Regulation Amendment

PRESENTER: Richard Petersen-Klein, Executive Director

ISSUE SUMMARY: At the last meeting, the Commission requested staff amend the proposed junket regulations to eliminate the current regulation that requires junket service providers to obtain certification prior to doing business with a gaming facility; eliminate the proposed amendment that would have permitted discretionary waiver of certification for a junket service provider under certain conditions; make minor changes to other proposed amendments; and submit these additional amendments for public comment. Once the draft regulations are approved by the Commission, they will be submitted for formal review, public hearing and adoption in accordance with the Kansas rules and regulations filing act, K.S.A. 77-415 *et seq.*

COMMISSION ACTION REQUIRED/REQUESTED: Commission review and discussion.

STAFF RECOMMENDATIONS: Staff recommends the draft regulation be reviewed, discussed and amended as needed, and a decision made whether to submit the draft regulation for formal review pursuant to the Kansas rules and regulations filing act.

Amended Proposed KRGC Junket Regulation

These proposed regulations are designed to clarify definitions and to provide more flexibility for gaming facility managers to obtain junket services.

112-100-1. Definitions. In addition to the definitions in the Kansas expanded lottery act, the following terms as used in these regulations shall have the meanings specified in this regulation, unless the context requires otherwise:

- (a) *“Agent” means any person authorized to act on behalf of and under the direction of a lottery or racetrack gaming facility or facility manager, licensee, certificate holder or applicant. The term “agent” shall include independent contractors, but shall not include a business that primarily manufactures, distributes or resells goods or a service provider who is independent of and not acting under the direction of a gaming facility manager or its employees.*
- (b) *“Broker” means any person who acts as a go-between, whether as an agent or independent contractor or in any other capacity, for a gaming facility manager and a junket service provider for purposes of arranging a junket to a gaming facility.*

... [re-number other sub-sections]

(g) *“Junket” means a promotional trip to a lottery or racetrack gaming facility (“gaming facility”), by any form of transport, which is partially or wholly funded by a facility manager.*

(h) *A “promotional trip” is a trip to a gaming facility where the gaming facility manager agrees to provide trip participants, directly or indirectly, with free meals, free play, free merchandise, or other free items, benefits, activities or entertainment as an inducement for the transport operator or the participant to visit the gaming facility for the purpose of gambling.*

(i) *“Junket service provider” is a person who the gaming facility manager or its employee, broker or agent contracts with for junket services. A motorcoach or other transport operator, trip organizer or transport driver or pilot who is not funded, in whole or in part, by the gaming facility, gaming facility manager or its employee, broker or agent is not considered a junket service provider. A motorcoach or other transport operator, trip organizer or transport driver or pilot who receives funding from an employee, broker or agent of the gaming facility is considered to be funded by the gaming facility..*

112-102-1. Prohibition against uncertified business. (a) No person identified in K.A.R. 112-102-2 as a gaming or non-gaming supplier may provide any goods or services to a gaming facility or manager unless the person is certified by the commission with a current gaming supplier certificate, non-gaming supplier certificate, or temporary supplier permit.

(b) A certified gaming or non-gaming supplier is eligible to provide equipment or services to any Kansas-certified lottery or racetrack gaming facility.

112-102-2. Gaming supplier and non-gaming supplier defined. (a) Each person that performs one or more of the following shall be considered a gaming supplier:

...

or

...

112-102-14, Requirements for junket service provider agreements. (a) A gaming facility manager, its employee, agent, broker or independent contractor, shall perform the following for each promotional trip arranged as part of a junket:

1. *Verify that the junket service provider is registered and in good standing with the appropriate governing authority that regulates the provider's industry (e.g., Kansas Corporation Commission, Federal Motor Carrier Safety Administration, Federal Aviation Administration);*
2. *Verify that the junket service provider has at least the minimum liability insurance coverage required by the appropriate governing authority;*
3. *Prior to the trip, obtain a written agreement with the junket service provider. The agreement shall:*
 - A. *set forth the entire agreement between the parties;*
 - B. *include consent to vehicle or other transport inspections pursuant to this regulation;*
 - C. *include a provision to defend, hold and save harmless, indemnify and pay all expenses and litigation costs incurred by the State of Kansas, the Kansas Lottery, Kansas Lottery Commission and the Kansas Racing and Gaming Commission and their respective executive directors, members and staff from liability for injury to persons or damages to property by reason of any cause in connection with a junket provided by the junket service provider while en route to or from the gaming facility, including at all times during rest stops, while seated in the conveyance, and at anytime between the start and end of the junket while outside of the lottery gaming facility premises; and*
 - D. *be approved by the executive director.*
4. *For each promotional trip, obtain a copy of the following information, which shall be retained at the gaming facility for a period of two years:*
 - A. *Name, date of birth, home address, and business address of the trip organizer, conveyance operator and conveyance driver or pilot;*
 - B. *Actual date of arrival and departure;*
 - C. *A copy of the driver's license or commercial driver's license of the trip organizer(s) and conveyance driver(s) or pilot(s); and*
 - D. *A copy of the carrier's insurance policy.*
5. *No later than seven days following the promotional trip, forward to the executive director the player's club account detail for each junket participant for whom a*

“currency transaction report” (CTR) or “suspicious activity report” (SAR) was filed, identifying the specific promotional trip in which the player participated.

6. *Provide a designated area for motor coach inspections which may be used by the Kansas Highway Patrol, the Kansas Corporation Commission, or any other law enforcement or regulatory body with authority to inspect such vehicles.*

(c) A gaming facility or its employee, broker or agent that contracts with a junket service provider shall submit a monthly junket report that includes the following information:

1. *junket service provider’s business name and address and owner(s) name(s) and address(es);*
2. *license status of each junket service provider (certified or operating under a temporary permit);*
3. *origin of each junket arriving at the premises;*
4. *motorcoach (or other transport) arrival and departure date and time at/from the gaming facility;*
5. *number of patrons brought to the gaming facility for each promotional trip;*
6. *name of trip driver or pilot;*
7. *dollar value of complimentary services and items provided to each junket participant for each promotional trip;*
8. *net revenue from each promotional trip; and*
9. *other information as requested by the executive director.*

STAFF AGENDA MEMORANDUM

DATE OF MEETING: September 13, 2013

AGENDA ITEM: Preliminary Approval of KRGC Gaming Regulation Amendments to K.A.R. regulations: 112-104-1; 112-104-2; 112-104-3; 112-104-4; 112-104-6; 112-104-10; 112-104-14; 112-104-15; 112-104-16; 112-104-18; 112-104-19; 112-104-20; 112-104-21; 112-104-34; 112-104-35; 112-104-43; 112-108-15; 112-108-16; 112-108-21; 112-108-25; 112-108-26; 112-108-29; 112-108-38; 112-108-40; 112-108-47; 112-108-48.

PRESENTER: Brandi White, Director of Administration, Audit and Finance

ISSUE SUMMARY: Staff is currently reviewing all existing regulations and adding new regulations to improve clarity and address new issues and technologies. Because the proposed amendments are extensive, staff is submitting the amendments for preliminary review and public comment in groups of twenty to thirty subsections prior to submitting them for formal review under the Kansas rules and regulations filing act. Twenty-six regulations are submitted to the commission today for review and comment. These regulations relate to the following:

- ARTICLE 104- ACCOUNTING AND INTERNAL CONTROLS
- ARTICLE 108- TABLE GAMES

The Kansas expanded lottery act requires that the Commission “adopt such rules and regulations as the commission deems necessary to carry out the duties and functions of the commission pursuant to the Kansas expanded lottery act. Such rules and regulations shall include, but not be limited to, rules and regulations ... [p]romoting the integrity of the gaming and finances of lottery gaming facilities and shall meet or exceed industry standards for monitoring and controlling the gaming and finances of lottery [and racetrack] gaming facility operations and shall give the Kansas racing and gaming commission sufficient authority to monitor and control the gaming operation and to ensure its integrity and security.” The statute further requires the commission to adopt regulations “prescribing the on-site security arrangements [and] requiring reporting of information about [facility managers and their employees,] vendors and finances, necessary or desirable to ensure the security of lottery [and racetrack] gaming facility operations.” K.S.A. 74-8772.

Following the Commission’s preliminary approval of these regulations, staff will submit the proposed regulations for formal review under the Kansas rules and regulations filing act.

COMMISSION ACTION REQUIRED/REQUESTED: Receive public comments, review and discuss.

STAFF RECOMMENDATIONS: Staff recommends the draft regulations be approved for formal review pursuant to the Kansas rules and regulations filing act.

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K.A.R. Regulations, As Amended

The following regulations were previously submitted to commissioners under separate cover. Please refer to the notebook provided at the August meeting or to the attachments included with Cheyenne Davis' (intern) August 9th email.

Article 104

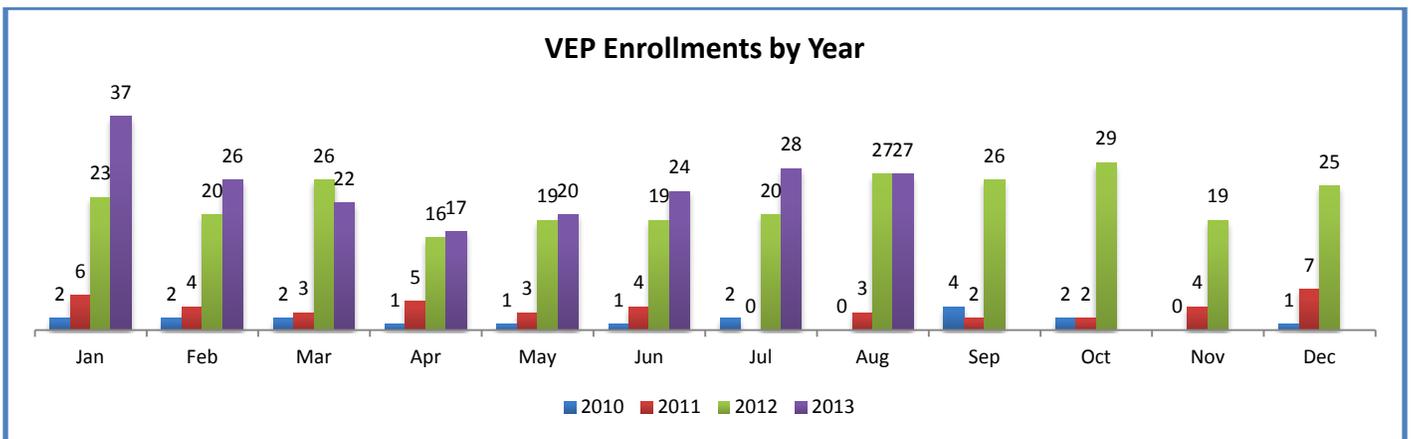
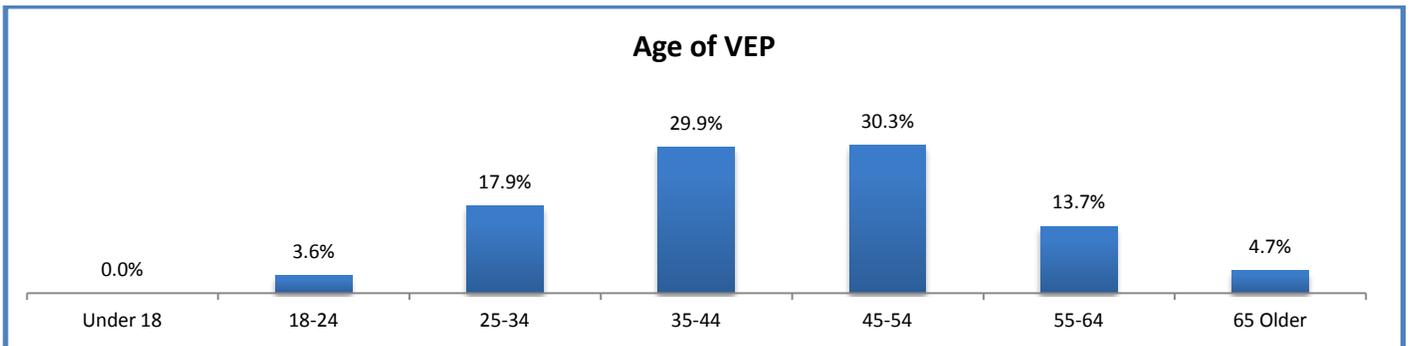
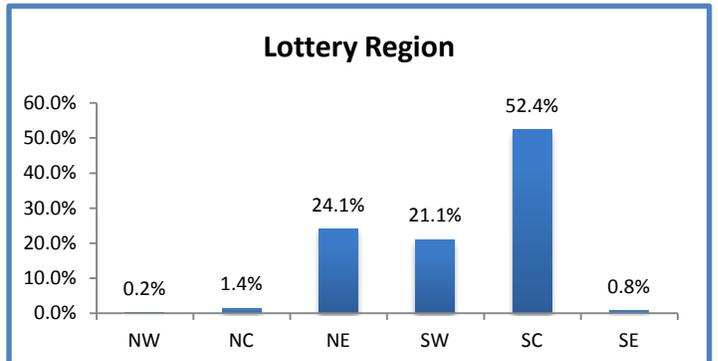
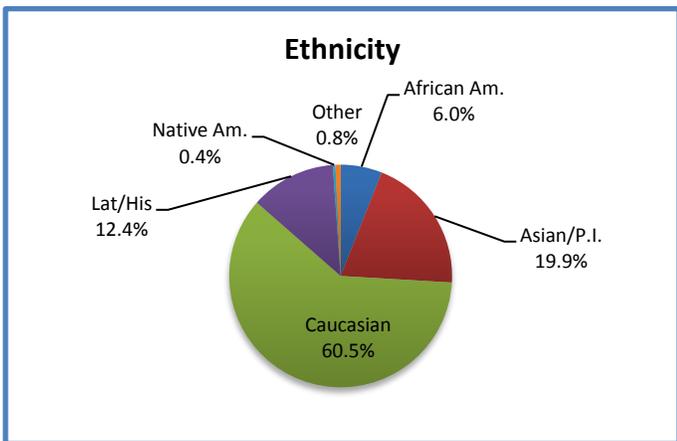
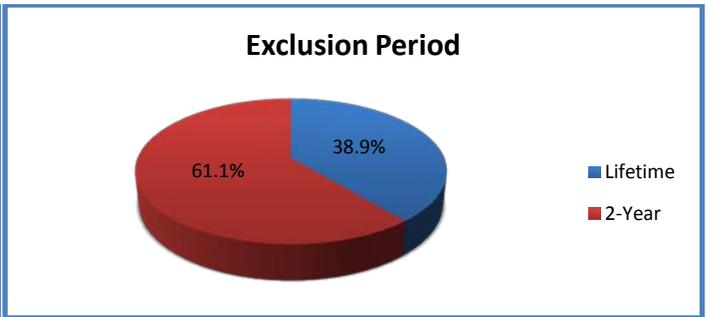
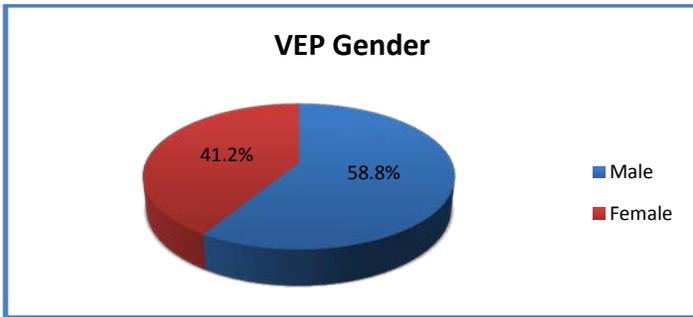
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Article 108

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112-108-48

Voluntary Exclusion Program January 2010 – August 2013

Voluntary Exclusions = 532
Violation Incidents = 34 (25 individuals)



September 2013 - August 2014

Kansas Racing and Gaming Commission Planner

Sep 2013						
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SEPTEMBER

13 Commission Meeting

OCTOBER

18 Commission Meeting

NOVEMBER

15 Commission Meeting

DECEMBER

13 Commission Meeting

JANUARY

17 Commission Meeting

FEBRUARY

14 Commission Meeting

MARCH

14 Commission Meeting

APRIL

11 Commission Meeting

MAY

16 Commission Meeting

JUNE

13 Commission Meeting

JULY

11 Commission Meeting

AUGUST

15 Commission Meeting

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Jun 2014						
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Aug 2014						
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Oct 2013						
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Nov 2013						
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Dec 2013						
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Jan 2014						
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Feb 2014						
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