



KANSAS
RACING AND GAMING COMMISSION

2007 Annual Report

KRGC OPERATIONS

The Kansas Racing and Gaming Commission is comprised of seven operational units (Divisions) that allow for the regulation of racing and gaming in the State of Kansas.

Administration Division
 Division of Animal Health
 Division of Audit & Electronic Security
 Division of Communications & Responsible Gaming
 Legal Division
 Licensing Division
 Racing Division
 Security Division

Administration

The Administration Division provides support services for the entire agency. These services include accounting, purchasing, budgeting, human resources, information technology, and records management. The Division is also responsible for managing space and facilities, travel coordination, legislative tracking and fiscal note responses, and producing formal reports and other correspondence for the agency.

Audit & Electronic Security

The Audit and Electronic Security Division is comprised of two sub-units, the audit unit and electronic security unit, each containing their own unique duties and functions. However, both work to accomplish the goals of ensuring that the parimutuel and expanded gaming industries are held to the highest accounting and internal control standards and that the electronic systems used in those industries are accurate, secure and reliable.

The Division is comprised of experts in their fields such as certified public accountants and certified information system security professionals who work diligently to ensure the commission has the best information available to make appropriate regulatory decisions. Services provided by the department include financial and compliance audits, certification of electronic gaming devices, information system security audits and consultation to the commission and the parimutuel and gaming industries in Kansas.

Communications & Responsible Gaming

The Division of Communications and Responsible Gaming handles a multitude of duties for the Commission. Its primary role in communications is to manage media calls and requests, draft and distribute news releases for the commission and handle any other media event for the agency. The Division is responsible for the development and upkeep of the agency website.

In the area of responsible gaming, the Division is responsible for both the creation and the daily operation of the state's voluntary exclusion program. This includes coordination with other entities to develop assessment criteria and responsible gaming education classes. The Division will also spearhead the newly formed Kansas Responsible Gaming Alliance by working with other state agencies and stakeholders to provide a comprehensive and cohesive approach to problem and responsible gaming.

Legal

The KRGC is statutorily assigned two assistant attorney generals "to assist it in all matters." From a legal perspective, the KRGC's work can generally be divided into three areas: administrative, criminal and civil. Administratively, the KRGC's attorneys research and prepare parimutuel and gaming regulations and also prosecute violations of those regulations in administrative hearings.

Because the KRGC is also a law enforcement agency, the KRGC's attorneys assist in criminal matters. Specifically, attorneys coordinate the KRGC's response to complaints and information related to illegal gaming issues and act as counsel for the agency's enforcement agents when necessary.

On civil issues, the KRGC's attorneys assume both litigation and transactional roles – that is, the attorneys prepare contracts and represent the agency in law suits. The attorneys also act as in-house counsel providing research, analysis and communication necessary to either represent the agency or resolve any legal issues it has.

Licensing

The Licensing Division ensures the integrity of racing and wagering in Kansas and the qualifications of employees at a facility by identifying, licensing and fingerprinting all persons acquiring a license. Facility employees, owners of the racing animals, and industry personnel participating in racing are required to obtain an occupation license and undergo a background check before working for or racing animals at a facility. In addition, licenses are granted to facility owners, facility managers, non-profit organizations, concessionaires, and racing and wagering equipment and services. Officers, directors and owners of these entities and commission designated employees of the facility are subject to background investigations before a license is granted by the commission.

In 2007, occupation licenses were issued at the Woodlands, Wichita Greyhound Park and the county fairs. Licensees were able to participate in the fingerprint reciprocity program in lieu of submitting fingerprint cards in which the commission reciprocated with 12 different racing jurisdictions. Reciprocity records are verified with the specific jurisdiction to complete a background check on the licensee.

	<u>2005</u>	<u>2006</u>	<u>2007</u>
Licenses			
Occupational	3,339	3,270	2,682
Entity	368	360	326
Concessionaire	46	36	33
Fingerprinting			
Sets of Fingerprints Submitted	560	481	589
Reciprocating Jurisdictions	13	13	12

Facility and organization licensee payrolls are also checked monthly to ensure employees are properly licensed and racing proofs are checked to verify kennel owners, horse and greyhound owners, trainers, jockeys, and ownership entities are properly licensed and registered prior to racing. Ownership entities required to be registered include stable names, kennel names, corporations, partnerships, syndicates and other entities that own racing animals participating in racing in Kansas.

The commission also requires a license for concessionaires wishing to sell goods or services at a racetrack facility. Some of these goods and services include food and beverage concessions, animal feed, horse and greyhound supplies, horse walkers, veterinarians, horse shoes, video tapes and winning photographs. There are also 1-3 day Special Class Concession licenses for special events such as craft shows, train shows, or other specialty events.

Racing and Wagering Equipment and Services licenses are required for entities providing integral racing equipment and services to a facility or organization licensee. These services can include tote services, photo finish equipment, video replay equipment, starting gates, greyhound lure equipment and communication equipment to simulcast races.

Animal Health

The Kansas Parimutuel Racing Act provides that the commission appoint an animal health officer and assistants to advise the commission in matters of veterinary medicine and to serve and protect the health and well being of the racing animals. The animal health officer serves on the commission staff in Topeka, and two assistants serve at each racetrack.

The animal health officers are responsible for conducting veterinary services for racing animals. This includes physical examinations prior to racing and observation for lameness, illness, or any other condition which would prevent the animal from racing to its potential. They are also responsible for treating emergencies of a veterinary nature encountered during the running of the race. In consultation with the racing judges or stewards, the animal health officers help determine which animals may be scratched from racing due to injury, disease, or disability.

Racing animals are subject to drug testing to deter the use of drugs to influence the outcome of a race. The animal health officer at each track is charged with obtaining blood and/or urine samples to be submitted to the official testing laboratory. A concerted effort is made to obtain the desired specimens from the animals and deliver them to the laboratory under strict chain of custody procedures so that a given specimen is unadulterated and from the identified animal.

Through most of 2005, the racing chemistry was performed by Truesdail Laboratories in Tustin, California. Beginning in 2006, the racing chemistry was performed under a new contract by Center for Tox Services in Tempe, Arizona. The results of the testing programs are as follows:

Test	2005		2006		2007	
	<u>Equine</u>	<u>Greyhound</u>	<u>Equine</u>	<u>Greyhound</u>	<u>Equine</u>	<u>Greyhound</u>
Urine	985	8,884	891	5,702		
Blood	<u>1,016</u>	-	<u>931</u>	-		
Total	2,001	8,884	1,822	5,702	-	-
Tested Positive	16	11	16	5		
Percent Positive	0.80%	0.12%	0.88%	0.09%		

Racing

Parimutuel wagering and racing activities at each racetrack are under the general authority and supervision of the Commission's appointed greyhound racing judges and horse racing stewards. The judges/stewards may interpret the regulations and order appropriate action to ensure a fair race and to protect the best interests of racing. The stewards and judges perform the following:

- conduct administrative hearings;
- levy penalties on licensees;
- observe each race to ensure races are conducted in accordance with the regulations;
- determine the official winner and respective positions;
- maintain a detailed written account of each question, dispute, protest, complaint and objection;
- excuse any racing animal that is unfit or ineligible to run; and
- submit and file a written report for each performance to the commission office.

Security

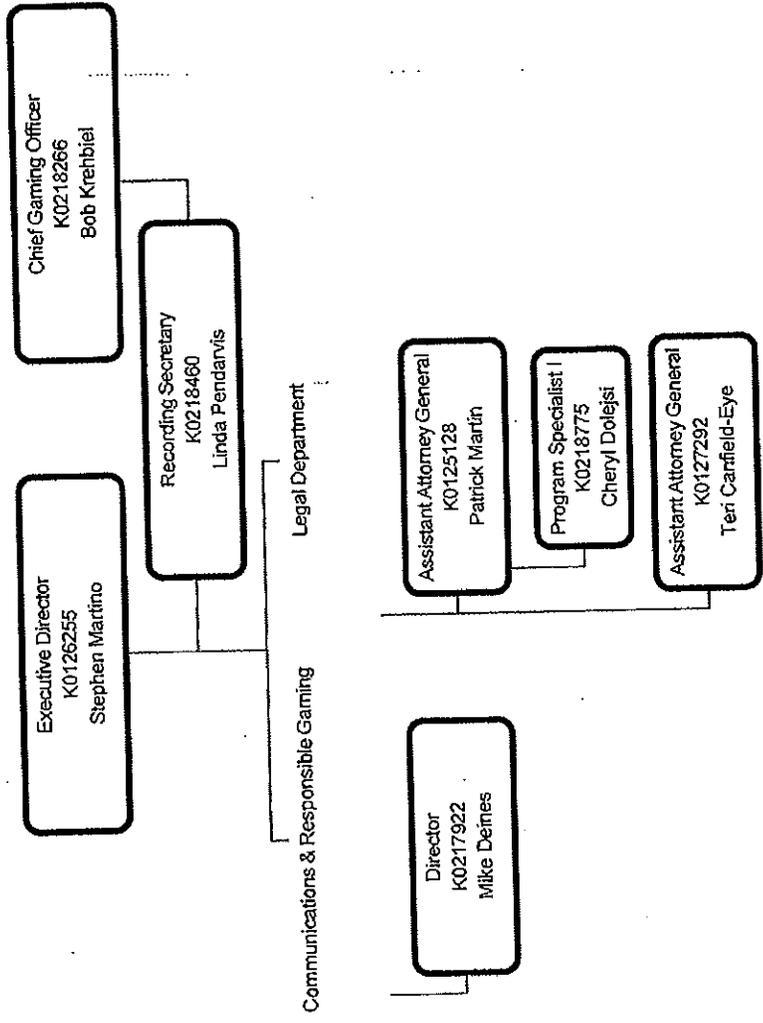
Security personnel are vested with the power and authority of law enforcement officers in the execution of the duties vested in the Commission by provisions of the Parimutuel Racing Act and the Expanded Lottery Act. The division's goals are:

- to ensure the integrity of racing and gaming in Kansas
- to ensure racing and gaming sites are a safe entertainment venue for patrons and employees
- to be proactive and responsive to racing and gaming laws and regulations
- to protect the interests of the public and the State as they relate to racing and gaming

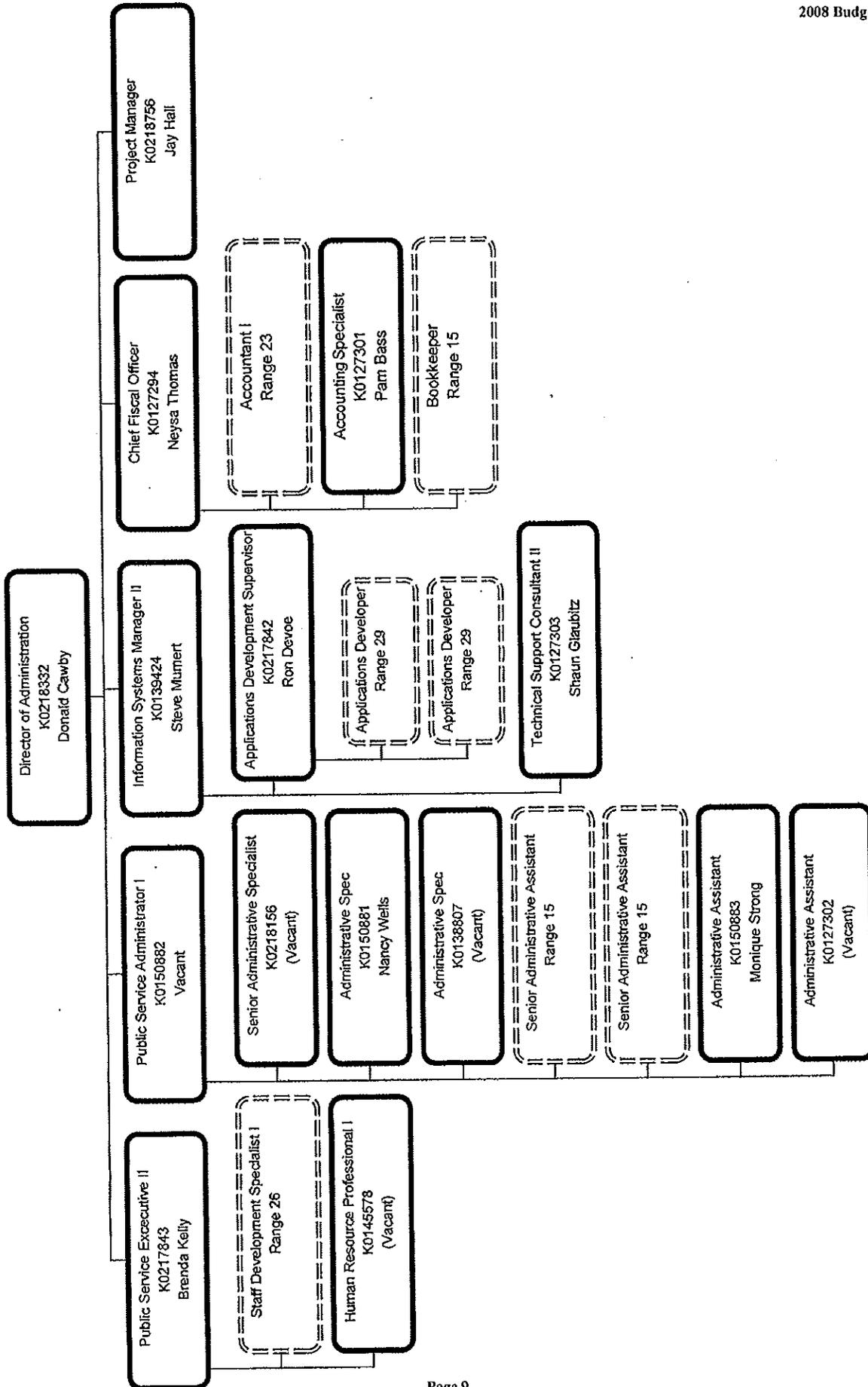
Security personnel work towards these goals by monitoring activities in the racing and gaming properties, and investigating criminal and regulatory violations of the acts. They serve as the on-site regulatory staff for the Kansas Racing and Gaming Commission (KRGC) to ensure operations comply with Kansas law and Commission regulations.

Security personnel also conduct background investigations of KRGC employees, management companies, racing and gaming facility employees, and vendors. Backgrounds are conducted to protect the public interest by maintaining a legitimate and viable gaming industry assuring honesty, good character and integrity of racing and gaming facility operators, employees, and vendors.

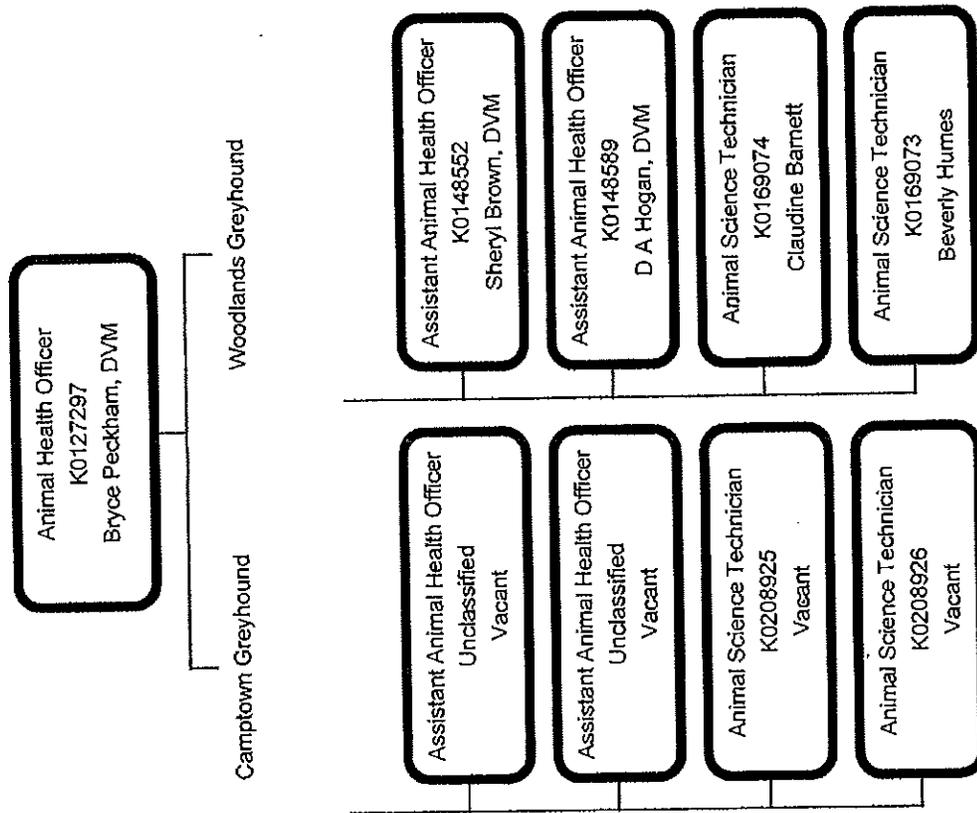
Executive Division



Administration Department

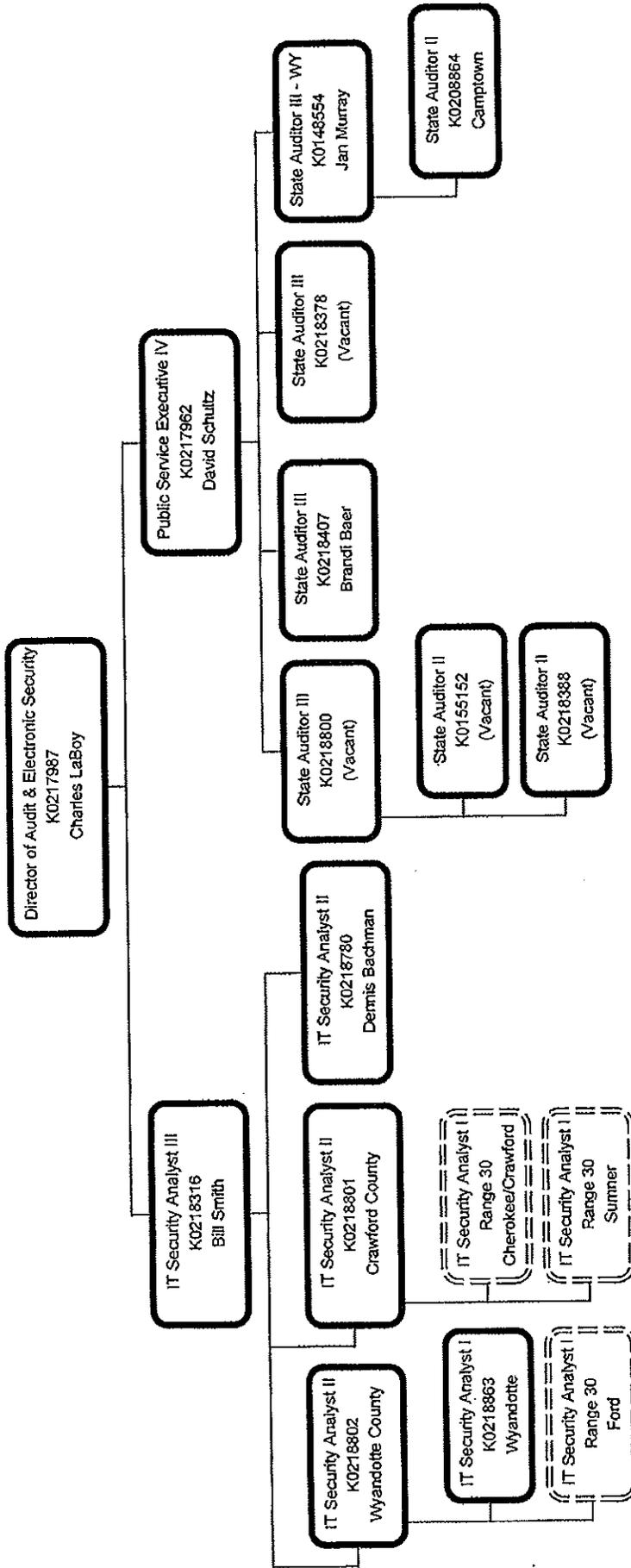


Animal Health Department



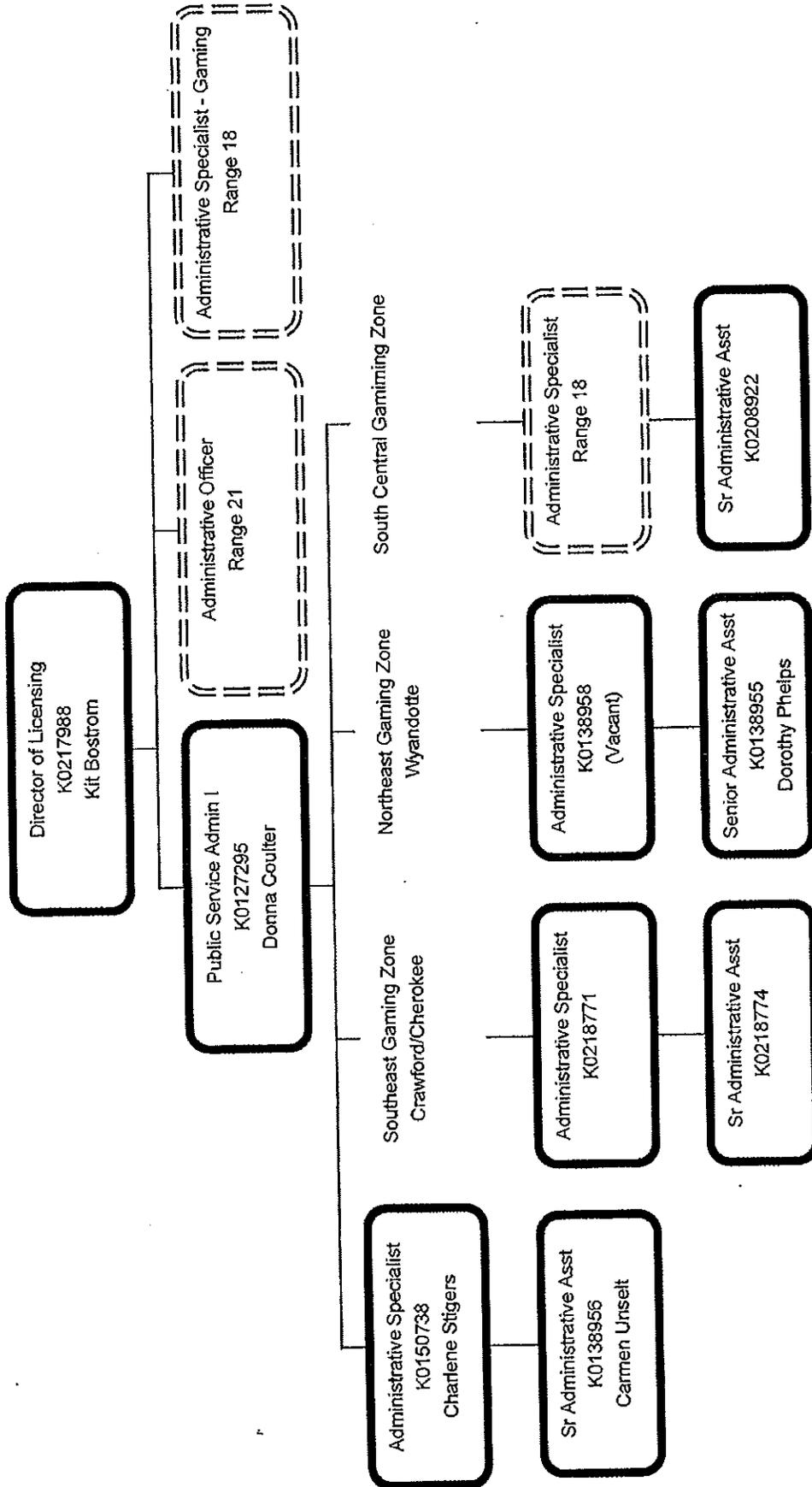
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Audit and Electronic Security



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Licensing Department

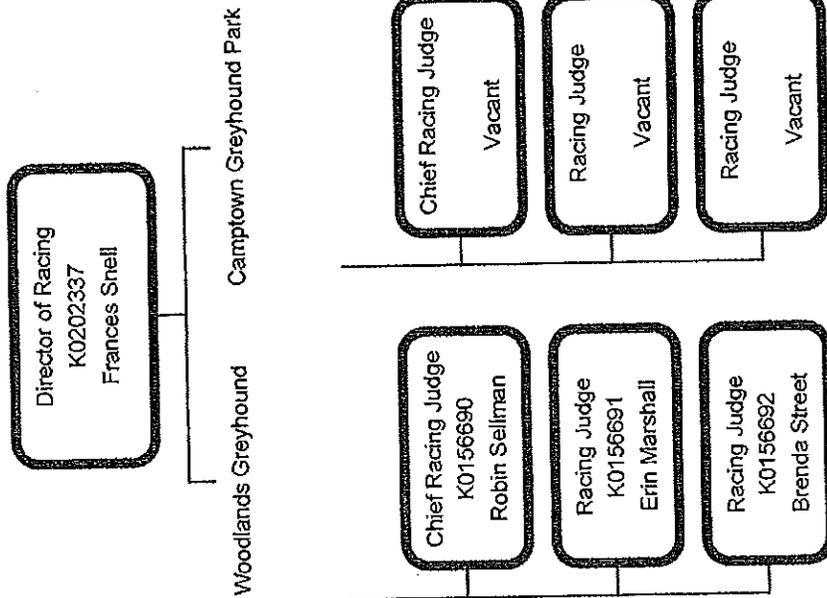



 Current FTE

 Proposed FTE

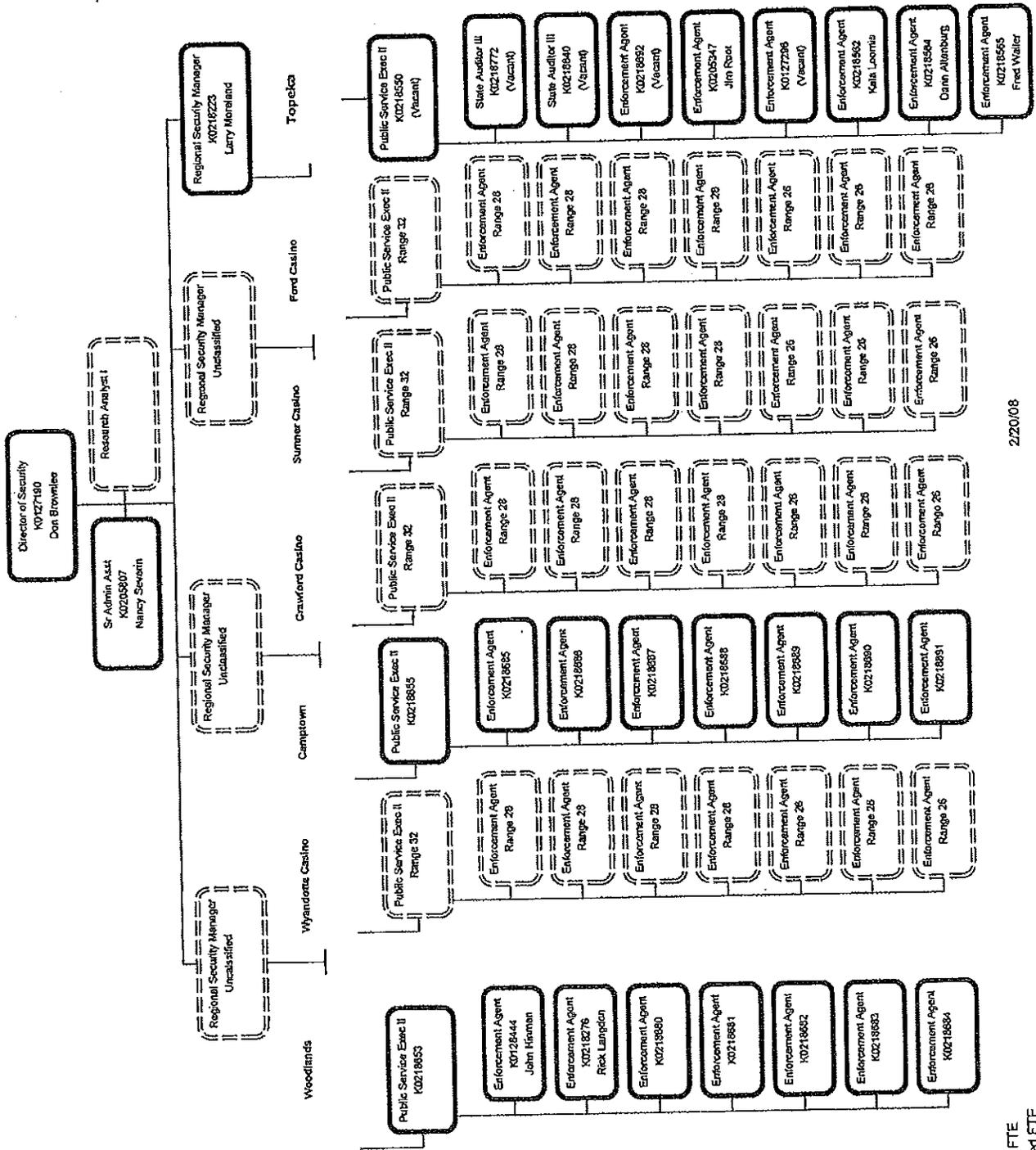
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Racing Department



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Security Department



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Current FTE
Proposed FTE

Racing Statistics



Kansas Racing and Gaming Commission
Track Statistics
 Calendar Years 2006-2007

	Woodlands Kansas City, KS		Wichita Greyhound Park Valley Center, KS		Camptown Frontenac, KS
	2006	2007	2006	2007	n/a
Handle					
Live					
Horse	\$ 1,518,298	\$ 1,253,968	\$ -	\$ -	\$ -
Greyhound	10,052,098	9,038,064	4,922,320	3,117,065	-
Total live handle	<u>11,570,396</u>	<u>10,292,032</u>	<u>4,922,320</u>	<u>3,117,065</u>	-
Simulcast					
Horse	29,955,935	27,820,588	11,002,998	8,065,630	-
Greyhound	10,974,696	9,725,703	10,810,174	8,662,995	-
Total simulcast handle	<u>40,930,631</u>	<u>37,546,292</u>	<u>21,813,173</u>	<u>16,728,625</u>	-
Total handle	<u>\$ 52,501,027</u>	<u>\$ 47,838,324</u>	<u>\$ 26,735,493</u>	<u>\$ 19,845,690</u>	\$ -
Outbound Simulcast Handle					
Live Horse	\$ 6,463,763	\$ 5,042,626	-	-	-
Live Greyhound	5,528,121	8,469,095	-	-	-
Total Outbound Simulcast	<u>\$ 11,991,884</u>	<u>\$ 13,511,720</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Purses					
Live					
Horse	\$ 107,746	\$ 88,803	\$ -	\$ -	\$ -
Greyhound	495,630	445,930	262,086	165,360	-
Total live purses	<u>603,376</u>	<u>534,733</u>	<u>262,086</u>	<u>165,360</u>	-
Simulcast					
Horse	1,280,673	1,181,301	159,867	117,215	-
Greyhound	1,095,985	999,260	1,108,101	855,189	-
Total simulcast purses	<u>2,376,659</u>	<u>2,180,562</u>	<u>1,267,968</u>	<u>972,404</u>	-
Total purses	<u>\$ 2,980,035</u>	<u>\$ 2,715,295</u>	<u>\$ 1,530,054</u>	<u>\$ 1,137,764</u>	\$ -
Race days					
Live					
Horse	31	25	-	-	-
Greyhound	248	252	253	194	-
Total race days	<u>279</u>	<u>277</u>	<u>253</u>	<u>194</u>	-
Performances					
Live					
Horse	31	25	-	-	-
Greyhound	303	303	306	228	-
Total live performances	<u>334</u>	<u>328</u>	<u>306</u>	<u>228</u>	-
Simulcast					
Horse	4,296	4,403	4,573	3,545	-
Greyhound	4,101	3,988	6,016	4,509	-
Total simulcast performances	<u>8,397</u>	<u>8,391</u>	<u>10,589</u>	<u>8,054</u>	-
Total performances	<u>8,731</u>	<u>8,719</u>	<u>10,895</u>	<u>8,282</u>	-
Attendance					
Live/simulcast					
Horse	32,764	25,922	-	-	N/A
Greyhound	308,282	285,675	138,959	102,409	-
Total attendance	<u>341,046</u>	<u>311,597</u>	<u>138,959</u>	<u>102,409</u>	-

Kansas Racing and Gaming Commission
Track Statistics
 Calendar Years 2006-2007

	Woodlands Kansas City, KS		Wichita Greyhound Park Valley Center, KS		Camptown Frontenac, KS
	2006	2007	2006	2007	n/a
Pari-mutuel tax					
Live					
Horse	\$ 53,852	\$ 44,389	\$ -	\$ -	\$ -
Greyhound	371,539	334,256	196,435	123,927	-
Total live pari-mutuel tax	<u>425,391</u>	<u>378,645</u>	<u>196,435</u>	<u>123,927</u>	<u>-</u>
Simulcast					
Horse	1,016,191	947,514	390,942	288,865	-
Greyhound	417,816	368,949	420,040	337,748	-
Total simulcast pari-mutuel tax	<u>1,434,007</u>	<u>1,316,463</u>	<u>810,982</u>	<u>626,613</u>	<u>-</u>
Total pari-mutuel tax	<u>\$ 1,859,398</u>	<u>\$ 1,695,108</u>	<u>\$ 1,007,417</u>	<u>\$ 750,539</u>	<u>\$ -</u>
Outs					
Live					
Horse	\$ 10,603	\$ 20,334 *	\$ -	\$ -	\$ -
Greyhound	65,976	60,100 *	58,270	40,371	-
Total live outs	<u>76,579</u>	<u>80,434</u>	<u>58,270</u>	<u>40,371</u>	<u>-</u>
Simulcast					
Horse	156,662	156,406 *	67,065	50,237	-
Greyhound	57,851	50,053 *	58,300	42,892	-
Total simulcast outs	<u>214,514</u>	<u>206,459</u>	<u>125,365</u>	<u>93,128</u>	<u>-</u>
Total outs	<u>\$ 291,093</u>	<u>\$ 286,893</u>	<u>\$ 183,635</u>	<u>\$ 133,500</u>	<u>\$ -</u>
* estimates					
Breakage					
Live					
Horse	\$ 9,854	\$ 8,477	\$ -	\$ -	\$ -
Greyhound	31,137	27,947	17,095	12,196	-
Total live breakage	<u>40,991</u>	<u>36,424</u>	<u>17,095</u>	<u>12,196</u>	<u>-</u>
Simulcast					
Horse	133,626	118,519	43,169	11,670	-
Greyhound	20,099	17,537	14,535	27,566	-
Total simulcast breakage	<u>153,725</u>	<u>136,057</u>	<u>57,704</u>	<u>39,236</u>	<u>-</u>
Total breakage	<u>\$ 194,715</u>	<u>\$ 172,481</u>	<u>\$ 74,799</u>	<u>\$ 51,432</u>	<u>\$ -</u>
Admission tax					
Live/Simulcast					
Horse	n/a	n/a	n/a	n/a	n/a
Greyhound	-	-	-	-	-
Total admission tax	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Other taxes & fees					
Daily license fees	\$ 63,200	\$ 63,200	\$ 72,400	\$ 49,600	-
Licensing	49,853	53,377	18,137	13,164	-
Fines	5,670	6,660	6,015	3,012	-
Local ad valorem tax	-	-	-	-	-
Total other taxes & fees	<u>\$ 118,723</u>	<u>\$ 123,237</u>	<u>\$ 96,552</u>	<u>\$ 65,776</u>	<u>\$ -</u>

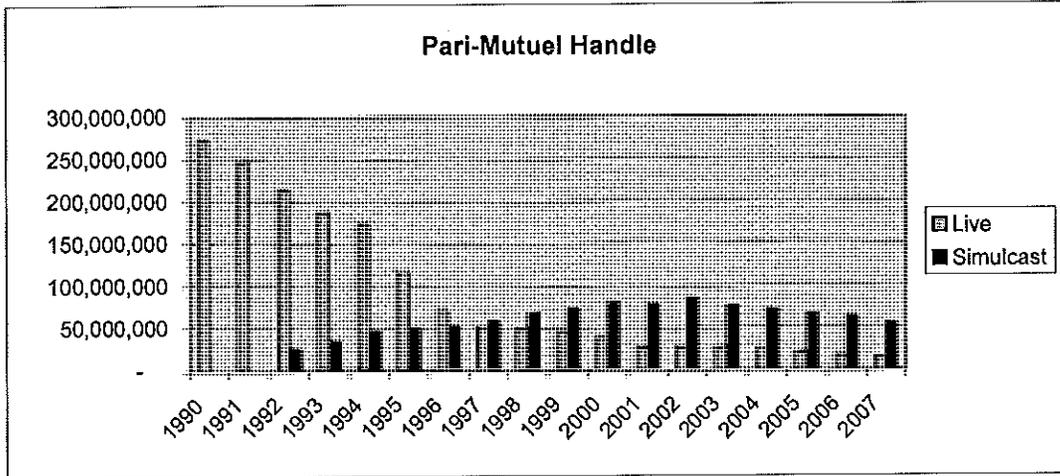
Kansas Racing and Gaming Commission
Track Statistics
 Calendar Years 2006-2007

	Eureka Downs Eureka, Kansas		Anthony Downs Anthony, Kansas		Overall Totals	
	2006	2007	2006	2007	2006	2007
Handle						
Live						
Horse	\$ 260,538	\$ 198,816	\$ 58,640	\$ 63,822	\$ 1,837,475	\$ 1,516,606
Greyhound	-	-	68,825	50,577	15,043,242	12,205,706
Total live handle	<u>260,538</u>	<u>198,816</u>	<u>127,464</u>	<u>114,399</u>	<u>16,880,717</u>	<u>13,722,312</u>
Simulcast						
Horse	106,323	68,108	-	-	41,065,256	35,954,326
Greyhound	-	-	-	-	21,784,871	18,388,699
Total simulcast handle	<u>106,323</u>	<u>68,108</u>	<u>-</u>	<u>-</u>	<u>62,850,127</u>	<u>54,343,025</u>
Total handle	<u>\$ 366,861</u>	<u>\$ 266,924</u>	<u>\$ 127,464</u>	<u>\$ 114,399</u>	<u>\$ 79,730,844</u>	<u>\$ 68,065,336</u>
Outbound Simulcast Handle						
Live Horse	-	-	-	-	\$ 6,463,763	\$ 5,042,626
Live Greyhound	-	-	-	-	5,528,121	8,469,095
Total Outbound Simulcast	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,991,884</u>	<u>\$ 13,511,720</u>
Purses						
Live						
Horse	\$ 17,531	\$ 14,450	\$ 3,879	\$ 4,303	\$ 129,155	\$ 107,557
Greyhound	-	-	3,213	2,367	760,929	613,657
Total live purses	<u>17,531</u>	<u>14,450</u>	<u>7,092</u>	<u>6,670</u>	<u>890,084</u>	<u>721,214</u>
Simulcast						
Horse	6,177	3,954	-	-	1,446,718	1,302,470
Greyhound	-	-	-	-	2,204,087	1,854,449
Total simulcast purses	<u>6,177</u>	<u>3,954</u>	<u>-</u>	<u>-</u>	<u>3,650,804</u>	<u>3,156,919</u>
Total purses	<u>\$ 23,708</u>	<u>\$ 18,404</u>	<u>\$ 7,092</u>	<u>\$ 6,670</u>	<u>\$ 4,540,888</u>	<u>\$ 3,878,133</u>
Race days						
Live						
Horse	18	11	6	6	55	42
Greyhound	-	-	6	6	507	452
Total race days	<u>18</u>	<u>11</u>	<u>12</u>	<u>12</u>	<u>562</u>	<u>494</u>
Performances						
Live						
Horse	18	11	6	6	55	42
Greyhound	-	-	6	6	615	537
Total live performances	<u>18</u>	<u>11</u>	<u>12</u>	<u>12</u>	<u>670</u>	<u>579</u>
Simulcast						
Horse	19	8	-	-	8,888	7,956
Greyhound	-	-	-	-	10,117	8,497
Total simulcast performances	<u>19</u>	<u>8</u>	<u>-</u>	<u>-</u>	<u>19,005</u>	<u>16,453</u>
Total performances	<u>37</u>	<u>19</u>	<u>12</u>	<u>12</u>	<u>19,675</u>	<u>17,032</u>
Attendance						
Live/simulcast						
Horse	5,019	4,058	1,712	1,527	39,495	31,507
Greyhound	-	-	1,712	1,527	448,953	389,611
Total attendance	<u>5,019</u>	<u>4,058</u>	<u>3,423</u>	<u>3,054</u>	<u>349,488</u>	<u>318,709</u>

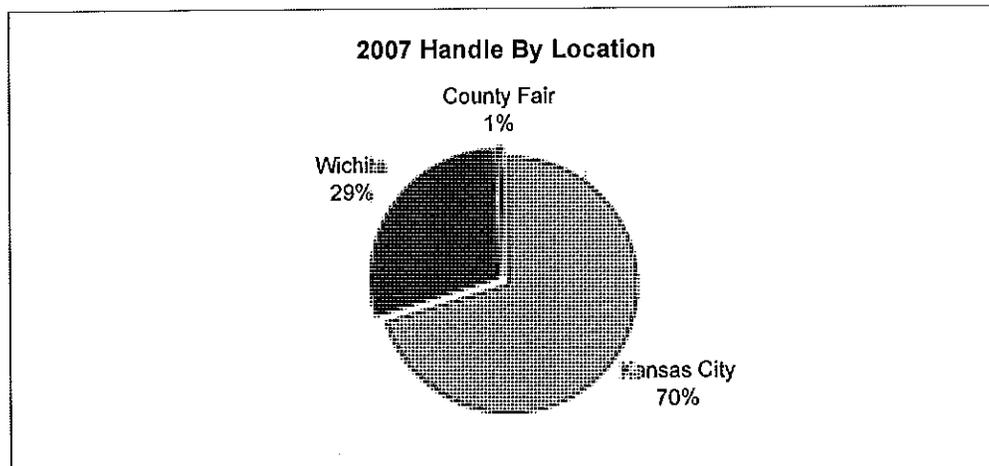
Kansas Racing and Gaming Commission
Track Statistics
 Calendar Years 2006-2007

	Eureka Downs Eureka, Kansas		Anthony Downs Anthony, Kansas		Overall Totals	
	2006	2007	2006	2007	2006	2007
Pari-mutuel tax						
Live						
Horse	\$ 8,770	\$ 7,228	\$ 1,940	\$ 2,153	\$ 64,562	\$ 53,770
Greyhound	-	-	2,410	1,775	570,384	459,958
Total live pari-mutuel tax	<u>8,770</u>	<u>7,228</u>	<u>4,350</u>	<u>3,928</u>	<u>634,945</u>	<u>513,727</u>
Simulcast						
Horse	3,260	2,246	-	-	1,410,393	1,238,625
Greyhound	-	-	-	-	837,856	706,697
Total simulcast pari-mutuel tax	<u>3,260</u>	<u>2,246</u>	<u>0</u>	<u>0</u>	<u>2,248,248</u>	<u>1,945,321</u>
Total pari-mutuel tax	<u>\$ 12,029</u>	<u>\$ 9,474</u>	<u>\$ 4,350</u>	<u>\$ 3,928</u>	<u>\$ 2,883,194</u>	<u>\$ 2,459,049</u>
Outs						
Live						
Horse	\$ 5,544	\$ 2,927	\$ 769	\$ 1,087	\$ 16,916	\$ 24,348
Greyhound	-	-	1,762	875	126,008	101,346
Total live outs	<u>5,544</u>	<u>2,927</u>	<u>2,531</u>	<u>1,962</u>	<u>142,924</u>	<u>125,694</u>
Simulcast						
Horse	-	1,967	-	-	223,727	208,609
Greyhound	-	-	-	-	116,151	92,945
Total simulcast outs	<u>-</u>	<u>1,967</u>	<u>-</u>	<u>-</u>	<u>339,878</u>	<u>301,554</u>
Total outs	<u>\$ 5,544</u>	<u>\$ 4,894</u>	<u>\$ 2,531</u>	<u>\$ 1,962</u>	<u>\$ 482,802</u>	<u>\$ 427,248</u>
* estimates						
Breakage						
Live						
Horse	\$ 2,519	\$ 2,086	\$ 815	\$ 791	\$ 13,188	\$ 11,355
Greyhound	-	-	333	328	48,565	40,470
Total live breakage	<u>2,519</u>	<u>2,086</u>	<u>1,148</u>	<u>1,119</u>	<u>61,753</u>	<u>51,825</u>
Simulcast						
Horse	559	299	-	-	177,353	130,489
Greyhound	-	-	-	-	34,634	45,103
Total simulcast breakage	<u>559</u>	<u>299</u>	<u>-</u>	<u>-</u>	<u>211,987</u>	<u>175,592</u>
Total breakage	<u>\$ 3,078</u>	<u>\$ 2,385</u>	<u>\$ 1,148</u>	<u>\$ 1,119</u>	<u>\$ 273,739</u>	<u>\$ 227,417</u>
Admission tax						
Live/Simulcast						
Horse	\$ 844	\$ 682	\$ 417	\$ 378	\$ 1,261	\$ 1,060
Greyhound	-	-	417	378	417	378
Total admission tax	<u>\$ 844</u>	<u>\$ 682</u>	<u>\$ 834</u>	<u>\$ 756</u>	<u>\$ 1,678</u>	<u>\$ 1,438</u>
Other taxes & fees						
Daily license fees	\$ 1,800	\$ 1,100	\$ 600	\$ 600	\$ 138,000	\$ 114,500
Licensing	9,664	8,240	1,047	1,414	78,701	76,195
Fines	1,850	1,550	600	100	14,135	11,322
Local ad valorem tax	999	812	685	611	1,684	1,422
Total other taxes & fees	<u>\$ 14,313</u>	<u>\$ 11,702</u>	<u>\$ 2,932</u>	<u>\$ 2,725</u>	<u>\$ 232,520</u>	<u>\$ 203,439</u>

Pari-mutuel Handle Calendar Years 1990-2007

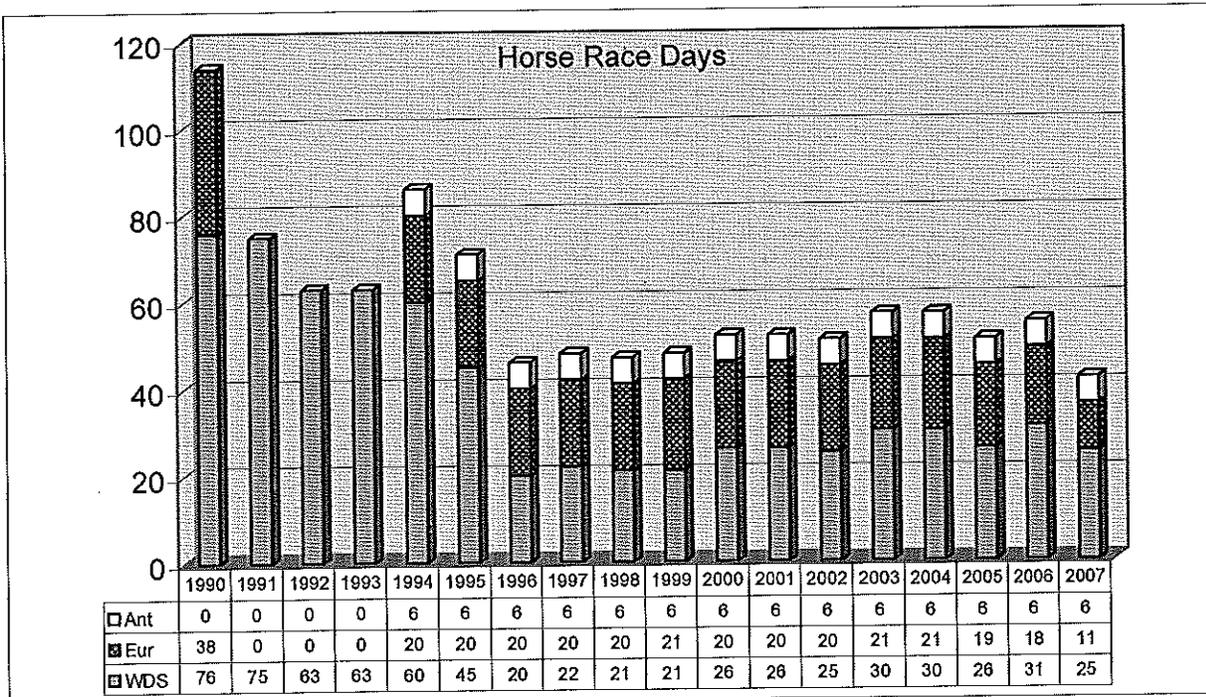
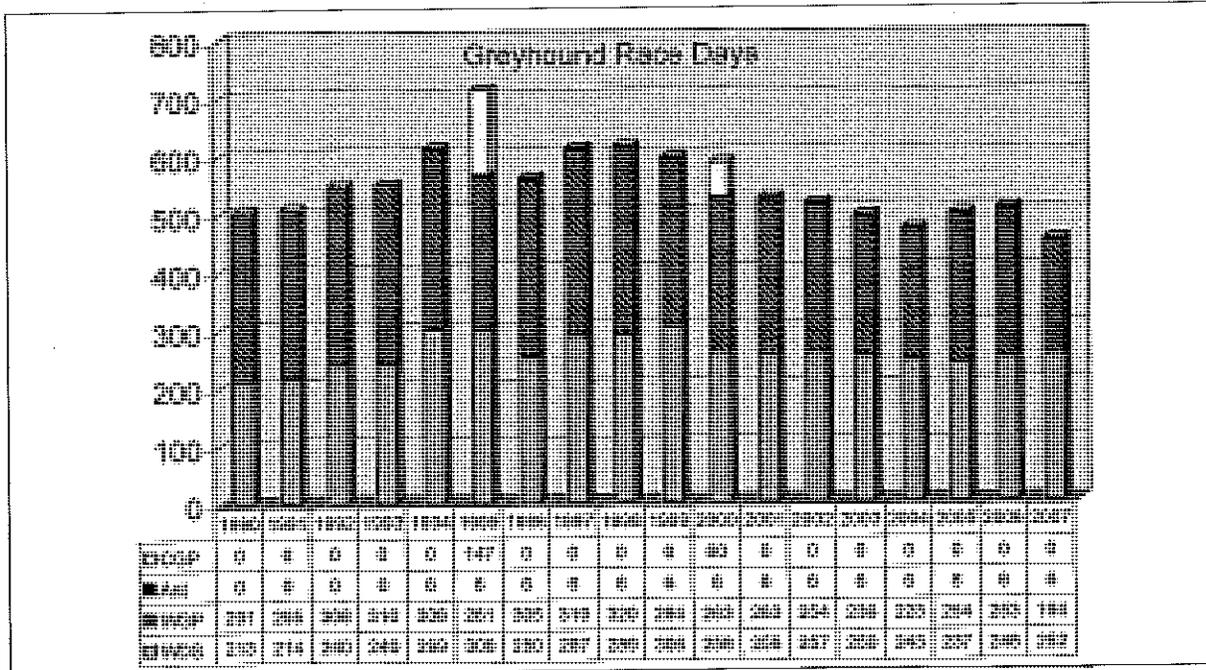


Calendar Year	Live	Simulcast	Total	% Change
1990	273,355,638	-	273,355,638	
1991	246,971,572	-	246,971,572	-9.65%
1992	214,235,214	25,469,929	239,705,143	-2.94%
1993	187,974,813	34,362,423	222,337,236	-7.25%
1994	174,344,451	45,944,187	220,288,638	-0.92%
1995	115,686,926	49,348,652	165,035,578	-25.08%
1996	70,859,045	52,315,297	123,174,342	-25.36%
1997	51,241,024	57,849,781	109,090,805	-11.43%
1998	49,521,893	66,918,833	116,440,726	6.74%
1999	43,743,621	72,112,135	115,855,756	-0.50%
2000	37,698,365	80,089,374	117,787,739	1.67%
2001	26,440,891	77,568,818	104,009,709	-11.70%
2002	27,151,949	83,680,054	110,832,003	6.56%
2003	26,654,689	75,020,803	101,675,492	-8.26%
2004	23,809,254	71,077,462	94,886,716	-6.68%
2005	20,305,725	65,272,302	85,578,027	-9.81%
2006	16,880,717	62,850,127	79,730,844	-6.83%
2007	13,722,312	54,343,025	68,065,337	-14.63%

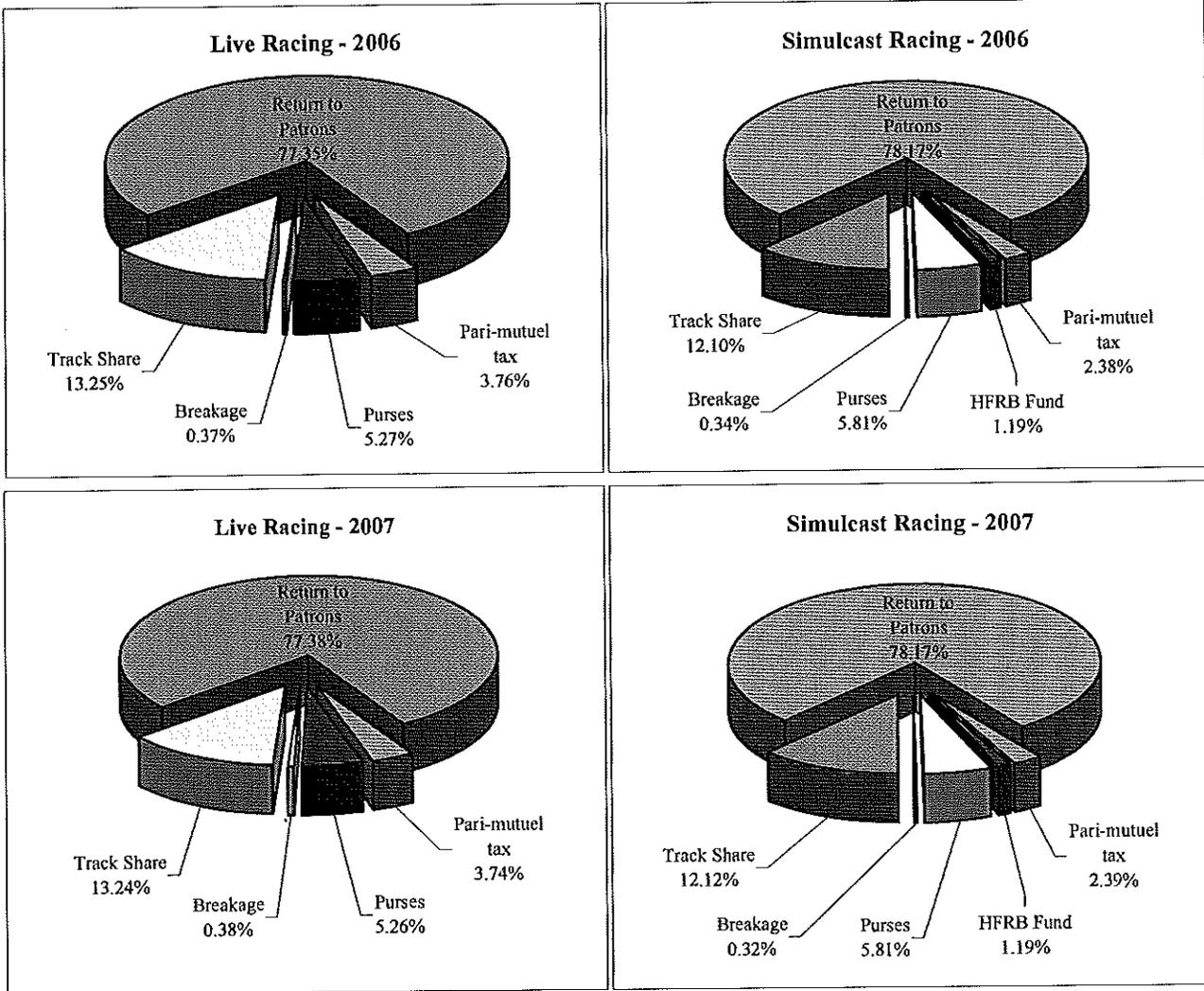


Kansas Racing and Gaming Commission

Race Days 1990 - 2007



Kansas Racing and Gaming Commission
The Wagering Dollar



CHARITABLE CONTRIBUTIONS

The Kansas pari-mutuel racing act directs that each organization licensee must distribute net earnings to 501(c)(3) nonprofits who are domiciled in and who will expend the monies in Kansas. The following schedule indicates the amount of charitable contributions by each organization licensee:

	<u>CY 2006</u>	<u>CY 2007</u>
TRAK East	\$ 77,400.67	\$ 77,908.25
Wichita Greyhound Charities, Inc.	\$ 24,496.00	\$ 43,499.00

TRAK East is associated with the Woodlands Race Course and Woodlands Kennel Club. Wichita Greyhound Charities, Inc. is associated with Wichita Greyhound Park. The following reflects how these charitable distributions improve the quality of life for Kansans:

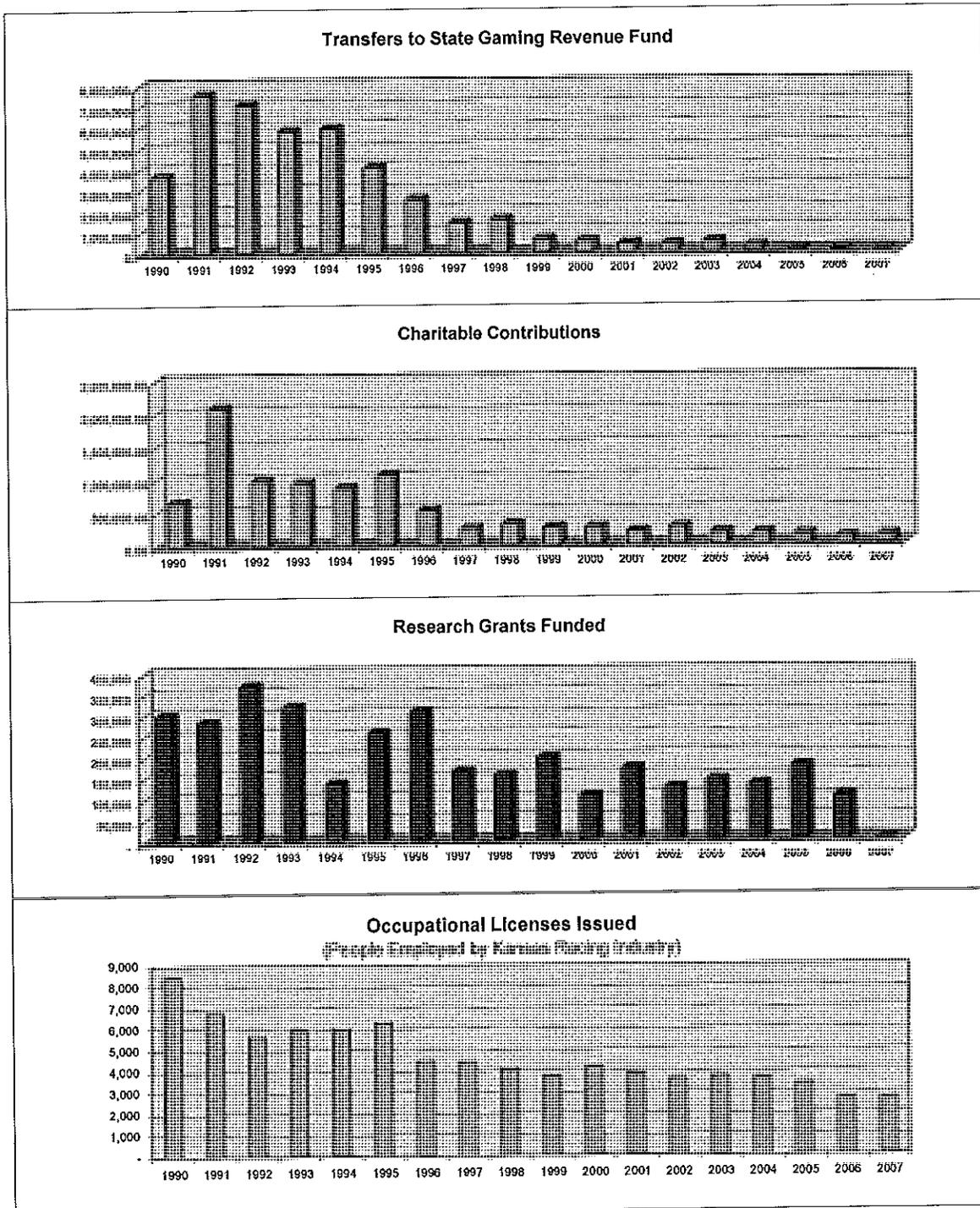
**TRAK East, Inc.
(15 Contributions)**

Bishop Ward High School	\$10,000.00
Caritas Clinics, Inc.	7,500.00
CHWC, Inc. (Catholic Housing of Wyandotte County)	2,500.00
City Vision Ministries	5,000.00
Greyhound Support in Kansas City	7,500.00
Kansas City Youth Jazz	6,600.00
K-State Research & Extension of Wyandot County	1,000.00
Leavenworth Road Association	5,000.00
MOKAN20/20VISION – dba 20/20 Leadership	2,000.00
Padre Pio Academy	3,000.00
Rosedale Development Association	2,500.00
Southwest Blvd. Family Health Care	5,000.00
The Family Conservancy	5,308.25
Wyandot Center for Community Behavioral Healthcare	10,000.00
YWCA of Greater Kansas City	<u>5,000.00</u>
Total	<u>\$77,908.25</u>

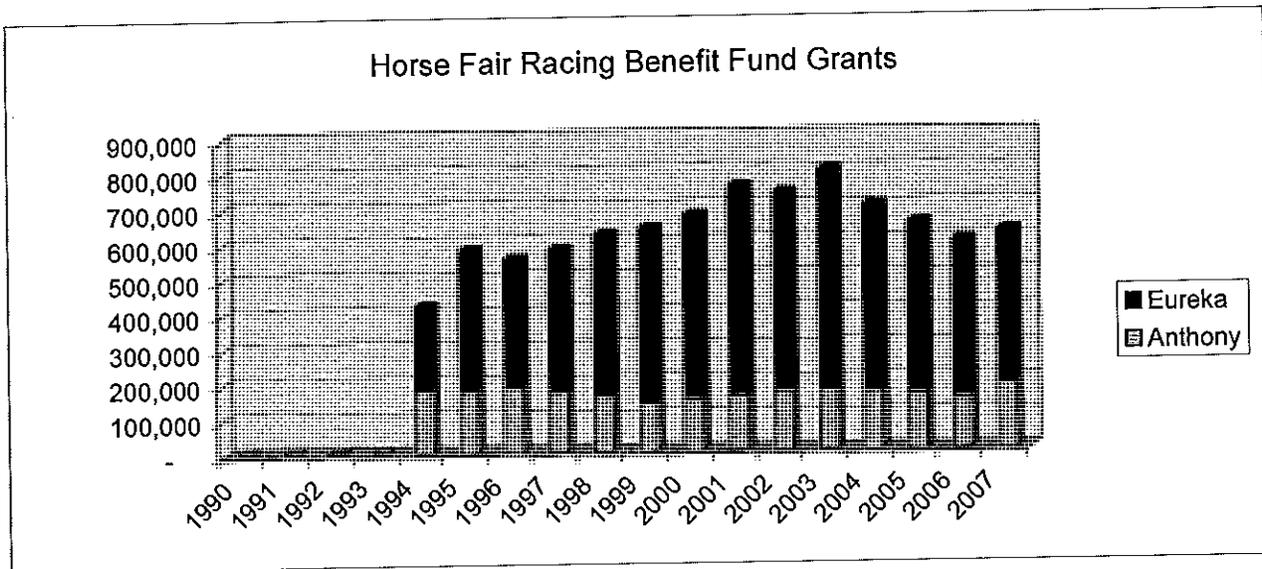
**Wichita Greyhound Charities, Inc.
(18 Contributions)**

Alpha Phi Alpha Fraternity	\$3,500.00
Boys and Girls Club of South Central Kansas City	2,000.00
CASA of Sedgwick County	1,198.00
Friends of the Keeper, Inc.	2,750.00
Heartspring	2,500.00
Joyful Noise Community Child Care	2,500.00
Kansas Health Ethics	3,000.00
Music Theatre for Young People	2,750.00
Newton Area Senior Center	2,750.00
Newton Meals on Wheels, Inc.	2,750.00
Positive Directions	3,750.00
Race the Wind Greyhound Adoption, Inc.	4,000.00
Ronald McDonald House Charities of Wichita, Inc.	1,198.00
The Kansas CASA Association	1,198.00
The Wichita Center for the Arts	1,375.00
United Cerebral Palsy of Kansas	3,000.00
Wichita Area Sexual Assault Center	1,905.00
Wichita Audubon Society, Inc.	<u>1,375.00</u>
Total	43,499.00

Kansas Racing and Gaming Commission Benefits of Parimutuel Racing



Kansas Racing and Gaming Commission
Horse Fair Racing Benefit Fund Grant Awards



	<u>Anthony</u>	<u>Eureka</u>	<u>Total</u>
1990	-	-	-
1991	-	-	-
1992	-	-	-
1993	-	-	-
1994	179,345	242,333	421,678
1995	176,746	405,635	582,381
1996	185,000	370,060	555,060
1997	174,300	407,652	581,952
1998	160,000	461,600	621,600
1999	138,480	500,000	638,480
2000	150,000	526,000	676,000
2001	158,000	600,000	758,000
2002	170,517	568,390	738,907
2003	171,778	630,000	801,778
2004	168,000	532,000	700,000
2005	162,500	487,500	650,000
2006	150,000	450,000	600,000
2007	186,613	438,387	625,000

Budget and Financial



Kansas Racing and Gaming Commission
Fund Activity
FY 2006 and FY 2007

	State Racing Fund	Horse Fair Racing Benefit Fund	Horse Breeding Development Fund	Racing Investigative Expense Fund	Greyhound Breeding Development Fund	Racing Reimbursable Expense Fund	Racing Applicant Deposit Fund	Tribal Gaming Fund	Totals
FY 2006									
Beginning balance (7-1-05)	\$ 338,414	\$ 76,550	\$ 130,249	\$ 19,892	\$ 804	\$ 25,150	\$ 855	\$ 389,677	\$ 1,820,091
Prior period adjustments	10,075	7,495	-	-	-	422	-	15	18,007
Receipts									
Revenue	2,457,035	764,487	424,943	-	262,579	30,074	34	1,387,846	5,326,798
Operating transfer									
General Fund transfer	200,000	-	-	-	-	-	-	450,000	650,000
Disbursements									
Operating expenditures	(2,876,093)	(672,419)	(442,424)	-	(111,800)	(30,062)	-	(1,469,267)	(5,602,065)
State Gaming Revenue Fund transfer	-	-	-	-	-	-	-	-	-
Operating transfer	-	-	-	-	-	-	-	-	-
Greyhound Tourism Fund transfer	-	-	-	-	-	-	-	-	0
General Fund transfer	(37,138)	(1,764)	-	-	-	-	-	(450,000)	(488,902)
KSIP expenditures									
Ending balance (6-30-06)	\$ 92,293	\$ 174,349	\$ 112,768	\$ 19,892	\$ 151,383	\$ 25,584	\$ 889	\$ 308,271	\$ 1,723,929
FY 2007									
Beginning balance (7-1-06)	\$ 92,293	\$ 174,349	\$ 112,768	\$ 19,892	\$ 151,383	\$ 25,584	\$ 889	\$ 308,271	\$ 1,723,929
Prior period adjustments	10,290	6,131	-	-	-	92	-	12,311	28,824
Receipts									
Revenue	2,697,459	728,017	419,939	5,000	227,414	339,365	46	1,524,368	5,941,608
General Fund transfer									0
Disbursements									
Operating expenditures	(2,424,794)	(731,202)	(430,219)	(2,396)	(121,861)	(339,135)	-	(1,573,737)	(5,623,344)
State Gaming Revenue Fund transfer	-	-	-	-	-	-	-	-	-
Operating transfer	-	-	-	-	-	-	-	-	-
Greyhound Tourism Fund transfer	-	-	-	-	-	-	-	-	0
General Fund transfer	-	-	-	-	-	-	-	-	-
KSIP expenditures									
Ending balance (6-30-07)	\$ 375,248	\$ 177,295	\$ 102,488	\$ 22,496	\$ 256,936	\$ 25,906	\$ 935	\$ 271,213	\$ 2,071,017

CASHFLOW

The 2007 Legislature gave the KRGC the authority to draw down up to \$3.0 million in funding to cover the start-up costs associated with gaming regulation. At the same time, the agency realizes that this was a loan and not an appropriation, so these funds will need to be repaid, with interest, once all gaming facility managers have been selected.

With the delays in opening of the racetrack gaming facilities, our internal estimates indicate that we will spend between \$2.4 and \$3.0 million in FY 2008 to be staffed fully and prepared to regulate electronic gaming machines at the Woodlands and Camptown racetracks. This difference is a function of the timing of the opening of the tracks. As the opening is delayed, expenditures in FY 2008 will go down.

Of this \$2.4 to \$3.0 million, we expect to be reimbursed approximately \$550,000 to \$800,000 in FY 2008 from the two racetrack gaming facilities, to offset the expenditures. The facilities will be billed within 30 days of the signing of contract with the Lottery Commission. These costs will include all costs accrued from July 1, 2007, up to and including the approval of the facility.

For FY 2009, we originally estimated that at least two of the casino management companies would be selected early in the fiscal year, and that we would have adequate funds for operation within the \$3.0 million loan until all four gaming facilities have been selected and we are able to bill for reimbursement of costs. We remain cautiously optimistic about this assumption as delays and likely extensions could push approvals into August 2008. At this time, we only advise you that should further delays become apparent or imminent, we will be talking with our budget committees during Omnibus about the possibility of needing further loan authority for FY 2009.

BUDGET HIGHLIGHTS

There are major increases in our FY 2009 budget resulting from increased grant funding generated by earmarked revenue from the Expanded Lottery Act. These budgeted increases represent over a \$13 million or 1,200 percent increase from FY 2007 to FY 2009. These estimates were based upon fully operational racetrack gaming facilities on July 1, 2008, and based on most recent information, that it unlikely to happen. While most expect our budget to have major operational increases due to increases in gaming activity, our operational expenditures for gaming in FY 2009, are estimated to be only 22 percent of our total budget, with racing operations being about 18 percent of that same budget.

The Governor's Budget Recommendation provided us with 122.0 FTE positions in FY 2008 and 136.50 FTE positions in FY 2009. Based upon our best estimates, we believe we will need 94.3 FTE positions to regulate the racetrack gaming facilities and to continue preparing for the implementation of the lottery gaming facilities. The Governor's recommendation left us the flexibility to fill positions as needed should a lottery gaming facility build a temporary facility or we experience unanticipated regulatory issues.

Kansas Racing and Gaming Commission

Estimated Gaming Costs and Allocations

July 2007 thru December 2008

**ELA Regulation Fund
Fund 2535**

	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	Subtotal CY 2007
Expenditures							
Salaries	54,566	66,221	85,182	85,484	144,042	135,068	570,563
Rents	23,475	112	151	23,629	71	169	47,607
Moving Expense							-
Ambient Consulting					15,101	23,801	38,902
Spectrum Group		131,250				-	131,250
Other Contractual Services	7,663	19,381	7,616	9,867	8,547	8,430	61,504
Total Contractual Services	31,139	150,743	7,767	33,496	23,719	32,400	279,263
Total Commodities	626	3,907	3,168	2,046	2,103	1,724	13,575
Capital Outlay	-	18,798	3,096	852	31,761	1,370	55,876
Total expenditures	86,330	239,669	99,213	121,878	201,625	170,562	919,278
Billed Costs	21,583	59,917	24,803	30,470	50,406	42,640	229,819

Kansas Racing and Gaming Commission
Estimated Gaming Costs and Allocations
 July 2007 thru December 2008

ELA Regulation Fund
Fund 2535

	Budget Jan-08	Budget Feb-08	Budget Mar-08	Budget Apr-08	Budget May-08	Budget Jun-08	Half Year Subtotal	Subtotal FY 2008
Expenditures								
Salaries	130,000	176,744	206,655	226,595	241,550	256,506	1,238,049	1,808,612
Rents	23,500	150	150	43,000	150	150	67,100	114,707
Moving Expense	76,750	30,000	50,000	20,000			176,750	176,750
Ambient Consulting	32,500	32,500					65,000	103,902
Spectrum Group							-	131,250
Other Contractual Services	35,466	35,466	35,466	35,466	35,466	35,466	212,796	274,300
Total Contractual Services	168,216	98,116	85,616	98,466	35,616	35,616	521,646	800,909
Total Commodities	6,154	6,154	6,154	6,154	6,154	6,154	36,924	50,499
Capital Outlay	49,789	49,789	49,789	49,789	49,789	49,789	298,734	354,610
Total expenditures	354,159	330,803	348,214	381,004	333,109	348,065	2,095,353	3,014,631
Billed Costs	88,540	81,020	77,895	85,222	116,921	126,477	576,075	805,894

Kansas Racing and Gaming Commission
Estimated Gaming Costs and Allocations
 July 2007 thru December 2008

ELA Regulation Fund
Fund 2535

	Estimate Jul-08	Estimate Aug-08	Estimate Sep-08	Estimate Oct-08	Estimate Nov-08	Estimate Dec-08	Half Year Subtotal	Subtotal CY 2008	18-month Total
Expenditures									
Salaries	276,446	276,446	276,446	276,446	276,446	276,446	1,658,676	2,896,725	3,467,288
Rents	21,558	21,558	21,558	21,558	21,558	21,558	129,351	196,451	244,058
Moving Expense							-	176,750	176,750
Ambient Consulting							-	65,000	103,902
Spectrum Group	131,250					131,250	262,500	262,500	393,750
Other Contractual Services	64,782	64,782	64,782	64,782	64,782	64,782	388,692	601,488	662,992
Total Contractual Services	217,590	86,340	86,340	86,340	86,340	217,590	780,543	1,302,189	1,581,452
Total Commodities	6,154	6,154	6,154	6,154	6,154	6,154	36,924	73,848	87,423
Capital Outlay	39,789	39,789	39,789	39,789	39,789	39,789	238,734	537,468	593,344
Total expenditures	539,979	408,729	408,729	408,729	408,729	539,979	2,714,877	4,810,230	5,729,507
Billed Costs	172,226	139,413	139,413	139,413	139,413	172,226	902,105	1,478,180	1,707,999

Kansas Racing and Gaming Commission
FTE History

	Prior to SB 66	FY 2008 Approved	Current Actual	Revised FY		FY 2009 DOB Rec
				2008 DOB Rec		
Topeka	23.00	56.00	35.33	56.00		57.50
Woodlands	10.00	11.00	11.00	18.50		18.50
Wichita	10.00	10.00	-	10.00		-
Frontenac	-	-	-	18.50		18.50
Crawford/Cherokee	-	-	-	10.50		10.50
Ford	-	-	-	8.50		10.50
Sumner	-	-	-	-		10.50
Wyandotte	-	-	-	-		10.50
Total	43.00	77.00	46.33	122.00		136.50

Full-time Equivalent Positions (FTE)

Kansas Racing and Gaming Commission
Current and Targeted FTE

	Current FTE on staff				Estimate to regulate racinos			
	Topeka	Wood	Camp	Total	Topeka	Wood	Camp	Total
Executive	6.33	-	-	6.33	6.30	-	-	6.30
Administration	11.00	-	-	11.00	21.00	-	-	21.00
Animal Health	1.00	4.00	-	5.00	1.00	4.00	4.00	9.00
Audit & Elec Security	4.00	1.00	-	5.00	11.00	1.00	1.00	13.00
Licensing	4.00	1.00	-	5.00	4.00	2.00	2.00	8.00
Racing	1.00	3.00	-	4.00	1.00	3.00	3.00	7.00
Security	8.00	2.00	-	10.00	13.00	8.50	8.50	30.00
Total	35.33	11.00	-	46.33	57.30	18.50	18.50	94.30

Full-time Equivalent Positions (FTE)

Kansas Racing and Gaming Commission
FTE Projections for ELA Implementation

Projected FTE

	Topeka	Woodlands	Camptown	Wyandotte	Southeast	Sumner	Ford	Total
Executive	6.33	-	-	-	-	-	-	6.33
Administration	21.00	-	-	-	-	-	-	21.00
Animal Health	1.00	4.00	4.00	-	-	-	-	9.00
Audit & Elec Security	11.00	2.00	2.00	1.00	1.00	1.00	1.00	19.00
Licensing	6.00	1.00	1.00	1.00	1.00	1.00	1.00	12.00
Racing	1.00	3.00	3.00	-	-	-	-	7.00
Security	13.00	8.50	8.50	8.50	8.50	8.50	8.50	64.00
Total	59.33	18.50	18.50	10.50	10.50	10.50	10.50	138.33

Full-time Equivalent Positions (FTE)

Kansas Racing and Gaming Commission
Estimated Annualized Salaries

Implementation Phase	Salary Type	5131		2535		2616		Total Salary Expenditures
		State Racing Fund	Expand. Lottery Regulation Fund	Regulation Fund	Racing Reimb. Fund			
Through Racinos	94.3 FTE	\$ 1,366,348.70	\$ 3,296,246.04	\$	\$ 659,959.89	\$	\$ 5,322,554.63	
	Temp. Salaries	176,541.90	105,021.45		263,494.16		545,057.51	
	Total	\$ 1,542,890.60	\$ 3,401,267.49	\$	\$ 923,454.05		\$ 5,867,612.14	
All Casinos	136.5 FTE	\$ 1,303,014.97	\$ 5,767,913.25	\$	\$ 659,959.89	\$	\$ 7,730,888.11	
	Temp. Salaries	149,191.42	105,021.45		230,792.49		485,005.36	
	Total	\$ 1,452,206.39	\$ 5,872,934.70	\$	\$ 890,752.38		\$ 8,215,893.47	

Note: For comparison purposes, total salaries in 2007 were \$2,126,712 (all racing-related funds)

INFORMATION TECHNOLOGY

Licensing System

KRGC staff looked at several options for a licensing system, realizing that our current AS/400 system has long needed replacement and has not been updated because of funding shortfalls in the agency. The Iowa Racing and Gaming Commission provided us with its licensing system free of charge. There were many advantages to using its system:

- **Ease of Conversion.** KRGC only had to make some fairly routine changes to make it work for Kansas. The most significant alteration to the system is to change the key identifier from the licensee's Social Security number to a unique identification number to comply with state law. Some other changes include integration with live fingerprint scanning and an optical system, allowing for credit card payments, tightening security for users, enhancing audit trail capabilities, as well as adding Kansas specific information.
- **Ownership.** We will have full ownership of the software when it is completed, giving us the ability to make program changes for pari-mutuel licensing ourselves.
- **Cost.** Because of the small price tag on those modifications (\$130,000) compared to the estimate for a custom built system (\$3.7 million), it seemed to be the best fit and most cost effective decision for the agency. Also there are no associated maintenance fees and we will be able to make modifications and upgrades later on our own, with no mandatory consultant costs.
- **Timing.** Compared to other options, this system was the quickest and easiest solution. It also eventually will provide the ability to get our antiquated pari-mutuel system upgraded and in the same system as gaming licensing. It was also flexible enough to let us make the gaming upgrades first and then update the pari-mutuel system later when it fits our schedule and deadlines.

Other Information Technology Expenses

The agency's total IT project cost is estimated at \$1.8 million. These additional expenditures will include IT infrastructure expenses at all six of the gaming sites. All of these costs will be billed back to the destinations as the costs are incurred. However, at this time, our up-front costs are only for the modifications to the licensing system and server upgrades to accommodate the system and the associated imaging, badge system and eventual fingerprinting operations. We anticipate having some unforeseen costs for IT once we begin implementation and once we understand the magnitude of the workload, paperwork and public demand generated from our new tasks.

OTHER ITEMS

Website Redesign: KRGC has contracted with Stonecreek Media to do a full redesign of our website. This will include an updated look of the site as well as new and improved content to reflect our new duties around expanded gaming. We have received a first version of the new site up and running sometime in the next few weeks.

Document Imaging: Our Licensing Division has scanned all license applications, ownership registrations and case files since 2005. We will also be scanning all of the 2005-2007 kennel registrations. Because of space limitations we are actively scanning all historical applications and case files for current licensees and eventually all historical files. We plan to scan all pari-mutuel and gaming applications, including the background disclosure forms.

We are working with Ex-Cel Solutions, our current electronic document retention software provider, to upgrade our scanning abilities at the main office and to provide capabilities at all facility sites. Our Administration Division is also seeking to significantly reduce storage needs by scanning all major history documents and required records into a searchable electronic file system.

Live Fingerprint Scanning: The Commission takes fingerprints from applicants for a pari-mutuel or gaming license. The fingerprints are used for criminal records checks to assist us with suitability decisions. Livescan fingerprinting would electronically capture fingerprints and send them to the KBI and/or FBI electronically. The current method of collecting fingerprints is the age-old practice of inking fingers, rolling fingerprints on a paper card and then mailing it to KBI. That process takes about three weeks to get a response and puts a large burden on the KBI. The livescan technology gives us an immediate response from the KBI and two day response from the FBI and does not require people intervention.

Additional Space: We are in the process of expanding into an additional 6,500 square feet of space on the fifth floor of Eisenhower State Office Building to accommodate the additional staff necessary for the regulation of gaming. The move is occurring over a couple of months to minimize the impact on a busy staff and to cycle in the new space as new positions are filled.

Operational Policies and Procedures: We have undertaken a major rework of our operational policies and procedures. With the addition of numerous new regulations and regulatory responsibilities, we performed a review and revision of our policies. We currently have around 80 operational policies and have already identified 70 more policies we will need to efficiently and effectively operate a responsive and accountable regulatory agency such as ours.

Three major policies that have already been adopted this year are:

- Code of Conduct – setting standards of ethical conduct for both the Commission and staff.
- Employee Background Investigations – formalizing the initial and updating process for background investigations of employees.
- Fingerprinting of Licensure – updating our current process to allow for reasonable reciprocity standards in pari-mutuel licensing and allowing for the inclusion of gaming licensees.

Gaming Implementation



RESULTS OF COUNTY ELECTIONS with Resulting Deadlines for Lottery Gaming Facility Manager Applications

Wyandotte County

Election June 26, 2007 – Certified July 2, 2007
 Deadline to submit to Lottery, December 31, 2007 (as extended)
 Deadline for Lottery to submit to LGFRB, March 31, 2008
 Deadline for LGFRB decision, May 30, 2008

<u>Casino</u>		<u>Electronic Gaming Machines at Racetrack</u>	
Yes	16,138 (80.87%)	Yes	16,350 (82.05%)
No	3,818 (19.13%)	No	3,577 (17.95%)

Cherokee County

Election June 5, 2007 – Certified June 8, 2007
 Deadline to submit to Lottery, December 6, 2007 (as extended)
 Deadline for Lottery to submit to LGFRB, March 5, 2008
 Deadline for LGFRB decision, May 5, 2008

Yes	4,663 (69.42%)
No	2,054 (30.58%)

Crawford County

Election April 3, 2005 – Approved by Lottery Commission May 16, 2007
 Deadline to submit to Lottery, December 6, 2007 (as extended)
 Deadline for Lottery to submit to LGFRB, March 5, 2008
 Deadline for LGFRB decision, May 5, 2008

<u>Casino</u>		<u>Electronic Gaming Machines at Racetrack</u>	
Yes	5,791 (60.78%)	Yes	5,919 (62.02%)
No	3,737 (39.22%)	No	3,625 (37.98%)

Ford County

Election June 26, 2007 – Certified June 29, 2007
 Deadline to submit to Lottery, December 26, 2007 (as extended)
 Deadline for Lottery to submit to LGFRB, March 25, 2008
 Deadline for LGFRB decision, May 27, 2008 (May 26 is Memorial Day)

Yes	3,273 (64.05%)
No	1,837 (35.95%)

Sumner County

Election December 20, 2005 – Approved by Lottery Commission June 22, 2007
 Deadline to submit to Lottery, December 28, 2007 (per Sedgwick Co. certification 08/13/07 and extension)
 Deadline for Lottery to submit to LGFRB, March 27, 2008
 Deadline for LGFRB decision, May 26, 2008

Yes	4,842 (63.05%)
No	2,838 (36.95%)

Sedgwick County

Election August 7, 2007
 Certified August 13, 2007

<u>Casino</u>		<u>Electronic Gaming Machines at Racetrack</u>	
Yes	45,410 (43.90%)	Yes	51,624 (49.88%)
No	58,035 (56.10%)	No	51,868 (50.12%)

LOTTERY GAMING FACILITY REVIEW BOARD

Matt All, Chairman

Lawrence

Appointed by the Governor

James Bergfalk

Mission

Appointed by the Governor

Bob Boaldin

Elkhart

Appointed by the President of the Senate

Garry Boston

Newton

Appointed by the Speaker of the House

Jack Brier

Topeka

Appointed by the Speaker of the House

Dean Ferrell

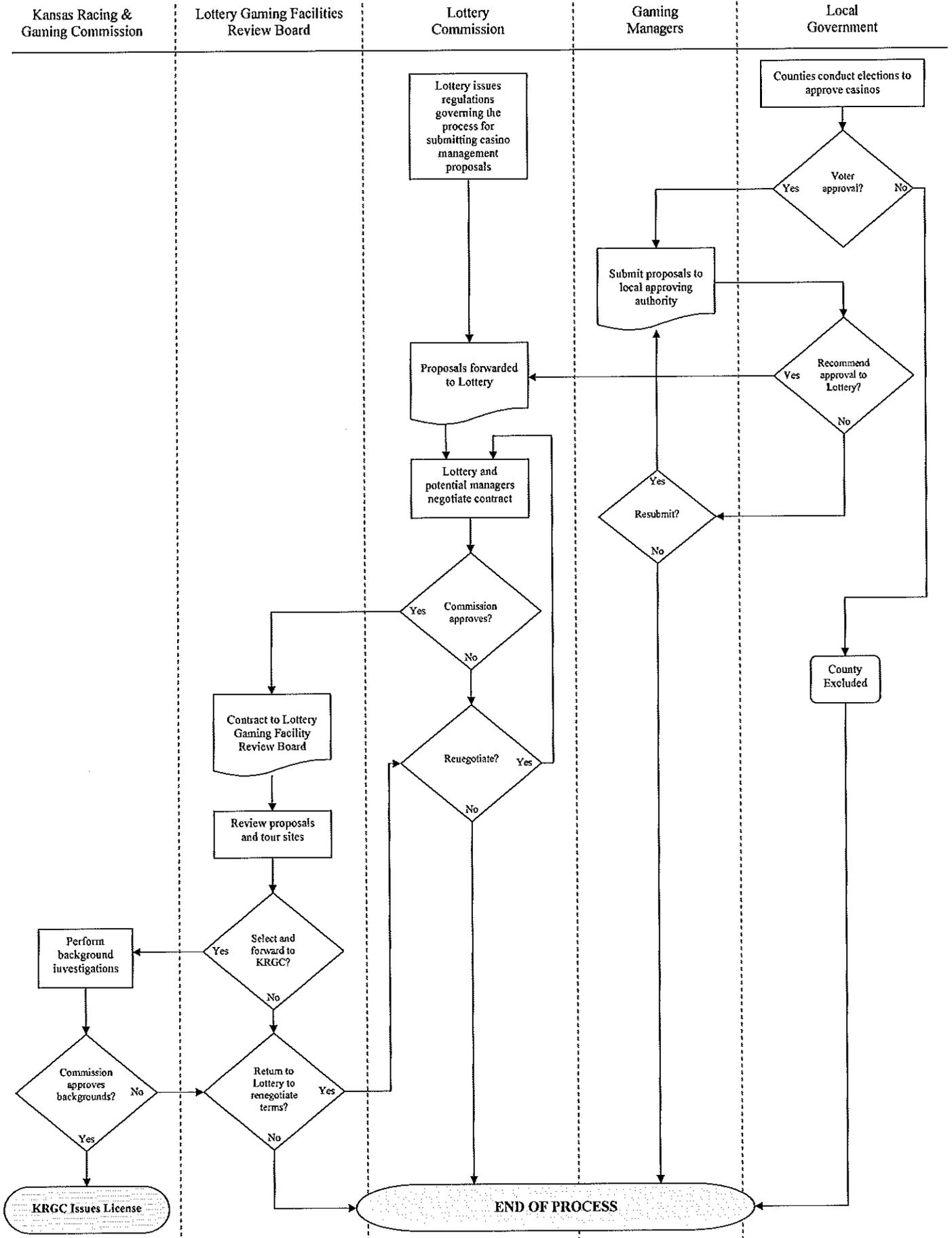
Topeka

Appointed by the President of the Senate

Jackie Vietti, Ph.D.

El Dorado

Appointed by the Governor



TECHNICAL STANDARDS DEVELOPMENT FOR CENTRAL COMPUTER SYSTEM

Senate Bill 66 requires that all electronic gaming machines be linked directly to a central computer at a location determined by the Lottery Commission's executive director for purposes of security, monitoring and auditing. The KRGC has been working with consultants in developing these technical standards for the Lottery Commission's central computer system.

KRGC staff met with staff of the Lottery Commission on various occasions in August to gain a consensus on the draft technical standards. In mid-September representatives from the KRGC and the Lottery went to Delaware and Rhode Island to look at the central computer systems used in those jurisdictions. On November 16 the KRGC gave preliminary approval of technical standards for the central computer system.

According to the approved standards, KRGC will:

- Have access to all reports made available to the Lottery.
- Have the ability to create ad-hoc reports as needed.
- Be able to make modifications to what information is collected.
- Approve remote or non-gaming terminal connections into the CCS.
- Approve IT security of remote or non gaming terminal connections into the CCS.
- Approve of all programs, data files and operating systems on the CCS.
- Have input on requirements for wide-area progressive system.
- Approve of progressive controllers.
- Conduct acceptance testing.
- Impose modification requirements in case of failed acceptance testing.
- Determine functionality of production system.
- Have a terminal at each facility and at Topeka to access information.
- Have a separate database of gaming information for auditing purposes at Topeka.

RESPONSIBLE GAMING

1. Responsible Gaming Plan

- Each licensee will submit responsible gaming plan
- Procedures for compliance with commissions self-exclusion program
- Procedures for creating and disseminating promotional material to educate patrons about responsible gaming
- Details about training employees on responsible gaming matters
- Procedures to prevent underage gambling
- Licensees will report semiannually to commission on the status and success of responsible gaming plan

2. Self exclusion list

The Racing and Gaming Commission is working to develop a state of the art voluntary-exclusion program for the state of Kansas. We have taken the best of what other states are doing and added a step that we think makes our program one of the strongest in the nation.

Persons will be able to voluntarily exclude themselves from state-owned gaming facilities. They will have the choice of applying for either a lifetime ban or a two-year ban. A person who signs for the two-year ban must complete a "re-entry" program including an assessment by a certified gambling counselor before they can come off the list. **This "re-entry" program is unique to the state of Kansas.**

People on the list face possible trespassing charges if they are discovered at a gaming facility, and any winnings would be surrendered to the problem gambling and addictions fund. Gaming facilities also would face sanctions if they knowingly allow a person on the self-exclusion list into a gaming area.

3. Responsible Gaming Alliance

The KRGC is also taking the lead in creating a Responsible Gaming Alliance. The idea is to partner with other state agencies to develop a coordinating body for the state's responsible and problem gaming initiatives to avoid any duplication of services. Membership would include:

- Kansas Racing and Gaming Commission,
- Kansas Lottery,
- Department of Social and Rehabilitation Services,
- Department of Corrections,
- Coalition on Problem Gambling,
- Gaming industry representatives, and
- Community representatives.

Other stakeholders also would be welcome to be a part of the alliance. Membership would not be binding, and there would not be any budget for the alliance. Each member would have the choice on whether to help fund any particular alliance project.