

AGENDA  
KANSAS RACING AND GAMING COMMISSION  
10:00 a.m., Friday, September 09, 2022

SHAWNEE COUNTY PUBLIC LIBRARY  
1515 SW 10<sup>th</sup> Avenue  
Topeka, KS 66604

A. CALL TO ORDER

B. APPROVAL OF AGENDA

C. APPROVAL OF MINUTES

1. [Minutes of August 12, 2022](#)

D. CONSENT AGENDA

*Items listed on the consent agenda are routine in nature. If requested by a commissioner, an item June 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 2022](#)
  - b. [GLI Revocation Letters September 2022](#)
  - c. [BMM Approval Letters September 2022](#)
2. Internal Control Amendment Approvals
  - a. [Kansas Star Casino Internal Control Amendment Approvals](#)

E. LOTTERY GAMING FACILITY REPORTS/ITEMS

1. Boot Hill Casino and Resort
  - a. [August Monthly Report](#)
  - b. [August Revenue Report](#)
2. Kansas Star Casino
  - a. [August Monthly Report](#)
  - b. [August Revenue Report](#)

3. Hollywood Casino at Kansas Speedway

a. [August Monthly Report](#)

b. [August Revenue Report](#)

4. Kansas Crossing Casino

a. [August Monthly Report](#)

b. [August Revenue Report](#)

## F. COMMISSION ITEMS – OLD BUSINESS

None

## G. COMMISSION ITEMS – NEW BUSINESS

1. FY 2023 and 2024 Budget

*Commission Action*

*Commission review and discussion*

*Staff Presentation*

*Brandi White, Director of Administration, Finance, and Audit, KRGC*

*Staff Recommendation*

*Approval of the proposed Budget*

1. [Kansas Racing and Gaming Commission FY 2023 and 2024 Budget Memo](#)

2. [State Gaming Agency FY 2023 and 2024 Budget Memo](#)

## H. PUBLIC COMMENTS

## I. STAFF REPORTS

1. Garrett Rogers, Paralegal

a. [Voluntary Exclusion Program Report](#)

2. Todd Allen, Director of Sports Wagering

3. Don Brownlee, Executive Director

## J. 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 on confidential legal matters, to discuss confidential personnel matters, to protect the confidentiality of necessarily closed information including licensee background reports, and to protect the integrity of gaming information and the confidentiality of lottery gaming facility manager finances.*

***The following items will be discussed during the first executive session:***

1. Background Reports

***The following items will be discussed during the second executive session:***

1. Attorney/Client Privilege

**K. OTHER BUSINESS/FURTHER COMMISSION ACTION**

1. Consideration of proposed gaming licenses and renewals
2. Voluntary Exclusion Program Forfeiture Hearing

**L. ADJOURNMENT**

## KANSAS RACING AND GAMING COMMISSION

### MINUTES – AUGUST 12, 2022

#### CALL TO ORDER (A.)

Chairman David Moses called the August 12, 2022, meeting to order at 9:00 a.m. The meeting was held at the Eisenhower State Office Building in Topeka, Kansas. Notice of this meeting was given to the public via the KRGC and Public Square websites. Commissioners Brandon Jones, Larry Turnquist, Kelly Kultala, and Sheryl Spalding, who appeared by phone, were also present. Others present included Executive Director Don Brownlee, General Counsel Judith Taylor, Director of Administration, Audit, and Finance Brandi White, Director of Security Roger Bailey, Director of Sports Wagering Todd Allen, Director of IT&C-s Dennis Bachman, and other staff.

#### MOTION, APPROVE AGENDA (B.)

Commissioner Kultala (Spalding) moved to approve the agenda. Motion carried 5-0.

#### MOTION, APPROVE July 22, 2022 MEETING MINUTES (C.)

Commissioner Turnquist (Kultala) moved to approve the minutes of the July 22, 2022 meeting. Motion carried 5-0.

#### MOTION, APPROVE CONSENT AGENDA (D.)

Commissioner Spalding (Jones) moved to approve the consent agenda (five items). Motion carried 5-0.

#### LOTTERY GAMING FACILITY REPORTS/ITEMS; BOOT HILL CASINO & RESORT (E.1.a.)

Ryan Deutsch, Assistant General Manager, reported:

- July 2022 revenue numbers compared to July 2021:
  - Total gaming revenue up 5.77%
  - Total slot revenue up 4.13%
  - Table games revenue up 21.26%
- Events and Promotions:
  - Weekly Kiosk Games
  - Weekly Food and Beverage Specials
  - Gift Promotions
  - Dodge City Days Ranger Giveaways
  - Money Multiplier
  - VIP Promotions
  - Labor Day Specials and Promotions
- Upcoming Entertainment & Events
  - Jon Pardi (Dodge City Days Concert) – July 30
  - Jo Dee Messina – September 16
  - Amanda Miguel & Ana Victoria – October 14
  - Los Angeles Azules – October 23

- Jake Owen – November 5
- Gloria Trevi – November 6
- Since July 22<sup>nd</sup>, there have been 8 positive cases of COVID-19

LOTTERY GAMING  
FACILITY  
REPORTS/ITEMS; KANSAS  
STAR  
(E.2.a.)

Jeff Babinski, Vice President and General Manager, reported:

- Admissions down 12.8% compared to July 2021
- July 2022 revenue numbers compared to July 2021:
  - Total gross gaming revenue down 0.6%
  - Slot coin-in down 7.5%
  - Slot hold flat to July 2021
  - Table games drop up 13.4%
  - Table games hold up 5.4 pts
- Past Events and Promotions:
  - Blackstone Grill Give Away – July 30, 2022
  - Ted Nugent – August 5, 2022
- Upcoming Events and Promotions:
  - Brantley Gilbert – September 2, 2022
  - Oak Ridge Boys – September 23, 2022
  - Third Eye Blind – October 22, 2022
  - National Final Steer Roping – November 4-5, 2022
  - Farm Expo Trade Show – December 1-3, 2022
- Since July 22<sup>nd</sup>, there have been 2 positive cases of COVID-19

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

Rick Skinner, Vice President & General Manager, reported:

- Admissions were down 4.7% compared to July 2021
- July 2022 revenue numbers compared to July 2021:
  - Total gross gaming revenue increase 2.9%
  - Slot revenue up 1.4%
  - Table games revenue up 20.5%
- Recent/Upcoming Events and Promotions:
  - July 30 – Winners Party
  - August 1 – Crazy K9s Table Games Giveaway
  - August 4 – Take It or Leave It
  - August 6 – 10 Year \$200K Drawing
  - August 13 – Free Gas for a Year
  - August 27 – mychoice madness
  - September 9 – Hollywood Casino 400 Drawing
  - September 11 – Hollywood Casino 400 NASCAR race
- Since July 22<sup>nd</sup>, there have been 4 positive cases of COVID-19

LOTTERY GAMING  
FACILITY

Jeff McKain, General Manager, reported:

- Admissions up 9.4% compared to July 2021

REPORTS/ITEMS; KANSAS  
CROSSING CASINO  
(E.4.a.)

- July 2022 revenue numbers compared to July 2021:
  - Coin in up 8.6%
  - Table games drop up 7.9%
  - Net gaming revenue up 11.1%
- Events and Promotions:
  - July
    - Retail promotions of Monday July 4th.
    - Kiosk Multiplier games every Tuesday.
    - Camp 49 Hot promotional specials every Wednesday.
    - Casino Hot Seats every Thursday.
    - Table Game Smash and Grab promotion every Friday.
    - Summertime Spins promotion every Friday.
    - Scott McCreery outdoor concert Friday the 29th.
    - Casino gift day every Saturday.
    - Card Shark promotion every Saturday.
    - Cash is King promotion Saturday the 30th.
  - August
    - Kiosk Multiplier games every Tuesday
    - Camp 49 Hot promotional specials every Wednesday
    - Casino Hot Seats every Thursday
    - Outside concert on Thursday the 19<sup>th</sup> featuring Kansas
    - Fast Cash promotion Friday 5<sup>th</sup>, 12<sup>th</sup>, and 19<sup>th</sup>
    - Cash is King promotion Friday the 26<sup>th</sup>
    - Casino gift day every Saturday
    - Additional gift day on Sunday 28<sup>th</sup>
- Since July 22<sup>nd</sup>, there has been 1 positive cases of COVID-19

COMMISSION ITEMS –  
OLD BUSINESS  
(F.)

Director of Sports Wagering, Todd Allen, presented the proposed temporary sports wagering regulations. Commissioners asked questions and made needed changes during the presentation.

COMMISSION ITEMS –  
NEW BUSINESS  
(G.)

There was no new business

PUBLIC COMMENTS  
(H.)

Dave Rice, Hollywood Casino, thanked the commission for the opportunity to work with them.

Rick Skinner, Vice President & General Manager of Hollywood Casino, came forward to discuss proposed regulation 112-205-4. Mr. Skinner explained that there are circumstances that require facility managers to

MOTION, APPROVE  
TEMPORARY SPORTS  
WAGERING  
REGULATIONS  
(I.)

STAFF REPORTS  
(J.1. and J.2.)

MOTION, EXECUTIVE  
SESSION; CONFIDENTIAL  
BACKGROUND REPORTS  
(K.1.)

have the ability to change the rules of a tournament or event and gave several examples.

Commissioner Jones (Turnquist) moved to approve the temporary draft sports wagering regulations presented to the commission this morning with amendments approved today by commissioners. Staff is authorized to format and choose verbiage that conveys the intended meaning of the commissioners' amendments. Motion passed 5-0.

Garrett Rogers, Paralegal, reported on the Voluntary Exclusion Program statistics for the month of July 2022.

Todd Allen, Director of Sports Wagering, reported:

- There was no additional information from what was shared in Old Business.

Executive Director Brownlee reported:

- KRGC staff appreciates both Rick Skinner and Jeff Babinski's efforts and thank them for their time.
- KRGC pledges to work with operators to make sure that sports wagering is successful.
- Responsibilities for Sports Wagering lay with both KRGC and the Kansas Lottery. The first step to establishing sports wagering is the creation of contracts between the Lottery and the facility managers. The contracts are nearly complete but are not yet signed.
- Six platform companies have contracted with a state-owned casino to facilitate sports wagering.
- Thirteen third-party vendors have been identified as working with the platforms, and background checks are currently being done for these vendors.
- Lottery has given approval to platform companies to run sports wagering advertisements in Kansas prior to the actual start date.
- The October commission meeting was rescheduled from October 14<sup>th</sup> to October 7<sup>th</sup>. The meeting location is to be determined.

Commissioner Spalding (Kultala) moved that the Commission go into executive session for the purpose of reviewing confidential background reports presented today by the commission's security division. In addition to the commissioners, the confidential background reports portion

included the executive director, general counsel, and director of security. The total time for the executive session was anticipated to be twelve (12) minutes until 12:10 p.m. 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. The motion carried 5-0, and the meeting was adjourned to executive session at 11:57 a.m.

RECONVENE  
(K.2.)

The commission meeting returned to open session at 12:10 p.m. with Chairman Moses, Commissioner Jones, Commissioner Turnquist, Commissioner Kultala, and Commissioner Spalding present.

MOTION, EXECUTIVE  
SESSION; ATTORNEY-  
CLIENT PRIVILEGE  
(K.3.)

Commissioner Kultala (Jones) moved that the Commission go into executive session for the purpose of consulting with the agency's attorney on attorney-client privileged communications. In addition to the commissioners, the attorney-client privileged communications will include the executive director and general counsel. After discussion, the total time for the executive session was anticipated to be forty-five (45) minutes until 12:55 p.m. 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. The motion carried 5-0, and the meeting was adjourned to executive session at 12:10 p.m.

RECONVENE  
(K.4.)

The commission meeting returned to open session at 12:57 p.m. with Chairman Moses, Commissioner Jones, Commissioner Turnquist, Commissioner Kultala, and Commissioner Spalding present. Chairman Moses noted that the executive session did end at 12:55 p.m., but logistical hurdles delayed the return to open session.

MOTIONS ON LICENSE  
APPLICATIONS  
(L.1.)

Commissioner Turnquist (Spalding) moved to *deny one* license application, and *approve the remaining 153* license applications from the July 22, 2022, list of background reports referred to the commission for action. The motion carried 5-0.

OTHER BUSINESS

There were no other items for discussion or motion.

ADJOURNMENT

(M.)

Chairman Moses stated that the September 09, 2022 commission meeting will begin at 10:00 a.m. for an in-person meeting at the Shawnee County Public Library in Topeka, Kansas.

Commissioner Jones (Turnquist) moved to adjourn the meeting. Motion passed 5-0. The meeting was adjourned at 12:59 p.m.

SUBMITTED BY:

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Larry Turnquist  
Secretary

APPROVED BY:

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David Moses  
Chairman

DRAFT

Manufacturer	File Number	Game Name
Acres Manufacturing Company	SY-73-AC3-22-05	Nex7 SAS Telemetry System
AGS, LLC.	MO-22-AGY-22-03	Pax S Shuffler
AGS, LLC.	MO-73-AGY-22-03	Pax S 2.1.X
Ainsworth Game Technology Limited	MO-22-AWG-22-17	9R Base Program
Ainsworth Game Technology Limited	MO-231-AWG-18-01	NANOPTIX NEXTGEN PAYCHECK Firmware
Ainsworth Game Technology Limited	MO-497-AWG-18-01	TransAct EPIC EDGE Ticket Printer
Ainsworth Game Technology Limited	MO-497-AWG-19-01	TransAct EPIC EDGE Firmware
Ainsworth Game Technology Limited	MO-73-AWG-21-40	A700 LCD Button Panel (4mm)
Ainsworth Game Technology Limited	PA-394-AWG-21-01	A755C PLATFORM
Ainsworth Game Technology Limited	PA-73-AWG-21-01	Slant Top A700ST
Aristocrat Technologies, Inc. *	SY-394-ARI-22-09	Oasis Loyalty System Software
Aristocrat Technologies, Inc. *	SY-394-ARI-22-11	Oasis Reporting
Aristocrat Technologies, Inc.	MO-73-ARI-22-37	Mars X Portrait Tovis 43-inch LCD Monitor
Aristocrat Technologies, Inc.	MO-73-ARI-22-78	Checkered Flag
Aristocrat Technologies, Inc.	SY-08-ARI-22-03	Oasis Loyalty System Software
CADILLAC JACK	MO-22-CAD-22-20	Main Program
Everi Games, Inc.	MO-73-MMG-22-61	MF_ChaChing
Everi Games, Inc.	MO-73-MMG-22-62	QX40.85x64_L2.4.8-88_P2.5.0-27
Genesis Gaming Solutions Inc	SY-394-GSG-21-05	N/A
Genesis Gaming Solutions Inc	SY-394-GSG-22-01	N/A
IGT	MO-22-IGT-19-197	Main Cabinet Controller
IGT	MO-22-IGT-21-08	SUPER STAR POKER II ASC_BUNDLE (SSA)
IGT	MO-22-IGT-21-24	Ultimate X Keno
IGT	MO-22-IGT-22-23	Wheel of Fortune Ca\$h Link Exotic Far East
IGT	MO-22-IGT-22-24	Wheel of Fortune Cash Link Latin Getaways
IGT	MO-22-IGT-22-27	UNIVERSAL ASCENT AND UC DIAGNOSTIC
IGT	MO-394-IGT-20-08	Super Times Pay Keno
IGT	MO-52-IGT-22-01	Wheel of Fortune Triple Stars Gold Spin Deluxe
IGT	MO-73-IGT-21-155	\$25,000 Pyramid
IGT	MO-73-IGT-22-36	Double Gold / Pink Diamond
IGT	MO-73-IGT-22-39	Pinball Double Gold
IGT	MO-73-IGT-22-40	Fortune Coin Extra
IGT	MO-73-IGT-22-45	Gold Bar 7s / Red Hot Tamales
IGT	MO-73-IGT-22-46	Triple Gold Bars / Triple Strike / Triple Gold
IGT	MO-73-IGT-22-48	Double Top Dollar
IGT	MO-73-IGT-22-52	Red Hot Tamales! Piñata Bash
IGT	MO-73-IGT-22-58	Legend of the 3x2x Phoenix Progressive Free Games Wheel
IGT	MO-73-IGT-22-59	5x3x2x Strike
IGT	MO-73-IGT-22-66	4x3x2x Jackpot Plus
INCREDIBLE TECHNOLOG	MO-73-INT-22-05	Leonidas Return to Sparta
INCREDIBLE TECHNOLOG	MO-73-INT-22-10	Multi-Ball Blast Panda Joy
INCREDIBLE TECHNOLOG	MO-73-INT-22-11	Medusa Viper's Desire
Interblock d.o.o. (previously Elektroncek, d.d.)	MO-22-ELE-22-03	JCM UBA 500 PRO BILL VALIDATOR
KONAMI GAMING INC.	MO-73-KON-22-21	Fortune Mint Ya Zhou Bao Wu
KONAMI GAMING INC.	MO-73-KON-22-22	Fortune Mint Yi Da Ba Qian
SG Gaming, Inc. f/k/a Bally Gaming, Inc.	MO-253-BAL-22-03	Sinatra
SG Gaming, Inc. f/k/a Bally Gaming, Inc.	MO-73-BAL-22-64	Jelly Jams - Fat Fortunes
SG Gaming, Inc. f/k/a Bally Gaming, Inc.	MO-73-BAL-22-66	All That Glitters
SG Gaming, Inc. f/k/a Bally Gaming, Inc.	MO-73-BAL-22-72	Cash Falls Add 'em up Lotus of Egypt
SG Gaming, Inc. f/k/a Bally Gaming, Inc.	MO-73-BAL-22-78	Tree of Wealth Prosperity Jade Eternity
SG Gaming, Inc. f/k/a Bally Gaming, Inc.	MO-73-BAL-22-80	Tree of Wealth Prosperity Rich Tradition
SG Gaming, Inc. f/k/a Bally Gaming, Inc.	MO-73-BAL-22-82	Triple The Thrill - Honey Hearts

\* Executive Approval 08/07/2022

Revoked Manufacturer	Revoked Game Name	Revoked File Number	Revoked ID Number	New File Number	New ID Number	Replace By
Acres Manufacturing Company	Nex7 Foundation OS	SY-73-AC3-21-05	21.4.2	SY-73-AC3-22-05	21.4.2.5	10/09/2022
Acres Manufacturing Company	Nex7 Foundation OS	SY-73-AC3-21-05	21.4.2	SY-73-AC3-22-05	21.4.2.7	10/09/2022

Manufacturer	Report Number	Game Name
IGT	IGTU22411KS	Scarab
IGT	IGTU25941KS	Double 3x4x5x Pay Double Double Wheel
Interblock	INTB10902KS	UCG Platform with Games
Interblock	INTB10902KS	UCG Platform with Games
Interblock	INTB11061KS	PCMD Platform with Games
Interblock	INTB11061KS	PCMD Platform with Games
Interblock	INTB11071KS	PSCAM Platform with Games
Interblock	INTB11241KS	Tournament Server
Interblock	INTB11331KS	PSCAM Platform with Games
Interblock	INTB11481KS	UCA platform with games
Interblock	INTB11502KS	UCD platform with games
Interblock	INTB11621KS	PSCAM Platform with games
Interblock	INTB11651KS	Big Dice Generator
Konami	KGI13211KS	Prize Catch Bison Treasure

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Don Brownlee, Executive Director

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Laura Kelly, Governor

### Kansas Star Casino Internal Control Amendments

August 12, 2022

<u>Item #/ (Description)</u>	<u>Regulation Waiver?</u>	<u>Regulation/IC Reference</u>	<u>Staff Recommendation</u>
KS342 – Surveillance Plan & Surveillance ICs	No	KAR 112-104-2 and KAR 112-106 / Surveillance Plan and Surveillance ICs	Approval
KS343 – Mini Baccarat and Midi Baccarat	No	KAR 112-108-6 / Rules of Game Section 8 and Section 10	Approval
KS344 – Purchasing and Related Party Transactions	No	KAR 112-104-42 / Casino Accounting Section 15	Approval

BOOT HILL CASINO & RESORT  
REPORT PRESENTED TO  
THE KANSAS RACING AND GAMING COMMISSION  
SEPTEMBER 9, 2022

By: Ryan Deutsch

- 1) For the month of August 2022, BHCR experienced a decrease in Total Gaming Revenue of 1.74% over August 2021. Total Slot Revenue was down 0.56% and Table Games Revenue was down 12.82%.

Upcoming Promotions & Events

- Weekly Kiosk Games
- Weekly Food and Beverage Specials
- Gift Promotions
- Rushin for Riches Game
- VIP Promotions
- Labor Day Specials and Promotions

Upcoming Entertainment & Events

- Jo Dee Messina – September 16
- Amanda Miguel & Ana Victoria – October 14
- Los Angeles Azules – October 23
- Jake Owen – November 5
- Gloria Trevi – November 6
- Los Chicos del 512 – November 18

Don Brownlee, Executive Director

Laura Kelly, Governor

## BOOT HILL CASINO & RESORT

### Lottery Gaming Facility Revenue-Unaudited\*

	August 2022	August 2021	Fiscal YTD 2023	Fiscal YTD 2022
Electronic gaming machines	3,725,330.67	3,744,345.62	7,727,134.78	7,576,430.78
Table games	350,018.87	403,368.24	845,534.53	823,276.26
Other #	173.53	47.38	235.08	108.07
<b>Total Lottery Gaming Facility Revenue</b>	<b><u>4,075,523.07</u></b>	<b><u>4,147,761.24</u></b>	<b><u>8,572,904.39</u></b>	<b><u>8,399,815.11</u></b>
State Share 22%	896,615.08	912,507.47	1,886,038.97	1,847,959.32
Local Share 3%	122,265.69	124,432.84	257,187.13	251,994.45
Problem Gambling Share 2%	81,510.46	82,955.22	171,458.09	167,996.30
Casino Share 73%	2,975,131.84	3,027,865.71	6,258,220.20	6,131,865.03

**\*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 9, 2022**

**BY:**

**Alli Bair – Director of Operations**

**Operational Notes**

- August admissions down 15.7% from August 2021

**August 2022 Gaming Revenue –**

- Total Gross Gaming Revenue down 8.0% to August 2021
- Slot Coin-In (Handle) down 7.2% to August 2021
- Slot hold (gross) down 0.1 pts to August 2021
- Table Game drop down 0.8% from August 2021
- Table Game hold is down 1.2 pts from August 2021

**Past Arena Events**

- August 5 – Ted Nugent
- September 2 – Brantley Gilbert

**Upcoming Events**

- September 23 – Oak Ridge Boys
- October 22 – Third Eye Blind

Don Brownlee, Executive Director

Laura Kelly, Governor

## KANSAS STAR CASINO & RESORT

### Lottery Gaming Facility Revenue-Unaudited\*

	August 2022	August 2021	Fiscal YTD 2023	Fiscal YTD 2022
Electronic gaming machines	10,812,998.86	11,643,136.25	22,657,746.89	24,428,492.12
Table games	1,944,962.50	1,977,361.05	4,585,558.15	3,725,906.05
Other #	<u>169.03</u>	<u>153.42</u>	<u>233.08</u>	<u>262.72</u>
Total Lottery Gaming Facility Revenue	<u>12,758,130.39</u>	<u>13,620,650.72</u>	<u>27,243,538.12</u>	<u>28,154,660.89</u>
State Share 22% (Tier 1)**	2,806,788.69	2,996,543.16	5,993,578.39	6,194,025.40
State Share 2% marginal (Tier 2)**	-	-	-	-
Local Share 3%	382,743.91	408,619.52	817,306.14	844,639.83
Problem Gambling Share 2%	255,162.61	272,413.01	544,870.76	563,093.22
Casino Share 73%	9,313,435.18	9,943,075.03	19,887,782.83	20,552,902.45

\*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 9, 2022

BY: LYDIA GARVEY – VICE PRESIDENT & GENERAL MANAGER

**August 2022**

**Admissions**

- August 2022 admissions were down 5.5% compared to August of 2021

**August 2022 Revenue Numbers**

- Total Gaming Revenue came in at \$12.4M – an increase of 7.1%
- Slot Revenue was \$11.2M - an increase of 5.4%
- Table Games Revenue (including Poker) was \$1.2M – an increase of 25.4%

**Recent/Upcoming Events**

- Sepember 1 – Barstool Sportsbook Grand Opening
- September 9 – Hollywood Casino 400 Drawing
- September 11 – Hollywood Casino 400 presented by Barstool Sportsbook NASCAR race
- September 15 – KC Chiefs Home Opener Watch Party
- September 16 – Sizzlin September Slot Tournament
- September 24 – Winners Party
- September 30 – Groceries for a Year
- October 1 - \$30K Slot Tournament
- October 6 – Football Punch Board
- October 7 – Money Booth

Don Brownlee, Executive Director

Laura Kelly, Governor

## HOLLYWOOD CASINO & RESORT

### Lottery Gaming Facility Revenue-Unaudited\*

	August 2022	August 2021	Fiscal YTD 2023	Fiscal YTD 2022
Electronic gaming machines	11,165,288.89	10,597,400.08	23,138,302.61	22,408,604.11
Table games	1,243,596.00	991,972.64	2,515,827.46	2,048,403.14
Other #	20.00	37.53	434.41	165.70
Total Lottery Gaming Facility Revenue	<u>12,408,904.89</u>	<u>11,589,410.25</u>	<u>25,654,564.48</u>	<u>24,457,172.95</u>
State Share 22%	2,729,959.08	2,549,670.26	5,644,004.19	5,380,578.05
Local Share 3%	372,267.15	347,682.31	769,636.93	733,715.19
Problem Gambling Share 2%	248,178.10	231,788.21	513,091.29	489,143.46
Casino Share 73%	9,058,500.57	8,460,269.48	18,727,832.07	17,853,736.25

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

**#Other sweeps, principally lost and found funds.**

**KANSAS CROSSING CASINO + HOTEL**  
**REPORT PRESENTED TO**  
**THE KANSAS RACING AND GAMING COMMISSION**  
September 9, 2022  
By: Jeff McKain

Kansas Crossing Casino is reporting the following preliminary results for August 2022 vs August 2021;

- 2% Increase in Admissions
- 5% Increase in Coin-In
- 6.1% Decrease in Table Drop
- 4.2% Increase in Net Gaming Revenue

### **Promotions + Events**

- August
  - Kiosk Multiplier games every Tuesday.
  - Camp 49 Hot promotional specials every Wednesday.
  - Casino Hot Seats every Thursday.
  - Fast Cash promotion Friday 5<sup>th</sup>, 12<sup>th</sup>, and 19<sup>th</sup>.
  - Cash is King promotion Friday the 26<sup>th</sup>.
  - Casino gift day every Saturday.
  - Additional gift day on Sunday the 28<sup>th</sup>.
- September
  - Kiosk Multiplier games every Tuesday.
  - Camp 49 Hot promotional specials every Wednesday.
  - Casino Hot Seats every Thursday.
  - Battle of the Mine promotion Friday the 2<sup>nd</sup>, 9<sup>th</sup>, 16<sup>th</sup> and 23<sup>rd</sup>.
  - Table Games Pick a Chip promotion every Friday.
  - Cash is King promotion Friday the 30<sup>th</sup>.
  - Casino gift day every Saturday.

- Outside concert Saturday the 10<sup>th</sup> and 24<sup>th</sup>. (Uncle Kracher and Trace Adkins)
- Additional gift day on Sunday the 25<sup>th</sup>.

Don Brownlee, Executive Director

Laura Kelly, Governor

## KANSAS CROSSING CASINO & RESORT

### Lottery Gaming Facility Revenue-Unaudited\*

	August 2022	August 2021	Fiscal YTD 2023	Fiscal YTD 2022
Electronic gaming machines	3,141,811.40	3,065,269.02	6,723,452.26	6,232,937.17
Table games	240,560.00	179,638.50	401,678.50	382,055.00
Other #	112.00	50.00	157.00	149.00
Total Lottery Gaming Facility Revenue	<u>3,382,483.40</u>	<u>3,244,957.52</u>	<u>7,125,287.76</u>	<u>6,615,141.17</u>
State Share 22%	744,146.35	713,890.65	1,567,563.31	1,455,331.06
Local Share 3%	101,474.50	97,348.73	213,758.63	198,454.24
Problem Gambling Share 2%	67,649.67	64,899.15	142,505.76	132,302.82
Casino Share 73%	2,469,212.88	2,368,818.99	5,201,460.06	4,829,053.05

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

#Other sweeps, principally lost and found funds.

Don Brownlee, Executive Director

Laura Kelly, Governor

August 2022 Casino Financials

Casino Gaming Revenue for Month Ending August 31, 2022					
Revenue Source	Boot Hill Casino	Kansas Star Casino	Hollywood Casino	Kansas Crossing Casino	Total All Casinos
<b>EGM</b>	\$ 3,725,331	\$ 10,812,999	\$ 11,165,289	\$ 3,141,811	\$ 28,845,430
<b>Table Games</b>	350,019	1,944,963	1,243,596	240,560	3,779,137
<b>Other #</b>	174	169	20	112	475
<b>Total</b>	\$ 4,075,523	\$ 12,758,130	\$ 12,408,905	\$ 3,382,483	\$ 32,625,042

Cumulative Gaming Revenue per Fiscal Year					
Fiscal Year	Boot Hill	Kansas Star	Hollywood	Kansas Crossing	Total All Casinos
<b>2010</b>	\$ 20,663,987	\$ -	\$ -	\$ -	\$ 20,663,987
<b>2011</b>	40,055,280	-	-	-	40,055,280
<b>2012</b>	43,886,501	98,855,928	54,622,687	-	197,365,116
<b>2013</b>	43,353,504	192,187,166	124,993,721	-	360,534,391
<b>2014</b>	39,906,275	181,079,650	132,036,392	-	353,022,317
<b>2015</b>	40,513,186	181,754,051	142,759,065	-	365,026,302
<b>2016</b>	38,937,088	181,600,677	143,833,330	-	364,371,095
<b>2017</b>	40,222,932	178,105,968	144,582,037	8,206,260	371,117,197
<b>2018</b>	41,186,638	182,084,527	148,770,984	32,465,853	404,508,001
<b>2019</b>	41,589,906	184,157,835	150,790,865	34,489,213	411,027,819
<b>2020</b>	32,971,510	150,355,262	122,114,403	28,620,752	334,061,926
<b>2021</b>	43,690,403	172,711,043	124,388,370	33,857,278	374,647,093
<b>2022</b>	49,581,344	162,352,371	149,127,943	39,911,158	400,972,817
<b>2023</b>	8,572,904	27,243,538	25,654,564	7,125,288	68,596,295
<b>Total Since Opening</b>	\$ 525,131,458	\$ 1,892,488,017	\$ 1,463,674,360	\$ 184,675,802	\$ 4,065,969,637

Fund Distribution FY 2023					
Recipients	Boot Hill	Kansas Star	Hollywood	Kansas Crossing	Total All Casinos
<b>State of Kansas</b>	1,886,039	5,993,578	5,644,004	1,567,563	15,091,185
<b>Local Governments</b>	257,187	817,306	769,637	213,759	2,057,889
<b>Problem Gambling and Addictions Fund</b>	171,458	544,871	513,091	142,506	1,371,926
<b>Casino Manager</b>	6,258,220	19,887,783	18,727,832	5,201,460	50,075,295
<b>Total</b>	8,572,904	27,243,538	25,654,564	7,125,288	68,596,295

Fund Distribution Since Opening					
Recipients	Boot Hill	Kansas Star	Hollywood	Kansas Crossing	Total All Casinos
<b>State of Kansas</b>	115,528,921	416,476,041	322,008,359	40,628,676	894,641,998
<b>Local Governments</b>	15,753,944	56,774,641	43,910,231	5,540,274	121,979,089
<b>Problem Gambling and Addictions Fund</b>	10,502,629	37,849,760	29,273,487	3,693,516	81,319,393
<b>Casino Manager</b>	383,345,964	1,381,387,574	1,068,482,283	134,813,335	2,968,029,157
<b>Total</b>	525,131,458	\$ 1,892,488,017	\$ 1,463,674,360	\$ 184,675,802	\$ 4,065,969,637

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

*#Other sweeps, principally lost and found funds.*

## STAFF AGENDA MEMORANDUM

**DATE OF MEETING:** September 9, 2022

**AGENDA ITEM:** **FY 2023 & FY 2024 Budgets**

**PRESENTER:** Brandi White, Dir. of Admin, Finance & Audit, Racing and Gaming Comm.

**ISSUE SUMMARY:** The annual budget must be submitted to the Division of the Budget on or before September 15, 2022. Prior to submittal, the Commission approves the Racing and Gaming Commission budget, as well as the State Gaming Agency budget. As part of the budget process a revised FY 2023 and requested FY 2024 need to be submitted to the legislature.

### **KRGC General Assumptions**

The revised FY 2023 budget is 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) full year of operation for Kansas Crossing Casino; 5) ten months operation of sports wagering by all four State-owned casinos; 6) Six months operation of a single historical horse racing facility in Sedgwick County.

The requested budget for FY 2024 is 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) full year of operation for Kansas Crossing Casino; 5) full year of operation of sports wagering by all four State-owned casinos; 6) full year of operation of a single historical horse racing facility in Sedgwick County.

### **FY2022**

KRGC FY 2022 expenditures for racing of \$3,274 were for salaries and wages related to administering the Kansas Horse Registry and regulation of the Kansas Greyhound Registry.

KRGC expenditures for FY 2022 reflect the costs of ongoing regulatory operations for Boot Hill Casino & Resort, Kansas Star Casino, Hollywood Casino at Kansas Speedway, and Kansas Crossing Casino. Total actual FY 2022 expenditures were approximately \$800,000 or 10.5% below budget at approximately \$6.8 million compared to budgeted expenditures of about \$7.6 million. The primary reason for savings was related to salaries and wages for unfilled positions.

### **FY 2023**

The KRGC's total revised FY 2023 budget is approximately \$9.7 million which is an increase of approximately \$1.9 million above the approved FY 2023 budget of \$7.85 million. KRGC has

assumed a shrinkage rate of 7.5% for FY 2023 which totals a shrinkage rate of about \$600,000. The increase of expenditures is based on an assumption of regulation of sports wagering for ten months and the assumption of six months of regulatory costs associated with historical horse racing machines at a racetrack in Sedgwick County. The increase is primarily associated to increases related to salaries and wages which increase by approximately \$1.2 million about \$450,000 of that is for the addition of six approved but unfunded FTE for FY 2023 for sports wagering. Additionally, approximately \$600,000 of the increase in salaries and wages is related to the request for an additional 13 FTE for regulation of a racetrack in Sedgwick County operating historical horse racing machines for six months regulatory operations.

The revised budget request for FY 2023 for expanded gaming regulation is approximately \$8.8 million and includes an enhancement package of \$430,000 for the regulation of sports wagering at the four state-owned casinos and their interactive platforms. The request is based on the assumption of ten months of regulatory operations for sports wagering. The enhancement includes an increase of about \$310,000 for contractual expenditures for backgrounding database fees, communication and travel expenses. Commodity expenditures are estimated to increase by about \$20,000. Capital outlay is anticipated to increase by \$100,000 capital outlay expenditures include law enforcement equipment for four new officers, workstations for six new employees for sports wagering regulation, and licensing fees for KRGC's backgrounding database.

KRGC's FY 2023 parimutuel racing budget request is approximately \$890,000. The request includes an enhancement package of approximately \$885,000 for the regulation of historical horse racing machines at a racetrack facility in Sedgwick County and is based on half a year of regulatory operations. The request includes 13 new FTE for the following positions nine on-site law enforcement positions, one on-site licensing officer, one attorney, one auditor, and one corporate background officer. Salaries and wages increase by approximately \$600,000 with shrinkage of about \$45,000. The enhancement includes an increase of about \$160,000 for contractual expenditures for backgrounding database fees, communication and travel expenses. Commodity expenditures are estimated to increase by about \$27,00. Capital outlay is anticipated to increase by \$150,000 for a license for KRGC's licensing database, firewalls, server, computer stations, and finger printing system.

The FTE for the requested FY 2023 budget is increased by 13 FTE above the approved FY 2023 FTE of 92.5 for a total of 105.5 FTE requested. The FTE number does not include a part-time unclassified temporary position under budget policy and procedure guidelines.

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 2024**

The KRGC's total requested FY 2024 budget is approximately \$10.3 million which is an increase of approximately \$2.4 million above the approved FY 2023 budget of \$7.85 million. KRGC has assumed a shrinkage rate of 7.5% for FY 2024 which totals a shrinkage amount of approximately \$660,000. The increase of expenditures is based on the assumption of a full year of regulatory operations of sports wagering at the four state-owned casinos and a full year of regulatory operations of historical horse racing machines operations at a racetrack in Sedgwick County. The increase is primarily associated to salaries and wages which increase by approximately \$1.7 million about \$500,000 of that is for six previously approved but unfunded FTE for FY 2023 for sports wagering. Additionally, approximately \$1 million of the increase in salaries and wages is related to the request for an additional 13 FTE for regulation of a racetrack in Sedgwick County operating historical horse racing machines.

The budget request for FY 2024 for expanded gaming regulation is approximately \$8.9 million and includes an enhancement package of \$430,000 for the regulation of sports wagering at the four state-owned casinos and their interactive platforms. The request is based on the assumption of a full year of regulatory operations for sports wagering. The enhancement includes an increase of about \$365,000 for contractual expenditures for backgrounding database fees, communication and travel expenses. Commodity expenditures are estimated to increase by about \$40,000. Capital outlay is anticipated to increase by \$25,000 capital outlay expenditures include software licensing fees.

KRGC's FY 2024 parimutuel racing budget request is approximately \$1.4 million. The request includes an enhancement package of approximately \$1.4 million for the regulation of historical horse racing machines at a racetrack facility in Sedgwick County. The request is based on the assumption of a full year of regulatory operations. The request includes 13 FTE for the following positions nine on-site law enforcement positions, one on-site licensing officer, one attorney, one auditor, and one corporate background officer. Salaries and wages increase by approximately \$1 million with shrinkage of about \$75,000. The enhancement includes an increase of about \$320,000 for contractual expenditures for backgrounding database fees, communication and travel expenses. Commodity expenditures are estimated to increase by about \$35,000. Capital outlay is anticipated to increase by \$50,000 for annual maintenance and licenses for KRGC's licensing database, and systems.

The number of FTE positions requested for the FY 2024 budget is increased by 13 FTE above the approved FY 2023 budget of 92.5 FTE for a total 105.5 FTE. The FTE number does not include a part-time unclassified temporary position under budget policy and procedure guidelines.

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.

**COMMISSION ACTION REQUIRED/REQUESTED:** Commission discussion, consideration and approval of the revised FY 2023 budget and requested FY 2024 budget for the Racing & Gaming Commission.

**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.

**NARRATIVE INFORMATION -- DA 400**DIVISION OF THE BUDGET  
STATE OF KANSAS

AGENCY NAME	Kansas Racing and Gaming Commission	
AGENCY NUMBER	553	FUNCTION NO.
PROGRAM TITLE AND CODE	1	
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 Pari-mutuel 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 2022, the Kansas Pari-mutuel Racing Act was amended to authorize the operation of historical horse race machines by an organization licensee at a facility located in Sedgwick County utilizing only historical horse race machines approved by KRGC. Wagering on historical horse racing machines is required to be conducted in accordance with the provisions of the Kansas Pari-mutuel Racing Act.

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 used by lottery or racetrack gaming facility managers. In 2022, KELA was amended to allow the conduct of sports wagering by lottery gaming facilities. The amendment expanded KRGC's oversight of lottery gaming facility games to include regulation of sports wagering.

### 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)

In 2022, the Kansas Expanded Lottery Act was expanded to allow for the four federally recognized Indian tribes to submit a request for negotiation of a new or existing gaming compact regarding sports wagering. This would allow the four Class III tribal casinos to negotiate their Compacts to include language that would allow them to conduct sports wagering both on the tribal reservations and remotely via online sports wagering platforms.

## NARRATIVE INFORMATION -- DA 400

DIVISION OF THE BUDGET  
STATE OF KANSAS

AGENCY NAME	Kansas Racing and Gaming Commission
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### 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. Four lottery gaming facilities have been constructed to date and are in operation in the southwest, northeast, south-central gaming, and southeast gaming zones. In 2022 KELA was expanded to allow for the four lottery gaming facility managers to conduct sports wagering both on premises and remotely via online sports wagering platforms. Additionally, no licensed pari-mutuel racetrack facilities currently exist in Kansas, but the Kansas Pari-mutuel Racing Act was revised 2022 to allow for historical horse racing machines to be utilized by a licensed parimutuel facility in Sedgwick county.

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 600 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 and an additional 150 hotel rooms opened in July 2014. The temporary gaming facility has been reconfigured into an entertainment facility. The convention center and the equestrian facilities were completed in January of 2015. Boyd Gaming, Inc. acquired 100% of Peninsula in an equity 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.

The fourth lottery gaming facility, Kansas Crossing Casino, is located in the southeast gaming zone and opened in March of 2017 in Pittsburg, Kansas. The facility has 625 slot machines, 16 table games, a 123-room Hampton Inn and Suites and a 600 seat entertainment complex.

#### KRGC General Assumptions

The revised FY23 budget is 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) full year of operation for Kansas Crossing Casino; 5) ten months operation of sports wagering by all four State-owned casinos; 6) Six months operation of a single historical horse racing facility in Sedgwick county.

The submitted budget for FY24 is 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) full year of operation for Kansas Crossing Casino; 5) full year of operation of sports wagering by all four State-owned casinos; 6) full year of operation of a single historical horse racing facility in Sedgwick county.

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. It is also assumed that the KRGC will assume the responsibilities of the Kansas Greyhound Association regarding the administration of the Kansas bred greyhound registry in the future. Under current conditions funding for the maintenance of the registry programs 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 programs.

## NARRATIVE INFORMATION -- DA 400

DIVISION OF THE BUDGET  
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AGENCY NAME	Kansas Racing and Gaming Commission
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### KRGC Budget Overview (continued)

#### **Current Year Comparison of FY 2023 Approved and Revised Budget Expenditures**

The KRGC's revised FY23 budget is approximately \$9.7 million which is an increase of approximately \$1.9 million above the approved FY23 budget of \$7.85 million. KRGC has assumed a shrinkage rate of 7.5% for FY23 which totals a shrinkage rate of about \$600,000. The increase of expenditures is based on an assumption of regulation of sports wagering for ten months and the assumption of six months of regulatory costs associated with historical horse racing machines at a racetrack in Sedgwick County. The increase is primarily associated to increases related to salaries and wages which increase by approximately \$1.2 million about \$450,000 of that is for the addition of 6 approved but unfunded FTE for FY23 for sports wagering. Additionally, approximately \$600,000 of the increase in salaries and wages is related to the request for an additional 13 FTE for regulation of a racetrack in Sedgwick County operating historical horse racing machines for six months regulatory operations.

The FTE for the requested FY23 budget is increased by 13 FTE above the approved FY23 FTE or 92.5 for a total of 105.5 FTE requested. The FTE number does not include a part-time unclassified temporary position under budget policy and procedure guidelines.

#### **Budget Year – Comparison of FY 2023 approved and requested FY 2024 Budget Expenditures**

The KRGC's requested FY24 budget is \$10.3 million which is an increase of approximately \$2.4 million above the approved FY23 budget of \$7.85 million. KRGC has assumed a shrinkage rate of 7.5% for FY24 which totals a shrinkage amount of approximately \$660,000. The increase of expenditures is based on the assumption of a full the regulation of sports wagering and costs associated with historical horse racing machines at a racetrack in Sedgwick County. The increase is primarily associated to salaries and wages which increase by approximately \$1.7 million about \$500,000 of that is for the addition of six FTE approved but unfunded for FY23 for sports wagering. Additionally, approximately \$1 million of the increase in salaries and wages is related to the request for an additional 13 FTE for regulation of a racetrack in Sedgwick County operating historical horse racing machines for six months regulatory operations.

The number of FTE positions requested for the FY24 budget is increase by 13 FTE above the approved FY23 budget of 92.5 FTE for a total 105.5 FTE. The FTE number does not include a part-time unclassified temporary position under budget policy and procedure guidelines.

## NARRATIVE INFORMATION -- DA 400

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### 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. Direct costs account for 65% of total costs. The remaining 35% of total costs are indirect costs that 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 - 2022

#### **Racing Program**

KRGC FY22 expenditures of \$3,274 were for salaries and wages related to administering the Kansas Horse Registry and regulation of the Kansas Greyhound Registry.

#### **Expanded Lottery Act Gaming Program**

KRGC expenditures for FY22 reflect the costs of ongoing regulatory oversight for Boot Hill Casino & Resort, Kansas Star Casino, Hollywood Casino at Kansas Speedway, and Kansas Crossing Casino. Total actual FY22 expenditures were approximately \$800,000 or 10.5% below budget at approximately \$6.8 million compared to budgeted expenditures of about \$7.6 million. The primary reason for savings was related to salaries and wages for unfilled positions.

## NARRATIVE INFORMATION -- DA 400

DIVISION OF THE BUDGET  
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### Agency Wide Overview of Current Year Estimate and Budget Year Scenarios

#### Current Year - 2023

##### **Racing Program**

The budget is built on the assumptions that 1) there will be six months of regulatory operations for historical horse racing machines at a track in Sedgwick County; 2) KRGC staff will administer the Kansas Bred Registry Program in FY23. The budget increases by approximately \$885,000 above the approved FY23 budget. The increase is primarily attributed to an increase in salaries and wages of \$600,000 related to a request for an additional 13 FTE.

##### **Tribal Gaming Program**

The Tribal Gaming Program requests no additional funding for FY 2022 and reduced the previously submitted FY2023 budget estimate.

##### **Expanded Lottery Act Regulation Program**

The current FY23 budget is 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) full year of operation for Kansas Crossing Casino; 5) ten months of sports wagering operations. The budget increases by approximately \$900,000 from the approved FY23 budget which is primarily attributed to an increase in salaries and wages of \$450,000 related to 6 approved but previously unfunded FTE for the regulation of sports wagering.

#### Supplemental Package - FY 2023

##### **Racing Program**

In FY23 KRGC is requesting an enhancement package of approximately \$885,000 for the regulation of historical horse racing machines at a racetrack facility in Sedgwick County. The request is based on the assumption of a half a year of regulatory operations. The request includes 13 FTE for the following positions: nine on-site law enforcement positions, one on-site licensing officer, one attorney, one auditor, and one corporate background officer. Salaries and wages increases by approximately \$600,000 with shrinkage of about \$45,000. The enhancement includes an increase of about \$160,000 for contractual expenditures for backgrounding database fees, communication and travel expenses. Commodity expenditures are estimated to increase by about \$27,000 for office supplies, law enforcement supplies and other supplies. Capital outlay is anticipated to increase by \$150,000 for a license for KRGC's licensing database, firewalls, server, computer stations, and finger printing system. Expenses will not be incurred until an application is received.

##### **Tribal Gaming Program**

The Tribal Gaming Program is requesting an enhancement package of \$75,000 for the oversight of sports wagering at the tribal casinos. This request is based on the assumption that the Tribal-State Compacts get renegotiated for at least one of the tribal casinos to allow sports wagering and it would allow KSGA to add an additional enforcement agent to assist with the oversight of sports wagering and increased background investigations.

##### **Expanded Gaming Program**

In FY23 KRGC is requesting an enhancement package of approximately \$430,000 for the regulation of sports wagering at the four state-owned casinos and their interactive platforms. The request is based on the assumption of ten months of regulatory operations for sports wagering. The enhancement includes an increase of about \$310,000 for contractual expenditures for backgrounding database fees, communication and travel expenses. Commodity expenditures are estimated to increase by about \$20,000 for office supplies and other supplies. Capital outlay is anticipated to increase by \$100,000 capital outlay expenditures include law enforcement equipment for four new officers, work stations for six new employees for sports wagering regulation, licensing fees for KRGC's backgrounding database.

#### Budget Year Information - FY 2024

##### **Racing Program**

The budget is built on the assumptions that 1) there will be a full year of regulatory operations for historical horse racing machines at a track in Sedgwick County; 2) KRGC staff will administer the Kansas Bred Registry Program in FY24. The budget increases by approximately \$1.4 million. The increase is primarily attributed to an increase in salaries and wages of \$1 million related to a request for an additional 13 FTE.

##### **Tribal Gaming Program**

The Tribal Gaming Program had originally requested an additional enforcement agent position if all four tribal casinos were to add sports wagering. This would be an additional increase of \$75,000 to assist with oversight of the tribal casinos with sports wagering and the increased load for background investigations. This position would only be needed if all four tribal casinos added sports wagering.

##### **Expanded Lottery Act Regulation Program**

The requested FY24 budget is 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) full a year of operation for Kansas Crossing Casino; 5) full year of sports wagering operations. Budgeted expenditures increase by approximately \$1 million over the approved FY23. The budget increases by approximately \$900,000 from the approved FY23 budget which is primarily attributed to an increase in salaries and wages of \$515,000 related to 6 approved but previously unfunded FTE for the regulation of sports wagering.

## 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 (continued)

#### Supplemental Package - FY 2024

##### **Racing Program**

In FY24 KRGC is requesting an enhancement package of approximately \$1.4 million for the regulation of historical horse racing machines at a racetrack facility in Sedgwick County. The request is based on the assumption of a full year of regulatory operations. The request includes 13 FTE for the following positions nine on-site law enforcement positions, one on-site licensing officer, one attorney, one auditor, and one corporate background officer. Salaries and wages increases by approximately \$1 million with shrinkage of about \$75,000. The enhancement includes an increase of about \$320,000 for contractual expenditures for backgrounding database fees, communication and travel expenses. Commodity expenditures are estimated to increase by about \$35,000 for office supplies and other supplies. Capital outlay is anticipated to increase by \$50,000 for a license for KRGC's licensing database, firewalls, server, computer stations, and finger printing system. Expenses will not be incurred until an application is received.

##### **Tribal Gaming Program**

The Tribal Gaming Program does not request any supplemental packages.

##### **Expanded Lottery Act Regulation Program**

In FY24 KRGC is requesting an enhancement package of approximately \$430,000 for the regulation of sports wagering at the four state-owned casinos and their interactive platforms. The request is based on the assumption of a full year of regulatory operations for sports wagering. The enhancement includes an increase of about \$365,000 for contractual expenditures for backgrounding database fees, communication and travel expenses. Commodity expenditures are estimated to increase by about \$40,000 for office supplies and other supplies. Capital outlay is anticipated to increase by \$25,000 capital outlay expenditures include software licensing fees.

## 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 a single racetrack in Sedgwick County operating historical horse racing machines to generate revenues and expenditures to this fund in FY23, or FY24. The estimated revenues projected in FY23, and FY24 are attributed to fees charged for the registration of horses and greyhounds for the Kansas Bred Registry Programs, application and licensee fees, and regulatory expenditures. The registration of horses was formerly administered by the Kansas Horsemen's Association but will now be done by KRGC staff. Additionally, the greyhound registry is currently maintained by the Kansas Greyhound Association.

	Actual FY15	Actual FY16	Actual FY17	Actual FY18	Actual FY19	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Estimate FY24
Pari-mutuel Tax	-	-	-	-	-	-	-	-	-	-
Pari-mutuel Tax - Simulcast	-	-	-	-	-	-	-	-	-	-
Admissions Tax	-	-	-	-	-	-	-	-	-	-
Charges - Inspect, Examine, Audit	865	409	360	-	-	-	-	-	1,250,000	1,500,000
License Fee - Personal Service	-	-	-	-	-	-	-	-	-	-
License Fee - Business	-	-	-	758	188	-	-	-	-	-
License Fee - Other	-	-	-	-	-	-	-	-	-	-
Fines	-	-	-	1,300	-	1,723	1,075	1,649	1,000	1,000
Other Miscellaneous Revenue	-	-	-	-	-	-	-	-	-	-
Operating Transfer In	-	-	-	-	-	-	-	-	-	-
Operating Transfer Out	-	-	-	-	-	-	-	-	-	-
Total Receipts	865	409	360	2,058	188	1,723	1,075	1,649	1,251,000	1,501,000

## EXPLANATION OF RECEIPT ESTIMATES

**DA 405**

DIVISION OF THE BUDGET  
STATE OF KANSAS

AGENCY NAME:

Kansas Racing and Gaming  
Commission

AGENCY--SUBAGENCY CODES:

553-00

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. This fund is not anticipated to be used for the operation of historical horse racing machines.**

	Actual FY15	Actual FY16	Actual FY17	Actual FY18	Actual FY19	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Estimate FY24
Simulcast Pari-mutuel Tax	-	-	-	-	-	-	-	-	-	-
Operating Transfer In	-	-	-	-	-	-	-	-	-	-
Balance Transfer Out	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-

### **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.

This budget assumes there will be a single racetrack in Sedgwick County operating historical horse racing machines to generate revenues and expenditures to this fund in FY23, or FY24. The estimated revenues projected in FY23, and FY24 are attributed to fees charged for the investigation of an applicant's qualifications for an organization license, facility owner license or facility manager license.

	Actual FY15	Actual FY16	Actual FY17	Actual FY18	Actual FY19	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Estimate FY24
Reimbursed Backgrounding Fees	-	-	-	-	-	-	-	-	-	-
Balance Transfer Out	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-

## 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 FY23, or FY24.

	Actual FY15	Actual FY16	Actual FY17	Actual FY18	Actual FY19	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Estimate FY24
Breakage	-	-	-	-	-	-	-	-	-	-
Unclaimed Winning Tickets	-	-	-	-	-	-	-	-	-	-
Other Misc Revenue	-	-	-	-	-	-	-	-	-	-
Operating Transfer In	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>								

### 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 2023 or FY 2024. 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 FY23, or FY24. 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:	

### 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.

This budget assumes there will be no revenue to, or expenditures from, this fund in FY23, or FY24. There has been no activity in this fund in previous years.

	Actual FY15	Actual FY16	Actual FY17	Actual FY18	Actual FY19	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Estimate FY24
Fingerprint Fees	-	-	-	-	-	-	-	-	-	-
Salary Reimbursements	-	-	-	-	-	-	-	-	-	-
Balance Transfer Out	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-

### 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.

This budget assumes there will be a single racetrack in Sedgwick County operating historical horse racing machines to generate revenues and expenditures to this fund in FY23, or FY24. The estimated revenues projected in FY23, and FY24 are attributed to applicant deposits.

	Actual FY15	Actual FY16	Actual FY17	Actual FY18	Actual FY19	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Estimate FY24
Interest	-	-	-	-	-	-	-	-	-	-

## EXPLANATION OF RECEIPT ESTIMATES

**DA 405**  
DIVISION OF THE BUDGET  
STATE OF KANSAS

AGENCY NAME:  
AGENCY-SUBAGENCY CODES:  
PROGRAM TITLE AND CODE:  
SUBPROGRAM TITLE AND CODE:

Kansas Racing and Gaming Commission  
553-00  
Racing Program - 03900

### **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 2023, or FY 2024.

	Actual FY15	Actual FY16	Actual FY17	Actual FY18	Actual FY19	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Estimate FY24
Other	-	-	-	-	-	-	-	-	-	-
Unclaimed Winning Tickets	-	-	-	-	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-	-	-	-	-
Transfer Out (Swept by Legislature)	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-

### **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 check off 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 2023, or FY 2024.

	Actual FY15	Actual FY16	Actual FY17	Actual FY18	Actual FY19	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Estimate FY24
Operating Transfer In	-	-	-	-	-	-	-	-	-	-
Other Misc Revenue	-	-	-	-	-	-	-	-	-	-
Transfer Out (Swept by Legislature)	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-

**EXPLANATION OF RECEIPT ESTIMATES**

AGENCY NAME: Kansas Racing and Gaming Commission

**DA 405**  
DIVISION OF THE BUDGET  
STATE OF KANSASAGENCY-SUBAGENCY 553-00  
PROGRAM TITLE AND C Tribal Gaming Program - 03700  
SUBPROGRAM TITLE AND CODE:  
DOB USE ONLY

FUNCTION NO. 01

**TRIBAL GAMING PROGRAM****Tribal Gaming Fund - 2320**

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

	<b>FY19</b>	<b>FY20</b>	<b>FY21</b>	<b>FY22</b>	<b>FY2023</b>	<b>FY2024</b>
Other Service Charges	1,611,736	1,543,231	1,380,365	1,415,136	1,541,000	1,543,688
Interchange of Gvt Employee Payroll						
Operating Transfer In	450,000	450,000	450,000	450,000	450,000	450,000
Operating Transfer Out	(450,000)	(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:  
AGENCY-SUBAGENCY CODES:  
PROGRAM TITLE AND CODE:  
SUBPROGRAM TITLE AND CODE:

Kansas Racing and Gaming Commission  
553  
Expanded Gaming Program - 03800

### 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 FY09 and FY10 and the term of the loan was extended through FY12. The balance of the loan was repaid in FY12.

Revenue projections for FY23 and FY24 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, the Boot Hill Casino, and the Kansas Crossing Casino. Payments are received in advance of expenditure on a quarterly billing cycle.

	Actual FY15	Actual FY16	Actual FY17	Actual FY18	Actual FY19	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Estimate FY24
PMIB Loan Proceeds	-	-	-	-	-	-	-	-	-	-
LGFRB applicant reimbursements	940,717	-	-	-	-	-	-	-	-	-
Hollywood Start-up Reimb.	-	-	-	-	-	-	-	-	-	-
Sumner Casino Start-up Reimb.	-	-	-	-	-	-	-	-	-	-
Boot Hill Start-up Reimb.	-	-	-	-	-	-	-	-	-	-
Hollywood Ops Reimbursement	1,933,256	1,967,293	1,753,827	1,807,405	1,754,182	1,368,001	2,364,914	1,856,409	2,220,000	2,590,000
Sumner Casino Ops Reimbursement	1,795,434	1,923,542	1,825,345	1,865,898	1,907,527	1,474,782	2,589,199	1,913,545	2,080,000	2,360,000
Boot Hill Ops Reimbursement	967,534	1,102,789	942,606	982,583	1,090,169	732,669	1,303,987	1,171,772	1,345,000	1,515,000
KS Crossing OPS Reimbursement	-	-	1,879,359	1,088,448	1,162,074	883,327	1,463,008	1,136,664	1,480,000	1,660,000
Facility Mgr Background Deposits	-	-	-	-	-	-	-	-	-	-
Vendor Background Fees	-	-	-	-	-	-	-	-	-	-
Miscellaneous Revenue	98,671	(1,205)	3,675	388	4,695	35,806	1,231	3,827	-	-
Transfer In	-	-	-	-	-	-	-	-	375,000	375,000
Transfer Out	-	-	-	-	-	-	-	(16,098)	-	-
	<b>5,735,612</b>	<b>4,992,419</b>	<b>6,404,812</b>	<b>5,744,722</b>	<b>5,918,647</b>	<b>4,494,585</b>	<b>7,722,339</b>	<b>6,066,119</b>	<b>7,500,000</b>	<b>8,500,000</b>

## 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.

	Actual FY15	Actual FY16	Actual FY17	Actual FY18	Actual FY19	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Estimate FY24
Examination Deposits	299,445	199,340	176,153	138,652	175,742	130,155	279,316	329,115	400,000	350,000
Refunds	-	-	(9,440)	-	-	-	-	-	-	-
	<b>299,445</b>	<b>199,340</b>	<b>166,713</b>	<b>138,652</b>	<b>175,742</b>	<b>130,155</b>	<b>279,316</b>	<b>329,115</b>	<b>400,000</b>	<b>350,000</b>

### 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 FY23 and FY24, 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 FY15 appropriations act be retained for the FY22, and FY23 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.

	Actual FY15	Actual FY16	Actual FY17	Actual FY18	Actual FY19	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Estimate FY24
Seizures	13,664	2,925	-	60	(919)	113,908	7,627	(13,493)	5,000	5,000
Transfers	-	-	-	-	-	-	-	-	-	-
	<b>13,664</b>	<b>2,925</b>	<b>-</b>	<b>60</b>	<b>(919)</b>	<b>113,908</b>	<b>7,627</b>	<b>(13,493)</b>	<b>5,000</b>	<b>5,000</b>

### Gaming Machine Examination Fund - 2998

KRGC requests that the Gaming Machine Examination Fund be re-established as a no-limit fee fund for the purpose of receiving certification fees from electronic gaming machine manufacturers to meet the requirements of K.S.A. 74-8750(c). All revenues received for the Gaming Machine Examination Fund will be from electronic gaming equipment manufacturers and any unused funds will be returned to the appropriate vendor.

	Actual FY15	Actual FY16	Actual FY17	Actual FY18	Actual FY19	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Estimate FY24
Gaming Machine Exam Deposits	-	-	-	-	-	-	-	-	-	-
	<b>-</b>	<b>-</b>								

## 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	Parimutuel Gaming Program - 03900
SUBPROGRAM TITLE AND CODE	Racing Regulation

### PARIMUTUEL GAMING PROGRAM

#### *Subprogram Racing Regulation*

##### **Purpose:**

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.

**Required By Statute:** Yes.

**Maintenance of Effort or Matching Requirement:** None.

**Statutory Requirements:** K.S.A. 74-8801 through 74-8842.

**Consequences of Not Funding:** Without this program there would be no regulatory oversight of pari-mutuel ownership and operations in Kansas including historical horse racing machines. Additionally, there would be no mechanism to protect the citizens of Kansas from the criminal element associated pari-mutuel activity or ensure integrity of pari-mutuel activity in Kansas. Currently, there are breeders of horses and greyhounds who continue to register their animals as Kansas bred. Not funding this program would result in their being no mechanism for these breeders to be able to register their animals as Kansas bred. The distinction can be important within the industry and not having this mechanism may have a negative impact on some breeders. Not funding this program would result in the loss of historical documents prior to their approved destruction.

#### **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. Ensure the integrity of pari-mutuel activity associated with historical horse racing machines.

## 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	Parimutuel Gaming Program - 03900
SUBPROGRAM TITLE AND CODE	

### PARIMUTUEL GAMING PROGRAM

<u>Salaries and Wages</u>	FY15 Actual	FY16 Actual	FY17 Actual	FY18 Actual	FY19 Actual	FY20 Actual	FY21 Actual	FY22 Actual	FY23 Estimate	FY24 Estimate
State Racing Fund	2,127	4,864	4,895	1,406	342	1,388	2,826	3,274	595,471	1,044,445
Horse Fair Racing Benefit Fund	-	-	-	-	-	-	-	-	-	-
Racing Investigative Expense Fund	-	-	-	-	-	-	-	-	-	-
Racing Reimbursable Expense Fund	-	-	-	-	-	-	-	-	-	-
Total	2,127	4,864	4,895	1,406	342	1,388	2,826	3,274	595,471	1,044,445

#### Prior Year FY 2022

In FY22 \$3,274 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 FY 2023

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. In FY 2022 the Kansas Greyhound Association continued to register Kansas bred greyhounds. KRGC is requesting an additional 13 FTE to the approved FY 2023 budget for a half a year of expenses for the regulation of a historical horse racing machines at a racetrack in Sedgewick county. Resulting in a salary and benefits increase of approximately \$600,000. KRGC has assumed a shrinkage of 7.5% which is about \$45,000.

#### Budget Year FY 2024

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. In FY 2022 the Kansas Greyhound Association continued to register Kansas bred greyhounds. KRGC has is requesting an additional 13 FTE to the approved FY 2023 budget for a full year of expenses for the regulation of a historical horse racing machines at a racetrack in Sedgewick county. Resulting in a salary and benefits increase of approximately \$1 million. KRGC has assumed a shrinkage of 7.5% which is about \$75,000.

#### Current Year FY 2023- Enhancement

In FY 2023 KRGC is requesting an enhancement package of 13 FTE for the regulation of historical horse racing machines at a racetrack in Sedgewick county. The request includes 9 on-site law enforcement positions, 1 on-site licensing officer, 1 attorney, 1 auditor, and 1 corporate background officer. The request is based on the assumption of a half a year of regulatory operations. Positions will not be filled until an application is received. It is an approximate increase of \$600,000 in salary expenditures and an increase of approximately \$45,000 in shrinkage.

#### Budget Year FY 2024- Enhancement

In FY 2024 KRGC is requesting an enhancement package of 13 FTE for the regulation of historical horse racing machines at a racetrack in Sedgewick county. The request includes 9 on-site law enforcement positions, 1 on-site licensing officer, 1 attorney, 1 auditor, and 1 corporate background officer. The request is based on the assumption of a full year of regulatory operations. Positions will not be filled until an application is received. There is an approximate increase in salaries and benefits of \$1 million and an increase in shrinkage of approximately \$75,000.

## 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	Parimutuel Gaming Program - 03900
SUBPROGRAM TITLE AND CODE	

### PARIMUTUEL GAMING PROGRAM

#### Contractual Service

State Racing Fund	FY15 Actual	FY16 Actual	FY17 Actual	FY18 Actual	FY19 Actual	FY20 Actual	FY21 Actual	FY22 Actual	FY23 Estimate	FY24 Estimate
Communication	-	-	-	-	-	-	-	-	5,000	10,000
Freight & Express	-	-	-	-	-	-	-	-	-	-
Printing & Advertising	-	-	-	-	-	-	-	-	-	-
Rents	422	1,045	308	-	268	-	-	-	10,500	20,500
Repairing & Servicing	-	-	-	-	-	-	-	-	-	-
Travel & Subsistence	-	-	-	-	-	-	-	-	20,000	40,000
Fees - Other Services	-	-	-	-	-	-	-	-	75,000	150,000
Fees - Professional Services	-	-	-	-	-	-	-	-	50,500	100,500
Other Contractual Services	-	-	-	-	-	-	-	-	-	-
Total Contractual Services	422	1,045	308	-	268	-	-	-	161,000	321,000

#### Prior Year FY 2022

No funds were expended.

#### Current Year FY 2023

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. Additionally, KRGC anticipates that the agency will maintain registry for Kansas bred greyhounds in the future. KRGC is requesting an increase of \$160,000 in expenditures for contractual expenses in FY23 for the regulation of historical horse racing machines at racetrack facility in Sedgwick County.

#### Budget Year FY 2024

Funds are budgeted for racing records storage and to operate the Kansas Bred Registry Program for registration of horses and greyhounds. Some horse owners have elected to continue registration in the event that pari-mutuel racing resumes. Additionally, KRGC anticipates that the agency will maintain registry for Kansas bred greyhounds in the future. KRGC is requesting an increase of approximately \$320,000 in expenditures for contractual expenses in FY23 for the regulation of historical horse racing machines at racetrack facility in Sedgwick County.

#### Current Year FY 2023- Enhancement

In FY 2023 KRGC is requesting an enhancement package of \$160,000 for the regulation of historical horse racing machines at a racetrack in Sedgwick County for contractual expenses. The request includes increased costs related to backgrounding database fees, communication and travel expenses. The request is based on the assumption of a half a year of regulatory operations. Expenses will not be incurred until an application is received.

#### Budget Year FY 2024- Enhancement

In FY 2024 KRGC is requesting an enhancement package of \$320,000 for the regulation of historical horse racing machines at a racetrack in Sedgwick County. The request includes increased costs related to backgrounding database fees, communication and travel expenses. The request is based on the assumption of a full a year of regulatory operations. Expenses will not be incurred until an application is received.

## 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	Parimutuel Gaming Program - 03900
SUBPROGRAM TITLE AND CODE	

### PARIMUTUEL GAMING PROGRAM

#### Commodities

State Racing Fund	FY15 Actual	FY16 Actual	FY17 Actual	FY18 Actual	FY19 Actual	FY20 Actual	FY21 Actual	FY22 Actual	FY23 Estimate	FY24 Estimate
Animal Food	-	-	-	-	-	-	-	-	-	-
Maintenance Material, Supplies, Parts	-	-	-	-	-	-	-	-	200	200
Motor Vehicle Parts, Supplies	-	-	-	-	-	-	-	-	8,000	
Professional & Scientific Supplies	-	-	-	-	-	-	-	-	14,000	14,000
Stationery & Office Supplies	-	-	-	-	-	-	-	-	12,000	12,000
Other Supplies, Materials, Parts	-	-	-	-	-	-	-	-	1,400	1,400
Total Commodities	-	-	-	-	-	-	-	-	27,600	35,600

#### Prior Year FY 2022

No funds were expended.

#### Current Year FY 2023

KRGC is requesting an increase of approximately \$27,000 in expenditures for commodities in FY23 for the regulation of historical horse racing machines at racetrack facility in Sedgwick County.

#### Budget Year FY 2024

KRGC is requesting an increase of approximately \$35,000 in expenditures for commodities in FY24 for the regulation of historical horse racing machines at racetrack facility in Sedgwick County.

#### Current Year FY 2023- Enhancement

In FY 2023 KRGC is requesting an enhancement package of approximately \$27,000 for commodity expenditures for the regulation of historical horse racing machines at a racetrack in Sedgwick County. The request includes expenses for law enforcement supplies, office supplies and other supplies. The request is based on the assumption of a half a year of regulatory operations. Expenses will not be incurred until an application is received.

#### Budget Year FY 2024- Enhancement

In FY 2024 KRGC is requesting an enhancement package of approximately \$35,000 for commodity expenditures for the regulation of historical horse racing machines at a racetrack in Sedgwick County. The request includes expenses for law enforcement supplies, office supplies and other supplies. The request is based on the assumption of a full a year of regulatory operations. Expenses will not be incurred until an application is received.

## 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	Parimutuel Gaming Program - 03900
SUBPROGRAM TITLE AND CODE	

### PARIMUTUEL GAMING PROGRAM

#### Capital Outlay

State Racing Fund	FY15 Actual	FY16 Actual	FY17 Actual	FY18 Actual	FY19 Actual	FY20 Actual	FY21 Actual	FY22 Actual	FY23 Estimate	FY24 Estimate
Equipment, Machinery, Furniture and Fixtures	-	-	-	-	-	-	-	-	-	-
Books and Library Materials	-	-	-	-	-	-	-	-	-	-
Professional and Scientific Equipment	-	-	-	-	-	-	-	-	5,000	-
Microcomputer Systems and Support Equipment	-	-	-	-	-	-	-	-	30,000	15,000
Information Processing Equipment	-	-	-	-	-	-	-	-	60,000	10,000
Computer Systems, Info Processing or Micro Software	-	-	-	-	-	-	-	-	55,000	25,000
Other Equip Furniture/Fixtures	-	-	-	-	-	-	-	-	-	-
Passenger cars	-	-	-	-	-	-	-	-	-	-
Total Capital Outlay	-	-	-	-	-	-	-	-	150,000	50,000

#### Prior Year FY 2022

No funds were expended

#### Current Year FY 2023

KRGC is requesting an increase of approximately \$150,000 in expenditures for capital outlay in FY23 for the regulation of historical horse racing machines at racetrack facility in Sedgwick

#### Budget Year FY 2024

KRGC is requesting an increase of approximately \$50,000 in expenditures for capital outlay in FY24 for the regulation of historical horse racing machines at racetrack facility in Sedgwick

#### Current Year FY 2023- Enhancement

In FY 2023 KRGC is requesting an enhancement package of approximately \$150,000 for capital outlay expenditures for the regulation of historical horse racing machines at a racetrack in Sedgwick County. The request includes expenses for a new license for KRGC's licensing database, firewalls, server, computer stations, and finger printing system. The request is based on the assumption of a half a year of regulatory operations. No expenses will be incurred until an application is received.

#### Budget Year FY 2024- Enhancement

In FY 2024 KRGC is requesting an enhancement package of approximately \$50,000 for capital outlay expenditures for the regulation of historical horse racing machines at a racetrack in Sedgwick County. The request includes expenses for annual maintenance and licenses for KRGC's licensing database, and systems. The request is based on the assumption of a full a year of regulatory operations. No expenses will be incurred until an application is received.

AGENCY NAME	Kansas Racing and Gaming Commission
AGENCY NUMBER	553      FUNCTION NO. 1
PROGRAM TITLE AND CODE	Tribal Gaming Program - 03700
SUBPROGRAM TITLE AND CODE	
<b><u>TRIBAL GAMING PROGRAM</u></b>	
<p>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 Tribe of Kansas; the Prairie Band Potawatomi Nation; and the Sac &amp; Fox Nation of Missouri in Kansas and Nebraska.</p>	
<b><u>PROGRAM'S STATUTORY HISTORY:</u></b>	
<p>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.</p>	
<b><u>PROGRAM GOAL</u></b>	
<p>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.</p>	
<b><u>OBJECTIVES:</u></b>	
<p>Prohibit undesirable elements from obtaining licenses and access to casino facilities and activities.</p>	
<p>Ensure the provisions of the tribal-state gaming compacts, the Tribal Gaming Oversight Act and the Indian Gaming Regulatory Act are met.</p>	

AGENCY NAME	Kansas Racing and Gaming Commission				
AGENCY NUMBER	553				
PROGRAM TITLE AND CODE	FUNCTION NO. 1				
SUBPROGRAM TITLE AND CODE	Tribal Gaming Program - 03700				
<b>TRIBAL GAMING PROGRAM</b>					
<b><u>OUTCOME MEASURES:</u></b>					
	<b>FY20</b>	<b>FY21</b>	<b>FY22</b>	<b>FY23</b>	<b>FY24</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Estimate</b>	<b>Estimate</b>
Average days to complete background investigations	40	31	31	31	31
Average days to preliminary suitability	2	2	2	2	2
<b><u>STRATEGIES:</u></b>					
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.					
<b><u>OUTPUT MEASURES:</u></b>					
	<b>FY20</b>	<b>FY21</b>	<b>FY22</b>	<b>FY23</b>	<b>FY24</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Estimate</b>	<b>Estimate</b>
Number of background investigations.	432	487	411	470	470
Number of official slot machine inspections	318	255	339	400	400
Number of compliance inspections	457	183	190	200	200
Number of internal control inspections (NEW during FY16)	2,316	1,903	1,874	2,000	2,000

**NARRATIVE INFORMATION -- DA 400**DIVISION OF THE BUDGET  
STATE OF KANSASAGENCY NAME  
AGENCY NUMBER  
PROGRAM TITLE AND CODE  
SUBPROGRAM TITLE AND CODE  
Kansas Racing and Gaming Commission  
553  
Tribal Gaming Program - 03700  
FUNCTION NO. 1**TRIBAL GAMING PROGRAM****Salaries and Wages**

Tribal Gaming Fund	FY 21	FY 22	FY 23	FY 24
	Actual	Actual	Estimate	Estimate
Assumed Shrinkage	1,036,336	986,697	1,160,831	1,169,006
Net Salaries and Wages			(20,000)	(20,000)
			1,140,831	1,149,006

The Tribal Gaming Program funding request will be used to finance 15 FTE positions for FY 23 & FY 24.

This is an increase of 2 FTE positions approved for FY 2023.

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 increased slightly from the FY 23 legislative approved budgeted amount. Primarily attributable to the funding of two new FTEs approved with the addition of sports wagering. The Kansas State Gaming Agency has assumed a shrinkage amount of \$20,000, which equals a shrinkage rate of approximately 1.72%.

**Budget Year FY 2024**

Salaries and wages for the budget years are to provide for a consistent level of employment.

The Kansas State Gaming Agency will assume a shrinkage amount of \$20,000, which equals a shrinkage rate of approximately 1.71%.

**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  
PROGRAM TITLE AND CODE  
Tribal Gaming Program - 03700  
SUBPROGRAM TITLE AND CODE

1

### TRIBAL GAMING PROGRAM

#### Contractual Services

Tribal Gaming Fund	FY21	FY22	FY23	FY24
	Actual	Actual	Estimate	Estimate
Communication	39,041	37,309	40,765	40,765
Freight & Express	-	-	-	-
Printing & Advertising	-	24	200	200
Rents	91,682	91,664	91,681	91,681
Repairing & Servicing	14,732	15,139	24,800	24,800
Travel & Subsistence	232	4,386	25,415	25,415
Fees - Record Checks, Building Surcharge	4,744	41,611	51,500	51,500
Fees - Other Services	46,082	26,084	36,000	36,000
Fees - Professional Services	125	-	1,000	1,000
Other Contractual Services	2,047	2,807	5,700	5,700
Official Hospitality	-	-	1,000	1,000
Total Contractual Services	<u>198,685</u>	<u>219,024</u>	<u>278,061</u>	<u>278,061</u>

#### Prior Year FY 2022

During FY 22, Contractual Services were approximately 21.24% below the legislative approved budget. The tribes are given a credit for the amounts below the budget to the current year's assessments.

#### Current Year FY 2023

In the current year, the contractual service budget remains consistent with the FY 23 legislative approved budgeted amount.

#### Budget Year FY 2024

In the budget year FY24, the contractual services budget remains consistent with the current year budget.

NOTE: The Tribal Gaming Program requests to continue the Hospitality Fund in the amount of \$1,000 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  
AGENCY NUMBER  
PROGRAM TITLE AND CODE  
SUBPROGRAM TITLE AND CODE  
Kansas Racing and Gaming Commission  
553      FUNCTION NO.      1  
Tribal Gaming Program - 03700

### TRIBAL GAMING PROGRAM

#### Commodities

Tribal Gaming Fund	FY21 Actual	FY22 Actual	FY23 Estimate	FY24 Estimate
Maintenance Materials, Supplies, Parts	25	3,294	450	450
Motor Vehicle Parts, Supplies	2,666	5,595	14,500	14,500
Professional & Scientific Supplies	68	68	1,100	1,100
Stationary & Office Supplies	1,750	1,330	4,800	4,800
Other Supplies, Materials, Parts	51	472	4,000	4,000
Total Commodities	<u>4,560</u>	<u>10,759</u>	<u>24,850</u>	<u>24,850</u>

#### Prior Year FY 2022

In FY 22, Commodities were approximately 56.71% below the legislative approved budget. The tribes are given a credit for the amounts below the budget to the current year's assessments.

#### Current Year FY 2023

In the current year, the commodities budget remains consistent with the FY 23 legislative approved budgeted amount.

#### Budget Year FY 2024

In the budget year FY 24, 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  
PROGRAM TITLE AND CODE: FUNCTION NO. 1  
SUBPROGRAM TITLE AND CODE: Tribal Gaming Program - 03700

### TRIBAL GAMING PROGRAM

#### Capital Outlay

Tribal Gaming Fund	FY21	FY22	FY23	FY24
	Actual	Actual	Estimate	Estimate
Vehicles	-	-	-	-
Equipment, Machinery, Furniture and Fixtures	4,450		1,550	1,550
Professional and Scientific Equipment	-	-	-	-
Books and Library Materials	-		300	300
Microcomputer Systems and Support Equipment	253	3,388	10,000	10,000
Information Processing Equipment	5,373	2,036	15,000	15,000
Computer Systems, Info Processing or Micro Software	-	4,680	2,500	2,500
Buildings & Improvements	-	-	-	-
Telecommunications/ Data Facilities	-	-	-	-
	<u>29,119</u>	<u>10,104</u>	<u>29,350</u>	<u>29,350</u>

#### Prior Year FY 2022

In the prior year, capital outlay was approximately 65.67% below the approved legislative budgeted amount.

#### Current Year FY 2023

In the current year, the capital outlay budget remains consistent with the FY 23 legislative approved budgeted amount.

#### Budget Year FY 2024

In the budget year FY24, the capital outlay budget remains consistent with the current year budget.

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	<u>Expanded Gaming Regulation - 03800</u>
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.

K.S.A. 74-8750(c) requires the KRGC to collect from any manufacturer, supplier, provider, lottery gaming facility manager, racetrack gaming facility manager or other person the anticipated actual costs in advance for the examination and certification of electronic gaming machines or lottery facility games. KRGC will reimburse any overpayment and collect any under payment from the appropriate vendor.

## 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)

#### Key Performance Measures

	Actual FY 2017	Actual FY 2018	Actual FY 2019	Actual FY 2020	Actual FY 2021	Actual FY 2022	Estimate FY 2023	Estimate FY 2024
Number of background investigations completed (individual & corporate)	1,155	1,199	1,123	927	606	1,247	1,260	1,260
Percentage of employee licenses denied by the Commission	1%	1%	1%	1%	1%	1.0%	2%	2%
Number of initial EGM inspections/certifications	811	707	791	375	108	204	300	500
Number of Criminal Case Reports	415	521	486	409	457	340	550	550
Illegal gaming machines seized (# does not include components, prizes and other related items seized)	18	14	47	39	6	10	25	25
Illegal gambling complaints received	82	155	176	143	145	121	157	160
Local criminal prosecutions initiated with KRGC assistance*	13	0	1	0	0	5	2	2
Number of VEP enrollees granted access to lottery gaming facility	59	112	85	86	99	80	95	95
Number of new Voluntary Exclusion Program enrollments	273	273	289	200	174	172	180	180

\* 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. KRGC performs forensics for outside law enforcement agencies throughout the state, resulting in forfeitures and prosecutions that are not always disclosed to KRGC staff. KRGC obtained forfeiture of 109 illegal gambling devices. KRGC does not have prosecution authority and it is unknown whether county and district attorneys initiated criminal cases based on KRGC efforts.

## 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 Regulation

### EXPANDED LOTTERY ACT REGULATION PROGRAM (GAMING)

#### *Subprogram Gaming Regulation*

**Purpose:**

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.

**Required By Statute:** Yes.

**Maintenance of Effort or Matching Requirement:** None.

**Statutory Requirements:** K.S.A. 74-8733 through 74-8773.

**Consequences of Not Funding:** Without this program there would be no regulatory oversight of gaming ownership and operations in Kansas Casinos. There would be no protection for Kansas citizens from the nefarious influences of the criminal element that had such a large impact on the early years of gaming in the United States.

### **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 2017	Actual FY 2018	Actual FY 2019	Actual FY 2020	Actual FY 2021	Actual FY 2022	Estimate FY 2023	Estimate FY 2024
Corporate Background Completion %	94%	83%	136%	150%	100%	134%	95%	95%
Individual Background Completion %	71%	102%	69%	91%	67%	91%	95%	95%
% of Employee Applicants Denied Temporary Permits	6%	4%	3%	2%	2%	5%	5%	5%
% Employee Licenses Denied by Commission	1%	1%	1%	1%	0.5%	1%	2%	2%
Licenses revoked because of previously undiscovered information	0%	0%	0%	0%	0%	0%	0%	0%

#### **OUTPUT MEASURES:**

Corporate Background Investigations:	Completed	11	5	16	6	0	7	10	10
	Pending/In-Process	24	29	35	63	77	59	20	20
	Updates/Renewals	20	26	18	26	23	36	20	20
Individual Background Investigations:	Completed	1,144	1,194	1,107	921	606	1,240	1,250	1,250
	Pending/In-Process	900	707	987	686	798	571	750	750
	Updates/Renewals	939	1,252	1,037	1,031	994	1,022	1,250	1,250
Vendor Licenses:	Approved	11	5	15	6	0	7	15	15
	Temporary	5	6	6	2	10	2	10	10
	Renewals	20	26	18	26	23	36	20	20
Casino Employee Licenses:	Gaming Licenses Approved	705	896	691	635	385	755	800	800
	Gaming Licenses Denied	22	25	16	18	6	22	20	20
	Temporary Work Permits Issues	908	698	837	555	637	909	800	800
	License Renewals	623	827	704	695	667	512	750	750
Criminal Case Reports		415	521	486	409	457	340	550	550

## 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	Gaming Regulation

### EXPANDED LOTTERY ACT REGULATION PROGRAM (GAMING)

*Subprogram Gaming Regulation      Continued*

#### 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.

	Actual FY 2017	Actual FY 2018	Actual FY 2019	Actual FY 2020	Actual FY 2021	Actual FY 2022	Estimate FY 2023	Estimate FY 2024
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#### OUTCOME MEASURES:

Improper gaming outcome discovered after complaint	1	0	0	0	0	0	0	0
Improper payment to the state discovered after audit	0	0	0	0	0	0	0	0
Casino internal audits completed within allotted time	100%	100%	100%	100%	100%	100%	100%	100%
Customer Complaints Investigated	100%	100%	100%	100%	100%	100%	100%	100%
KRGC Responses to Customer Complaints	100%	100%	100%	100%	100%	100%	100%	100%

#### OUTPUT MEASURES:

EGM Disputes Investigated	4	15	17	17	14	10	15	15
Machine Software Inspections	3,244	1,693	1,913	2,280	1,721	4,201	2,000	2,000
Initial EGM Inspections/Certifications	811	707	791	375	108	204	300	500
EGM Hardware/Software Components Tested and Approved	2,371	2,359	2,634	2,683	1,706	1,626	2,300	2,400
Table Games Tested and Approved	12	4	27	3	2	1	5	5
Internal Control Plans Approved	1	0	0	0	0	0	0	0
Internal Control Plan Amendments Reviewed	103	105	77	60	46	68	55	65
Internal Control Plan Amendments Approved	75	95	66	55	34	56	45	55
Investigations of Variances/Findings found in Audits	0	0	0	2	0	0	1	1
Security Plans Approved	1	0	0	0	0	0	0	0
Security Plan Amendments Reviewed	2	3	1	2	2	9	2	2
Security Plan Amendments Approved	2	1	2	2	2	6	2	2
Non-Criminal Incident Reports	642	523	492	807	1,218	525	500	500
Official Customer Complaints Received	4	5	10	14	27	8	12	15

## 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	Illegal Gaming

### EXPANDED LOTTERY ACT REGULATION PROGRAM (GAMING) *Subprogram Illegal Gaming*

**Purpose:**

Protect the state of Kansas and its citizens from unregulated gaming.

**Required By Statute:** Yes.

**Maintenance of Effort or Matching Requirement:** None.

**Statutory Requirements:** 74-8750(b)&(d); 74-8772(e); Appropriations language establishes the illegal gambling fund for machines seized through enforcement by KRGC.

**Consequences of Not Funding:** Failure to fund could result in the proliferation of gaming that is corrupt. It can also impact the gaming revenue the State receives.

### 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 FY 2017	Actual FY 2018	Actual FY 2019	Actual FY 2020	Actual FY 2021	Actual FY 2022	Estimate FY 2023	Estimate FY 2024
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**OUTPUT MEASURES:**

Illegal gaming machines seized (# does not include components, prizes and other related items seized)	18	14	47	39	6	10	25	25
Illegal gambling complaints received	82	155	176	143	145	121	157	160
Local criminal prosecutions initiated with KRGC assistance*	13	0	1	0	0	5	2	2

\* 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. KRGC performs forensics for outside law enforcement agencies throughout the state, resulting in forfeitures and prosecutions that are not always disclosed to KRGC staff. KRGC obtained forfeiture of 109 illegal gambling devices. KRGC does not have prosecution authority and it is unknown whether county and district attorneys initiated criminal cases based on KRGC efforts.

## 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	Responsible Gaming

### EXPANDED LOTTERY ACT REGULATION PROGRAM (GAMING)

#### *Subprogram Responsible Gaming*

**Purpose:**

Facilitate responsible gaming in the State of Kansas by administering the voluntary exclusion program.

**Required By Statute:** Yes.

**Maintenance of Effort or** None.

**Matching Requirement:**

**Statutory Requirements:** K.S.A. 74-8733 through 74-8773.

**Consequences of Not Funding:** There would be no voluntary exclusion program for problem gamblers to sign up for and there would no longer be a state-wide mechanism to prevent problem gamblers from legally entering a State-owned casino.

### 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.

	Actual FY 2017	Actual FY 2018	Actual FY 2019	Actual FY 2020	Actual FY 2021	Actual FY 2022	Estimate FY 2023	Estimate FY 2024
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**OUTCOME MEASURE:**

Number of VEP enrollees granted access to lottery gaming facility

59	112	85	86	99	80	95	95
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Number of audit deficiencies of lottery gaming facility's responsible gambling plan (initiated FY 2013)

0	0	0	0	0	0	0	0
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Number of problem gambling helpline calls reporting lottery gaming facility as source (% of total)

25%	16%	15%	14%	11%	37%	15%	15%
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**OUTPUT MEASURES:**

Number of new Voluntary Exclusion Program enrollments

273	273	289	200	174	172	180	180
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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
PROGRAM TITLE AND CODE	Expanded Gaming Regulation - 03800
SUBPROGRAM TITLE AND CODE	

### EXPANDED GAMING REGULATION PROGRAM

#### Salaries and Wages

	FY14 Actual	FY15 Actual	FY16 Actual	FY17 Actual	FY18 Actual	FY19 Actual	FY20 Actual	FY21 Actual	FY22 Actual	FY23 Estimate	FY24 Estimate
<b>Gaming Regulation Sub-Program - 03861</b>											
Expanded Lottery Act Regulation Fund	3,939,694	3,967,373	3,987,843	4,425,473	4,784,630	4,960,509	5,151,087	5,128,709	5,369,133	6,844,086	6,892,173
Gaming Background Investigations Fund	296,022	235,606	205,429	167,533	170,982	201,735	179,014	261,078	338,903	337,385	340,106
Subtotal Salaries and Wages - 03861	4,235,716	4,202,979	4,193,272	4,593,006	4,955,612	5,162,244	5,330,101	5,389,787	5,708,036	7,181,471	7,232,279
<b>Responsible Gaming Sub-Program - 03862</b>											
Expanded Lottery Act Regulation Fund	-	-	-	-	2,031	39,597	30,882	29,162	35,562	27,800	28,046
Gaming Background Investigations Fund	-	-	-	-	-	-	-	-	-	-	-
Subtotal Salaries and Wages - 03862	-	-	-	-	2,031	39,597	30,882	29,162	35,562	27,800	28,046
<b>Illegal Gaming Sub-Program - 03863</b>											
Expanded Lottery Act Regulation Fund	-	-	-	81,429	81,429	76,611	82,557	57,305	51,715	451,093	515,322
Gaming Background Investigations Fund	-	-	-	-	-	-	-	-	-	-	-
Subtotal Salaries and Wages - 03863	-	-	-	81,429	81,429	76,611	82,557	57,305	51,715	451,093	515,322
<b>Expanded Gaming Regulation Program Total</b>											
Expanded Lottery Act Regulation Fund	3,939,694	3,967,373	3,987,843	4,506,902	4,868,090	5,076,717	5,264,526	5,215,176	5,456,410	7,322,979	7,435,541
Gaming Background Investigations Fund	296,022	235,606	205,429	167,533	170,982	201,735	179,014	261,078	338,903	337,385	340,106
Total Salaries and Wages - Expanded Gaming Regulation Program	4,235,716	4,202,979	4,193,272	4,674,435	5,039,072	5,278,452	5,443,540	5,476,254	5,795,313	7,660,364	7,775,647

#### Prior Year -FY 2022

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, the Hollywood Casino at the Kansas Speedway in Wyandotte county, and the Kansas Crossing Casino in Crawford county. The KRGC had an approved FTE limit of 86.5. The FTEs consist of 11 regular classified positions and 75.5 regular unclassified positions. In addition, KRGC has 5 commissioners which are non-FTE temporary unclassified.

#### Current Year FY 2023

Salaries and wages for FY23 are for the KRGC employees that regulate gaming from the central office in Topeka, the Boot Hill Casino, the Kansas Star Casino, the Hollywood Casino, and the Kansas Crossing Casino. The KRGC has an approved FTE limit of 92.5 FTE positions for FY23. In addition, the KRGC funds a 0.5 temporary unclassified position, 5 KRGC Commissioners in the temporary unclassified service. KRGC has not revised its requested FTE from the approved FY23 budget. KRGC has assumed a shrinkage of 7.5% which is about \$570,000.

#### Budget Year FY 2024

Salaries and wages for FY24 are for the KRGC employees that regulate gaming from the central office in Topeka, the Boot Hill Casino, the Kansas Star Casino, the Hollywood Casino, and the Kansas Crossing Casino. The KRGC has an approved FTE limit of 92.5 FTE positions for FY23. In addition, the KRGC funds a 0.5 temporary unclassified position, 5 KRGC Commissioners in the temporary unclassified service. KRGC has not revised its requested FTE from the approved FY23 budget. KRGC has assumed a shrinkage of 7.5% which is about \$580,000.

#### Current Year FY 2023- Supplemental

There is no supplemental package for FY23.

#### Budget Year FY 2024- Supplemental

There is no supplemental package for FY24.

## NARRATIVE INFORMATION -- DA 400

DIVISION OF THE BUDGET  
STATE OF KANSAS

Kansas Racing and Gaming Commission  
553  
Expanded Gaming Regulation - 03800

### EXPANDED GAMING REGULATION PROGRAM

#### Contractual Services

#### Contractual Services by Sub-Program

	FY15 Actual	FY16 Actual	FY17 Actual	FY18 Actual	FY19 Actual	FY20 Actual	FY21 Actual	FY22 Actual	FY23 Estimate	FY24 Estimate
<i>Gaming Regulation Sub-Program - 03861</i>										
<i>Expanded Lottery Act Reg Fund - 2535</i>										
Communication	82,125	92,329	93,861	79,494	62,571	64,043	80,408	81,224	85,200	85,200
Freight & Express	617	1,082	1,407	4,490	4,008	3,388	2,963	2,968	1,300	1,300
Printing & Advertising	563	369	-	-	45	842	46	131	1,450	1,450
Rents	169,348	213,241	208,953	215,597	232,254	223,794	227,867	227,045	250,650	260,650
Repairing & Servicing	60,331	21,446	49,537	20,846	20,901	109,664	15,242	14,219	55,708	55,708
Travel & Subsistence	72,594	75,822	121,777	89,902	67,729	75,366	38,343	57,843	151,634	151,634
Fees - Other Services	249,376	251,126	312,416	350,094	349,065	247,461	269,938	339,163	331,940	346,940
Fees - Professional Services	538,272	9,024	6,614	28,743	51,841	69,247	40,041	38,949	282,050	282,050
Other Contractual Services	11,298	3,936	4,820	4,123	2,675	3,026	7,981	8,383	19,043	19,043
<i>Subtotal - Cont. Services - ELARF</i>	<b>1,184,524</b>	<b>668,375</b>	<b>799,385</b>	<b>793,289</b>	<b>791,089</b>	<b>796,931</b>	<b>682,830</b>	<b>769,923</b>	<b>1,176,975</b>	<b>1,203,975</b>
<i>Gaming Background Investigations Fund - 2682</i>										
Communication	-	-	-	-	-	-	-	-	-	-
Freight & Express	104	-	-	-	-	-	-	-	-	-
Printing & Advertising	-	-	-	-	-	-	-	-	-	-
Rents	-	-	-	-	-	-	-	-	-	-
Repairing & Servicing	-	-	-	-	-	-	-	-	-	-
Travel & Subsistence	31,478	31,478	9,645	12,996	14,377	6,019	-	6,562	35,250	35,250
Fees - Other Services	22	22	-	5	321	142	-	-	-	-
Fees - Professional Services	-	-	-	-	-	-	-	-	-	-
Other Contractual Services	-	-	-	-	-	-	-	-	-	-
<i>Subtotal - Cont. Services - Gaming Background Invest.Fund</i>	<b>31,604</b>	<b>31,500</b>	<b>9,645</b>	<b>13,001</b>	<b>14,698</b>	<b>6,161</b>	<b>-</b>	<b>6,562</b>	<b>35,250</b>	<b>35,250</b>
<i>Illegal Gambling Enforcement Fund - 2734</i>										
Communication	-	-	-	-	-	-	-	-	-	-
Freight & Express	-	-	-	-	-	-	-	-	-	-
Printing & Advertising	-	-	-	-	-	-	-	-	-	-
Rents	-	-	-	-	-	-	-	-	-	-
Repairing & Servicing	-	-	-	-	-	-	-	-	-	-
Travel & Subsistence	-	-	-	-	-	-	-	-	-	-
Fees - Other Services	-	-	-	-	-	-	-	-	-	-
Fees - Professional Services	-	-	-	-	-	-	-	-	-	-
Other Contractual Services	-	-	-	-	-	-	-	-	-	-
<i>Subtotal - Cont. Services - Illegal Gambling Enforcement Fund</i>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Subtotal - Cont. Services - Gaming Regulation 03861</i>	<b>1,216,128</b>	<b>699,875</b>	<b>809,030</b>	<b>806,290</b>	<b>805,787</b>	<b>803,092</b>	<b>682,830</b>	<b>776,487</b>	<b>1,214,225</b>	<b>1,239,225</b>
<i>Responsible Gaming Sub-Program - 03862</i>										
<i>Expanded Lottery Act Regulation Fund - 2535</i>										
<i>Subtotal - Cont. Services - ELARF</i>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Gaming Background Investigations Fund</i>										
<i>Subtotal - Cont. Services - Gaming Background Invest.Fund</i>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Illegal Gambling Enforcement Fund - 2734</i>										
<i>Subtotal - Cont. Services - Illegal Gambling Enforcement Fund</i>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Subtotal Cont. Services - Responsible Gambling 03862</i>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Illegal Gaming Sub-Program - 03863</i>										
<i>Expanded Lottery Act Reg Fund - 2535</i>										
Communication	-	-	-	-	-	-	-	-	10,000	20,000
Freight & Express	-	-	-	-	-	-	-	-	-	-
Printing & Advertising	-	-	-	-	-	-	-	-	-	-
Rents	-	-	-	-	-	200	-	-	-	-
Repairing & Servicing	-	-	-	-	-	-	47	-	-	-
Travel & Subsistence	-	-	-	150	198	477	1,194	1,421	15,000	25,000
Fees - Other Services	-	-	-	-	15	-	-	-	10,000	20,000
Fees - Professional Services	-	-	-	-	-	-	-	-	50,000	50,000
Other Contractual Services	-	-	-	-	-	-	-	-	-	-
<i>Subtotal - Cont. Services - ELARF</i>	<b>-</b>	<b>-</b>	<b>-</b>	<b>150</b>	<b>213</b>	<b>677</b>	<b>1,241</b>	<b>1,421</b>	<b>85,000</b>	<b>115,000</b>
<i>Illegal Gambling Enforcement Fund - 2734</i>										
Communication	-	-	-	-	240	-	-	-	-	-
Freight & Express	-	-	-	-	-	-	-	-	-	-
Printing & Advertising	-	-	-	-	-	-	-	-	-	-
Rents	-	-	-	178	-	-	780	-	-	-
Repairing & Servicing	-	-	-	-	-	70	-	-	-	-
Travel & Subsistence	-	-	726	207	1,206	-	-	-	-	-
Fees - Other Services	-	-	-	408	145	-	-	-	-	-
Fees - Professional Services	828	292	-	-	-	-	-	-	-	-
Other Contractual Services	-	1,367	107	-	221	116	70	-	3,000	3,000
<i>Subtotal - Cont. Services - Illegal Gambling Enforcement Fund</i>	<b>828</b>	<b>1,659</b>	<b>1,011</b>	<b>615</b>	<b>1,812</b>	<b>966</b>	<b>70</b>	<b>-</b>	<b>3,000</b>	<b>3,000</b>
<i>Subtotal - Cont. Services - Illegal Gaming 03863</i>	<b>828</b>	<b>1,659</b>	<b>1,011</b>	<b>763</b>	<b>2,025</b>	<b>1,643</b>	<b>1,311</b>	<b>1,421</b>	<b>88,000</b>	<b>118,000</b>
<i>Total Contractual Services - Expanded Gaming Regulation Program</i>	<b>1,216,956</b>	<b>701,534</b>	<b>810,041</b>	<b>807,055</b>	<b>807,812</b>	<b>804,735</b>	<b>684,141</b>	<b>777,908</b>	<b>1,302,225</b>	<b>1,357,225</b>
<i>Prior Year - FY 2022</i>										
The majority of contractual expenditures for FY22 are for the regulation of the four lottery gaming facilities currently operating. Expenses for central administration primarily consist of rent and monument charge (\$227,045), and database fees related to background investigations (\$160,000).										
<i>Current Year - FY 2023</i>										
FY23 contractual services include 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, The Kansas Crossing Casino in Pittsburg, and regulatory costs related to the expansion of sports wagering. Travel and subsistence is for performing internal control audits at gaming facilities; voluntary exclusion program audits; electronic gaming equipment and security audits; background investigations of casino employees; agent and employee training; travel for the Commission; fees and professional services largely consisting of database access fees (i.e. KBI database) related to background checks for gaming facility employees. The majority of rental cost is Topeka office space and monument charge in the Eisenhower State Office Building. Costs from the Gaming Background Investigations fund are related to background checks of vendors who are providing goods and services to the gaming facilities.										
NOTE: The KRGC requests to continue the Hospitality Fund in the amount of \$1,500 for purpose of hosting public meetings.										
<i>Enhancement - FY 2023</i>										
In FY23 KRGC is requesting an enhancement package of \$310,000 for contractual expenditures for the regulation of sports wagering at the four state owned casinos, and online sports wagering platforms. The request includes increased expenditures related to backgrounding database fees, communication and travel expenses. The request is based on the assumption of a ten months of regulatory operations.										

## NARRATIVE INFORMATION -- DA 400

DIVISION OF THE BUDGET  
STATE OF KANSAS

Kansas Racing and Gaming Commission  
553  
Expanded Gaming Regulation - 03800

### EXPANDED GAMING REGULATION PROGRAM

#### Contractual Services (Continued)

##### **Budget Year - FY 2024**

The FY24 budget year reflects costs for the ongoing expanded gaming regulation of the four operational lottery gaming facilities and is an increase of approximately \$365,000 above the approved FY23 contractual services budget.  
NOTE: The KRGC requests to continue the Hospitality Fund in the amount of \$1,500 for purpose of hosting public meetings.

##### **Enhancement - FY 2024**

In FY24 KRGC is requesting an enhancement package of \$365,000 for contractual expenditures for the regulation of sports wagering at the four state owned casinos, and online sports wagering platforms. The request includes increased expenditures related to backgrounding database fees, communication and travel expenses. The request is based on the assumption of a full year of regulatory operations related to sports wagering.

**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 GAMING REGULATION PROGRAM**
**Commodities**
**Commodities by Sub-Program**

	FY15 Actual	FY16 Actual	FY17 Actual	FY18 Actual	FY19 Actual	FY20 Actual	FY21 Actual	FY22 Actual	FY23 Estimate	FY24 Estimate
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**Gaming Regulation Sub-Program - 03861**

Expanded Lottery Act Reg Fund -2535	-	2,952	1,550	13	3,928	11,131	647	-	-	-
Clothing	-	16	155	16	55	32	514	-	59	-
Food	-	1,536	1,992	3,395	8,215	3,891	7,694	553	7,784	4,100
Maintenance Materials, Supplies, Parts	-	7,064	6,476	9,356	7,453	10,967	-	8,352	11,567	28,055
Motor Vehicle Parts, Supplies	-	578	1,005	421	4,061	793	3,535	3,908	2,883	25,860
Professional & Scientific Supplies	-	26,925	22,996	48,872	10,933	21,312	13,828	9,986	10,892	79,555
Stationary & Office Supplies	-	6,355	33,658	43,710	34,087	24,036	9,671	4,581	27,401	4,300
Other Supplies, Materials, Parts	<b>Subtotal - Commodities - ELARF</b>	<b>42,474</b>	<b>69,234</b>	<b>107,320</b>	<b>64,817</b>	<b>64,959</b>	<b>46,373</b>	<b>28,027</b>	<b>60,586</b>	<b>141,870</b>
										<b>146,870</b>

**Gaming Background Investigations Fund - 2682**

Maintenance Materials, Supplies, Parts	-	-	-	-	-	-	-	-	-	-
Motor Vehicle Parts, Supplies	-	1,135	601	201	249	504	-	-	164	1,700
Professional & Scientific Supplies	-	-	-	-	-	-	139	-	-	-
Stationary & Office Supplies	-	-	-	-	-	-	-	-	-	-
Other Supplies and Materials	-	45	-	45	-	-	-	-	-	-
<b>Subtotal - Commodities - Gaming Background Investigations Fund</b>	<b>-</b>	<b>1,180</b>	<b>601</b>	<b>246</b>	<b>249</b>	<b>504</b>	<b>139</b>	<b>-</b>	<b>164</b>	<b>1,700</b>
										<b>1,700</b>

**Illegal Gambling Enforcement Fund - 2734**

<b>Subtotal - Commodities - Illegal Gambling Enforcement Fund</b>	<b>-</b>									
										<b>-</b>

**Subtotal - Commodities - Gaming Regulation**

<b>Subtotal - Commodities - Gaming Regulation</b>	<b>43,654</b>	<b>69,835</b>	<b>107,566</b>	<b>65,066</b>	<b>65,463</b>	<b>46,512</b>	<b>28,027</b>	<b>60,750</b>	<b>143,570</b>	<b>148,570</b>
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**Expanded Gaming Sub-Program - 03862**

Expanded Lottery Act Regulation Fund - 2535	-	-	-	-	-	-	-	-	-	-
<b>Subtotal - Commodities - ELARF</b>	<b>-</b>									
<b>Gaming Background Investigations Fund</b>	<b>-</b>									
<b>Subtotal - Commodities - Gaming Background Investigations Fund</b>	<b>-</b>									
<b>Illegal Gambling Enforcement Fund - 2734</b>	<b>-</b>									
<b>Subtotal - Commodities - Illegal Gambling Enforcement Fund</b>	<b>-</b>									
<b>Subtotal Commodities - Responsible Gambling 03862</b>	<b>-</b>									

**Illegal Gaming Sub-Program - 03863**

Expanded Lottery Act Regulation Fund - 2535	-	-	-	-	-	-	-	-	-	-
Maintenance Materials, Supplies, Parts	-	-	-	-	-	-	-	-	-	-
Motor Vehicle Parts, Supplies	-	1,053	434	-	639	371	297	613	350	1,200
Professional & Scientific Supplies	-	-	574	-	-	-	-	-	918	10,000
Stationary & Office Supplies	-	-	-	-	-	-	-	-	-	5,000
Other Supplies and Materials	-	-	-	136	-	207	-	-	326	10,000
<b>Subtotal - Commodities - ELARF</b>	<b>1,053</b>	<b>434</b>	<b>574</b>	<b>775</b>	<b>371</b>	<b>504</b>	<b>613</b>	<b>1,594</b>	<b>16,200</b>	<b>31,200</b>

**Illegal Gambling Enforcement Fund - 2734**

Maintenance Materials, Supplies, Parts	-	36	-	-	-	-	-	-	-	-
Motor Vehicle Parts, Supplies	-	-	151	722	580	238	-	-	-	-
Professional & Scientific Supplies	-	788	574	-	-	-	-	-	-	-
Stationary & Office Supplies	-	-	-	-	65	240	-	-	-	-
Other Supplies and Materials	-	1,425	-	-	16	-	-	-	-	-
<b>Subtotal - Commodities - Illegal Gambling Enforcement Fund</b>	<b>-</b>	<b>2,249</b>	<b>725</b>	<b>722</b>	<b>661</b>	<b>478</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Subtotal - Commodities - Illegal Gambling - 03863**

<b>Subtotal - Commodities - Illegal Gambling - 03863</b>	<b>1,053</b>	<b>2,683</b>	<b>1,299</b>	<b>1,497</b>	<b>1,032</b>	<b>982</b>	<b>613</b>	<b>1,594</b>	<b>16,200</b>	<b>31,200</b>
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<b>Total Commodities - Expanded Gaming Regulation Program</b>	<b>44,707</b>	<b>72,518</b>	<b>108,865</b>	<b>66,563</b>	<b>66,495</b>	<b>47,494</b>	<b>28,640</b>	<b>62,344</b>	<b>159,770</b>	<b>179,770</b>
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**Prior Year - FY 2022**

The FY22 reflects costs associated with the regulation of expanded gaming for the Topeka office, the Boot Hill Casino in Ford county, Hollywood Casino in Wyandotte county, Kansas Star Casino in Sumner county, and Kansas Crossing Casino in Crawford county. Major categories of supplies include materials for repair of office equipment; supplies and materials for repair and maintenance of state vehicles (e.g. oil changes, tires) and fuel charges for state vehicles; professional and scientific supplies for law enforcement materials (e.g. hand guns, ammunition, EGM testing supplies), legal directories and security tags for gaming machines; office supplies for the Topeka, Boot Hill Casino, Kansas Star Casino, Hollywood Casino, and Kansas Crossing Casino KRGCC offices. Office supplies include security badge supplies for the printing and replacement of security badges for gaming facility employees.

**Current Year - FY 2023**

The FY23 commodities budget reflects costs associated with the regulation of expanded gaming for the Topeka, the Boot Hill Casino, the Hollywood Casino, the Kansas Star Casino, and the Kansas Crossing Casino KRGCC offices and is increased by approximately \$20,000 above the FY23 approved budget.

**Enhancement - FY 2023**

KRGCC requests an enhancement to commodity expenditures in FY23 of approximately \$20,000. The increase is requested for increased regulatory expenses related to sports wagering conducted at the four state owned casinos and their online platforms.

<b>NARRATIVE INFORMATION -- DA 400</b>		AGENCY NAME Kansas Racing and Gaming Commission
DIVISION OF THE BUDGET STATE OF KANSAS		AGENCY NUMBER 553
		PROGRAM TITLE AND CODE Expanded Gaming Regulation - 03800
		SUBPROGRAM TITLE AND CODE
<b>EXPANDED GAMING REGULATION PROGRAM</b>		
<p><b><u>Commodities (Continued)</u></b></p> <p><b><u>Budget Year - FY 2024</u></b>            The FY24 commodities budget reflects costs associated with the regulation of expanded gaming for the Topeka, the Boot Hill Casino, the Hollywood Casino, the Kansas Star Casino, and the Kansas Crossing Casino KRGC offices and is increased by approximately \$40,000 above the FY23 approved budget.</p> <p><b><u>Enhancement - FY 2024</u></b>            KRGC requests an enhancement to commodity expenditures in FY 24 of approximately \$40,000. The increase is requested for increased regulatory expenses related to sports wagering conducted at the four state owned casinos and their online platforms.</p>		

## 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 GAMING REGULATION PROGRAM

#### Capital Outlay

#### Capital Outlay by Sub-Program

	FY15 Actual	FY16 Actual	FY17 Actual	FY18 Actual	FY19 Actual	FY20 Actual	FY21 Actual	FY22 Actual	FY23 Estimate	FY24 Estimate
<b>Gaming Regulation Sub-Program - 03861</b>										
<b>Expanded Lottery Act Reg Fund - 2535</b>										
Passenger Cars	-	25,690	65,591	53,246	-	53,240	-	-	-	-
Equipment, Machinery, Furniture and Fixtures	562	15,030	13,058	33,086	5,101	3,428	-	3,679	10,000	5,500
Professional and Scientific Equipment	11,545	126	19,643	-	239	311	292	709	5,500	-
Books and Library Materials	185	-	205	83	-	-	-	-	-	-
Microcomputer Systems and Support Equipment	35,165	25,253	17,513	17,990	30,427	-	-	21,650	85,300	85,300
Information Processing Equipment	8,785	4,562	12,704	8,773	525	44,593	15,190	66,653	42,250	15,000
Computer Systems, Info Processing or Micro Software	30,984	990	42,668	8,318	18,501	-	60,796	38,722	82,250	49,500
Telecommunications/ Data Facilities	25	-	1,954	1,749	-	-	-	-	-	-
Building Improvements Non Cap	-	-	-	-	-	-	-	-	-	-
<i>Subtotal - Capital Outlay - ELARF</i>	<i>87,251</i>	<i>71,651</i>	<i>173,336</i>	<i>123,245</i>	<i>54,793</i>	<i>101,572</i>	<i>85,728</i>	<i>131,413</i>	<i>225,300</i>	<i>155,300</i>
<b>Gaming Background Investigations Fund - 2682</b>										
<i>Subtotal - Capital Outlay - Gaming Background Investigations Fund</i>	<i>-</i>	<i>-</i>								
<b>Subtotal - Capital Outlay - 03861</b>	<b>87,251</b>	<b>71,651</b>	<b>173,336</b>	<b>123,245</b>	<b>54,793</b>	<b>101,572</b>	<b>85,728</b>	<b>131,413</b>	<b>225,300</b>	<b>155,300</b>
<b>Responsible Gaming Sub-Program - 03862</b>										
<b>Expanded Lottery Act Reg Fund - 2535</b>	<b>-</b>	<b>-</b>								
<i>Subtotal - Capital Outlay - ELARF</i>	<i>-</i>	<i>-</i>								
<b>Gaming Background Investigations Fund - 2682</b>										
<i>Subtotal - Capital Outlay - Gaming Background Investigations Fund</i>	<i>-</i>	<i>-</i>								
<b>Subtotal Capital Outlay - 03862</b>	<b>-</b>	<b>-</b>								
<b>Illegal Gaming Sub-Program - 03863</b>										
<b>Expanded Lottery Act Reg Fund - 2535</b>	<b>-</b>	<b>10,000</b>	<b>5,000</b>							
Professional and Scientific Equipment	-	-	-	-	-	-	-	-	10,000	5,000
Information Processing Equipment	-	-	722	42	-	76	259	-	-	-
Equipment, Machinery, Furniture and Fixtures	-	498	-	-	-	-	-	-	-	-
<i>Subtotal - Capital Outlay - ELARF</i>	<i>-</i>	<i>498</i>	<i>722</i>	<i>42</i>	<i>-</i>	<i>76</i>	<i>259</i>	<i>-</i>	<i>10,000</i>	<i>5,000</i>
<b>Illegal Gambling Enforcement Fund - 2734</b>										
<i>Subtotal - Capital Outlay - Illegal Gambling Fund</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>2,405</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<b>Subtotal Capital Outlay - 03863</b>	<b>-</b>	<b>498</b>	<b>722</b>	<b>42</b>	<b>-</b>	<b>2,481</b>	<b>259</b>	<b>-</b>	<b>10,000</b>	<b>5,000</b>
<b>Total Capital Outlay - Expanded Gaming Regulation Program</b>	<b>87,251</b>	<b>72,149</b>	<b>174,058</b>	<b>123,287</b>	<b>54,793</b>	<b>104,053</b>	<b>85,987</b>	<b>131,413</b>	<b>235,300</b>	<b>160,300</b>

#### Prior Year - FY2022

The FY22 expenses for capital outlay include replacement of older computer workstations and related software, replacement of firewalls, and updated security protocols. Capital outlay purchases also included the renewal of licensing software.

#### Current Year - FY 2023

The FY23 budget year reflects continued costs associated with the regulation of gaming for the Topeka office and the KRGC offices located at each of the four lottery gaming facilities. Expenditures include scheduled replacement computer workstations; scheduled server replacement; gaming test equipment; and other miscellaneous hardware. FY23 capital outlay budget is increased by \$100,000 above the approved FY23 capital outlay budget related to the expansion of sports wagering.

#### Enhancement - FY 2023

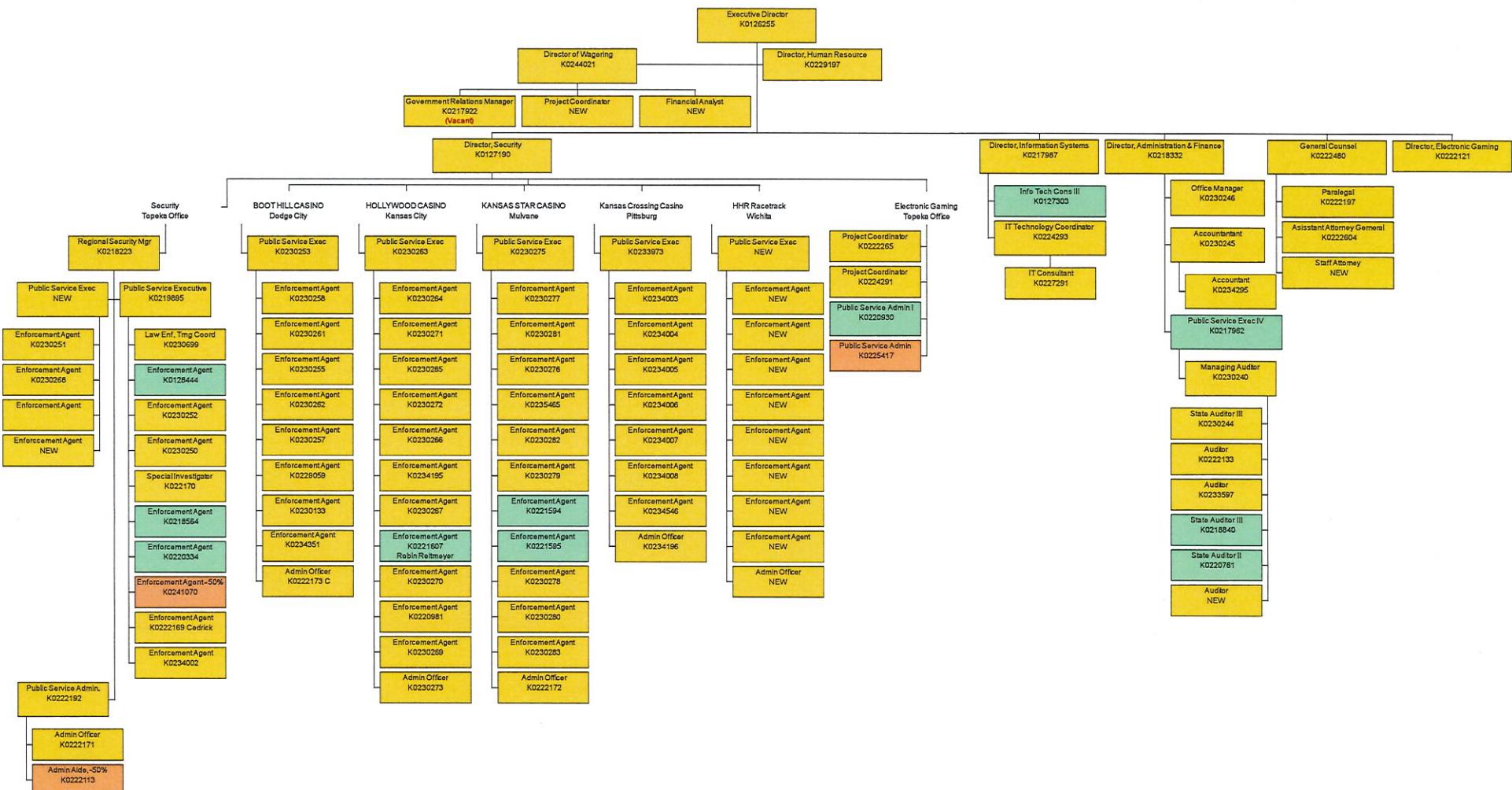
KRGC requests an enhancement to capital outlay expenditures in FY23 of approximately \$100,000. The increase is requested for increased regulatory expenses related to sports wagering conducted at the four state owned casinos and their online platforms. The request includes expenditures for work stations for six new employees for sports wagering regulation, licensing fees for KRGC's backgrounding database.

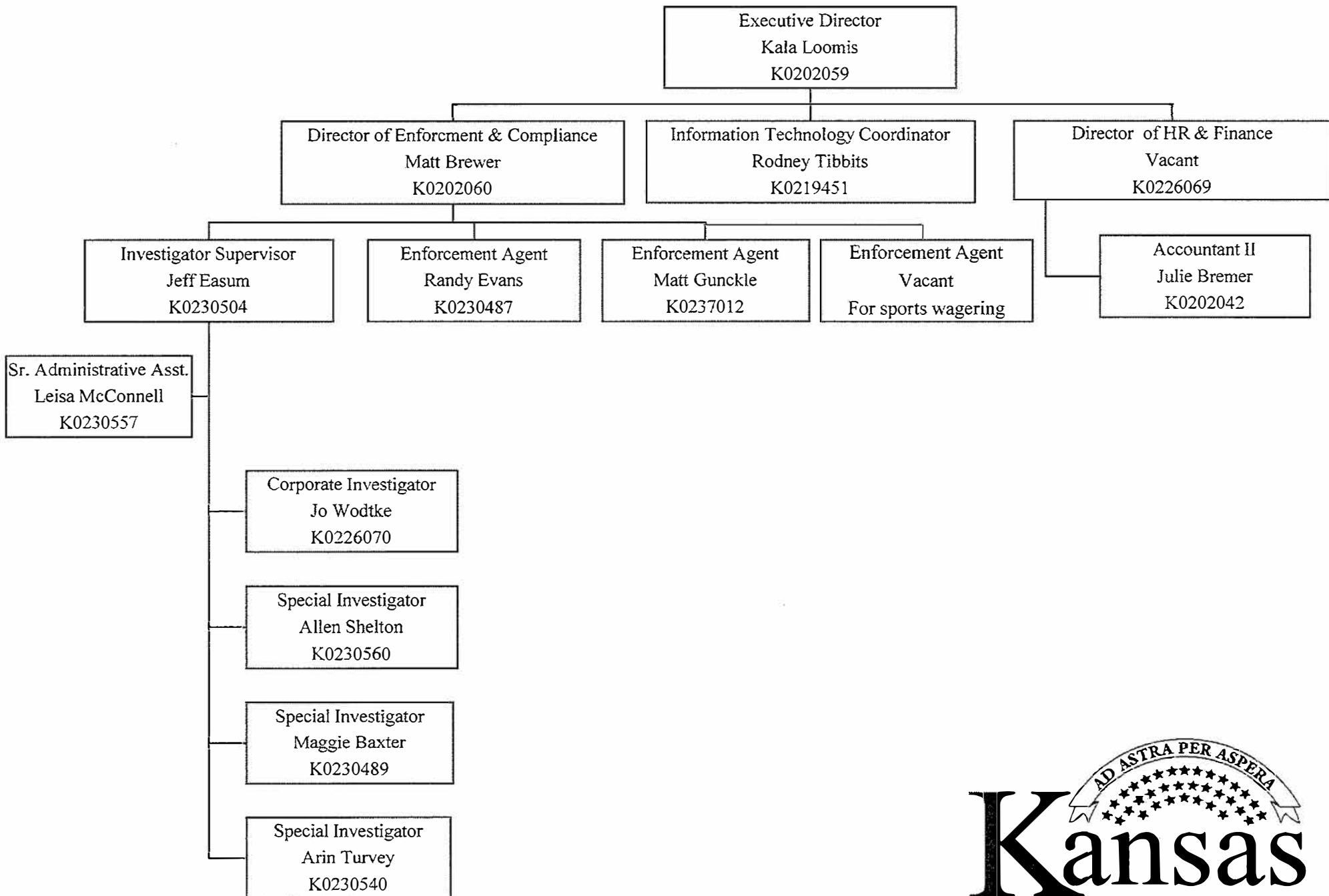
#### Budget Year - FY 2024

The FY24 budget year reflects continued costs associated with the regulation of gaming for the Topeka office and the KRGC offices located at each of the four lottery gaming facilities. Expenditures include scheduled replacement computer workstations; scheduled server replacement; gaming test equipment; and other miscellaneous hardware. FY24 capital outlay budget is increased by \$35,000 above the approved FY23 capital outlay budget.

#### Enhancement - FY 2024

KRGC requests an enhancement to capital outlay expenditures in FY24 of approximately \$25,000. The increase is requested for increased regulatory expenses related to sports wagering conducted at the four state owned casinos and their online platforms. The request includes expenditures for renewal of software licensing fees.





**Kansas Racing and Gaming Commission**  
 Summary of Expenditures FY 2023 and FY 2024--- Expanded Gaming Program and Parimutuel Program

	FY 2022 Actual	FY 2023 Approved	FY 2023 Revised	Change from FY 2023 Approved	% Change from Approved	FY 2023 Approved	FY 2024 Request	Change from	% Change from Approved
Salaries and Wages		7,094,975	8,255,835	1,160,860	16.36	7,094,975	8,820,092	1,725,117	24.31
Less Shrinkage		(513,476)	(617,283)	(103,806)	(20.22)	(513,476)	(659,605)	(146,129)	(28.46)
<b>Net Salaries and Wages</b>	<b>5,798,584</b>	<b>6,581,499</b>	<b>7,638,552</b>	<b>1,057,053</b>	<b>16.06</b>	<b>6,581,499</b>	<b>8,160,487</b>	<b>1,578,988</b>	<b>23.99</b>
<b>Other Operating</b>									
Contractual Services	777,909	993,225	1,463,225	470,000	47.32	993,225	1,678,225	685,000	68.97
Commodities	62,345	139,770	187,370	47,600	34.06	139,770	215,370	75,600	54.09
Capital Outlay	131,413	135,300	385,300	250,000	1.85	135,300	210,300	75,000	0.55
<b>Subtotal Other Operating</b>	<b>971,667</b>	<b>1,268,295</b>	<b>2,035,895</b>	<b>767,600</b>	<b>60.52</b>	<b>1,268,295</b>	<b>2,103,895</b>	<b>835,600</b>	<b>65.88</b>
VRIP and Interest on PMIB	-	-	-	-	-	-	-	-	-
<b>Total Reportable Expense</b>	<b>6,770,251</b>	<b>7,849,794</b>	<b>9,674,447</b>	<b>1,824,653</b>	<b>23.24</b>	<b>7,849,794</b>	<b>10,264,382</b>	<b>2,414,588</b>	<b>30.76</b>
<b>Non-Reportable Expense:</b>									
Petty Cash Advance	-	-	-	-	-	-	-	-	-
<b>Grand Total Reportable and Non Reportable</b>	<b>6,770,251</b>	<b>7,849,794</b>	<b>9,674,447</b>	<b>1,824,653</b>	<b>23.24</b>	<b>7,849,794</b>	<b>10,264,382</b>	<b>2,414,588</b>	<b>30.76</b>

### Fund Status Summary

FY 2021 - FY 2024

	FY 2021 Ending Balance	FY 2022 Revenues Actual	FY 2022 Expend Actual	FY 2022 Ending Balance	FY 2023 Revenues Projection	FY 2023 Expend Projection	FY 2023 Ending Balance	FY 2024 Revenues Projection	FY 2024 Expend Projection	FY 2024 Ending Balance
<b>Parimutuel Funds</b>										
2516 - Kansas Horse Breeding Development Fund	51,913	-	-	51,913	-	-	51,913	-	-	51,913
2561 - Greyhound Promotion & Development Fund	-	-	-	-	-	-	-	-	-	-
2601 - Kansas Greyhound Breeding Development Fund	-	-	-	-	-	-	-	-	-	-
5131 - State Racing Fund	69,885	1,649	(3,271)	68,263	1,251,000	(889,411)	429,852	1,501,000	(1,372,712)	558,141
<b>Subtotal</b>	<b>121,798</b>	<b>1,649</b>	<b>(3,271)</b>	<b>120,176</b>	<b>1,251,000</b>	<b>(889,411)</b>	<b>481,765</b>	<b>1,501,000</b>	<b>(1,372,712)</b>	<b>610,054</b>
<b>Gaming Funds</b>										
2535 - Expanded Lottery Act Regulation (Gaming) Fund	3,956,649	6,066,119	(6,421,352)	3,601,416	7,500,000	(8,430,401)	2,671,015	8,500,000	(8,535,922)	2,635,092
2682 - Gaming Background Investigations Fund	195,564	329,115	(345,628)	179,051	400,000	(350,435)	228,616	350,000	(351,548)	227,068
2734- Illegal Gaming Enforcement Fund	134,677	(13,493)	-	121,184	5,000	(4,200)	121,984	5,000	(4,200)	122,784
<b>Subtotal</b>	<b>4,286,890</b>	<b>6,381,741</b>	<b>(6,766,980)</b>	<b>3,901,651</b>	<b>7,905,000</b>	<b>(8,785,037)</b>	<b>3,021,614</b>	<b>8,855,000</b>	<b>(8,891,670)</b>	<b>2,984,944</b>
<b>Total Funds</b>	<b>4,408,688</b>	<b>6,383,390</b>	<b>(6,770,251)</b>	<b>4,021,827</b>	<b>9,156,000</b>	<b>(9,674,447)</b>	<b>3,503,380</b>	<b>10,356,000</b>	<b>(10,264,382)</b>	<b>3,594,998</b>

**Kansas Racing and Gaming Commission**

FTE Summary

FY 2018 - FY 2024

	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Approved	FY 2021 Revised	FY 2021 Actual	FY 2022 Approved	FY 2022 Revised	FY 2022 Actual	FY 2023 Approved	FY 2023 Revised	FY 2024 Requested
<b>Central Office</b>												
Executive	5.0	7.0	6.0	7.0	7.0	5.0	7.0	7.0	6.0	10.0	11.0	11.0
Administration and Audit	8.0	7.0	7.0	11.0	11.0	7.0	11.0	11.0	7.0	11.0	12.0	12.0
Animal Health	-	-	-	-	-	-	-	-	-	-	-	-
IT and Electronic Security	7.0	7.0	7.0	8.0	8.0	6.0	8.0	8.0	6.0	8.0	8.0	8.0
Racing	-	-	-	-	-	-	-	-	-	-	-	-
Security & Licensing <sup>1</sup>	12.0	11.0	13.0	15.5	14.5	12.5	15.5	14.5	12.5	17.5	18.5	18.5
<i>Subtotal - Central Office</i>	<i>32.0</i>	<i>32.0</i>	<i>33.0</i>	<i>41.5</i>	<i>40.5</i>	<i>30.5</i>	<i>41.5</i>	<i>40.5</i>	<i>31.5</i>	<i>46.5</i>	<i>49.5</i>	<i>49.5</i>
<b>Facilities</b>												
Wichita Race Facility	-	-	-	-	-	-	-	-	-	10.0	10.0	10.0
Woodlands (Kansas City)	-	-	-	-	-	-	-	-	-	-	-	-
Boot Hill (Dodge City)	8.5	7.0	5.0	9.0	9.0	9.0	10.0	8.0	10.0	10.0	10.0	10.0
Sumner Co. Gaming Facility	11.0	13.0	14.0	13.0	14.0	11.0	13.0	13.0	11.0	13.0	13.0	13.0
Hollywood (WY Co.)	11.0	11.0	11.0	13.0	13.0	11.0	13.0	13.0	13.0	13.0	13.0	13.0
Southeast Gaming Zone	9.0	9.0	9.0	10.0	10.0	9.0	10.0	10.0	9.0	10.0	10.0	10.0
<i>Subtotal - Facilities</i>	<i>39.5</i>	<i>40.0</i>	<i>39.0</i>	<i>45.0</i>	<i>46.0</i>	<i>40.0</i>	<i>45.0</i>	<i>46.0</i>	<i>41.0</i>	<i>46.0</i>	<i>56.0</i>	<i>56.0</i>
<b>Total</b>	<b>71.5</b>	<b>72.0</b>	<b>72.0</b>	<b>86.5</b>	<b>86.5</b>	<b>70.5</b>	<b>86.5</b>	<b>86.5</b>	<b>72.5</b>	<b>92.5</b>	<b>105.5</b>	<b>105.5</b>

Notes

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

**Kansas Racing and Gaming Commission**

Budget Worksheet - Receipts

FY 2022 - FY 2024

**2535 - Expanded Lottery Act Regulation (Gaming) Fund**

	A	B	C	D	E	F	G	I	J
	FY 2022	FY 2022	Difference	FY 2023	Revisions	Revised	FY 2023	Changes from	
	Actual	Budget		Approved Budget	to FY 2023	FY 2023 Budget	Base Budget	Approved FY 2023 to FY 2024	Submitted FY 2024 Budget
<b>Receipts</b>									
PMIB Loan Proceeds			-	-	-	-	-	-	-
LGFRB Applicant Reimbursement	-	-	-	-	-	-	-	-	-
SU Start-up Reimbursement	-	-	-	-	-	-	-	-	-
BHRC Start-up Reimb.	-	-	-	-	-	-	-	-	-
WY (Hollywood) Ops Reimbursement	1,856,409	1,376,000	480,409	1,831,000	389,000	2,220,000	1,831,000	759,000	2,590,000
SU (KC Star) Ops Reimbursment	1,913,545	1,404,000	509,545	1,874,000	206,000	2,080,000	1,874,000	486,000	2,360,000
BHRC Ops Reimbursment	1,171,772	1,068,000	103,772	1,158,000	187,000	1,345,000	1,158,000	357,000	1,515,000
Facility Mgr Background Deposits	-	-	-	-	-	-	-	-	-
SE (Southeast) Ops Reimbursement	1,136,664	1,124,000	12,664	1,159,000	321,000	1,480,000	1,159,000	501,000	1,660,000
Vendor Background Fees	-	-	-	-	-	-	-	-	-
Miscellaneous Revenue	3,827	-	3,827	-	-	-	-	-	-
Transfer In	-	-	-	-	375,000	375,000	-	375,000	375,000
Transfer Out	(16,098)	-	(16,098)	-	-	-	-	-	-
<b>Total Receipts</b>	<b>6,066,119</b>	<b>4,972,000</b>	<b>1,094,119</b>	<b>6,022,000</b>	<b>1,478,000</b>	<b>7,500,000</b>	<b>6,022,000</b>	<b>2,478,000</b>	<b>8,500,000</b>
<b>Total Expenses</b>	<b>6,421,352</b>	<b>7,229,650</b>	<b>(1,295,069)</b>	<b>7,488,101</b>	<b>942,301</b>	<b>8,430,401</b>	<b>7,488,101</b>	<b>1,047,821</b>	<b>8,535,922</b>

**Kansas Racing and Gaming Commission**

Budget Worksheet - Expenditures

FY 2022 - FY 2024

**2535 - Expanded Lottery Act Regulation (Gaming) Fund**

	A	B	C	D			G	I	J			
				FY 2023 Approved Budget	Revisions to FY 2023	Revised FY 2023 Budget						
Salaries	510	5,456,411	6,490,276	(1,033,865)	6,749,523	571,938	7,321,461	6,749,523	170,696	7,435,541		
Shrinkage	519	-	(486,771)	67,694	(487,567)	(59,637)	(547,205)	(487,567)	(68,196)	(555,764)		
Contractual Services												
Communication	520	81,224	85,200	(3,976)	85,200	10,000	95,200	85,200	20,000	105,200		
Freight & express	521	2,968	1,300	1,668	1,300	-	1,300	1,300	-	1,300		
Printing & advertising	522	131	1,450	(1,319)	1,450	-	1,450	1,450	-	1,450		
Rents	523	227,046	240,650	(13,604)	240,650	10,000	250,650	240,650	20,000	260,650		
Repairing & servicing	524	14,219	55,708	(41,489)	55,708	-	55,708	55,708	-	55,708		
Travel & subsistence	525	59,264	151,634	(92,370)	151,634	15,000	166,634	151,634	25,000	176,634		
Fees-other services	526	339,163	316,940	22,223	316,940	25,000	341,940	316,940	50,000	366,940		
Fees-professional services	527	38,949	82,050	(43,101)	82,050	250,000	332,050	82,050	250,000	332,050		
Other contractual services	529	8,383	19,043	(10,660)	19,043	-	19,043	19,043	-	19,043		
Total contractual services		771,347	953,975	(182,628)	953,975	310,000	1,263,975	953,975	365,000	1,318,975		
Commodities		6,421,352										
Clothing	530	-	-	-	-	-	-	-	-	-		
Food	532	59	-	59	-	-	-	-	-	-		
Maintenance materials	534	7,784	4,100	3,684	4,100	-	4,100	4,100	-	4,100		
Vehicle parts, supplies	535	11,918	28,055	(16,137)	28,055	-	28,055	28,055	-	28,055		
Prof. & scientific supplies	536	3,801	25,860	(22,059)	25,860	10,000	35,860	25,860	20,000	45,860		
Office supplies	537	10,892	74,555	(63,663)	74,555	9,500	84,055	74,555	19,500	94,055		
Other supplies & materials	539	27,727	4,300	23,427	4,300	500	4,800	4,300	500	4,800		
Total commodities		62,181	136,870	(74,689)	136,870	20,000	156,870	136,870	40,000	176,870		
Capital outlay	54	131,413	135,300	(3,887)	135,300	100,000	235,300	135,300	25,000	160,300		
Other												
Voluntary Retirement		-	-	-	-	-	-	-	-	-		
Interest		-	-	-	-	-	-	-	-	-		
Principal		-	-	-	-	-	-	-	-	-		
Subtotal		-	-	-	-	-	-	-	-	-		
Total Expenditures		6,421,352	7,229,650	(1,227,375)	7,488,101	1,001,938	8,430,401	7,488,101	600,696	8,535,922		

**Kansas Racing and Gaming Commission**

Budget Worksheet - Receipts

FY 2022 - FY 2024

**2682 - Gaming Background Investigations Fund**

	A	B	C	D	E	F	G	I	J
	FY 2022	FY 2022	Difference	FY 2023	Revisions	Revised	FY 2023	Changes from	Submitted
	Actual	Budget		Approved	to	FY 2023		Base	
<b>Receipts</b>									
Vendor Background Deposits	329,115	275,000	54,115	290,000	110,000	400,000	290,000	(60,000)	350,000
Miscellaneous revenues	-	-	-	-	-	-	-	-	-
State General Fund	-	-	-	-	-	-	-	-	-
Transfer Out	-	-	-	-	-	-	-	-	-
<b>Total Receipts</b>	<b>329,115</b>	<b>275,000</b>	<b>54,115</b>	<b>290,000</b>	<b>110,000</b>	<b>400,000</b>	<b>290,000</b>	<b>(60,000)</b>	<b>350,000</b>
<b>Total Expenses</b>									
	<b>345,628</b>	<b>352,951</b>	<b>(32,945)</b>	<b>353,508</b>	<b>(3,322)</b>	<b>350,435</b>	<b>353,508</b>	<b>(1,960)</b>	<b>351,548</b>

**Kansas Racing and Gaming Commission**

Budget Worksheet - Expenditures

FY 2022 - FY 2024

**2682 - Gaming Background Investigations Fund**

	A	B	C	D	E	F	G	I	J	
								Approved	Submitted	
				FY 2022	FY 2022	Difference	Approved	FY 2023	FY 2024	
				Actual	Budget		Budget	FY 2023	Submitted	
Salaries	51	338,902	341,623	(2,721)	342,225	(3,322)	338,903	342,225	(2,119)	340,106
Shrinkage	519		(25,622)		(25,667)	249	(25,418)	(25,667)	159	(25,508)
Contractual Services										
Communication	520	-	-	-	-	-	-	-	-	
Freight & express	521	-	-	-	-	-	-	-	-	
Printing & advertising	522	-	-	-	-	-	-	-	-	
Rents	523	-	-	-	-	-	-	-	-	
Repairing & servicing	524	-	-	-	-	-	-	-	-	
Travel & subsistence	525	6,562	35,250	(28,688)	35,250	-	35,250	35,250	-	35,250
Fees-other services	526	-	-	-	-	-	-	-	-	
Fees-professional services	527	-	-	-	-	-	-	-	-	
Other contractual services	529	-	-	-	-	-	-	-	-	
Total contractual services		6,562	35,250	(28,688)	35,250	-	35,250	35,250	-	35,250
Commodities		6,421,352								
Clothing	530	-	-	-	-	-	-	-	-	
Food	532	-	-	-	-	-	-	-	-	
Maintenance materials	534	-	-	-	-	-	-	-	-	
Vehicle parts, supplies	535	164	1,700	(1,536)	1,700	-	1,700	1,700	-	1,700
Prof. & scientific supplies	536	-	-	-	-	-	-	-	-	
Office supplies	537	-	-	-	-	-	-	-	-	
Other supplies & materials	539	-	-	-	-	-	-	-	-	
Total commodities		164	1,700	(1,536)	1,700	-	1,700	1,700	-	1,700
Capital outlay	54	-	-	-	-	-	-	-	-	
Total Expenditures		345,628	352,951	(32,945)	353,508	(3,322)	350,435	353,508	(1,960)	351,548

**Kansas Racing and Gaming Commission**

Budget Worksheet - Receipts

FY 2022 - FY 2024

**2734- Illegal Gaming Enforcement Fund**

	A	B	C	D	E	F	G	I	J
	FY 2022	FY 2022	Difference	FY 2023	Revisions	Revised	FY 2023	Approved	Submitted
	Actual	Budget		Approved Budget	to FY 2023	FY 2023 Budget	Base Budget	FY 2023 to FY 2024	FY 2024 Budget
<b>Receipts</b>									
Transfer from ELARF									
Seized Assets	(13,493)	5,000	(18,493)	5,000	-	5,000	5,000	-	5,000
Miscellaneous Revenues	-	-	-	-	-	-	-	-	-
Fines	-	-	-	-	-	-	-	-	-
State General Fund	-	-	-	-	-	-	-	-	-
Transfer Out	-	-	-	-	-	-	-	-	-
<b>Total Receipts</b>	<b>(13,493)</b>	<b>5,000</b>	<b>(18,493)</b>	<b>5,000</b>	<b>-</b>	<b>5,000</b>	<b>5,000</b>	<b>-</b>	<b>5,000</b>

**Kansas Racing and Gaming Commission**

Budget Worksheet - Expenditures

FY 2022 - FY 2024

**2734- Illegal Gaming Enforcement Program**

	A	B	C	D	E	F	G		
							Changes from Approved FY 2023 to FY 2024	I	J
	FY 2022 Actual	FY 2022 Budget	Difference	FY 2023 Approved Budget	Revisions to FY 2023	Revised FY 2023 Budget	FY 2023 Base Budget	Submitted FY 2024 Budget	
Salaries	51	-	-	-	-	-	-	-	-
Shrinkage	519	-	-	-	-	-	-	-	-
Contractual Services									
Communication	520	-	-	-	-	-	-	-	-
Freight & express	521	-	-	-	-	-	-	-	-
Printing & advertising	522	-	-	-	-	-	-	-	-
Rents	523	-	-	-	-	-	-	-	-
Repairing & servicing	524	-	-	-	-	-	-	-	-
Travel & subsistence	525	-	-	-	-	-	-	-	-
Fees-other services	526	-	-	-	-	-	-	-	-
Fees-professional services	527	-	-	-	-	-	-	-	-
Other contractual services	529	-	3,000	(3,000)	3,000	-	3,000	-	3,000
Petty Cash Fund Advance	-	-	-	-	-	-	-	-	-
Total contractual services	-	3,000	(3,000)	3,000	-	3,000	3,000	-	3,000
Commodities									
Clothing	530	-	-	-	-	-	-	-	-
Food	532	-	-	-	-	-	-	-	-
Maintenance materials	534	-	-	-	-	-	-	-	-
Vehicle parts, supplies	535	-	1,200	(1,200)	1,200	-	1,200	-	1,200
Prof. & scientific supplies	536	-	-	-	-	-	-	-	-
Office supplies	537	-	-	-	-	-	-	-	-
Other supplies & materials	539	-	-	-	-	-	-	-	-
Total commodities	-	1,200	(1,200)	1,200	-	1,200	1,200	-	1,200
Capital outlay	54	-	-	-	-	-	-	-	-
Total Expenditures	-	4,200	(4,200)	4,200	-	4,200	4,200	-	4,200

**Kansas Racing and Gaming Commission**

Budget Worksheet - Receipts

FY 2022 - FY 2024

**5131 - State Racing Fund**

	A FY 2022 Actual	B FY 2022 Budget	C Difference	D FY 2023 Approved Budget	E Revisions to FY 2023	F Revised FY 2023 Budget	G FY 2023 Base Budget	I Changes from Approved FY 2023 to FY 2024		J Submitted FY 2024 Budget
Receipts										
Parimutuel tax - live	-	-	-	-	-	-	-	-	-	-
Parimutuel tax - simulcast	-	-	-	-	-	-	-	-	-	-
Admissions tax	-	-	-	-	-	-	-	-	-	-
Fees (License, Registration, etc)	-	1,000	(1,000)	-	1,250,000	1,250,000	-	1,500,000	1,500,000	
Fines	1,649	-	1,649	1,000	-	1,000	1,000	-	1,000	
Unclaimed winnings	-	-	-	-	-	-	-	-	-	-
Miscellaneous receipts	-	-	-	-	-	-	-	-	-	-
Operating Transfer out	-	-	-	-	-	-	-	-	-	-
Transfer In (Racing Funds)	-	-	-	-	-	-	-	-	-	-
Total Receipts	1,649	1,000	649	1,000	1,250,000	1,251,000	1,000	1,500,000	1,501,000	

**Kansas Racing and Gaming Commission**

Budget Worksheet - Expenditures

FY 2022 - FY 2024

**5131 - State Racing Fund**

	A	B	C	D	E	F	G	Changes from		
								FY 2023		Approved FY 2023 Budget
								FY 2023 Approved Budget	FY 2023 Budget	
Salaries	510	3,271	3,221	50	3,227	592,244	595,471	3,227	1,041,218	1,044,445
Shrinkage	519	-	242	-	(242)	(44,418)	(44,660)	(242)	(78,091)	(78,333)
Contractual Services										
Communication	520	-	-	-	-	5,000	5,000	-	10,000	10,000
Freight & express	521	-	-	-	-	-	-	-	-	-
Printing & advertising	522	-	-	-	-	-	-	-	-	-
Rents	523	-	500	(500)	500	10,000	10,500	500	20,000	20,500
Repairing & servicing	524	-	-	-	-	-	-	-	-	-
Travel & subsistence	525	-	-	-	-	20,000	20,000	-	40,000	40,000
Fees-other services	526	-	-	-	-	75,000	75,000	-	150,000	150,000
Fees-professional services	527	-	500	(500)	500	50,000	50,500	500	100,000	100,500
Other contractual services	529	-	-	-	-	-	-	-	-	-
Total contractual services		-	1,000	(1,000)	1,000	160,000	161,000	1,000	320,000	321,000
Commodities		6,421,352								
Clothing	530	-	-	-	-	-	-	-	-	-
Food	531	-	-	-	-	-	-	-	-	-
Maintenance materials	534	-	-	-	200	200	-	200	200	200
Vehicle parts, supplies	535	-	-	-	-	-	-	8,000	8,000	8,000
Prof. & scientific supplies	536	-	-	-	-	14,000	14,000	-	14,000	14,000
Office supplies	537	-	-	-	-	12,000	12,000	-	12,000	12,000
Other supplies & materials	539	-	-	-	-	1,400	1,400	-	1,400	1,400
Total commodities		-	-	-	-	27,600	27,600	-	35,600	35,600
Capital outlay	54	-	-	-	-	150,000	150,000	-	50,000	50,000
Settlement	55									
Total Expenditures		3,271	4,463	(950)	3,985	885,426	889,411	3,985	1,368,727	1,372,712

Kala Loomis, Executive Director

Laura Kelly, Governor

**Meeting:** KRGC September 2022 Meeting

**Agenda Item:** FY 2023-2024 KSGA Budget

**Presenter:** Brandi White, Director of Admin., Finance & Audit, Racing and Gaming Commission

**My apologies for not being present to address the commission. If there are any questions, I will be happy to provide you with the answers. Kala Loomis**

### **KSGA Background**

For over 20 years, four tribes have operated casinos under the tribal-state gaming compacts and the Tribal Gaming Oversight Act. The State Gaming Agency is responsible for ensuring compliance with the Tribal-State Compacts, the Tribal Gaming Oversight Act, and applicable federal and state laws. The four tribes are assessed annually for the Agency's budget.

The Agency's organization is made up of an enforcement unit (made up of sworn law enforcement officers) and a special investigations unit (made up of special investigators – not sworn law enforcement officers), as well as technical and support staff.

The Kansas State Gaming Agency is responsible for conducting background investigations on all employees, gaming vendors, and tribal gaming inspectors connected with the gaming operations at each casino. The Agency also monitors the gaming operation for compliance and has law enforcement authority over criminal activity. Enforcement Agents conduct compliance inspections, monitor gaming activity at tribal casinos, and conduct criminal investigations.

### **KSGA Budget Process**

The KSGA is funded based on Section 25 of the compacts with the four Kansas tribes. The compacts state "The state shall annually make an assessment sufficient to compensate the State for the reasonable and necessary costs of regulating Class III gaming pursuant to this Compact. Reimbursable regulatory expenses under this Section shall include all necessary regulatory costs of the State Gaming Agency...." Sec. 25(A).

Section 25(B) states in part, "on or before August 1st, annually, the State shall render to the Tribe a verified, detailed statement of expenses with supporting documentation of the total cost of regulation for the preceding fiscal year ending June 30, together with proposed assessments for the forthcoming fiscal year based on the preceding fiscal year's cost...." In practice, each year just before August 1, KSGA prepares an assessment letter for that fiscal year for each Tribe.

Section 25(B) goes on to say, "On September 1<sup>st</sup> annually, the state, after receiving any objections to the proposed assessments and making such changes or adjustments as may be indicated, shall assess the Tribe for the costs of regulation. The Tribe shall thereafter make a payment representing one-third of the assessment within a 20-day period, and shall make payments thereafter on January 1<sup>st</sup> and April 1<sup>st</sup> annually."

After KSGA goes through the assessment process outlined above with the Tribes, the budget of KSGA must be approved by KRGC according to K.S.A. 74-9803. This statute further explains KRGC's role regarding the KSGA. It reads as follows, "The budget of the state gaming agency, the number, and qualifications of employees of the state gaming agency and expenditures by the state gaming agency for expenses of dispute resolution pursuant to a tribal-state gaming compact shall be subject to approval by the Kansas racing and gaming commission. All other management functions of the state gaming agency shall be administered by the executive director."

## **FY2023**

The KSGA FY2023 revised budget has overall expenses of approximately \$1.54 million with 15.0 FTE positions. This is an increase of 2 FTE in anticipation of the tribal casinos having the opportunity to add sports wagering through SB 84. Only one of these positions will be filled with the anticipation that not all four tribes will be interested in negotiating the tribal-state compacts. The other FTE will be left open and only filled when all four tribes add sports wagering. Revenues are based on the Legislatively approved budgets and are paid by the four Tribes. The agency will assume a shrinkage amount of \$20,000. The contractual services and commodities budgets requested are for the amounts of \$278,061 and \$24,850, respectively. KSGA requests a capital outlay budget of \$29,350 to continue the replacement of computer equipment, imaging hardware/software, and other equipment to enhance the agency's cybersecurity.

## **FY2024**

The KSGA FY2024 budget is approximately \$1.54 million with 15.0 FTE positions. Revenues are based on the Legislatively approved budgets and are paid by the four Tribes. The salaries and wages for the budget year are to provide for a consistent level of employment. Any increases are generally due to the increase in rates for computing fringe benefits and filling the other FTE needed for sports wagering. The contractual services and commodities budgets requested are the same as the previous year, \$278,061 and \$24,850, respectively. KSGA requests a capital outlay budget of \$29,350 to continue the replacement of computer equipment, imaging hardware/software, and other equipment to enhance the agency's cybersecurity.

**It should be noted that none of the four tribes contested the budget presented to them this year.**

### **COMMISSION ACTION REQUIRED/REQUESTED:**

Commission discussion, consideration, and approval of the revised FY 2023 budget and requested FY 2024 budget for 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 the Division of Budget, the Governor, and the Legislature.

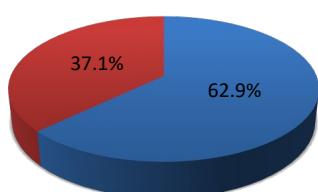
## Voluntary Exclusion Program

January 2010 –August 2022

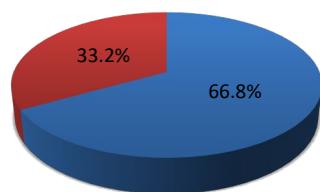
Voluntary Exclusions = 2773

Violation Incidents = 400 (356 individuals)

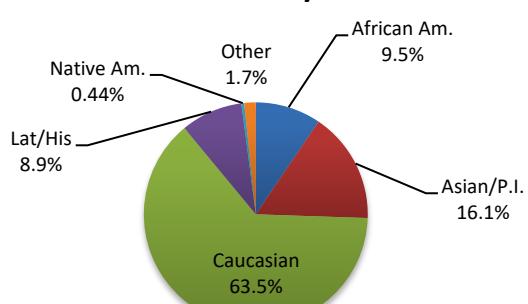
VEP Gender



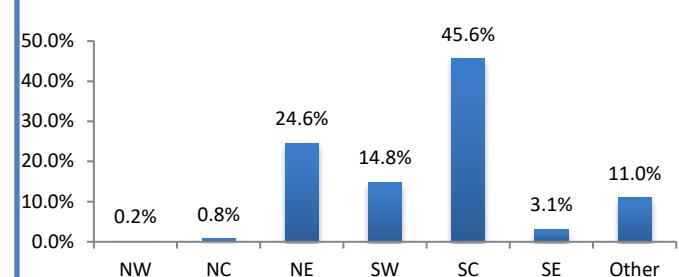
Exclusion Period



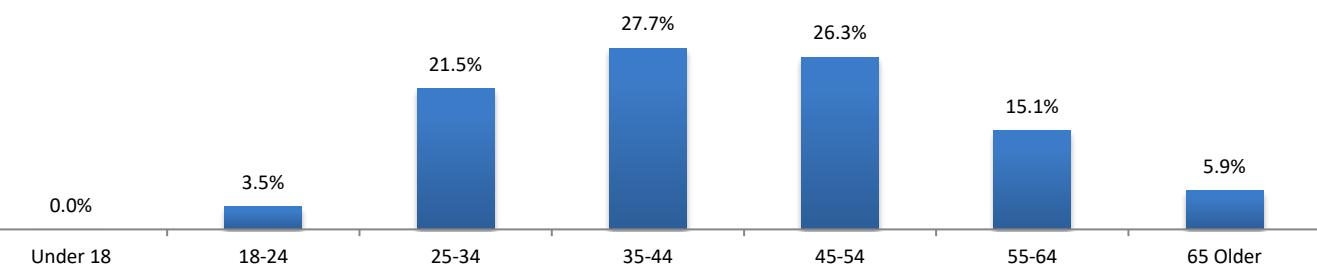
Ethnicity



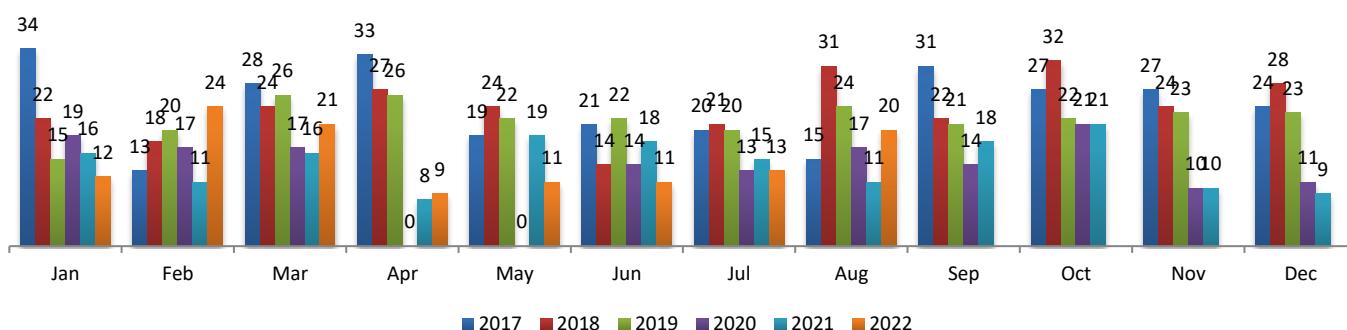
Lottery Region



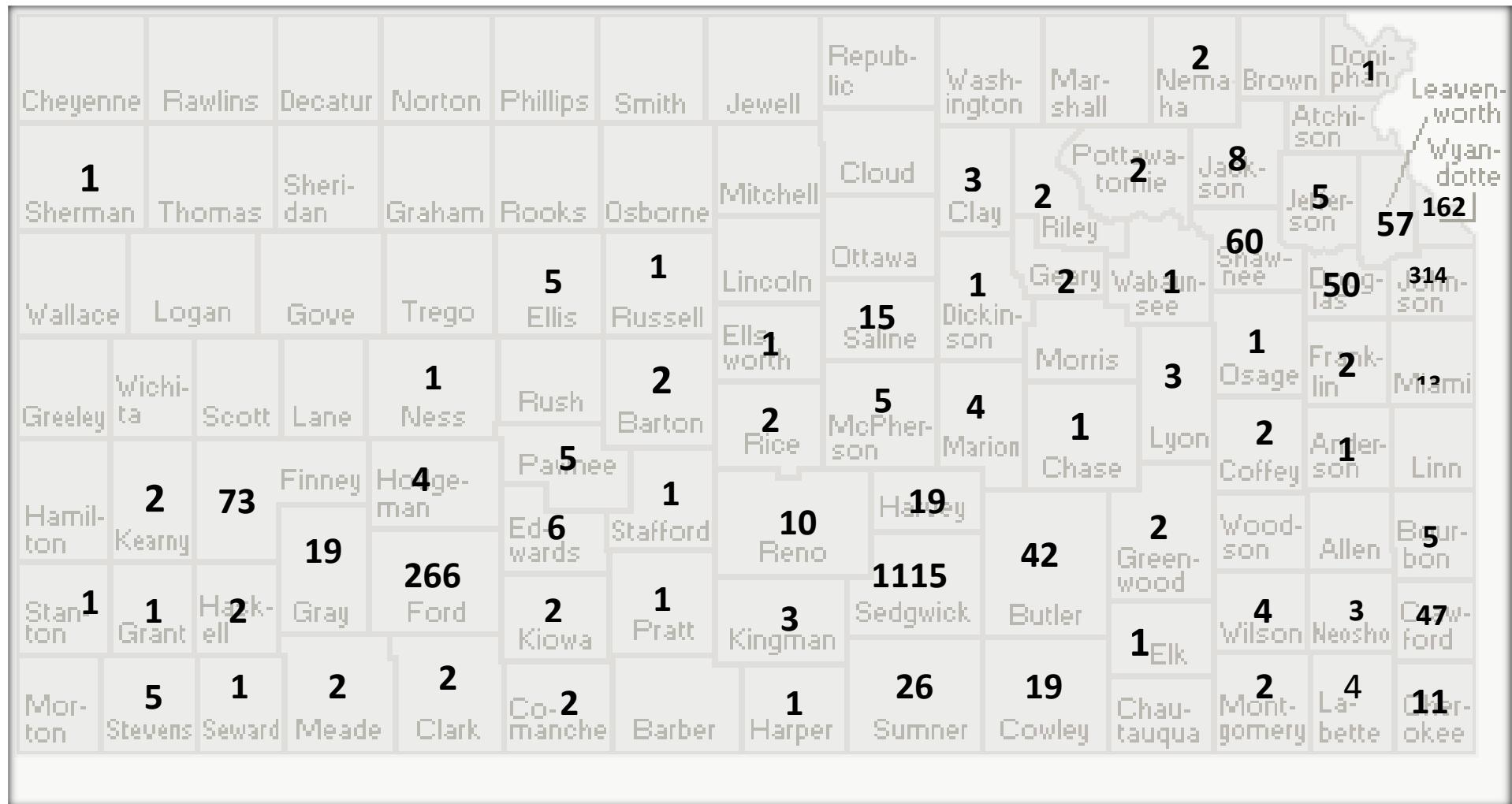
Age of VEP



VEP Enrollments by Year



## **KRGC Voluntarily Excluded Persons**



Colorado - 4  
Iowa - 4  
Kansas-2,456  
Missouri -230  
Nebraska - 6  
Oklahoma - 4  
Other-27

**TOTAL VEPs = 2773**

09/01/2022

All Departments		Cash Fund Balances as of August 31, 2022														
DeptID		All			ELARF			Backgrounds			Illegal Gambling			Racing		
All Funds		Beg. Balance	3,970,163		Beg. Balance	179,051		Beg. Balance	121,184		Beg. Balance	66,510				
		Revenue	1,664,184		Revenue	171,726		Revenue	3,651		Revenue	-				
		Expenses	1,098,866		Expenses	57,348		Expenses	61,333		Expenses	641				
		End Balance	4,535,481		End Balance	293,428		End Balance	63,502		End Balance	65,869				
Fund		Grand Total														
BudgetUnit		All Funding Sources														
		YTD FY2022 ACTUALS	YTD FY2023 ACTUALS	\$ VARIANCE	% VARIANCE	August FY2022 ACTUALS	August FY2023 ACTUALS	\$ VARIANCE	% VARIANCE	YTD FY2023 BUDGET	YTD FY2023 ACTUALS	\$ VARIANCE	% VARIANCE			
51000	Payroll	870,320	957,746	87,426	10%	423,826	470,120	46,294	11%	1,141,096	957,746	-183,350	-16%			
10	Shrinkage	0	0	0	0%	0	0	0	0%	-85,569	0	85,569	-100%			
<b>Net Salaries and Wages</b>		<b>870,320</b>	<b>957,746</b>	87,426	10%	<b>423,826</b>	<b>470,120</b>	46,294	11%	<b>1,055,527</b>	<b>957,746</b>	-97,781	-9%			
52000	Communication	9,320	9,679	360	4%	3,375	4,675	1,300	39%	14,200	9,679	-4,521	-32%			
52100	Freight and Express	225	240	15	7%	113	73	-40	-36%	217	240	23	11%			
52200	Printing and Advertising	0	0	0	0%	0	0	0	0%	242	0	-242	-100%			
52300	Rents	53,865	54,212	346	1%	245	54,202	53,957	22062%	40,192	54,212	14,020	35%			
52400	Repair/Servicing/Mainten	299	4,809	4,510	1510%	299	1,503	1,204	403%	9,285	4,809	-4,476	-48%			
52510	InState Travel and Subsistence	8,376	5,680	-2,697	-32%	1,522	3,483	1,961	129%	31,147	5,680	-25,467	-82%			
52520	Out of State Travel and Subsistence	0	4,453	4,453	0%	0	4,453	4,453	0%	0	4,453	4,453	0%			
52530	International Travel and Subsistence	0	0	0	0%	0	0	0	0%	0	0	0	0%			
52600	Fees-Other Services	77,960	48,822	-29,138	-37%	19,115	29,460	10,346	54%	52,823	48,822	-4,002	-8%			
52700	Fee-Professional Services	429	1,185	756	176%	146	1,140	994	682%	13,758	1,185	-12,574	-91%			
52900	Other Contractual Services	3,951	3,707	-244	-6%	3,951	3,707	-244	-6%	3,674	3,707	33	1%			
<b>Subtotal Contractual Services</b>		<b>154,425</b>	<b>132,786</b>	-21,639	-14%	<b>28,765</b>	<b>102,695</b>	73,930	257%	<b>165,538</b>	<b>132,786</b>	-32,751	-20%			
53200	Food for Human Consumption	0	11	11	0%	0	11	11	0%	0	11	11	0%			
53400	Maint Constr Material Supply	4,395	0	-4,395	-100%	4,384	0	-4,384	-100%	683	0	-683	-100%			
53500	Vehicle Part Supply Accessory	1,381	2,064	683	49%	1,381	596	-786	-57%	5,159	2,064	-3,095	-60%			
53600	Pro Science Supply Material	86	44	-42	-48%	0	0	0	0%	4,310	44	-4,266	-99%			
53700	Office and Data Supplies	2,150	1,988	-162	-8%	1,473	1,489	16	1%	12,426	1,988	-10,438	-84%			
53900	Other Supplies and Materials	468	603	135	29%	246	394	147	60%	717	603	-114	-16%			
<b>Subtotal Commodities</b>		<b>8,481</b>	<b>4,710</b>	-3,770	-44%	<b>7,484</b>	<b>2,489</b>	-4,995	-67%	<b>23,295</b>	<b>4,710</b>	-18,585	-80%			
54000	<b>TOTAL Capital Outlay</b>	<b>3,756</b>	<b>122,946</b>	119,190	3173%	3,756	17,249	13,492	359%	<b>22,550</b>	<b>122,946</b>	100,396	445%			
55960	Vol Retirement Incentive	0	0	0	0%	0	0	0	0%	1,166	0	-1,166	-100%			
56000	Debt Service - Principal	0	0	0	0%	0	0	0	0%	0	0	0	0%			
56100	Payments for Interest and Service	0	0	0	0%	0	0	0	0%	0	0	0	0%			
<b>Subtotal VRIP and Debt Service</b>		<b>0</b>	<b>0</b>	0	0%	<b>0</b>	<b>0</b>	0	0%	<b>1,166</b>	<b>0</b>	-1,166	-100%			
<b>Grand Total</b>		<b>1,036,981</b>	<b>1,218,188</b>	181,207	17%	<b>463,831</b>	<b>592,553</b>	128,722	28%	<b>1,268,076</b>	<b>1,218,188</b>	-49,887	-4%			

# September 2022 - August 2023

## Kansas Racing and Gaming Commission Planner

Sep 2022						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

### SEPTEMBER

9 Commission Meeting

### OCTOBER

7 Commission Meeting

### NOVEMBER

18 Commission Meeting

### DECEMBER

16 Commission Meeting

### JANUARY

13 Commission Meeting

### FEBRUARY

17 Commission Meeting

### MARCH

17 Commission Meeting

### APRIL

14 Commission Meeting

### MAY

12 Commission Meeting

### JUNE

16 Commission Meeting

### JULY

14 Commission Meeting

### AUGUST

18 Commission Meeting

Mar 2023						
S	M	T	W	T	F	S
				1	2	3
5	6	7	8	9	10	11
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Mar 2023

Oct 2022						
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Oct 2022

Nov 2022						
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Nov 2022

Dec 2022						
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25	26	27	28	29	30	31

Dec 2022

Jan 2023						
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22	23	24	25	26	27	28
29	30	31				

Jan 2023

Feb 2023						
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26	27	28				

Feb 2023

Mar 2023						
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12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

Mar 2023

Apr 2023						
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23	24	25	26	27	28	29
30						

Apr 2023

May 2023						
S	M	T	W	T	F	S
				1	2	3
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14	15	16	17	18	19	20
21	22</td					