

AGENDA  
KANSAS RACING AND GAMING COMMISSION  
10:00 a.m., Friday, September 8, 2023

EISENHOWER STATE OFFICE BUILDING  
700 SW Harrison, Suite 450 & 460  
Topeka, KS 66603

A. CALL TO ORDER

B. APPROVAL OF AGENDA

C. APPROVAL OF MINUTES

1. [Minutes of August 11, 2023](#)

D. CONSENT AGENDA

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

1. Approvals and revocations for certain lottery facility games and related components
  - a. [GLI Approval Letters September 2023](#)
  - b. [BMM Approval Letters September 2023](#)
2. Internal Control Amendment Approvals
  - a. [Boot Hill 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](#)
5. Golden Circle, Expected Facility Licensee

## F. COMMISSION ITEMS – OLD BUSINESS

None

## G. COMMISSION ITEMS – NEW BUSINESS

### 1. FY 2024 and 2025 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*

- a. [Kansas Racing and Gaming Commission FY 2024 and 2025 Budget Memo](#)
- b. [State Gaming Agency FY 2024 and 2025 Budget Memo](#)

## H. PUBLIC COMMENTS

### I. STAFF REPORTS

1. Garrett Rogers, Paralegal
  - a. [Voluntary Exclusion Program Report](#)
2. 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

## L. ADJOURNMENT

## KANSAS RACING AND GAMING COMMISSION

### MINUTES – AUGUST 11, 2023

#### CALL TO ORDER

(A.)

Chairman David Moses called the August 11, 2023, meeting to order at 10:00 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, and Sheryl Spalding were also present. Others present included Executive Director Don Brownlee, General Counsel Judith Taylor, Director of Administration, Audit, and Finance Brandi White, Director of Sports Wagering and Licensing DJ Lopez, Director of IT&C-s Dennis Bachman, and other staff.

Chairman Moses congratulated Commissioner Turnquist on his reappointment to the Kansas and Racing Gaming Commission.

#### MOTION, APPROVE AGENDA

(B.)

Commissioner Jones (Spalding) moved to approve the agenda. Motion carried 4-0.

#### MOTION, APPROVE JUNE 16, 2023

MEETING MINUTES  
(C.1)

Commissioner Spalding (Turnquist) moved to approve the minutes of the June 16, 2023, meeting. Motion carried 4-0.

#### MOTION, APPROVE JULY 11, 2023

MEETING MINUTES  
(C.2)

Commissioner Turnquist (Jones) moved to approve the minutes of the July 11, 2023, meeting. Motion carried 4-0.

#### MOTION, APPROVE JULY 12, 2023

MEETING MINUTES  
(C.3)

Commissioner Jones (Spalding) moved to approve the minutes of the July 12, 2023, meeting. Motion carried 4-0.

#### MOTION, APPROVE JULY 13, 2023

MEETING MINUTES  
(C.4)

Commissioner Spalding (Turnquist) moved to approve the minutes of the July 13, 2023, meeting. Motion carried 4-0.

#### MOTION, APPROVE CONSENT AGENDA

(D.)

Commissioner Turnquist (Jones) moved to approve the consent agenda (nine items). Motion carried 4-0.

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

Diane Giardine, General Manager, reported:

- June 2023 revenue numbers compared to June 2022:
  - Total gaming revenue increase 0.65%
  - Total slot revenue down 0.38%
  - Table games revenue up 9.53%
- July 2023 revenue numbers compared to July 2022:
  - Total gaming revenue decrease 12.09%
  - Total slot revenue down 12.89%
  - Table games revenue down 5.62%
- June 2023 Sports Wagering revenue numbers
  - Retail Sportsbook Revenue \$8,010.59
    - Down 80.55% from May 2023
    - Handle was down 70% from May 2023
      - The Retail Sportsbook held about 10%
  - Digital Sportsbook Revenue: \$1,301,342.37
    - Down 66.93% from May 2023
    - Handle was down 12% from May 2023
      - The Digital Sportsbook held about 3%
- July 2023 Sports Wagering revenue numbers
  - Retail Sportsbook Revenue \$21,674.17
    - Up 170.57% from June 2023
    - Handle was up 39% from June 2023
    - The Retail Sportsbook held 23%
  - Digital Sportsbook Revenue: \$3,212,849.47
    - Up 146.89% from June 2023
    - Handle was down 16% from June 2023
    - The Digital Sportsbook held about 6%
- General Manager Giardine explained that a loss in revenue was anticipated for June due to local agricultural practices. However, due to the amount of rain in western Kansas those practices were delayed until July. This is causing revenue to be shifted; August revenue numbers are up so far. 2023 Dodge City Days revenue is up compared to the 2022 revenue.
- June 2023 Sports Wagering
  - Largest Events
    - Nuggets vs Heat
    - Dodgers vs Giants
  - Top Sports
    - 47% of handle was on MLB events.
    - 28% of handle was on NBA events.
    - 3% of handle was on UFC events.
- July 2023 Sports Wagering

- Largest Events
  - Poirier vs Gaethje
  - Cubs vs Cardinals
  - Spence vs Crawford
- Top Sports
  - 63% of handle was on MLB events.
  - 10.5% of handle was on UFC events.
  - 9% of handle was on the Women's World Cup.
- General Manager Giardine said that they are excited for football season, and that they were about to launch their advertising.
- Past Events and Promotions:
  - Weekly Kiosk Games
  - June Headline Promotion: \$100K Homerun Hotseat
  - Great Summer Grill Giveaway
  - Ranger Palooza
  - Stars & Stripes Slot Tournament
  - Free Hotdogs on July 4<sup>th</sup>
  - Weekly Food and Beverage Specials
  - VIP Promotions
  - Promotions for United Wireless Arena Events
  - Josh Turner – June 2
  - Chris Young (Dodge City Days Concert) – July 29
    - Sold 2,200 tickets, last year sold 3,200. Area construction caused many hotel rooms to be unavailable. General Manager Giardine believes this was a contributing factor to the reduction in ticket sales.
  - Longhorn Cattle Drive & Rodeo Sponsorship
- Upcoming Entertainment & Events
  - Ian Munsick – August 24
  - Randy Houser – September 15
  - Beach Boys – September 29
  - La India Yuridia – October 7
- Semi-Annual Responsible Gambling Report
  - As of June 30, 2023, 266 active employees
  - Between January 1<sup>st</sup> and June 30<sup>th</sup>, there were 68 new hires.
  - All 68 new employees completed TIPS training.
  - 9 existing employees recertified TIPS license.
  - All active employees are scheduled to complete annual refresher training for TIPS/Responsible Alcohol Service by the 4th Quarter of 2023.
  - BHCMC, LLC has 3 certified TIPS Trainers on property.

- All 68 new hires have taken Responsible Gaming training during the reporting period.
- Commissioner Turnquist asked if the number of new hires is typical for a six-month period and how is overall employment. General Manager Giardine replied that the new hire figure is a little elevated, since COVID turnover has increased. Previously, turnover was roughly 25% but during COVID that figure rose to about 40%-45%; however, it is now lowering. Currently, turnover is at about 35%. General Manager Giardine expressed that she does want a lower turnover rate. She went on to explain that the total number of employees, 266, is at operating capacity and that the facility does not want to hire too many more employees.
- Chairman Moses asked if the current turnover rate, 35%, is high for the industry. General Manager Giardine explained that the rate is typical for the industry but that the facility was once down to 25%. Chairman Moses asked if there any significant contributing factors that the general manager could point to. General Manager Giardine responded that she believes local competition in the employment market is a significant factor, pointing to the hiring bonuses offered by the meat and packaging plants during COVID and pay increases at the local school district.
- All active employees are scheduled to complete annual refresher training for Responsible Gaming by the 4th Quarter of 2023.
- 0 VEPs refused entry.
- 4 VEPs removed from casino floor.
- 0 intoxicated patrons were refused entry.
- 19 intoxicated patrons were removed from the casino.
- 140 minors refused entry to the casino.
- 1 minor removed from the casino floor.
- 402 patrons refused entry to the casino for not having an ID.
- 269 patrons refused entry to the casino for not having a valid ID.
- Chairman Moses asked how the numbers in the security report compare to the numbers of the previous Responsible Gaming report. General Manager Giardine said that the numbers are very similar except for patrons refused entry for ID related concerns. Those numbers have roughly doubled in a six-month period. There has been a change in process at Boot Hill Casino; anyone appearing under the age of 60 will be required to present ID. The security podium was moved up to the front by the doors. This has come as a result of the facility failing

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

an Alcohol and Beverage Control sting, where a minor was allowed entry into the casino and was served alcohol, and six-months later the facility self-reported that another minor was allowed entry to the casino and served alcohol. Along with the precautions previously listed, the facility has done extensive training, taken disciplinary action across the board, and changed procedures. Alcohol and Beverage Control did attempt a sting yesterday and the facility successfully stopped the minor.

Doug Lang, General Manager, reported:

- June 2023 revenue numbers compared to June 2022:
  - Total gross gaming revenue up 5.6%
  - Total slot revenue up 10.1%
  - Table games revenue down 13.2%
    - General Manager Lang noted that table drop was good, but the hold was low.
- July 2023 revenue numbers compared to July 2022:
  - Total gross gaming revenue down 8.5%
  - Total slot revenue down 5.7%
  - Table games revenue down 21.1%
- June 2023 Sports Wagering revenue
  - Retail Sportsbook Revenue \$73,800.00.
    - Down from May 2023's revenue of \$130,100.00.
  - Digital Sportsbook Revenue: \$1,972,000.00
    - Down from May 2023's revenue of \$3,560,000.00.
- July 2023 Sports Wagering revenue
  - Retail Sportsbook Revenue -\$18,100.00.
    - Down from Junes 2023's revenue of \$73,800.00.
  - Digital Sportsbook Revenue: \$2,240,000.00
    - Up from June 2023's revenue of \$1,972,000.00.
- June 2023 Sports Wagering
  - \$26.2 million was wagered on FanDuel online.
  - \$695k was wagered in person at FanDuel retail. Of this #, 410k was bet over the counter and \$285k was bet on the kiosks.
  - There was a total of 5,354 bets made in person at FanDuel retail.
  - The largest wager in retail was a \$33,500 single bet. It was a wager on June 22 on the Tampa Bay Rays ML over the Kansas City Royals. It was a losing wager as the Royals won the game.
  - The Retail Sportsbook had a decrease in handle of 16% from May. (\$695k in June vs. \$828k in May)

- We had 1 PPV UFC Fight in the month on June 10. There was \$6,677 bet on this fight and 130 bets made.
- July 2023 Sports Wagering
  - \$22.7 million was wagered on FanDuel online.
  - \$370k was wagered in person at FanDuel retail. Of this #, \$130k was bet over the counter and \$240k was bet on the kiosks.
  - There was a total of 4,303 bets made in person at FanDuel retail.
  - The largest wager in retail was a \$10,000 single bet. It was a wager on the Cleveland Guardians ML over the Kansas City Royals on 07/26. The wager was a winner and paid out \$15,000.
  - The Retail Sportsbook had a decrease in handle of almost 47% from June. (\$370k in July vs. \$695k in June)
  - We had 1 PPV UFC Fight in the month on June 29. There was \$7,737 bet on this fight and 257 bets made.
  - The boxing fight on June 29 created a good handle. We had a handle of \$17,530 and 133 bets made even though we did not show the fight.
- Upcoming Events and Promotions:
  - Double Down | Friday and Saturdays
  - Santana 2-in-1 Earbud Giveaway | Friday, July 7 | 4p-9p
  - Rachael Ray Chill Out Giveaway | Friday, August 4 | 4p-9p
  - Tahari set of 4 Glasses Giveaway | Friday, August 14 | 4p-9p
  - LIVUP Portable Mini Fridge Giveaway | Friday, August 18 | 4p-9p
  - Brookstone Robot Vac Giveaway | Friday, August 25 | 4p-9p
  - Table Games and Slot Hot Seats | Every Saturday in August one table game player and one slot player will each win \$500 in Free Bet/Slot Play every 30 minutes | 6p-10p
  - Host Parties | Saturday, August 5, 12, and 26 | \$10,000 in prizes given away each Saturday | Host Invite | 6p-7:30p
- Upcoming Entertainment & Events:
  - KEMSA Conference | Arena | August 9-12
  - Wesley Hospital Awards Banquet | Arena | August 25
  - General Manager Lang reported that a number of bigger acts will be coming to the Kansas Star next year.
- Semi-Annual Responsible Gambling Report
  - As of June 30, 2023, Kansas Star Casino had 581 active team members.
  - Between January 1<sup>st</sup> and June 30<sup>th</sup>, there were 156 new hires.
  - General Manager Lang noted that the turnover rate for 2022 was around 47% that is down to 33% for the first half of 2023.
  - All 156 new employees completed Responsible Gaming and Alcohol Awareness training.

- In addition, all Front of House Food and Beverage managers and team members that participate in the serving of alcoholic beverages, all security staff, all valet staff, slot floorman and above, table games dealers and above, surveillance staff, and all directors undergo ServSafe training.
- 89 team members took and passed the ServSafe training, 0 team members failed.
- All Kansas Star Casino team members undergo annual refresher training in Responsible Gaming\
- The total amount spent on responsible gaming materials was \$1,118.95.
- Kansas Star has 3 Responsible Gaming Trainers on property.
- Underage individuals denied gaming floor access: 120
- People denied access for not having ID: 513
- People denied for invalid ID: 327
- Intoxicated individuals denied gaming floor access: 75
- VEPs denied access to the gaming floor: 6
- VEPs removed and turned over to KRGC and Mulvane PD: 15
- Intoxicated individuals ejected from the casino: 148.
- Minors ejected from the casino: 3.
- People removed for a variety of reasons: 92.
- People excluded for a variety of reasons: 20.
- During the first half of 2023, there were 647,674 guests who entered the casino floor.
  - Chairman Moses asked for clarification on whether this figure includes individuals who are attending events or if this is only individuals who enter the gaming floor. General Manager Lang clarified that the figure reflects only the entries to the gaming floor.
- Security team members checked 79,981 IDs.
- In addition, 51 ID checks took place on the gaming floor in situations involving suspected minors.
- Several other ongoing efforts are noteworthy as the Kansas Star Casino is an active member and participant in the Kansas Coalition on Problem Gambling, Problem Gambling Program Committee, and the South-Central Task Force on Problem Gambling.
- Chairman Moses asked how the numbers reported today compare to the last Responsible Gaming report given. General Manager Lang responded that the turnover statistics are great but that he would need to review the previous report to fully answer the question.

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

Al Thompson, Vice President of Casino Operations, reported:

- June 2023 admissions were up 4% compared to June 2022
- June 2023 revenue numbers compared to June 2022:
  - Total gross gaming revenue increased 8.8%
  - Slot revenue increased 7.3%
  - Table games revenue increased 21.5%
- June 2023 Sports Wagering revenue numbers
  - Retail Sportsbook Taxable Revenue: \$254,056.00.
    - Down 35.2% compared to May 2023
  - Digital Sportsbook Taxable Revenue: \$289,402.00.
    - Down 47.8% compared to May 2023
    - \$42,000.00 was wagered on the KC Royals, the facility held about 38%
    - Top Wagered Sports
      - MLB
      - NBA Finals
      - NHL Finals
- July 2023 admissions were down 5.5% compared to July 2022
- July 2023 revenue numbers compared to July 2022:
  - Total gross gaming revenue increased 1.7%
  - Slot revenue decreased 0.31%
  - Table games revenue increased 20.5%
- July 2023 Sports Wagering revenue numbers
  - Retail Sportsbook Taxable Revenue: \$321,251.00.
    - Up 26.4% compared to June 2023
    - Retail Sportsbook handle was \$1.8 million, the facility held 18.9%.
    - Construction on the permanent sportsbook should begin in September and be completed by the end of the year.
  - Digital Sportsbook Taxable Revenue: \$493,943.00.
    - Up 70.7% compared to June 2023
    - Digital Sportsbook handle was \$3.7 million, down about 15% from June 2023.
- Recent/Upcoming Events and Promotions:
  - June 23 – Lucky Ladies
  - June 30 – Suite Seats for Swifties
    - With a contingency that the winner must go to the concert and cannot re-sell the tickets.
  - July 1 – Christmas in July
  - August 1 – Kickoff to Football
  - August 3 - \$25K PENN Play Paradise

- August 4 – Lucky Duckies
- August 12 – Gift Card Gamble
- August 31 – PENN Play Party
- September 1 - \$25K Crazy 8's
- September 8 – Race Weekend Punch Board
- September 9 – Day of Winners
- September 10 – Hollywood Casino 400 NASCAR Sprint Cup Race
- Chairman Moses asked for additional information regarding a transaction reported in the news involving Penn Entertainment, ESPN, and Barstool Sportsbook. VP of Casino Operations Thompson explained that Penn Entertainment was in agreement with Barstool for the last three years and have since split ways. Penn Entertainment has entered a partnership with ESPN to use their sports wagering platform, ESPN BET. Chairman Moses followed up by asking about any exclusivity this agreement may have. VP of Casino Operations Thompson said that he was not able to answer that question, but as the partnership moves further down the line and gets more clarity, he will be sure to answer that.
- Semi-Annual Responsible Gambling Report
  - As of June 30, 2023, 460 active employees
  - Between January 1<sup>st</sup> and June 30<sup>th</sup>, there were 68 new hires.
  - All 68 new employees completed responsible gaming training.
  - Of those new hires, 34 were hired into positions which require additional training to understand the proper procedures for responsible alcohol service. All of those employees successfully completed the TiPS training.
  - 12 existing employees successfully completes refresher TiPS training.
  - 12 VEPs removed from casino floor.
  - 194 intoxicated patrons were refused entry or removed from the casino floor.
- Commissioner Spalding asked for clarification on the circumstances the facility considers when determining to remove an intoxicated patron. VP of Casino Operations Thompson explained that staff are trained to notice how patrons are handling their chips, the patron's noise level, and their ability to control their movements. The facilities procedure is to have two supervisor or managers to observe the patron, both agree the patron is intoxicated, and they will approach and walk the individual out.
- 37 minors refused entry to the casino.
- 2 minors removed from the casino floor.

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

- Chairman Moses asked how the numbers reported today compare to the last Responsible Gaming report given. VP of Casino Operations Thompson said that he spoke with Compliance Manager Dave Rice and was told that the figures are pretty consistent with a slight increase on the hiring/labor side.

Jeff McKain, General Manager, reported:

- June 2023 admissions down 3% compared to July 2022
- June 2023 revenue numbers compared to June 2022:
  - Coin in down 3.2%
  - Table games drop up 38.9%
  - Net gaming revenue was flat.
  - Retail Sportsbook Revenue was down about 75% from May 2023's revenue.
  - Digital Sportsbook Revenue down 7% from May 2023's revenue.
- July 2023 admissions down 9.4% compared to July 2022
- June 2023 revenue numbers compared to June 2022:
  - Coin in down 11.2%
  - Table games drop up 43.1%
  - Net gaming revenue down 8.7%
  - Retail Sportsbook Revenue down 118% from May 2023's revenue.
  - Digital Sportsbook Revenue up 34.3% from May 2023's revenue.
- Events and Promotions:
  - July
    - Casino Hot Seats every Monday and Tuesday.
    - Camp 49 promotions every Wednesday.
    - Table Games Rollin in the Dough promotion every Friday.
    - Casino Gifts every Saturday.
    - Battle in the Mine promotion every Saturday.
    - Cash is King promotion Saturday the 29th.
    - Russell Dickerson concert on the 21st.
  - August
    - Casino Hot Seats every Monday and Tuesday.
    - Camp 49 promotions every Wednesday.
    - Table Games Card Shark promotion every Friday.
    - Casino Gifts every Saturday.
    - Strike it Rich promotion every Saturday.
    - Cash is King promotion Saturday the 26th.
    - Concerts include Priscilla Block on the 4th, Pam Tillis on the 12th and Mike and the Moonpies on the 25th.
    - Tech N9ne concert on September 9<sup>th</sup>

- Hairball concert October 7<sup>th</sup>
- COVID-19
  - 0 positive case in June, 0 in July.
- Semi-Annual Responsible Gambling Report
  - As of July 1, 2023, 195 active employees
  - Between January 1<sup>st</sup> and June 30<sup>th</sup>, there were 51 new hires.
  - Currently there are 2 inactive (on leave) team members.
  - 23 new hires received the required alcohol training certification.
  - 26 team members have been re-certified.
  - 0 team members are pending certification.
  - All team members have received Responsible Gaming training in 2023. Annual training for Responsible Gambling was given in March. Roberta Sellers, Compliance Office, teaches the initial Responsible Gambling training for all new team members during our weekly new hire orientations. She also represents KCC at the monthly meetings for the Southeast Kansas (SEKS) Problem Gambling Task Force.
  - Kansas Crossing participated in Responsible Gambling Education Week in March 2023. KCC had activities to improve team member knowledge and stress the importance of Responsible Gambling for the casino and the community. KCC team members wore Responsible Gambling Awareness buttons and had a Responsible Gaming related quiz for team members.
  - 1 VEP refused entry or removed from casino floor.
  - 28 intoxicated patrons were refused entry.
  - 16 intoxicated patrons were removed from the casino.
  - 74 minors refused entry to the casino.
  - 1 minor was ejected from the casino floor.
  - 408 patrons refused entry to the casino for not having an ID.
    - Chairman Moses stated that he believes the figures for patrons refused entry for not having an ID and minors refused entry in proportion to the total number of patrons are larger than compared to the other lottery gaming facilities, and asked for some explanation as to why that may be. General Manager McKain stated with levity that he believes that all of the casinos are doing a good job, but Kansas Star must just be doing better.
  - 70 patrons refused entry to the casino for invalid ID.
    - Chairman Moses asked how the numbers reported today compare to the last Responsible Gaming report given. General Manager McKain responded that he believes that numbers are slightly up, mostly in the F&B department.

EXPECTED FACILITY  
LICENSEE  
REPORTS/ITEMS;  
GOLDEN CIRCLE  
(E.5.a.)

R. Scott Beeler, Representative of Golden Circle, reported:

- Phil Ruffin Jr., Ruffin Companies Senior Vice President and the potential interim general manager for Golden Circle, and Jason Watkins with Watkins Public Strategies accompanied Mr. Beeler.
- Chairman Moses asked if the board for Wichita GC Charities, Inc. had their initial board meeting. Mr. Ruffin Jr. explained that the meeting is scheduled for the upcoming Monday at 1:00pm. Mr. Beeler indicated that he could speak more on this question.
- Chairman Moses asked if Jeff Longwell or a representative of the non-profit will present on matters regarding Wichita GC Charities, Inc. Mr. Beeler replied that he imagines that he and the individuals appearing today will present on a regular basis and that representatives from Wichita GC Charities, Inc. could appear for major events or something of that nature. Mr. Beeler explained that the board members are volunteers and would not get paid for their time presenting to the commission.
- Chairman Moses noted that Commissioner Turnquist legitimately inquired into the make-up, number, and demographics of the board's membership, he then asked if the board for the Wichita GC Charities, Inc. has had any discussion and/or expansion of the board or is that likely to occur Monday. Mr. Beeler responded that both were correct, going on to explain that there has been discussion already with board chair Jeff Longwell. Mr. Beeler said he anticipates that during the Monday meeting the charity board will discuss how they would like to expand, and not necessarily which nominees should be considered.
- Chairman Moses asked that Mr. Beeler speak towards the issue of live horse racing and how it will be impacted by the license previously granted and the anticipated licenses. Mr. Beeler responded that, as he had said during the meetings in Wichita, this facility will not have live dog racing. Mr. Beeler reiterated that the facility does not have enough land to have a horse track and this issue is compounded with the addition of the amphitheater. Mr. Beeler went on to say that the state constitution and any prohibitions in it speak solely to off-track betting on live races which is not what is happening; historical horse racing (HHR) is its own animal, it's been approved as parimutuel by the Kansas Legislature and is so stated in the statue. Chairman Moses followed-up by asking Mr. Beeler if he would be available for additional questions after the public comment period. Mr. Beeler said he would.

- Chairman Moses recalled that the legislation specifically prohibits live dog racing but that he was not sure it mentioned horse racing. Chairman Moses asked Mr. Beeler if he recalled whether the legislation mentions horse racing. Mr. Beeler responded stating that it does say dog racing in the bill. Chairman Moses clarified that the legislation is silent in terms of a prohibition on horse racing. Mr. Beeler agreed that was correct.
- Chairman Moses noted that the facility plans to offer wagering on simulcast horse races. Chairman Moses asked how this does not conflict with what Mr. Beeler stated previously regarding off-track betting. Mr. Beeler responded that simulcast has been legal in Kansas since the 1980s.
- Emphasized that Phil Ruffin Jr. encouraged his father to meet with industry advisors on whether an amphitheater was a sound business venture and ultimately convinced his father to include an amphitheater in the Golden Circle project.
- The Park City annexation of the expected historical horse racing facility was approved.
- A management contract has been drafted and will be reviewed by Wichita GC Charities, Inc. on Monday. Mr. Beeler anticipates providing the contract to the commission for review once the charity has approved the contract.
- Commissioner Spalding asked if the commission would receive a draft of the management contract. Mr. Beeler explained that once approved by the charity the contract will be submitted to the agency's executive director and general counsel for review. Mr. Beeler noted that Phil Ruffin Sr. had indicated the facility will open in fourteen months from today, that is more likely going to be fourteen months from when the contract is approved by the commission.

Phil Ruffin Jr. reported:

- After discussion, the Golden Circle project will now include an amphitheater. The amphitheater will have a 5000-seat capacity. A construction contract was recently agreed to with the Law construction company.
- Chairman Moses thanked Phil Ruffin Sr. for listening to the commission's questions and by responding with the amphitheater. Chairman Moses asked how the capacity of the proposed amphitheater compares to the existing amphitheater in Andover. Phil Ruffin Jr. responded that he believes the proposed amphitheater is twice the size and that the existing amphitheater has a capacity of 2,000.

- Chairman Moses asked if there had been any noticeable construction started at the location. Phil Ruffin Jr. reported that a large portion of the building's south facing efface had fallen off during a storm but that repairs were already underway and possibly completed.
- Chairman Moses asked if Park City's election to enact a new sales tax will impact the project's infrastructure. Phil Ruffin Jr. said that he does not believe so, noting that 1% tax is nominal.
- There will be a meeting Wednesday in Las Vegas with the architectural team and Gilley's corporate staff to discuss architectural design and corporate templates to ensure authenticity.
- Determined a potential Director of Operations, Raymond Silva, and will be providing the background and license application to staff. Mr. Silva has an extensive history working in the industry and Mr. Ruffin Sr. believes he will be a great boon to the Golden Circle team.
- Commissioner Jones asked if there is a projected opening date. Mr. Ruffin Jr. responded that it will be a 14-month construction project, beginning today. Supply chain issues may cause this timeline to fluctuate. The goal is to open in time for the Super Bowl in 2025.
- Gilley's corporate requested that the Gilley's be moved from the East to the West side of the building for highway exposure. The amphitheater will also increase the cost of this project substantially. An estimate for the cost will be available once the architectural renderings are complete and the project moves to the A.1.a phase of construction. The building is being expanded to provide a VIP area for viewing of the amphitheater, this will also allow the walkways to be expanded.

**COMMISSION ITEMS –  
OLD BUSINESS (F.)**

There was no old business.

**COMMISSION ITEMS –  
NEW BUSINESS; (G.)**

There was no new business.

**PUBLIC COMMENTS  
(H.)**

Jeff Rutland, Kansas Quarter Horse Racing Association, Kansas Horsemen's Association, and Kansas Thoroughbred Association board member, provided a history of horse racing in Kansas, the Kansas expanded lottery act (KELA), and parimutuel wagering. He expressed his opinion that a shortened version of a horse race on a screen was not a valid substitute for live racing. His position is that under current law, a HHR facility should not be allowed to operate without conducting live horse races.

STAFF REPORTS  
(I.1., I.2., and I.3.)

Garrett Rogers, Paralegal, reported on the Voluntary Exclusion Program statistics for the months of June and July 2023 and the Quarterly Illegal Gambling report for the second quarter of 2023.

- Chairman Moses recalled the South-Central Problem Gambling Taskforce presentation during the three-day July meeting and asked if any more information regarding the problem gambling prevalence study was available. Mr. Rogers responded that the last problem gambling prevalence study was conducted in 2017, it was administered by Greenbush, and was commissioned by the Kansas Department for Aging and Disability Services. Whether funds from the Problem Gambling and Other Addictions Grant fund were used to pay for the study is still being reviewed.
- Chairman Moses noted that just this week the Wichita City Council passed a new ordinance regarding illegal gaming devices in the city of Wichita. Chairman Moses asked if KRGC had any input into that decision. Mr. Rogers responded that he is unaware of whether the KRGC was involved. Chairman Moses stated that this may be a better question for Government Relations Manager Randy Evans and that it may be premature, and that material information could be shared with the commissioners at the September meeting. Mr. Rogers responded that KRGC staff would look into the issue.

Director of Sports Wagering and Licensing DJ Lopez reported:

- From September 1, 2022, to present across all six sports wagering platforms operating in Kansas:
  - Total open accounts: 563,768
    - Chairman Moses asked if this figure is for unique individuals or if a person with multiple accounts would be counted multiple times. Director Lopez confirmed that if an individual has an account with multiple sports wagering platforms, each of their accounts are tallied.
  - Total accounts that have an address in Missouri, Oklahoma, Nebraska, or Colorado that placed a wager in Kansas: 96,581
    - This accounts for 17% of all open accounts.
    - Commissioner Turnquist asked for confirmation that the 96,581 out-of-state accounts are included in the total open accounts figure of 563,768. Director Lopez confirmed that was correct.
  - Currently Draft Kings and FanDuel are number one and number two respectively in market share of Kansas.
    - Draft Kings at 39%
    - FanDuel at 36%

Executive Director Brownlee reported:

- Staff joins Chairman Moses in congratulating Commissioner Turnquist on his reappointment.
- Staff welcomes the Golden Circle group to the monthly meetings. Since KRGC is a racing and gaming agency. The agency does appreciate getting back into the parimutuel act side of the agency.
- KRGC met with representatives of the Golden Circle group this past week to talk about the next steps going forward, how we plan to operate, and that through the buildout process Randy Evans will be the KRGC contact person.
- Director of Security Roger Bailey will be the Director of Historical Horse Racing. His duties really do not get started up in earnest until the facility is operating. Currently, Roger oversees all of the field operations as well as electronic gaming machines.
- Clark and Kreg Stewart have resigned their positions on the Butler National board of directors. Butler National is the parent company for Boot Hill Casino. KRGC staff wishes them well in the future and appreciate the working relationship with them since the Expanded Lottery Act passed.
- Penn Gaming has entered a deal to rebrand their sports wagering operation with ESPN. Along with that, Hollywood casino is in the process of redesigning their retail sports wagering sight.
- KRGC submitted a request to Governor Kelly requesting funds from the White Collar Crime fund. It is KRGC's intent to use some of that funding to expand illegal gambling investigation operations. KRGC has not yet received a response from the Governor's Office.
- The next commission meeting is scheduled for September 8, 2023, at 10:00am in Topeka, KS. During that meeting next year's budget will be presented and needs to be approved by the commission before being submitted to the Governor's Office for approval.

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

Commissioner Jones (Spalding) 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 sports wagering and licensing. The total time for the executive session was anticipated to be fifteen (15) 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 4-0, and the meeting was adjourned to executive session at 11:55 a.m.

RECONVENE  
(J.2.)

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

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

Commissioner Spalding (Turnquist) 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, general counsel. After discussion, the total time for the executive session was anticipated to be twenty (20) minutes until 12:30 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 4-0, and the meeting was adjourned to executive session at 12:10 p.m.

RECONVENE  
(J.4.)

The commission meeting returned to open session at 12:31 p.m. with Chairman Moses, Commissioner Jones, Commissioner Turnquist, and Commissioner Spalding present.

Chairman Moses noted that the executive session did end at 12:30p.m. but logistical hurdles stalled the return to open session.

Chairman Moses asked for General Counsel Judith Taylor to address the issue Mr. Rutland raised during Public Comments. General Counsel Taylor stated Mr. Rutland suggested that the agency do something different than what it did; however, there is case law that says that when the legislature passes a bill and it becomes codified as statute, state agencies are required to follow that legislation, and that legislation is not subject to the agency's interpretation. The agency must follow the law and did follow the law.

MOTIONS ON LICENSE  
APPLICATIONS  
(K.1)

Commissioner Turnquist (Jones) moved to *deny one* license application and *approve the remaining 347* license applications from the August 11, 2023, list of background reports referred to the commission for action. The motion carried 4-0.

OTHER BUSINESS  
(L.)

There were no other items for discussion or motion.

ADJOURNMENT  
(M.)

Chairman Moses stated that the September 8, 2023, commission meeting will begin at 10:00 a.m. for an in-person meeting at the Eisenhower State Office Building in Topeka, Kansas.

Commissioner Jones (Spalding) moved to adjourn the meeting. Motion passed 4-0. The meeting was adjourned at 12:34 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
AGS, LLC.	MO-73-AGY-23-03	Pax S 2.3.X
Ainsworth Game Technology Limited	MO-22-AWG-23-26	Ca\$h Stacks Gold - Galaxy Gold
American Wagering	* 08/15/2023 SY-652-AWH-23-30	Sports Wagering System
Aristocrat	* 08/17/2023 SY-394-ARI-23-13	Oasis System Software
Aristocrat	* 08/21/2023 SY-08-ARI-23-01	nCompass 15.0.1.1
Aristocrat Technologies, Inc.	MO-10-ARI-23-01	Dollar Storm Mega Grand Link Dollar Boomer
Aristocrat Technologies, Inc.	MO-22-ARI-23-01	Dollar Storm Mega Grand Link Buccaneer
Aristocrat Technologies, Inc.	MO-25-ARI-23-01	7.02.75.02
Aristocrat Technologies, Inc.	MO-73-ARI-23-32	27" LCD Touch Screen Monitor
Aristocrat Technologies, Inc.	MO-73-ARI-23-57	Operating System
Aristocrat Technologies, Inc.	MO-73-ARI-23-60	NFL Super Bowl Jackpots
Aristocrat Technologies, Inc.	MO-73-ARI-23-61	NFL Super Bowl Jackpots Vertex Schedule
Aristocrat Technologies, Inc.	PA-73-ARI-23-02	King Max Amplifier System
CADILLAC JACK	MO-73-CAD-22-110	Celestial Fortune
CADILLAC JACK	MO-73-CAD-22-111	Festive Fortune
DraftKings	* 08/08/2023 CS-675-DFK-23-01	Quarterly Risk Assessment Q2 2023
DraftKings	* 08/25/2023 SY-614-DFK-23-08	PAM & SWP
FanDuel	* 08/08/2023 SY-559-FAN-23-15	FanDuel Sportsbook
FanDuel	* 08/08/2023 SY-580-FAN-23-15	Players Account Management
IGT	MO-66-IGT-23-05	Twin Win
IGT	MO-66-IGT-23-06	UNIVERSAL ASCENT AND UC DIAGNOSTIC
IGT	* 08/15/2023 SY-582-IGT-23-05	KIOSK Image v15.4 for V3 HW
IGT	* 08/29/2023 SY-41-IGT-23-01	IGT Intelligen System
Konami	* 08/17/2023 SY-73-KON-23-01	SYNKROS 4.0.10.173
Light & Wonder, Inc. - Class III (FKA SG Gaming)	MO-07-BAL-23-04	Dancing Drums Explosion
Light & Wonder, Inc. - Class III (FKA SG Gaming)	MO-73-BAL-23-74	Dragon Unleashed - Treasured Happiness
Light & Wonder, Inc. - Class III (FKA SG Gaming)	MO-73-BAL-23-76	Dragon Unleashed - Three Legends
Light & Wonder, Inc. - ETG (FKA Bally West)	LO-00-SHU-16-05	DJ Wild Stud Poker
Light & Wonder, Inc. - ETG (FKA Bally West)	LO-00-SHU-18-08	Bad Beat Bonus
Light & Wonder, Inc. - ETG (FKA Bally West)	LO-00-SHU-22-06	Multi Game Link Progressive
NRT TECHNOLOGY CORP.	MO-22-NTC-23-02	Kiosk Software
NRT TECHNOLOGY CORP.	SY-22-NTC-23-02	Kiosk Software
PB Tech & Advisory	* 08/25/2023 SY-675-PBA-23-01	PAM, iOS & Android Mobile App
Penn Sports Interactive	* 08/25/2023 SY-564-PIV-23-02	Penn Sports Interactive Platform
SBTech	* 08/14/2023 SY-675-SBE-23-01	Sportsbook & PoS Software
<b>* Executive Approval</b>		

Manufacturer	Report Number	Game Name
Acres Manufacturing Company	ACR10291KS	Acres Foundation System
Acres Manufacturing Company	ACR10301KS	Acres Table Controller Hardware
Ainsworth Game Technology Inc.	AINS18431KS	Treasure Spirits - Tiger
Interblock d.o.o.	INTB12131KS	G5 PCMDAX Platform
Interblock d.o.o.	INTB12251KS	Modules Certification
Konami	KGI13961KS	Lucky Envelope Crimson Riches
Konami	KGI13971KS	Lucky Envelope Sapphire Wealth
Konami	KGI14071KS	Prize Strike Coin Caper

Eisenhower State Office Building  
700 SW Harrison, Suite 500  
Topeka, KS 66603



Don Brownlee, Executive Director

Phone: (785) 296-5800  
Fax: (785) 296-0900  
krgc@krgc.ks.gov  
krgc.ks.gov

Laura Kelly, Governor

### **Boot Hill Casino Internal Control Amendments**

September 8, 2023

<b><u>Item #/ (Description)</u></b>	<b><u>Regulation Waiver?</u></b>	<b><u>Regulation/IC Reference</u></b>	<b><u>Staff Recommendation</u></b>
BH597 Promotional Offers	No	KAR 118-18-19, 240.010.04, 260.050	Approval

BOOT HILL CASINO & RESORT  
REPORT PRESENTED TO  
THE KANSAS RACING AND GAMING COMMISSION  
September 8, 2023

By: Diane Giardine

For the month of August 2023, BHCR experienced a decrease in Total Gaming Revenue of 7.57% over August 2022. Total Slot Revenue was down 12.08% and Table Games Revenue was up 40.48%.

For the month of August 2023, the total Retail Sportsbook Revenue as defined by the Kansas Lottery was \$25,222.81. This is up 16.37% from July 2023. Total Digital Sportsbook Revenue as defined by the Kansas Lottery was \$1,743,671.87. This is down 45.73% as compared to July 2023.

#### Upcoming Promotions & Events

- Weekly Kiosk Games
- Weekly Food and Beverage Specials
- Gift Promotions
- Big Draw
- VIP Promotions
- Promotions for United Wireless Arena Events

#### Upcoming Entertainment & Events

- Randy Houser – September 15
- Beach Boys – September 29
- La India Yuridia – October 7

## BOOT HILL CASINO & RESORT

### Lottery Gaming Facility Revenue-Unaudited\*

	August 2023	August 2022	Fiscal YTD 2024	Fiscal YTD 2023
Electronic gaming machines	3,275,570.75	3,725,330.67	6,761,559.22	7,727,134.78
Table games	491,123.46	350,018.87	958,888.54	845,534.53
Other #	177.32	173.53	268.84	235.08
<b>Total Lottery Gaming Facility Revenue</b>	<b>3,766,871.53</b>	<b>4,075,523.07</b>	<b>7,720,716.60</b>	<b>8,572,904.39</b>
State Share 22%	828,711.74	896,615.08	1,698,557.65	1,886,038.97
Local Share 3%	113,006.15	122,265.69	231,621.50	257,187.13
Problem Gambling Share 2%	75,337.43	81,510.46	154,414.33	171,458.09
Casino Share 73%	2,749,816.22	2,975,131.84	5,636,123.12	6,258,220.20

**\*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 8, 2023**

By: Doug Lang

For the month of August 2023 KSC experienced a decrease in Total Gross Gaming Revenue of 4.0% compared to August 2022. Total Slot Revenue is down 1.9% and Table Games Revenue is down 17.2%.

For the month of August 2023, the total Retail Sportsbook Revenue as defined by the Kansas Lottery is a loss of \$4.9K. This is less than July 2023's loss of \$12.4K. Total Digital Sportsbook Revenue as defined by the Kansas Lottery is \$1.57M. This is down from July 2023's revenue of \$2.4M.

#### Upcoming Promotions & Events

- Double Down | Friday and Saturdays
- Sit and Go Slot Tournaments | Thursday, September 7 & 21 | 5p-8p
- Hamilton Beach Slow Cooker Giveaway | Friday, September 1 | 4p-9p
- 16qt. Stock Pot Giveaway | Friday, September 8 | 4p-9p
- Waffle Maker Giveaway | Friday, September 15 | 4p-9p
- Cordless Grooming Set Giveaway | Friday, September 22 | 4p-9p
- Auto Emergency Kit Giveaway | Friday, September 29 | 4p-9p
- Host Parties | Saturday, September 2,9,16,23 & 30 | \$10,000 in prizes given away each Saturday | Host Invite | 6p-7:30p
- Sunday Bonus Offer | Sunday, September 10 & 24

#### Upcoming Entertainment & Events

- KEMA Conference | Arena | September 13-15
- Travis Tritt Concert | Arena | September 23 | 8pm
- KHCA Convention | Arena | September 27-29

#### **AUGUST FANDUEL SPORTSBOOK NOTES**

- \$24.1 million was wagered on FanDuel online.
- \$550k was wagered in person at FanDuel retail. Of this #, \$233k was bet over the counter and \$317k was bet on the kiosks.
- The \$550k wagered in person was a \$180k increase over July.
- There was a total of 4,451 bets made in person at FanDuel retail.

- The largest wager in retail was a \$11,810 single bet. It was a wager on the Seattle Mariners over the Chicago White Sox on 08/23. The wager was a loser.
- The largest winning wager in retail was a \$6,750 single bet. It was a wager on the Atlanta Braves over the New York Mets on 08/12 and paid out \$9,750.
- We had 1 PPV UFC Fight in the month on August 19. There was \$15,896 bet on this fight and 278 bets made.
- The return of football for half of the month was very good for the Sportsbook. We took 1,721 bets for a handle of \$186,864.
- FOOTBALL STARTS FOR REAL IN SEPTEMBER 😊

Eisenhower State Office Building  
700 SW Harrison, Suite 500  
Topeka, KS 66603



Phone: (785) 296-5800  
Fax: (785) 296-0900  
krge@krge.ks.gov  
krge.ks.gov

Don Brownlee, Executive Director

Laura Kelly, Governor

## KANSAS STAR CASINO & RESORT

### Lottery Gaming Facility Revenue-Unaudited\*

	August 2023	August 2022	Fiscal YTD 2024	Fiscal YTD 2023
Electronic gaming machines	10,763,906.77	10,812,998.86	22,038,236.17	22,657,746.89
Table games	1,611,816.00	1,944,962.50	3,731,924.80	4,585,558.15
Other #	<u>36.00</u>	<u>169.03</u>	<u>135.02</u>	<u>233.08</u>
Total Lottery Gaming Facility Revenue	<u>12,375,758.77</u>	<u>12,758,130.39</u>	<u>25,770,295.99</u>	<u>27,243,538.12</u>
State Share 22% (Tier 1)**	2,722,666.93	2,806,788.69	5,669,465.12	5,993,578.39
State Share 2% marginal (Tier 2)**	-	-	-	-
Local Share 3%	371,272.76	382,743.91	773,108.88	817,306.14
Problem Gambling Share 2%	247,515.18	255,162.61	515,405.92	544,870.76
Casino Share 73%	9,034,303.90	9,313,435.18	18,812,316.07	19,887,782.83

\*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 8, 2023

BY: LYDIA GARVEY – VICE PRESIDENT & GENERAL MANAGER

**August 2023**

**August Admissions**

- August 2023 admissions were flat compared to last year

**August 2023 Revenue Numbers**

- Total Gaming Revenue came in at \$12.9M – an increase of 3.6%
- Slot Revenue was \$11.5M - an increase of 2.6%
- Table Games Revenue (including Poker) was \$1.4M – an increase of 12.3%
- Retail Sportsbook Taxable Revenue in August was \$287,284 – a decrease of 10.6% compared to July of 2023
- Platform Sportsbook Taxable Revenue in August was \$111,096 – a decrease of 78% compared to July of 2023

**Recent/Upcoming Events**

- August 31 – PENN Play Party
- September 1 - \$25K Crazy 8's
- September 8 – Race Weekend Punch Board
- September 9 – Day of Winners
- September 10 – Hollywood Casino 400 NASCAR Sprint Cup Race
- September 17 – Chiefs Watch Party
- October 1 – Sportsbook Scratchers

Don Brownlee, Executive Director

Laura Kelly, Governor

## HOLLYWOOD CASINO & RESORT

### Lottery Gaming Facility Revenue-Unaudited\*

	August 2023	August 2022	Fiscal YTD 2024	Fiscal YTD 2023
Electronic gaming machines	11,455,311.38	11,165,288.89	23,390,756.13	23,138,302.61
Table games	1,396,283.34	1,243,596.00	2,930,364.30	2,515,827.46
Other #	5.00	20.00	29.00	434.41
Total Lottery Gaming Facility Revenue	<u>12,851,599.72</u>	<u>12,408,904.89</u>	<u>26,321,149.43</u>	<u>25,654,564.48</u>
State Share 22%	2,827,351.94	2,729,959.08	5,790,652.87	5,644,004.19
Local Share 3%	385,547.99	372,267.15	789,634.48	769,636.93
Problem Gambling Share 2%	257,031.99	248,178.10	526,422.99	513,091.29
Casino Share 73%	9,381,667.80	9,058,500.57	19,214,439.08	18,727,832.07

**\*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 8, 2023  
By: Jeff McKain

Kansas Crossing Casino is reporting the following preliminary results for August 2023 vs August 2022.

- -5.9% Decrease in Admissions
- -8.4% Decrease in Coin-In
- 13% Increase in Table Drop
- -7.7% Decrease in Net Gaming Revenue

#### **Sports Wagering:**

For the month of August 2023, the total Retail Sportsbook Revenue as defined by the Kansas Lottery was up \$28,683 vs prior month. Total revenue was \$23,688. Total Digital Sportsbook Revenue as defined by the Kansas Lottery in August was \$878,302 vs prior month of 1,115,456.

#### **Promotions + Events**

- August
  - Casino Hot Seats every Monday and Tuesday.
  - **Camp 49** promotions every Wednesday.
  - Table Games **Card Shark** promotion every Friday.
  - Casino Gifts every Saturday.
  - **Strike it Rich** promotion every Saturday.
  - **Cash is King** promotion Saturday the 26<sup>th</sup>.
  - Concerts include Priscilla Block on the 4th, Pam Tillis on the 12<sup>th</sup> and Mike and the Moonpies on the 25<sup>th</sup>.
- September
  - Casino Hot Seats every Monday and Tuesday.
  - **Camp 49** promotions every Wednesday.
  - Slot Tournaments on Fridays.
  - Casino Gifts every Saturday.
  - **Cash is King** promotion Saturday the 30<sup>th</sup>.
  - Tech9 concert on the 9<sup>th</sup>.

Don Brownlee, Executive Director

Laura Kelly, Governor

## KANSAS CROSSING CASINO & RESORT

### Lottery Gaming Facility Revenue-Unaudited\*

	August 2023	August 2022	Fiscal YTD 2024	Fiscal YTD 2023
Electronic gaming machines	2,763,858.63	3,141,811.40	5,818,049.55	6,723,452.26
Table games	356,666.00	240,560.00	719,557.50	401,678.50
Other #	25.00	112.00	142.00	157.00
Total Lottery Gaming Facility Revenue	<u>3,120,549.63</u>	<u>3,382,483.40</u>	<u>6,537,749.05</u>	<u>7,125,287.76</u>
State Share 22%	686,520.92	744,146.35	1,438,304.79	1,567,563.31
Local Share 3%	93,616.49	101,474.50	196,132.47	213,758.63
Problem Gambling Share 2%	62,410.99	67,649.67	130,754.98	142,505.76
Casino Share 73%	2,278,001.23	2,469,212.88	4,772,556.81	5,201,460.06

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

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



Eisenhower State Office Building  
700 SW Harrison, Suite 500  
Topeka, KS 66603

Phone: (785) 296-5800  
Fax: (785) 296-0900  
krge@krge.ks.gov  
krge.ks.gov

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August 2023 Casino Financials

Casino Gaming Revenue for Month Ending August 31, 2023					
Revenue Source	Boot Hill Casino	Kansas Star Casino	Hollywood Casino	Kansas Crossing Casino	Total All Casinos
<b>EGM</b>	\$ 3,275,571	\$ 10,763,907	\$ 11,455,311	\$ 2,763,859	\$ 28,258,648
<b>Table Games</b>	491,123	1,611,816	1,396,283	356,666	3,855,889
<b>Other #</b>	177	36	5	25	243
<b>Total</b>	\$ 3,766,872	\$ 12,375,759	\$ 12,851,600	\$ 3,120,550	\$ 32,114,780

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>	48,228,287	161,224,699	156,512,547	41,140,188	407,105,721
<b>2024</b>	7,720,717	25,770,296	26,321,149	6,537,749	66,349,911
<b>Total Since Opening</b>	\$ 572,507,557	\$ 2,052,239,474	\$ 1,620,853,492	\$ 225,228,451	\$ 4,470,828,974

Fund Distribution FY 2024					
Recipients	Boot Hill	Kansas Star	Hollywood	Kansas Crossing	Total All Casinos
<b>State of Kansas</b>	1,698,558	5,669,465	5,790,653	1,438,305	14,596,980
<b>Local Governments</b>	231,621	773,109	789,634	196,132	1,990,497
<b>Problem Gambling and Addictions Fund</b>	154,414	515,406	526,423	130,755	1,326,998
<b>Casino Manager</b>	5,636,123	18,812,316	19,214,439	4,772,557	48,435,435
<b>Total</b>	7,720,717	25,770,296	26,321,149	6,537,749	66,349,911

Fund Distribution Since Opening					
Recipients	Boot Hill	Kansas Star	Hollywood	Kansas Crossing	Total All Casinos
<b>State of Kansas</b>	125,951,663	451,621,362	356,587,768	49,550,259	983,711,052
<b>Local Governments</b>	17,175,227	61,567,184	48,625,605	6,756,854	134,124,869
<b>Problem Gambling and Addictions Fund</b>	11,450,151	41,044,789	32,417,070	4,504,569	89,416,579
<b>Casino Manager</b>	417,930,517	1,498,006,138	1,183,223,049	164,416,769	3,263,576,474
<b>Total</b>	572,507,557	2,052,239,474	1,620,853,492	225,228,451	4,470,828,974

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

#Other sweeps, principally lost and found funds.



**Kansas Racing and Gaming Commission**  
700 SW Harrison, Suite 500, Topeka, Kansas 66603  
(785) 296-5800, Fax (785) 296-0900

## STAFF AGENDA MEMORANDUM

**DATE OF MEETING:** September 8, 2023

**AGENDA ITEM:** **FY 2024 & FY 2025 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, 2023. 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 2024 and requested FY 2025 need to be submitted to the legislature.

### **KRGC General Assumptions**

The revised FY 2024 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) full year of operation of sports wagering by all four State-owned casinos; 6) Six months of regulatory operations for a parimutuel facility in Sedgwick County.

The requested budget for FY 2025 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 parimutuel facility in Sedgwick County.

### **FY2023**

KRGC parimutuel expenditures of \$53,342 were primarily for salaries and wages expended, primarily as the result of the application process for a parimutuel facility in Sedgwick County and to maintain the Kansas Bred Registry.

KRGC gaming expenditures for FY 2023 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 FY23 expenditures were approximately \$1.3 million or 15% below budget at approximately \$7.5 million compared to budgeted expenditures of about \$8.8 million. The primary reason for savings was related to salaries and wages for unfilled positions.

**FY 2024**

The KRGC's revised FY 2024 budget is approximately \$10.1 million which is an increase of approximately \$920,000 above the approved FY24 budget of \$9.2 million. KRGC has assumed a shrinkage rate of 7.5% for FY 2024 which totals a shrinkage rate of about \$600,000. The increase of expenditures is based on an assumption of six months of regulatory costs associated with parimutuel facility in Sedgwick County. Approximately \$600,000 of the increase is associated with salaries and wages related to the request for an additional 13 FTE for six months of regulatory operations of a parimutuel facility in Sedgwick County operating historical horse racing machines.

The revised budget request for FY 2024 for expanded gaming regulation is approximately \$9.1 million. The revised budget is consistent with the approved budget for expanded gaming regulation and no enhancements are requested.

KRGC's FY 2024 parimutuel racing budget request is approximately \$925,000. The request includes an enhancement package of approximately \$920,000 for the regulation of historical horse racing machines at a parimutuel 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 2024 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 2025**

The KRGC's requested FY 2025 budget is \$10.5 million which is an increase of approximately \$1.3 million above the approved FY 2024 budget of \$9.2 million. KRGC has assumed a shrinkage rate of 7.5% for FY 2025 which totals a shrinkage amount of approximately \$675,000. The increase of expenditures is based on the assumption of a full year of regulatory costs associated to the operation of a parimutuel facility in Sedgwick County. The increase is primarily associated to salaries and wages which increase by approximately \$1 million of the increase in salaries and wages is related to the request for an additional 13 FTE for regulation of a parimutuel facility in Sedgwick County operating historical horse racing machines for a full year of regulatory operations.

The budget request for FY 2025 for expanded gaming regulation is approximately \$9.1 million. The requested budget is consistent with the approved budget for expanded gaming regulation and no enhancements are requested.

In FY 2025 KRGC is requesting an enhancement package of approximately \$1.3 million for the regulation of historical horse racing machines at a parimutuel 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 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.

The number of FTE positions requested for the FY 2025 budget is increased by 13 FTE above the approved FY 2024 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 2024 budget and requested FY 2025 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.

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	AGENCY NUMBER	553																																					
	PROGRAM TITLE AND CODE	FUNCTION NO.																																					
	SUBPROGRAM TITLE AND CODE	1																																					
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## NARRATIVE INFORMATION -- DA 400

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STATE OF KANSAS

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### 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.

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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 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 year of operation for Kansas Crossing Casino; 5) full year of operation of sports wagering by all four State-owned casinos; 6) Regulatory obligations related to the construction of a parimutuel facility in Sedgwick county.

The submitted budget for FY25 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) Six months of regulatory operations related to a parimutuel 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

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### KRGC Budget Overview (continued)

#### **Current Year Comparison of FY 2024 Approved and Revised Budget Expenditures**

The KRGC's revised FY24 budget is approximately \$10.1 million which is an increase of approximately \$920,000 above the approved FY24 budget of \$9.2 million. KRGC has assumed a shrinkage rate of 7.5% for FY24 which totals a shrinkage rate of about \$600,000. The increase of expenditures is based on an assumption of six months of regulatory costs associated with parimutuel facility in Sedgwick County. The increase is primarily associated to increases related to salaries and wages which increase by approximately \$600,000 of the increase in salaries and wages is related to the request for an additional 13 FTE for regulation of a parimutuel facility in Sedgwick County operating historical horse racing machines for six months regulatory operations.

The FTE for the requested FY24 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 2024 approved and requested FY 2025 Budget Expenditures**

The KRGC's requested FY25 budget is \$10.5 million which is an increase of approximately \$1.3 million above the approved FY24 budget of \$9.2 million. KRGC has assumed a shrinkage rate of 7.5% for FY25 which totals a shrinkage amount of approximately \$675,000. The increase of expenditures is based on the assumption of a full year of operation of a parimutuel facility in Sedgwick County. The increase is primarily associated to salaries and wages which increase by approximately \$1 million of the increase in salaries and wages is related to the request for an additional 13 FTE for regulation of a parimutuel facility in Sedgwick County operating historical horse racing machines for a full year of regulatory operations.

The number of FTE positions requested for the FY25 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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STATE OF KANSAS

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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 - 2023**

#### **Racing Program**

KRGC FY23 expenditures of \$53,342 were for salaries and wages were expended, primarily as the result of the application process for a parimutuel facility in Sedgwick County and to maintain the Kansas Bred Registry.

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

KRGC expenditures for FY23 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 FY23 expenditures were approximately \$1.3 million or 15% below budget at approximately \$7.5 million compared to budgeted expenditures of about \$8.8 million. The primary reason for savings was related to salaries and wages for unfilled positions.

<b>NARRATIVE INFORMATION -- DA 400</b>		AGENCY NAME Kansas Racing and Gaming Commission
DIVISION OF THE BUDGET		AGENCY NUMBER 553
STATE OF KANSAS		PROGRAM TITLE AND CODE Agency-Wide Overview
SUBPROGRAM TITLE AND CODE		
<p><b><u>Agency Wide Overview of Current Year Estimate and Budget Year Scenarios</u></b></p> <p><b><u>Current Year - 2024</u></b></p> <p><b>Racing Program</b> The budget is built on the assumptions that 1) there will be regulatory activity related to the construction of a parimutuel facility in Sedgwick County; 2) KRGC staff will administer the Kansas Bred Registry Program in FY24. The budget increases by approximately \$925,000 above the approved FY24 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.</p> <p><b>Tribal Gaming Program</b> The budget for the current fiscal year remains unchanged from the approved budget.</p> <p><b>Expanded Lottery Act Regulation Program</b> The current 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 year of operation for Kansas Crossing Casino; 5) a full year of sports wagering operations.</p> <p><b><u>Supplemental Package - FY 2024</u></b></p> <p><b>Racing Program</b> In FY24 KRGC is requesting an enhancement package of approximately \$920,000 for the regulation of historical horse racing machines at a parimutuel 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 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 \$27,000 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.</p> <p><b>Tribal Gaming Program</b> The Tribal Gaming Program does not request any enhancement packages.</p> <p><b>Expanded Gaming Program</b> The Expanded Gaming Program does not request any supplemental funding for the current year.</p> <p><b><u>Budget Year Information - FY 2025</u></b></p> <p><b>Racing Program</b> The budget is built on the assumptions that 1) there will be full year of regulatory operations for parimutuel facility in Sedgwick County; 2) KRGC staff will administer the Kansas Bred Registry Program in FY25. The budget increases by approximately \$1.3 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.</p> <p><b>Tribal Gaming Program</b> The Tribal Gaming Program previously requested and was approved for an additional FTE for an enforcement agent position that was left unfunded and will only be added if all four tribal casinos conduct sports wagering. This would be an additional increase of \$75,000 if utilized to assist with the oversight at the tribal casinos with sports wagering and increased load for background investigations.</p> <p><b>Expanded Lottery Act Regulation Program</b> The requested FY25 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.</p>		

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

#### **Supplemental Package - FY 2025**

##### **Racing Program**

In FY25 KRGC is requesting an enhancement package of approximately \$1.3 million for the regulation of a parimutuel 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.

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

The Tribal Gaming Program does not request any supplemental packages.

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

The Expanded Gaming Program does not request any supplemental packages.

**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>FY20 Actuals</b>	<b>FY21 Actuals</b>	<b>FY22 Actuals</b>	<b>FY23 Actuals</b>	<b>FY24 Estimate</b>	<b>FY25 Estimate</b>
Other Service Charges	1,543,231	1,380,365	1,416,804	1,282,806	1,571,543	1,565,271
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:

Kansas Racing and Gaming  
Commission

AGENCY--SUBAGENCY CODES:

553-00

PROGRAM TITLE AND CODE:  
SUBPROGRAM TITLE AND CODE:

Racing Program - 03900

### 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 FY25. The estimated revenues projected in FY24, and FY25 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 FY16	Actual FY17	Actual FY18	Actual FY19	Actual FY20	Actual FY21	Actual FY22	Actual FY23	Estimate FY24	Estimate FY25
Pari-mutuel Tax	-	-	-	-	-	-	-	-	-	-
Pari-mutuel Tax - Simulcast	-	-	-	-	-	-	-	-	-	-
Admissions Tax	-	-	-	-	-	-	-	-	-	-
Charges - Inspect, Examine, Audit	409	360	-	-	-	-	-	125,000	1,300,000	1,600,000
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	409	360	2,058	188	1,723	1,075	1,649	125,000	1,301,000	1,601,000

## 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  
Racing Program - 03900

PROGRAM TITLE AND CODE:

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 FY16	Actual FY17	Actual FY18	Actual FY19	Actual FY20	Actual FY21	Actual FY22	Actual FY23	Estimate FY24	Estimate FY25
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 FY16	Actual FY17	Actual FY18	Actual FY19	Actual FY20	Actual FY21	Actual FY22	Actual FY23	Estimate FY24	Estimate FY25
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 FY24, or FY25.

	Actual FY16	Actual FY17	Actual FY18	Actual FY19	Actual FY20	Actual FY21	Actual FY22	Actual FY23	Estimate FY24	Estimate FY25
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 KRGD 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 2024 or FY 2025. 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 KRGD 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 FY24, or FY25. 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 FY24, or FY25. There has been no activity in this fund in previous years.

	Actual FY16	Actual FY17	Actual FY18	Actual FY19	Actual FY20	Actual FY21	Actual FY22	Actual FY23	Estimate FY24	Estimate FY25
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 FY24, or FY25. The estimated revenues projected in FY24, and FY25 are attributed to applicant deposits.

	Actual FY16	Actual FY17	Actual FY18	Actual FY19	Actual FY20	Actual FY21	Actual FY22	Actual FY23	Estimate FY24	Estimate FY25
Interest	-	-	-	-	-	-	-	501,521	-	-

## EXPLANATION OF RECEIPT ESTIMATES

**DA 405**

DIVISION OF THE BUDGET  
STATE OF KANSAS

AGENCY NAME:

Kansas Racing and Gaming Commission

AGENCY-SUBAGENCY CODES:

553-00

PROGRAM TITLE AND CODE:

Racing Program - 03900

SUBPROGRAM TITLE AND CODE:

### Greyhound Breeding Development Fund - 2601

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

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

The remainder of the moneys in this fund at the end of FY 2013 were swept by the legislature at the beginning of FY 2014. This budget assumes that there will be no revenue to, or expenditures from this fund in FY 2024, or FY 2025.

	Actual FY16	Actual FY17	Actual FY18	Actual FY19	Actual FY20	Actual FY21	Actual FY22	Actual FY23	Estimate FY24	Estimate FY25
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 2024, or FY 2025.

	Actual FY16	Actual FY17	Actual FY18	Actual FY19	Actual FY20	Actual FY21	Actual FY22	Actual FY23	Estimate FY24	Estimate FY25
Operating Transfer In	-	-	-	-	-	-	-	-	-	-
Other Misc Revenue	-	-	-	-	-	-	-	-	-	-
Transfer Out (Swept by Legislature)	-	-	-	-	-	-	-	-	-	-

## 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 FY24 and FY25 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 FY16	Actual FY17	Actual FY18	Actual FY19	Actual FY20	Actual FY21	Actual FY22	Actual FY23	Estimate FY24	Estimate FY25
PMIB Loan Proceeds	-	-	-	-	-	-	-	-	-	-
LGFRB applicant reimbursements	-	-	-	-	-	-	-	-	-	-
Hollywood Start-up Reimb.	-	-	-	-	-	-	-	-	-	-
Sumner Casino Start-up Reimb.	-	-	-	-	-	-	-	-	-	-
Boot Hill Start-up Reimb.	-	-	-	-	-	-	-	-	-	-
Hollywood Ops Reimbursement	1,967,293	1,753,827	1,807,405	1,754,182	1,368,001	2,364,914	1,856,409	2,315,520	1,986,000	2,360,000
Sumner Casino Ops Reimbursement	1,923,542	1,825,345	1,865,898	1,907,527	1,474,782	2,589,199	1,913,545	2,281,907	2,044,000	2,440,000
Boot Hill Ops Reimbursement	1,102,789	942,606	982,583	1,090,169	732,669	1,303,987	1,171,772	1,392,363	1,331,000	1,785,000
KS Crossing OPS Reimbursement	-	1,879,359	1,088,448	1,162,074	883,327	1,463,008	1,136,664	1,332,257	1,364,000	1,840,000
Facility Mgr Background Deposits	-	-	-	-	-	-	-	-	-	-
Vendor Background Fees	-	-	-	-	-	-	-	-	-	-
Miscellaneous Revenue	(1,205)	3,675	388	4,695	35,806	1,231	3,827	1,007	-	-
Transfer In	-	-	-	-	-	-	-	-	375,000	375,000
Transfer Out	-	-	-	-	-	-	(16,098)	-	-	-
	4,992,419	6,404,812	5,744,722	5,918,647	4,494,585	7,722,339	6,066,119	7,323,054	7,100,000	8,800,000

## EXPLANATION OF RECEIPT ESTIMATES

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

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

### 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 FY16	Actual FY17	Actual FY18	Actual FY19	Actual FY20	Actual FY21	Actual FY22	Actual FY23	Estimate FY24	Estimate FY25
Examination Deposits	199,340	176,153	138,652	175,742	130,155	279,316	329,115	426,736	400,000	375,000
Refunds	-	(9,440)	-	-	-	-	-	-	-	-
	<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>426,736</b>	<b>400,000</b>	<b>375,000</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 FY24 and FY25, 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 FY24, and FY25 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 FY16	Actual FY17	Actual FY18	Actual FY19	Actual FY20	Actual FY21	Actual FY22	Actual FY23	Estimate FY24	Estimate FY25
Seizures	2,925	-	60	(919)	113,908	7,627	(13,493)	15,084	5,000	5,000
Transfers	-	-	-	-	-	-	-	-	-	-
	<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>15,084</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 FY16	Actual FY17	Actual FY18	Actual FY19	Actual FY20	Actual FY21	Actual FY22	Actual FY23	Estimate FY24	Estimate FY25
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 with 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

Salaries and Wages	FY16 Actual	FY17 Actual	FY18 Actual	FY19 Actual	FY20 Actual	FY21 Actual	FY22 Actual	FY23 Actual	FY24 Estimate	FY25 Estimate
State Racing Fund	4,864	4,895	1,406	342	1,388	2,826	3,274	34,078	634,078	1,034,898
Horse Fair Racing Benefit Fund	-	-	-	-	-	-	-	-	-	-
Racing Investigative Expense Fund	-	-	-	-	-	-	-	-	-	-
Racing Reimbursable Expense Fund	-	-	-	-	-	-	-	-	-	-
Total	4,864	4,895	1,406	342	1,388	2,826	3,274	34,078	634,078	1,034,898

#### Prior Year FY 2023

In FY23 \$34,078 in salaries and wages were expended, primarily as the result of the application process for a parimutuel facility in Sedgwick County and to maintain the Kansas Bred Registry.

#### Current 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 2023 the Kansas Greyhound Association continued to register Kansas bred greyhounds. KRGC is requesting an additional 13 FTE to the approved FY 2024 budget for a half a year of expenses for the regulation of a historical horse racing machines at a parimutuel facility in Sedgwick 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 2025

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 2023 the Kansas Greyhound Association continued to register Kansas bred greyhounds. KRGC has is requesting an additional 13 FTE to the approved FY 2025 budget for a half year of expenses for the regulation of a historical horse racing machines at a parimutuel facility in Sedgwick 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 2024- Enhancement

In FY 2024 KRGC is requesting an enhancement package of 13 FTE for the regulation of historical horse racing machines at a parimutuel facility in Sedgwick 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 2025- Enhancement

In FY 2025 KRGC is requesting an enhancement package of 13 FTE for the regulation of historical horse racing machines at a parimutuel facility in Sedgwick 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	FY16 Actual	FY17 Actual	FY18 Actual	FY19 Actual	FY20 Actual	FY21 Actual	FY22 Actual	FY23 Actual	FY24 Estimate	FY25 Estimate
Communication	-	-	-	-	-	-	-	-	5,000	10,000
Freight & Express	-	-	-	-	-	-	-	-	-	-
Printing & Advertising	-	-	-	-	-	-	-	-	-	-
Rents	1,045	308	-	268	-	-	-	-	10,500	20,500
Repairing & Servicing	-	-	-	-	-	-	-	-	-	-
Travel & Subsistence	-	-	-	-	-	-	-	5,746	20,000	40,000
Fees - Other Services	-	-	-	-	-	-	-	3,841	75,000	150,000
Fees - Professional Services	-	-	-	-	-	-	-	8,640	50,500	100,500
Other Contractual Services	-	-	-	-	-	-	-	190	-	-
Total Contractual Services	1,045	308	-	268	-	-	-	18,417	161,000	321,000

#### Prior Year FY 2023

In FY23 approximately \$18,000 in contractual services were expended, primarily as the result of the application process for a parimutuel facility in Sedgwick County and to begin the implementation of regulation of a parimutuel facility in Sedgwick County.

#### Current Year FY 2024

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 FY24 for the regulation of historical horse racing machines at a parimutuel facility in Sedgwick County.

#### Budget Year FY 2025

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 FY25 for the regulation of historical horse racing machines at a parimutuel facility in Sedgwick County.

#### Current Year FY 2024- Enhancement

In FY 2024 KRGC is requesting an enhancement package of \$160,000 for the regulation of historical horse racing machines at a parimutuel facility 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.

#### Budget Year FY 2025- Enhancement

In FY 2025 KRGC is requesting an enhancement package of \$320,000 for the regulation of historical horse racing machines at a parimutuel facility 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.

## 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	FY16 Actual	FY17 Actual	FY18 Actual	FY19 Actual	FY20 Actual	FY21 Actual	FY22 Actual	FY23 Actual	FY24 Estimate	FY25 Estimate
Animal Food	-	-	-	-	-	-	-	-	-	-
Maintenance Material, Supplies, Parts	-	-	-	-	-	-	-	-	200	200
Motor Vehicle Parts, Supplies	-	-	-	-	-	-	-	108	-	8,000
Professional & Scientific Supplies	-	-	-	-	-	-	-	-	14,000	14,000
Stationary & Office Supplies	-	-	-	-	-	-	-	-	12,000	12,000
Other Supplies, Materials, Parts	-	-	-	-	-	-	-	-	1,400	1,400
Total Commodities	-	-	-	-	-	-	-	108	27,600	35,600

#### Prior Year FY 2023

In FY 2023 approximately \$100 were expended for fuel related to agency vehicle travel related to parimutuel activities.

#### Current Year FY 2024

KRGC is requesting an increase of approximately \$27,000 in expenditures for commodities in FY24 for the regulation of historical horse racing machines at a parimutuel facility in Sedgwick County.

#### Budget Year FY 2025

KRGC is requesting an increase of approximately \$35,000 in expenditures for commodities in FY25 for the regulation of historical horse racing machines at a parimutuel facility in Sedgwick County.

#### Current Year FY 2024- Enhancement

In FY 2024 KRGC is requesting an enhancement package of approximately \$27,000 for commodity expenditures for the regulation of historical horse racing machines at a parimutuel facility 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.

#### Budget Year FY 2025- Enhancement

In FY 2025 KRGC is requesting an enhancement package of approximately \$35,000 for commodity expenditures for the regulation of historical horse racing machines at a parimutuel facility 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.

## 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	FY16 Actual	FY17 Actual	FY18 Actual	FY19 Actual	FY20 Actual	FY21 Actual	FY22 Actual	FY23 Actual	FY24 Estimate	FY25 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	-	-	-	-	-	-	-	739	-	-
Passenger cars	-	-	-	-	-	-	-	-	-	-
Total Capital Outlay	-	-	-	-	-	-	-	739	150,000	50,000

#### Prior Year FY 2023

In FY23 approximately \$700 in capital outlay were expended, related to software purchases for parimutuel purposes.

#### Current Year FY 2024

KRGC is requesting an increase of approximately \$150,000 in expenditures for capital outlay in FY24 for the regulation of historical horse racing machines at a parimutuel facility in Sedgwick

#### Budget Year FY 2025

KRGC is requesting an increase of approximately \$50,000 in expenditures for capital outlay in FY25 for the regulation of historical horse racing machines at a parimutuel facility in Sedgwick

#### Current Year FY 2024- Enhancement

In FY 2024 KRGC is requesting an enhancement package of approximately \$150,000 for capital outlay expenditures for the regulation of historical horse racing machines at a parimutuel facility 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.

#### Budget Year FY 2025- Enhancement

In FY 2025 KRGC is requesting an enhancement package of approximately \$50,000 for capital outlay expenditures for the regulation of historical horse racing machines at a parimutuel facility 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.

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	FUNCTION NO. 1			
	AGENCY NUMBER 553				
	PROGRAM TITLE AND CODE Tribal Gaming Program - 03700				
	SUBPROGRAM TITLE AND CODE				
<b>TRIBAL GAMING PROGRAM</b>					
<b><u>OUTCOME MEASURES:</u></b>					
	<b>FY21</b> <b>Actual</b>	<b>FY22</b> <b>Actual</b>	<b>FY23</b> <b>Actual</b>	<b>FY24</b> <b>Estimate</b>	<b>FY25</b> <b>Estimate</b>
Average days to complete background investigations	31	31	30	30	30
Average days to preliminary suitability	2	2	3	3	3
<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>FY21</b> <b>Actual</b>	<b>FY22</b> <b>Actual</b>	<b>FY23</b> <b>Actual</b>	<b>FY24</b> <b>Estimate</b>	<b>FY25</b> <b>Estimate</b>
Number of background investigations.	487	411	467	470	470
Number of official slot machine inspections	255	339	303	350	350
Number of compliance inspections	183	190	180	200	200
Number of internal control inspections (NEW during FY16)	1,903	1,874	1,603	1,750	1,750

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

Tribal Gaming Fund	FY 21	FY 22	FY 23	FY 24	FY 25
	Actual	Actual	Actual	Estimate	Estimate
Assumed Shrinkage	1,036,336	986,697	1,014,179	1,212,553	1,210,721
Net Salaries and Wages				(20,000)	(20,000)
				1,192,553	1,190,721

The Tribal Gaming Program funding request will be used to finance 15 FTE positions for FY 24 & FY 25.

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

Current Year FY 2024

Salaries and wages for the current year remain unchanged from the FY 24 legislative approved budgeted amount.

The Kansas State Gaming Agency has assumed a shrinkage amount of \$20,000, which equals a shrinkage rate of approximately 1.65%.

Budget Year FY 2025

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 1.65%.

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: FUNCTION NO.  
SUBPROGRAM TITLE AND CODE: Tribal Gaming Program - 03700

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### TRIBAL GAMING PROGRAM

#### Contractual Services

Tribal Gaming Fund	FY 22 Actual	FY 23 Actual	FY 24 Estimate	FY 25 Estimate
Communication	37,309	38,244	40,765	40,765
Freight & Express	-	39	100	100
Printing & Advertising	24	24	200	200
Rents	91,664	91,673	92,931	92,931
Repairing & Servicing	15,139	34,426	26,800	26,800
Travel & Subsistence	4,386	13,045	23,265	23,265
Fees - Record Checks, Building Surcharge	41,611	44,727	51,500	51,500
Fees - Other Services	26,084	23,360	35,300	35,300
Fees - Professional Services	-	-	500	500
Other Contractual Services	2,807	3,071	4,700	4,700
Official Hospitality	-	55	1,000	1,000
Total Contractual Services	219,024	248,664	277,061	277,061

#### Prior Year FY 2023

During FY 2023 Contractual Services were approximately 10.57% 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 2024

In the current year, the contractual service budget remains consistent with the FY 2024 legislative approved budgeted amount.

#### Budget Year FY 2025

In the budget year FY 2025, 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.  
Tribal Gaming Program - 03700

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### Commodities

Tribal Gaming Fund	FY22 Actual	FY23 Actual	FY24 Estimate	FY25 Estimate
Maintenance Materials, Supplies, Parts	3,294	920	1,750	1,750
Motor Vehicle Parts, Supplies	5,595	5,684	13,900	13,900
Professional & Scientific Supplies	68	-	1,100	1,100
Stationary & Office Supplies	1,330	3,520	4,800	4,800
Other Supplies, Materials, Parts	472	2,014	4,300	4,300
Total Commodities	<u>10,759</u>	<u>12,138</u>	<u>25,850</u>	<u>25,850</u>

### Prior Year FY 2023

In FY 2023, Commodities were approximately 51.16% 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 2024

In the current year, the commodities budget remains consistent with the FY 2024 legislative approved budgeted amount.

### Budget Year FY 2025

In the budget year FY 2025, 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	FY22 Actual	FY23 Actual	FY24 Estimate	FY25 Estimate
Vehicles	-	-	-	-
Equipment, Machinery, Furniture and Fixtures		-	1,550	1,550
Professional and Scientific Equipment	-	-	-	-
Books and Library Materials		-	-	-
Microcomputer Systems and Support Equipment	3,388	7,339	11,800	11,800
Information Processing Equipment	2,036	-	13,500	13,500
Computer Systems, Info Processing or Micro Software	4,680	542	2,500	2,500
Buildings & Improvements	-	-	-	-
Telecommunications/ Data Facilities		-	-	-
	<u>10,104</u>	<u>7,881</u>	<u>29,350</u>	<u>29,350</u>

#### Prior Year FY 2023

In the prior year, capital outlay was approximately 73.15% below the approved legislative budgeted amount.

#### Current Year FY 2024

In the current year, the capital outlay budget remains consistent with the FY 2024 legislative approved budgeted amount.

#### Budget Year FY 2025

In the budget year FY 2025, 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	Expanded Gaming Regulation - 03800
SUBPROGRAM TITLE AND CODE	

### **EXPANDED LOTTERY ACT REGULATION PROGRAM (GAMING)**

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

#### **PROGRAM'S STATUTORY HISTORY:**

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

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

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

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

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 2018	Actual FY 2019	Actual FY 2020	Actual FY 2021	Actual FY 2022	Actual FY 2023	Estimate FY 2024	Estimate FY 2025
Number of background investigations completed (individual & corporate)	1,199	1,123	927	606	1,247	1,270	1,260	1,260
Percentage of employee licenses denied by the Commission	1%	1%	1%	1%	1%	1%	2%	2%
Number of initial EGM inspections/certifications	707	791	375	108	204	504	500	500
Number of Criminal Case Reports	521	486	409	457	340	258	550	550
Illegal gaming machines seized (# does not include components, prizes and other related items seized)	14	47	39	6	10	43	35	40
Illegal gambling complaints received	155	176	143	145	121	104	320	320
Local criminal prosecutions initiated with KRGC assistance*	0	1	0	0	5	0	25	25
Number of VEP enrollees granted access to lottery gaming facility	112	85	86	99	80	58	95	95
Number of new Voluntary Exclusion Program enrollments	273	289	200	174	172	192	211	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.

<b>NARRATIVE INFORMATION -- DA 400</b>		AGENCY NAME	Kansas Racing and Gaming Commission						
DIVISION OF THE BUDGET		AGENCY NUMBER	553						
STATE OF KANSAS		PROGRAM TITLE AND CODE	Expanded Gaming Regulation - 03800						
		SUBPROGRAM TITLE AND CODE	Gaming Regulation						
<b>EXPANDED LOTTERY ACT REGULATION PROGRAM (GAMING)</b>									
<i>Subprogram Gaming Regulation</i>									
<b>Purpose:</b>									
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.									
<b>Required By Statute:</b> Yes.									
<b>Maintenance of Effort or Matching Requirement:</b> None.									
<b>Statutory Requirements:</b> K.S.A. 74-8733 through 74-8773.									
<b>Consequences of Not Funding:</b> 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.									
<b>PROGRAM GOALS - INTEGRITY OF GAMING</b>									
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.									
<b>Objectives</b>									
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.									
<b>OUTCOME MEASURE:</b>		Actual	Actual	Actual	Actual	Actual	Actual	Estimate	
		FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	Estimate FY 2025
Corporate Background Completion %		83%	136%	150%	100%	134%	117%	95%	
Individual Background Completion %		102%	69%	91%	67%	91%	129%	95%	
% of Employee Applicants Denied Temporary Permits		4%	3%	2%	2%	5%	4%	5%	
% Employee Licenses Denied by Commission		1%	1%	1%	0.5%	1%	1%	2%	
Licenses revoked because of previously undiscovered information		0%	0%	0%	0%	0%	0%	0%	
<b>OUTPUT MEASURES:</b>									
Corporate Background Investigations:	Completed	5	16	6	0	7	41	10	10
	Pending/In-Process	29	35	63	77	59	33	20	20
	Updates/Renewals	26	18	26	23	36	23	20	20
Individual Background Investigations:	Completed	1,194	1,107	921	606	1,240	1,229	1,250	1,250
	Pending/In-Process	707	987	686	798	571	545	750	750
	Updates/Renewals	1,252	1,037	1,031	994	1,022	977	1,250	1,250
Vendor Licenses:	Approved	5	15	6	0	7	41	15	15
	Temporary	6	6	2	10	2	32	10	10
	Renewals	26	18	26	23	36	23	20	20
Casino Employee Licenses:	Gaming Licenses Approved	896	691	635	385	755	695	800	800
	Gaming Licenses Denied	25	16	18	6	22	19	20	20
	Temporary Work Permits Issues	698	837	555	637	909	700	800	800
	License Renewals	827	704	695	667	512	575	750	750
Criminal Case Reports		521	486	409	457	340	258	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 2018	Actual FY 2019	Actual FY 2020	Actual FY 2021	Actual FY 2022	Actual FY 2023	Estimate FY 2024	Estimate FY 2025
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#### OUTCOME MEASURES:

Improper gaming outcome discovered after complaint	0	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	15	17	17	14	10	6	15	15
Machine Software Inspections	1,693	1,913	2,280	1,721	4,201	4,566	2,000	2,000
Initial EGM Inspections/Certifications	707	791	375	108	204	504	500	500
EGM Hardware/Software Components Tested and Approved	2,359	2,634	2,683	1,706	1,626	2,177	2,400	2,400
Table Games Tested and Approved	4	27	3	2	1		5	5
Internal Control Plans Approved	0	0	0	0	0	0	0	0
Internal Control Plan Amendments Reviewed	105	77	60	46	68	58	65	65
Internal Control Plan Amendments Approved	95	66	55	34	56	36	55	55
Investigations of Variances/Findings found in Audits	0	0	2	0	0	0	1	1
Security Plans Approved	0	0	0	0	0	0	0	0
Security Plan Amendments Reviewed	3	1	2	2	9	2	2	2
Security Plan Amendments Approved	1	2	2	2	6	0	2	2
Non-Criminal Incident Reports	523	492	807	1,218	525	340	500	500
Official Customer Complaints Received	5	10	14	27	8	85	15	15

<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	Illegal Gaming																																																										
<b>EXPANDED LOTTERY ACT REGULATION PROGRAM (GAMING)</b> <i>Subprogram Illegal Gaming</i> <p><b>Purpose:</b> Protect the state of Kansas and its citizens from unregulated gaming.</p> <p><b>Required By Statute:</b> Yes.</p> <p><b>Maintenance of Effort or Matching Requirement:</b> None.</p> <p><b>Statutory Requirements:</b> 74-8750(b)&amp;(d); 74-8772(e); Appropriations language establishes the illegal gambling fund for machines seized through enforcement by KRGC.</p> <p><b>Consequences of Not Funding:</b> Failure to fund could result in the proliferation of gaming that is corrupt. It can also impact the gaming revenue the State receives.</p> <p><b>PROGRAM GOAL - ILLEGAL GAMING ENFORCEMENT</b> Coordinate with state agencies and local authorities to reduce and minimize illegal gaming in Kansas.</p> <p><b>Objectives</b> 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.</p>																																																													
<table> <thead> <tr> <th></th> <th>Actual FY 2018</th> <th>Actual FY 2019</th> <th>Actual FY 2020</th> <th>Actual FY 2021</th> <th>Actual FY 2022</th> <th>Actual FY 2023</th> <th>Estimate FY 2024</th> <th>Estimate FY 2025</th> </tr> </thead> <tbody> <tr> <td><b>OUTPUT MEASURES:</b></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Illegal gaming machines seized (# does not include components, prizes and other related items seized)</td> <td>14</td> <td>47</td> <td>39</td> <td>6</td> <td>10</td> <td>43</td> <td>35</td> <td>40</td> </tr> <tr> <td>Illegal gambling complaints received</td> <td>155</td> <td>176</td> <td>143</td> <td>145</td> <td>121</td> <td>104</td> <td>320</td> <td>320</td> </tr> <tr> <td>Local criminal prosecutions initiated with KRGC assistance*</td> <td>0</td> <td>1</td> <td>0</td> <td>0</td> <td>5</td> <td>0</td> <td>25</td> <td>25</td> </tr> <tr> <td>The number of investigations related to criminal activity as stipulated in K.S.A. § 74-8792(a)</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>100</td> <td>100</td> </tr> </tbody> </table>									Actual FY 2018	Actual FY 2019	Actual FY 2020	Actual FY 2021	Actual FY 2022	Actual FY 2023	Estimate FY 2024	Estimate FY 2025	<b>OUTPUT MEASURES:</b>									Illegal gaming machines seized (# does not include components, prizes and other related items seized)	14	47	39	6	10	43	35	40	Illegal gambling complaints received	155	176	143	145	121	104	320	320	Local criminal prosecutions initiated with KRGC assistance*	0	1	0	0	5	0	25	25	The number of investigations related to criminal activity as stipulated in K.S.A. § 74-8792(a)	0	0	0	0	0	0	100	100
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<p>* 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.</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	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 Matching Requirement:** None.

**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 2018	Actual FY 2019	Actual FY 2020	Actual FY 2021	Actual FY 2022	Actual FY 2023	Estimate FY 2024	Estimate FY 2025
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**OUTCOME MEASURE:**

Number of VEP enrollees granted access to lottery gaming facility

112	85	86	99	80	58	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)

16%	15%	14%	11%	37%	23%	20%	25%
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**OUTPUT MEASURES:**

Number of new Voluntary Exclusion Program enrollments

273	289	200	174	172	192	211	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

	FY15 Actual	FY16 Actual	FY17 Actual	FY18 Actual	FY19 Actual	FY20 Actual	FY21 Actual	FY22 Actual	FY23 Actual	FY24 Estimate	FY25 Estimate
<b>Gaming Regulation Sub-Program - 03861</b>											
Expanded Lottery Act Regulation Fund	3,967,373	3,987,843	4,425,473	4,784,630	4,960,509	5,151,087	5,128,709	5,369,133	5,961,686	7,068,924	7,054,464
Gaming Background Investigations Fund	235,606	205,429	167,533	170,982	201,735	179,014	261,078	338,903	331,836	347,215	346,476
Subtotal Salaries and Wages - 03861	4,202,979	4,193,272	4,593,006	4,955,612	5,162,244	5,330,101	5,389,787	5,708,036	6,293,522	7,416,139	7,400,940
<b>Responsible Gaming Sub-Program - 03862</b>											
Expanded Lottery Act Regulation Fund	-	-	-	2,031	39,597	30,882	29,162	35,562	35,934	29,247	29,199
Gaming Background Investigations Fund	-	-	-	-	-	-	-	-	-	-	-
Subtotal Salaries and Wages - 03862	-	-	-	2,031	39,597	30,882	29,162	35,562	35,934	29,247	29,199
<b>Illegal Gaming Sub-Program - 03863</b>											
Expanded Lottery Act Regulation Fund	-	-	81,429	81,429	76,611	82,557	57,305	51,715	89,912	627,862	626,013
Gaming Background Investigations Fund	-	-	-	-	-	-	-	-	-	-	-
Subtotal Salaries and Wages - 03863	-	-	81,429	81,429	76,611	82,557	57,305	51,715	89,912	627,862	626,013
<b>Expanded Gaming Regulation Program Total</b>											
Expanded Lottery Act Regulation Fund	3,967,373	3,987,843	4,506,902	4,868,090	5,076,717	5,264,526	5,215,176	5,456,410	6,087,532	7,726,033	7,709,676
Gaming Background Investigations Fund	235,606	205,429	167,533	170,982	201,735	179,014	261,078	338,903	331,836	347,215	346,476
Total Salaries and Wages - Expanded Gaming Regulation Program	4,202,979	4,193,272	4,674,435	5,039,072	5,278,452	5,443,540	5,476,254	5,795,313	6,419,368	8,073,248	8,056,152

#### Prior Year -FY 2023

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 92.5. 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 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 FY24 budget. KRGC has assumed a shrinkage of 7.5% which is about \$600,000.

#### Budget Year FY 2025

Salaries and wages for FY25 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 FY24. 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 \$600,000.

#### Current Year FY 2024- Supplemental

There is no supplemental package for FY24.

#### Budget Year FY 2025- Supplemental

There is no supplemental package for FY25.

**NARRATIVE INFORMATION – DA 400**

 Kansas Racing and Gaming Commission  
 553  
 Expanded Gaming Regulation - 03800

 DIVISION OF THE BUDGET  
 STATE OF KANSAS

**EXPANDED GAMING REGULATION PROGRAM**
**Contractual Services**
**Contractual Services by Sub-Program**
**Gaming Regulation Sub-Program - 03861**

	FY16 Actual	FY17 Actual	FY18 Actual	FY19 Actual	FY20 Actual	FY21 Actual	FY22 Actual	FY23 Actual	FY24 Estimate	FY25 Estimate
Expanded Lottery Act Reg Fund - 2535										
Communication	92,329	93,861	79,494	62,571	64,043	80,408	81,224	66,332	85,200	85,200
Freight & Express	1,082	1,407	4,490	4,008	3,488	2,963	2,968	3,378	1,300	1,300
Printing & Advertising	369	-	-	45	842	46	131	1,489	1,450	1,450
Rents	213,241	208,953	215,597	232,254	223,794	227,867	227,045	230,156	260,650	260,650
Repairing & Servicing	21,446	49,537	20,846	20,901	109,664	15,242	14,219	18,275	55,708	55,708
Travel & Subsistence	75,822	121,777	89,906	67,729	75,366	38,344	57,843	79,430	151,634	151,634
Fees - Other Services	251,126	312,416	350,094	345,065	247,461	292,938	331,943	364,453	346,940	346,940
Fees - Professional Services	9,024	6,414	28,743	5,1841	4,047	40,041	38,549	9,774	28,150	28,150
Other Contractual Services	3,936	4,820	4,233	2,675	3,026	7,818	8,383	10,699	19,043	19,043
<b>Subtotal - Cont. Services - Gaming Regulation Fund</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>769,925</b>	<b>782,365</b>	<b>1,293,975</b>	<b>1,293,975</b>

**Gaming Background Investigations Fund - 2682**

	FY16 Actual	FY17 Actual	FY18 Actual	FY19 Actual	FY20 Actual	FY21 Actual	FY22 Actual	FY23 Actual	FY24 Estimate	FY25 Estimate
Communication	-	-	-	-	-	-	-	-	-	-
Freight & Express	-	-	-	-	-	-	-	-	-	-
Printing & Advertising	-	-	-	-	-	-	-	-	-	-
Rents	-	-	-	-	-	-	-	-	-	-
Repairing & Servicing	-	-	-	-	-	-	-	-	-	-
Travel & Subsistence	31,478	9,645	12,996	14,377	6,019	-	6,562	7,885	35,250	35,250
Fees - Other Services	22	-	5	321	142	-	-	-	-	-
Fees - Professional Services	-	-	-	-	-	-	-	-	-	-
Other Contractual Services	-	-	-	-	-	-	-	-	-	-
<b>Subtotal - Cont. Services - Gaming Background Invest Fund</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>7,885</b>	<b>35,250</b>	<b>35,250</b>

**Illegal Gambling Enforcement Fund - 2734**

	FY16 Actual	FY17 Actual	FY18 Actual	FY19 Actual	FY20 Actual	FY21 Actual	FY22 Actual	FY23 Actual	FY24 Estimate	FY25 Estimate
Communication	-	-	-	-	-	-	-	-	-	-
Freight & Express	-	-	-	-	-	-	-	-	-	-
Printing & Advertising	-	-	-	-	-	-	-	-	-	-
Rents	-	-	-	-	-	-	-	-	-	-
Repairing & Servicing	-	-	-	-	-	-	-	-	-	-
Travel & Subsistence	-	-	-	-	-	-	-	-	-	-
Fees - Other Services	-	-	-	-	-	-	-	-	-	-
Fees - Professional Services	-	-	-	-	-	-	-	-	-	-
Other Contractual Services	-	-	-	-	-	-	-	-	-	-
<b>Subtotal - Cont. Services - Illegal Gambling Enforcement Fund</b>	<b>-</b>	<b>-</b>								
<b>Subtotal - Cont. Services - Gaming Regulation 03861</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>790,250</b>	<b>1,239,225</b>	<b>1,239,225</b>

**Responsible Gaming Sub-Program - 03862**

	FY16 Actual	FY17 Actual	FY18 Actual	FY19 Actual	FY20 Actual	FY21 Actual	FY22 Actual	FY23 Actual	FY24 Estimate	FY25 Estimate
Expanded Lottery Act Regulation Fund - 2535	-	-	-	-	-	-	-	-	-	-
<b>Subtotal - Cont. Services - ELARF</b>	<b>-</b>	<b>-</b>								
<b>Gaming Background Investigations Fund</b>	<b>-</b>	<b>-</b>								
<b>Subtotal - Cont. Services - Gaming Background Invest Fund</b>	<b>-</b>	<b>-</b>								
<b>Illegal Gambling Enforcement Fund - 2734</b>	<b>-</b>	<b>-</b>								
<b>Subtotal - Cont. Services - Illegal Gambling Enforcement Fund</b>	<b>-</b>	<b>-</b>								
<b>Subtotal Cont. Services - Responsible Gambling 03862</b>	<b>-</b>	<b>-</b>								

**Illegal Gaming Sub-Program - 03863**

	FY16 Actual	FY17 Actual	FY18 Actual	FY19 Actual	FY20 Actual	FY21 Actual	FY22 Actual	FY23 Actual	FY24 Estimate	FY25 Estimate
Expanded Lottery Act Reg Fund - 2535	-	-	-	-	-	-	-	-	-	-
Communication	-	-	-	-	-	-	-	-	-	-
Freight & Express	-	-	-	-	-	-	-	-	-	-
Printing & Advertising	-	-	-	-	-	-	-	-	-	-
Rents	-	-	-	-	200	-	-	-	-	-
Repairing & Servicing	-	-	-	-	-	47	-	92	-	-
Travel & Subsistence	-	150	198	477	1,194	1,421	3,665	25,000	25,000	25,000
Fees - Other Services	-	-	15	-	-	-	550	20,000	20,000	20,000
Fees - Professional Services	-	-	-	-	-	-	-	50,000	50,000	50,000
Other Contractual Services	-	-	-	-	-	-	-	-	-	-
<b>Subtotal - Cont. Services - ELARF</b>	<b>-</b>	<b>150</b>	<b>213</b>	<b>677</b>	<b>1,241</b>	<b>1,421</b>	<b>4,307</b>	<b>115,000</b>	<b>115,000</b>	<b>115,000</b>

**Illegal Gambling Enforcement Fund - 2734**

	FY16 Actual	FY17 Actual	FY18 Actual	FY19 Actual	FY20 Actual	FY21 Actual	FY22 Actual	FY23 Actual	FY24 Estimate	FY25 Estimate
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	-	292	-	-	-	-	-	-	-	-
Other Contractual Services	1,367	107	-	221	116	70	-	362	3,000	3,000
<b>Subtotal - Cont. Services - Illegal Gambling Enforcement Fund</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>362</b>	<b>3,000</b>	<b>3,000</b>
<b>Subtotal - Cont. Services - Illegal Gaming 03863</b>	<b>1,659</b>	<b>1,011</b>	<b>765</b>	<b>2,025</b>	<b>1,643</b>	<b>1,311</b>	<b>1,421</b>	<b>4,669</b>	<b>118,000</b>	<b>118,000</b>

Total Contractual Services - Expanded Gaming Regulation Program	701,334	810,041	807,055	807,812	804,735	684,141	777,908	794,919	1,357,225	1,357,225
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**Prior Year - FY 2023**  
 The majority of contractual expenditures for FY23 are for the regulation of the four lottery gaming facilities currently operating. Expenses for central administration primarily consist of rent and monument charge (\$215,000), and database fees related to background investigations (\$170,000).

**Current Year - FY 2024**  
 FY24 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.

**Enhancement - FY 2024**  
 There are no contractual service enhancements for the Kansas Racing and Gaming Commission in the budget year.

**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 2025**

The FY 2025 budget year reflects costs for the ongoing expanded gaming regulation of the four operational lottery gaming facilities and are consistent with the approved FY 2024 contractual services budget.  
NOTE: The KRGC requests to continue the Hospitality Fund in the amount of \$1,500.

**Enhancement - FY 2025**

There are no contractual service enhancements for the Kansas Racing and Gaming Commission in the FY 2025 budget.

NARRATIVE INFORMATION -- DA 400										AGENCY NAME		Kansas Racing and Gaming Commission					
										AGENCY NUMBER		553					
										PROGRAM TITLE AND CODE		Expanded Gaming Regulation - 03800					
STATE OF KANSAS																	
EXPANDED GAMING REGULATION PROGRAM																	
<b>Commodities</b>																	
<b>Commodities by Sub-Program</b>																	
<i>Gaming Regulation Sub-Program - 03861</i>																	
Expanded Lottery Act Reg Fund - 2535																	
Clothing	2,952	1,550	13	3,928	11,131	647	-	210	-	-	-	-	-				
Food	155	16	55	32	514	-	59	72	-	-	-	-	-				
Maintenance Materials, Supplies, Parts	1,992	3,395	8,215	3,891	7,694	-	553	7,784	3,915	4,100	4,100	-	-				
Motor Vehicle Parts, Supplies	6,476	9,356	7,453	10,967	-	8,352	11,567	12,559	28,055	28,055	-	-	-				
Professional & Scientific Supplies	1,005	421	4,061	793	3,535	3,908	2,883	1,101	25,860	25,860	-	-	-				
Stationary & Office Supplies	22,996	48,872	10,933	21,312	13,828	9,986	10,892	16,437	84,555	84,555	-	-	-				
Other Supplies, Materials, Parts	33,658	43,710	34,087	24,036	9,671	4,581	27,401	28,485	4,300	4,300	-	-	-				
<i>Subtotal - Commodities - ELARF</i>	<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>62,779</b>	<b>146,870</b>	<b>146,870</b>							
Gaming Background Investigations Fund - 2682																	
Maintenance Materials, Supplies, Parts	-	-	-	-	-	-	-	-	-	-	-	-	-				
Motor Vehicle Parts, Supplies	601	201	249	504	-	-	164	-	1,700	1,700	-	-	-				
Professional & Scientific Supplies	-	-	-	-	139	-	-	-	-	-	-	-	-				
Stationary & Office Supplies	-	-	-	-	-	-	-	-	-	-	-	-	-				
Other Supplies and Materials	-	45	-	-	-	-	-	-	-	-	-	-	-				
<i>Subtotal - Commodities - Gaming Background Investigations Fund</i>	<b>601</b>	<b>246</b>	<b>249</b>	<b>504</b>	<b>139</b>	<b>-</b>	<b>164</b>	<b>-</b>	<b>1,700</b>	<b>1,700</b>							
Illegal Gambling Enforcement Fund - 2734																	
<i>Subtotal - Commodities - 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 - Commodities - Gaming Regulation</i>	<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>62,779</b>	<b>148,570</b>	<b>148,570</b>							
<b>Responsible Gaming Sub-Program - 03862</b>																	
Expanded Lottery Act Regulation Fund - 2535																	
<i>Subtotal - Commodities - ELARF</i>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>							
Gaming Background Investigations Fund																	
<i>Subtotal - Commodities - Gaming Background Investigations Fund</i>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>							
Illegal Gambling Enforcement Fund - 2734																	
<i>Subtotal - Commodities - 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 Commodities - 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>																	
Expanded Lottery Act Regulation Fund - 2535																	
Food	-	-	-	-	-	-	-	-	179	-	-	-	-				
Maintenance Materials, Supplies, Parts	-	-	-	-	-	-	-	-	-	-	-	-	-				
Motor Vehicle Parts, Supplies	434	-	639	371	297	613	350	1,349	1,200	1,200	-	-	-				
Professional & Scientific Supplies	-	574	-	-	-	-	918	-	20,000	20,000	-	-	-				
Stationary & Office Supplies	-	-	-	-	-	-	-	-	10,000	10,000	-	-	-				
Other Supplies and Materials	-	-	136	-	207	-	326	-	-	-	-	-	-				
<i>Subtotal - Commodities - ELARF</i>	<b>434</b>	<b>574</b>	<b>775</b>	<b>371</b>	<b>504</b>	<b>613</b>	<b>1,594</b>	<b>1,528</b>	<b>31,200</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	-	-	91	-	-	-	-	-				
Other Supplies and Materials	1,425	-	-	16	-	-	-	-	-	-	-	-	-				
<i>Subtotal - Commodities - Illegal Gambling Enforcement Fund</i>	<b>2,249</b>	<b>725</b>	<b>722</b>	<b>661</b>	<b>478</b>	<b>-</b>	<b>-</b>	<b>91</b>	<b>-</b>	<b>-</b>							
<i>Subtotal - Commodities- Illegal Gambling - 03863</i>	<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>1,619</b>	<b>31,200</b>	<b>31,200</b>							
<i>Total Commodities - Expanded Gaming Regulation Program</i>	<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>64,398</b>	<b>179,770</b>	<b>179,770</b>							
<b>Prior Year - FY 2023</b>																	
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.																	
<b>Current Year - FY 2024</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 KRGCC offices and is unchanged from the FY 2024 approved budget.																	
<b>Enhancement - FY 2024</b>																	
There are no commodity enhancements for the Kansas Racing and Gaming Commission 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	Expanded Gaming Regulation - 03800
SUBPROGRAM TITLE AND CODE	

**EXPANDED GAMING REGULATION PROGRAM****Commodities (Continued)****Budget Year - FY 2025**

The FY 2025 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 are consistent with the approved FY 2024 budget.

**Enhancement - FY 2025**

There are no commodity enhancements for the Kansas Racing and Gaming Commission 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  
Expanded Gaming Regulation - 03800  
SUBPROGRAM TITLE AND CODE

### EXPANDED GAMING REGULATION PROGRAM

#### Capital Outlay

#### Capital Outlay by Sub-Program

	FY16 Actual	FY17 Actual	FY18 Actual	FY19 Actual	FY20 Actual	FY21 Actual	FY22 Actual	FY23 Actual	FY24 Estimate	FY25 Estimate
<b>Gaming Regulation Sub-Program - 03861</b>										
Expanded Lottery Act Reg Fund - 2535										
Passenger Cars	25,690	65,591	53,246	-	53,240	-	-	-	-	-
Equipment, Machinery, Furniture and Fixtures	15,030	13,058	33,086	5,101	3,428	-	3,679	10,487	5,500	5,500
Professional and Scientific Equipment	126	19,643	-	239	311	292	709	1,797	-	-
Books and Library Materials	-	205	83	-	-	-	-	150	-	-
Microcomputer Systems and Support Equipment	25,253	17,513	17,990	30,427	-	-	21,650	92,700	85,300	85,300
Information Processing Equipment	4,562	12,704	8,773	525	44,593	15,190	66,653	40,302	15,000	15,000
Computer Systems, Info Processing or Micro Software	990	42,668	8,318	18,501	-	60,796	38,722	36,179	49,500	49,500
Telecommunications/ Data Facilities	-	1,954	1,749	-	-	-	-	-	-	-
Building Improvements Non Cap						9,450	-	-	915	-
<i>Subtotal - Capital Outlay - ELARF</i>	<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>182,530</b>	<b>155,300</b>	<b>155,300</b>
<b>Gaming Background Investigations Fund - 2682</b>										
<i>Subtotal - Capital Outlay - Gaming Background Investigations Fund</i>	-	-	-	-	-	-	-	-	-	-
<i>Subtotal - Capital Outlay - 03861</i>	<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>182,530</b>	<b>155,300</b>	<b>155,300</b>
<b>Responsible Gaming Sub-Program - 03862</b>										
Expanded Lottery Act Reg Fund - 2535	-	-	-	-	-	-	-	-	-	-
<i>Subtotal - Capital Outlay - ELARF</i>	-	-	-	-	-	-	-	-	-	-
<b>Gaming Background Investigations Fund - 2682</b>										
<i>Subtotal - Capital Outlay - Gaming Background Investigations Fund</i>	-	-	-	-	-	-	-	-	-	-
<i>Subtotal Capital Outlay - 03862</i>	-	-	-	-	-	-	-	-	-	-
<b>Illegal Gaming Sub-Program - 03863</b>										
Expanded Lottery Act Reg Fund - 2535										
Professional and Scientific Equipment	-	-	-	-	-	-	-	-	5,000	5,000
Information Processing Equipment	-	722	42	-	76	259	-	-	-	-
Equipment, Machinery, Furniture and Fixtures	498	-	-	-	-	-	-	-	-	-
<i>Subtotal - Capital Outlay - ELARF</i>	<b>498</b>	<b>722</b>	<b>42</b>	<b>-</b>	<b>76</b>	<b>259</b>	<b>-</b>	<b>-</b>	<b>5,000</b>	<b>5,000</b>
<b>Illegal Gambling Enforcement Fund - 2734</b>										
<i>Subtotal - Capital Outlay - Illegal Gambling Fund</i>	-	-	-	-	2,405	-	-	61,333	-	-
<i>Subtotal Capital Outlay - 03863</i>	<b>498</b>	<b>722</b>	<b>42</b>	<b>-</b>	<b>2,481</b>	<b>259</b>	<b>-</b>	<b>61,333</b>	<b>5,000</b>	<b>5,000</b>
<b>Total Capital Outlay - Expanded Gaming Regulation Program</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>243,863</b>	<b>160,300</b>	<b>160,300</b>

#### Prior Year - FY2023

The FY23 expenses for capital outlay include replacement of older computer workstations and related software, replacement of servers, replacement of firewalls, and updated security protocols. Capital outlay purchases also included the renewal of licensing software.

#### Current Year - FY 2024

The FY24 budget year reflects continued costs associated with the regulation of gaming for the Topeka office and the KRG 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.

#### Enhancement - FY 2024

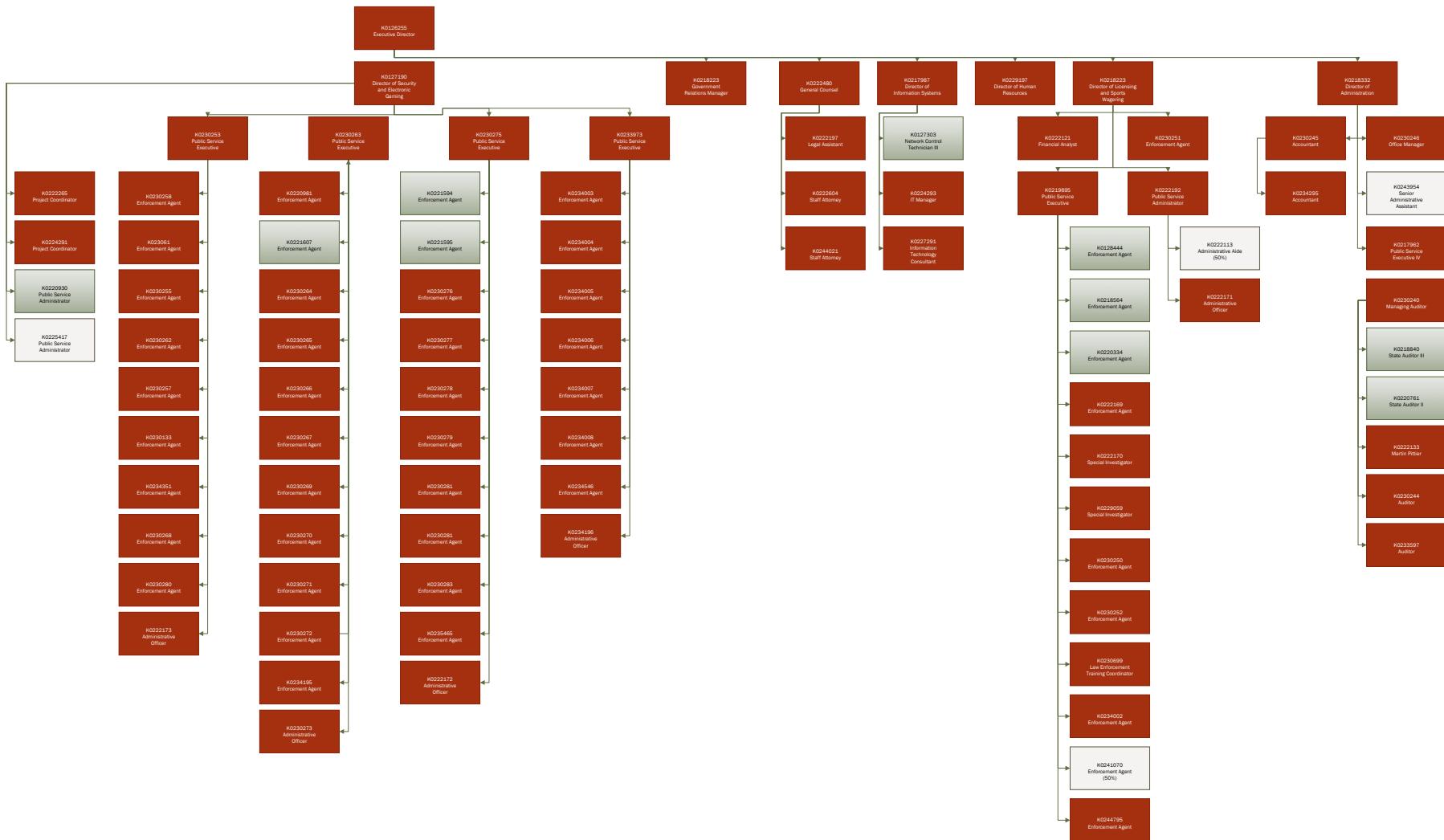
There are no capital outlay enhancements for the Kansas Racing and Gaming Commission in the budget year.

#### Budget Year - FY 2025

The FY25 budget year reflects continued costs associated with the regulation of gaming for the Topeka office and the KRG 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 and are consistent with the FY24 capital outlay budget.

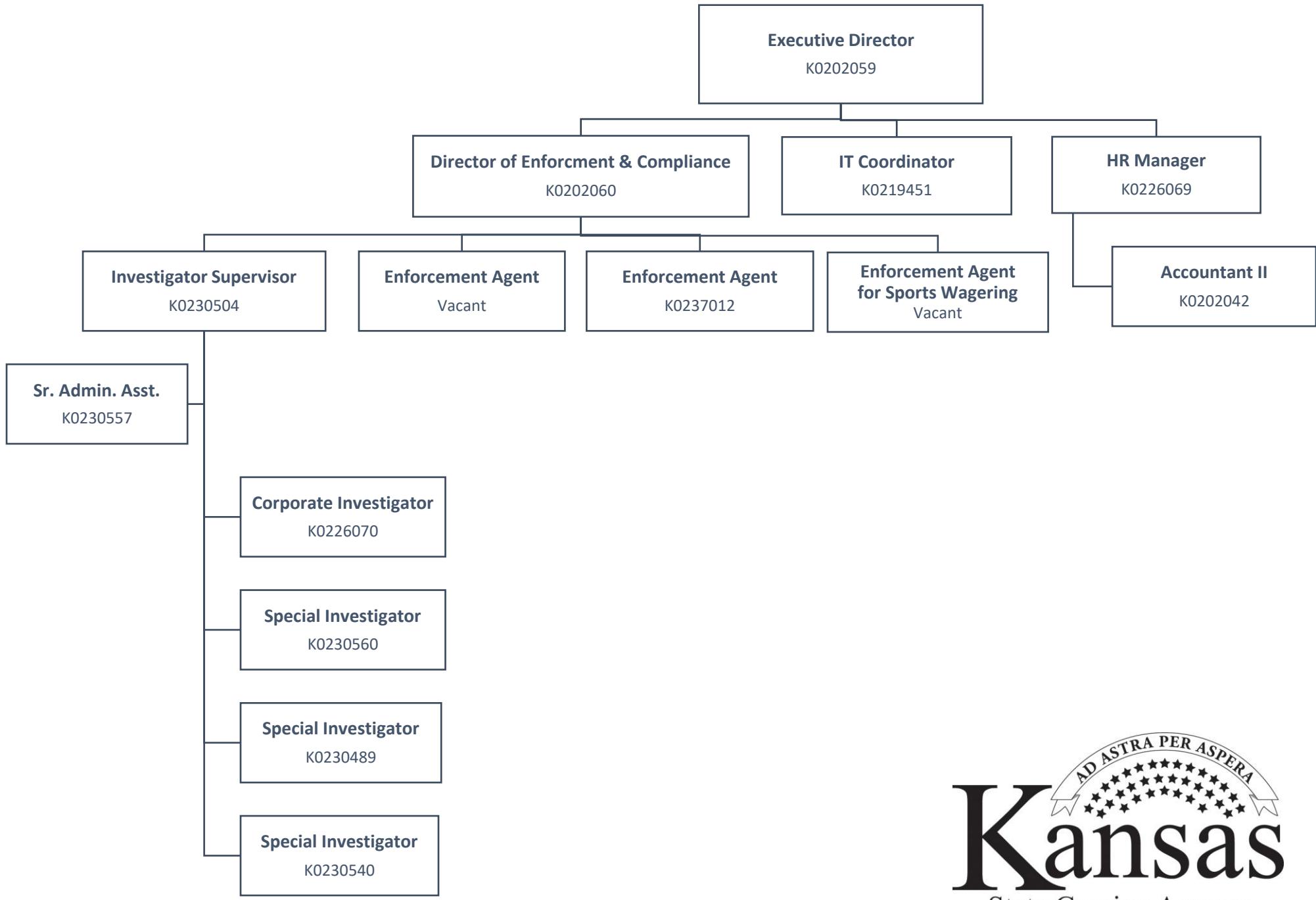
#### Enhancement - FY 2025

There are no capital outlay enhancements for the Kansas Racing and Gaming Commission in the budget year.



## Legend





**Kansas Racing and Gaming Commission**  
 Summary of Expenditures FY 2021 and FY 2022--- Expanded Gaming Program and Parimutuel Program

	FY 2023 Actual	FY 2024 Approved	FY 2024 Revised	Change from FY 2024 Approved	% Change from Approved	FY 2024 Approved	FY 2025 Request	Change from	% Change from Approved
Salaries and Wages		8,076,496	8,707,325	630,829	7.81	8,076,496	9,091,051	1,014,555	12.56
Less Shrinkage		(605,737)	(653,049)	(47,312)	(7.81)	(605,737)	(681,829)	(76,092)	(12.56)
<b>Net Salaries and Wages</b>	<b>6,453,449</b>	<b>7,470,759</b>	<b>8,054,276</b>	<b>583,517</b>	<b>7.81</b>	<b>7,470,759</b>	<b>8,409,222</b>	<b>938,463</b>	<b>12.56</b>
<b>Other Operating</b>									
Contractual Services	813,337	1,358,225	1,518,225	160,000	11.78	1,358,225	1,678,225	320,000	23.56
Commodities	64,506	179,770	207,370	27,600	15.35	179,770	215,370	35,600	19.80
Capital Outlay	244,602	160,300	310,300	150,000	0.94	160,300	210,300	50,000	0.31
<b>Subtotal Other Operating</b>	<b>1,122,445</b>	<b>1,698,295</b>	<b>2,035,895</b>	<b>337,600</b>	<b>19.88</b>	<b>1,698,295</b>	<b>2,103,895</b>	<b>405,600</b>	<b>23.88</b>
VRIP and Interest on PMIB	-	-	-	-	-	-	-	-	-
<b>Total Reportable Expense</b>	<b>7,575,894</b>	<b>9,169,054</b>	<b>10,090,171</b>	<b>921,117</b>	<b>10.05</b>	<b>9,169,054</b>	<b>10,513,117</b>	<b>1,344,063</b>	<b>14.66</b>
<b>Non-Reportable Expense:</b>									
Petty Cash Advance	-	-	-	-	-	-	-	-	-
<b>Grand Total Reportable and Non Reportable</b>	<b>7,575,894</b>	<b>9,169,054</b>	<b>10,090,171</b>	<b>921,117</b>	<b>10.05</b>	<b>9,169,054</b>	<b>10,513,117</b>	<b>1,344,063</b>	<b>14.66</b>

### Fund Status Summary

FY 2022 - FY 2025

	FY 2022 Ending Balance	FY 2023 Revenues Actual	FY 2023 Expend Actual	FY 2023 Ending Balance	FY 2024 Revenues Projection	FY 2024 Expend Projection	FY 2024 Ending Balance	FY 2025 Revenues Projection	FY 2025 Expend Projection	FY 2025 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	66,510	125,000	(53,342)	138,168	1,301,000	(925,122)	514,046	1,601,000	(1,363,881)	751,165
<b>Subtotal</b>	<b>118,423</b>	<b>125,000</b>	<b>(53,342)</b>	<b>190,081</b>	<b>1,301,000</b>	<b>(925,122)</b>	<b>565,959</b>	<b>1,601,000</b>	<b>(1,363,881)</b>	<b>803,078</b>
<b>Gaming Funds</b>										
2535 - Expanded Lottery Act Regulation (Gaming) Fund	3,970,163	7,323,054	(7,121,044)	4,172,173	7,100,000	(8,802,725)	2,469,448	8,425,000	(8,787,596)	2,106,852
2682 - Gaming Background Investigations Fund	179,051	426,736	(339,722)	266,065	400,000	(358,124)	307,941	375,000	(357,440)	325,501
2734- Illegal Gaming Enforcement Fund	121,184	15,084	(61,786)	74,482	5,000	(4,200)	75,282	5,000	(4,200)	76,082
2998- Gaming Machine Examination Fund	-	-	-	-	-	-	-	-	-	-
<b>Subtotal</b>	<b>4,270,398</b>	<b>7,764,874</b>	<b>(7,522,552)</b>	<b>4,512,720</b>	<b>7,505,000</b>	<b>(9,165,048)</b>	<b>2,852,672</b>	<b>8,805,000</b>	<b>(9,149,237)</b>	<b>2,508,435</b>
<b>Total Funds</b>	<b>4,388,821</b>	<b>7,889,874</b>	<b>(7,575,894)</b>	<b>4,702,801</b>	<b>8,806,000</b>	<b>(10,090,171)</b>	<b>3,418,630</b>	<b>10,406,000</b>	<b>(10,513,117)</b>	<b>3,311,513</b>

**Kansas Racing and Gaming Commission**

FTE Summary

FY 2019 - FY 2025

	FY 2019 Actual	FY 2014 Approved	FY 2014 Revised	FY 2020 Actual	FY 2014 Approved	FY 2014 Revised	FY 2021 Actual	FY 2022 Approved	FY 2022 Revised	FY 2022 Actual	FY 2023 Approved	FY 2023 Revised	FY 2023 Actual	FY 2024 Approved	FY 2024 Revised	FY 2025 Requested
<b>Central Office</b>																
Executive	7.0	7.0	6.0	6.0	7.0	6.0	5.0	7.0	7.0	6.0	10.0	11.0	7.0	10.0	11.0	11.0
Administration and Audit	7.0	9.0	8.0	7.0	9.0	8.0	7.0	11.0	11.0	7.0	11.0	12.0	8.0	11.0	12.0	12.0
Animal Health	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IT and Electronic Security	7.0	5.0	6.0	7.0	5.0	6.0	6.0	8.0	8.0	6.0	8.0	8.0	6.0	8.0	8.0	8.0
Racing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Security & Licensing <sup>1</sup>	11.0	15.0	14.0	13.0	15.0	14.0	12.5	15.5	14.5	12.5	17.5	18.5	16.0	17.5	18.5	18.5
<i>Subtotal - Central Office</i>	<i>32.0</i>	<i>36.0</i>	<i>34.0</i>	<i>33.0</i>	<i>36.0</i>	<i>34.0</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>37.0</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	10.0
Woodlands (Kansas City)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Boot Hill (Dodge City)	7.0	8.5	8.5	5.0	8.5	8.5	9.0	9.0	10.0	8.0	10.0	10.0	10.0	10.0	10.0	10.0
Sumner Co. Gaming Facility	13.0	13.0	13.0	14.0	13.0	13.0	11.0	13.0	13.0	11.0	13.0	13.0	12.0	13.0	13.0	13.0
Hollywood (WY Co.)	11.0	13.0	13.0	11.0	13.0	13.0	11.0	13.0	13.0	13.0	13.0	13.0	11.0	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>40.0</i>	<i>34.5</i>	<i>34.5</i>	<i>39.0</i>	<i>34.5</i>	<i>34.5</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>42.0</i>	<i>46.0</i>	<i>56.0</i>	<i>56.0</i>
<b>Total</b>	<b>72.0</b>	<b>70.5</b>	<b>68.5</b>	<b>72.0</b>	<b>70.5</b>	<b>68.5</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>79.0</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 2023 - FY 2025

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

	A	B	C	D	E	F	G	I	J
	FY 2023	FY 2023	Difference	FY 2024	Revisions	Revised	FY 2024	Approved	Submitted
	Actual	Budget		Approved Budget	to FY 2024	FY 2024 Budget	Base Budget	FY 2024 to FY 2025	FY 2025 Budget
<b>Receipts</b>									
PMIB Loan Proceeds	-	-	-	-	-	-	-	-	-
LGFRB Applicant Reimbursement	-	-	-	-	-	-	-	-	-
SU Start-up Reimbursement	-	-	-	-	-	-	-	-	-
BHRC Start-up Reimb.	-	-	-	-	-	-	-	-	-
WY (Hollywood) Ops Reimbursement	2,315,520	1,831,000	484,520	2,490,000	(504,000)	1,986,000	2,490,000	(130,000)	2,360,000
SU (KC Star) Ops Reimbursment	2,281,907	1,874,000	407,907	2,260,000	(216,000)	2,044,000	2,260,000	180,000	2,440,000
BHRC Ops Reimbursment	1,392,363	1,158,000	234,363	1,440,000	(109,000)	1,331,000	1,440,000	345,000	1,785,000
Facility Mgr Background Deposits	-	-	-	-	-	-	-	-	-
SE (Southeast) Ops Reimbursement	1,332,257	1,159,000	173,257	1,560,000	(196,000)	1,364,000	1,560,000	280,000	1,840,000
Vendor Background Fees	-	-	-	-	-	-	-	-	-
Miscellaneous Revenue	1,007	-	1,007	-	-	-	-	-	-
Transfer In	-	-	-	-	-	-	-	-	-
Transfer Out	-	-	-	375,000	-	375,000	-	-	-
<b>Total Receipts</b>	<b>7,323,054</b>	<b>6,022,000</b>	<b>1,301,054</b>	<b>8,125,000</b>	<b>(1,025,000)</b>	<b>7,100,000</b>	<b>7,750,000</b>	<b>675,000</b>	<b>8,425,000</b>
<b>Total Expenses</b>	<b>7,121,044</b>	<b>8,430,401</b>	<b>(1,856,562)</b>	<b>8,802,725</b>	<b>-</b>	<b>8,802,725</b>	<b>8,802,725</b>	<b>(15,128)</b>	<b>8,787,596</b>

**Kansas Racing and Gaming Commission**

Budget Worksheet - Expenditures

FY 2023 - FY 2025

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

	A	B	C	FY 2024 Approved Budget	Revisions to FY 2024	Revised FY 2024 Budget	G	Changes from		
								FY 2024 Base Budget	Revised FY 2024 to FY 2025	Submitted FY 2025 Budget
									I	J
Salaries	510	6,087,534	7,321,461	(1,233,927)	7,726,032	-	7,726,032	7,726,032	(14,507)	7,709,677
Shrinkage	519	-	(547,205)	69,902	(579,452)	-	(579,452)	(579,452)	1,227	(578,226)
Contractual Services										
Communication	520	66,333	95,200	(28,867)	105,200	-	105,200	105,200	-	105,200
Freight & express	521	3,378	1,300	2,078	1,300	-	1,300	1,300	-	1,300
Printing & advertising	522	1,489	1,450	39	1,450	-	1,450	1,450	-	1,450
Rents	523	230,156	250,650	(20,494)	260,650	-	260,650	260,650	-	260,650
Repairing & servicing	524	18,367	55,708	(37,341)	55,708	-	55,708	55,708	-	55,708
Travel & subsistence	525	83,104	166,634	(83,530)	176,634	-	176,634	176,634	-	176,634
Fees-other services	526	365,373	341,940	23,433	366,940	-	366,940	366,940	-	366,940
Fees-professional services	527	7,774	332,050	(324,276)	332,050	-	332,050	332,050	-	332,050
Other contractual services	529	10,699	19,043	(8,344)	19,043	-	19,043	19,043	-	19,043
Total contractual services		786,673	1,263,975	(477,302)	1,318,975	-	1,318,975	1,318,975	-	1,318,975
Commodities										
Clothing	530	210	-	210	-	-	-	-	-	-
Food	532	251	-	251	-	-	-	-	-	-
Maintenance materials	534	3,915	4,100	(185)	4,100	-	4,100	4,100	-	4,100
Vehicle parts, supplies	535	13,908	28,055	(14,147)	28,055	-	28,055	28,055	-	28,055
Prof. & scientific supplies	536	1,101	35,860	(34,759)	45,860	-	45,860	45,860	-	45,860
Office supplies	537	16,437	84,055	(67,618)	94,055	-	94,055	94,055	-	94,055
Other supplies & materials	539	28,485	4,800	23,685	4,800	-	4,800	4,800	-	4,800
Total commodities		64,307	156,870	(92,563)	176,870	-	176,870	176,870	-	176,870
Capital outlay	54	182,530	235,300	(52,770)	160,300	-	160,300	160,300	-	160,300
Other										
Voluntary Retirement		-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-
Principal		-	-	-	-	-	-	-	-	-
Subtotal		-	-	-	-	-	-	-	-	-
Total Expenditures		7,121,044	8,430,401	(1,786,660)	8,802,725	-	8,802,725	8,802,725	(14,507)	8,787,596

**Kansas Racing and Gaming Commission**

Budget Worksheet - Receipts  
FY 2023 - FY 2025

**2682 - Gaming Background Investigations Fund**

	A	B	C	D	E	F	G	I	J
	FY 2023 Actual	FY 2023 Budget	Difference	FY 2024 Approved Budget	Revisions to FY 2024	Revised FY 2024 Budget	FY 2024 Base Budget	Changes from Approved FY 2024 to FY 2025	Submitted FY 2025 Budget
<b>Receipts</b>									
Vendor Background Deposits	426,736	400,000	26,736	350,000	50,000	400,000	350,000	(25,000)	375,000
Miscellaneous revenues	-	-	-	-	-	-	-	-	-
State General Fund	-	-	-	-	-	-	-	-	-
Transfer Out	-	-	-	-	-	-	-	-	-
<b>Total Receipts</b>	<b>426,736</b>	<b>400,000</b>	<b>26,736</b>	<b>350,000</b>	<b>50,000</b>	<b>400,000</b>	<b>350,000</b>	<b>(25,000)</b>	<b>375,000</b>
<b>Total Expenses</b>									
	339,722	350,489	(36,185)	358,124	-	358,124	358,124	(684)	357,440

**Kansas Racing and Gaming Commission**

Budget Worksheet - Expenditures

FY 2023 - FY 2025

**2682 - Gaming Background Investigations Fund**

	A	B	C	D			G	I	J			
				FY 2024 Approved Budget	Revisions to FY 2024	Revised FY 2024 Budget						
Salaries	51	331,837	338,903	(7,066)	347,215	-	347,215	347,215	(739)	346,476		
Shrinkage	519		(25,418)		(26,041)	-	(26,041)	(26,041)	55	(25,986)		
Contractual Services												
Communication	520	-	-	-	-	-	-	-	-	-		
Freight & express	521	-	-	-	-	-	-	-	-	-		
Printing & advertising	522	-	-	-	-	-	-	-	-	-		
Rents	523	-	-	-	-	-	-	-	-	-		
Repairing & servicing	524	-	-	-	-	-	-	-	-	-		
Travel & subsistence	525	7,885	35,250	(27,365)	35,250	-	35,250	35,250	-	35,250		
Fees-other services	526	-	-	-	-	-	-	-	-	-		
Fees-professional services	527	-	-	-	-	-	-	-	-	-		
Other contractual services	529	-	-	-	-	-	-	-	-	-		
Total contractual services		7,885	35,250	(27,365)	35,250	-	35,250	35,250	-	35,250		
Commodities												
Clothing	530	-	-	-	-	-	-	-	-	-		
Food	532	-	-	-	-	-	-	-	-	-		
Maintenance materials	534	-	-	-	-	-	-	-	-	-		
Vehicle parts, supplies	535	-	1,700	(1,700)	1,700	-	1,700	1,700	-	1,700		
Prof. & scientific supplies	536	-	-	-	-	-	-	-	-	-		
Office supplies	537	-	-	-	-	-	-	-	-	-		
Other supplies & materials	539	-	-	-	-	-	-	-	-	-		
Total commodities		-	1,700	(1,700)	1,700	-	1,700	1,700	-	1,700		
Capital outlay	54	-	54	(54)	-	-	-	-	-	-		
Total Expenditures		339,722	350,489	(36,185)	358,124	-	358,124	358,124	(684)	357,440		

**Kansas Racing and Gaming Commission**

Budget Worksheet - Receipts

FY 2023 - FY 2025

**2734- Illegal Gaming Enforcement Fund**

	A	B	C	D	E	F	G	I	J
	FY 2023	FY 2023	Difference	FY 2024	Revisions	Revised	FY 2024	Changes from	
	Actual	Budget		Approved Budget	to FY 2024	FY 2024 Budget	Base Budget	Approved to FY 2025	Submitted FY 2025 Budget
<b>Receipts</b>									
Transfer from ELARF									
Seized Assets	15,084	5,000	10,084	5,000	-	5,000	5,000	-	5,000
Miscellaneous Revenues	-	-	-	-	-	-	-	-	-
Fines	-	-	-	-	-	-	-	-	-
State General Fund	-	-	-	-	-	-	-	-	-
Transfer Out	-	-	-	-	-	-	-	-	-
<b>Total Receipts</b>	<b>15,084</b>	<b>5,000</b>	<b>10,084</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 2023 - FY 2025

**2734- Illegal Gaming Enforcement Program**

	A	B	C	D	E	F	G		
							Changes from	I	J
	FY 2023	FY 2023	Difference	FY 2024	Revisions	Revised	FY 2024	Approved	Submitted
	Actual	Budget		Approved	to	FY 2024	Base	FY 2024	FY 2025
				Budget	FY 2024	Budget	Budget	to FY 2025	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	362	3,000	(2,638)	3,000	-	3,000	3,000	-
Petty Cash Fund Advance		-	-	-	-	-	-	-	-
Total contractual services		362	3,000	(2,638)	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	91	-	91	-	-	-	-	-
Other supplies & materials	539	-	-	-	-	-	-	-	-
Total commodities		91	1,200	(1,109)	1,200	-	1,200	1,200	-
Capital outlay	54	61,333	61,333	-	-	-	-	-	-
Total Expenditures		61,786	4,200	57,586	4,200	-	4,200	4,200	-

**Kansas Racing and Gaming Commission**

Budget Worksheet - Receipts

FY 2023 - FY 2025

**5131 - State Racing Fund**

	A	B	C	D	E	F	G	I	J
	FY 2023 Actual	FY 2023 Budget	Difference	FY 2024 Approved Budget	Revisions to FY 2024	Revised FY 2024 Budget	FY 2024 Base Budget	Changes from Approved FY 2024 to FY 2025	Submitted FY 2025 Budget
<b>Receipts</b>									
Parimutuel tax - live	-	-	-	-	-	-	-	-	-
Parimutuel tax - simulcast	-	-	-	-	-	-	-	-	-
Admissions tax	-	-	-	-	-	-	-	-	-
Fees (License, Registration, etc)	125,000	-	125,000	-	1,300,000	1,300,000	-	1,600,000	1,600,000
Fines	-	1,000	(1,000)	1,000	-	1,000	1,000	-	1,000
Unclaimed winnings	-	-	-	-	-	-	-	-	-
Miscellaneous receipts	-	-	-	-	-	-	-	-	-
Operating Transfer out	-	-	-	-	-	-	-	-	-
Transfer In (Racing Funds)	-	-	-	-	-	-	-	-	-
<b>Total Receipts</b>	<b>125,000</b>	<b>1,000</b>	<b>124,000</b>	<b>1,000</b>	<b>1,300,000</b>	<b>1,301,000</b>	<b>1,000</b>	<b>1,600,000</b>	<b>1,601,000</b>

**Kansas Racing and Gaming Commission**

Budget Worksheet - Expenditures

FY 2023 - FY 2025

**5131 - State Racing Fund**

	A	B	C	D	E	F	G	Changes from								
								FY 2023 Actual	FY 2023 Budget	Difference	Approved Budget	Revisions to FY 2024	Revised FY 2024 Budget	FY 2024 Base Budget	Approved FY 2024 to FY 2025	Submitted FY 2025 Budget
Salaries	510	34,078	3,088	30,990	3,249	630,829	634,078							3,249	1,031,649	1,034,898
Shrinkage	519	-	(232)	-	(244)	(47,312)	(47,556)							(244)	(77,374)	(77,617)
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	5,746	-	5,746	-	20,000	20,000							-	40,000	40,000
Fees-other services	526	3,841	-	3,841	-	75,000	75,000							-	150,000	150,000
Fees-professional services	527	8,640	500	8,140	500	50,000	50,500							500	100,000	100,500
Other contractual services	529	190	-	190	-	-	-							-	-	-
Total contractual services		18,417	1,000	17,417	1,000	160,000	161,000							1,000	320,000	321,000
Commodities																
Clothing	530	-	-	-	-	-	-							-	-	-
Food	531	-	-	-	-	-	-							-	-	-
Maintenance materials	534	-	-	-	-	200	200							-	200	200
Vehicle parts, supplies	535	108	-	108	-	-	-							-	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		108	-	108	-	27,600	27,600							-	35,600	35,600
Capital outlay	54	739	-	739	-	150,000	150,000							-	50,000	50,000
Settlement	55															
Total Expenditures		53,342	3,856	49,254	4,005	921,117	925,122							4,005	1,359,875	1,363,881

Kala Loomis, Executive Director

Laura Kelly, Governor

**Meeting:** KRGC September 2023 Meeting

**Agenda Item:** FY 2024-2025 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."

## **FY2024**

The KSGA FY2024 revised budget has overall expenses of approximately \$1.52 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 \$277,061 and \$25,850, 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.

## **FY2025**

The KSGA FY2025 budget is approximately \$1.52 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, \$277,061 and \$25,850, 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 2024 budget and requested FY 2025 budget for the State Gaming Agency.

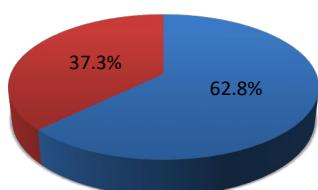
### **STAFF RECOMMENDATIONS:**

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.

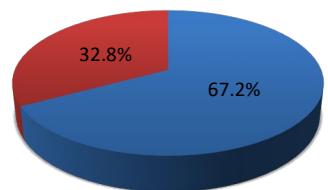
## Voluntary Exclusion Program January 2010 –August 2023

Voluntary Exclusions = 2,969  
Violation Incidents = 420 (371 individuals)

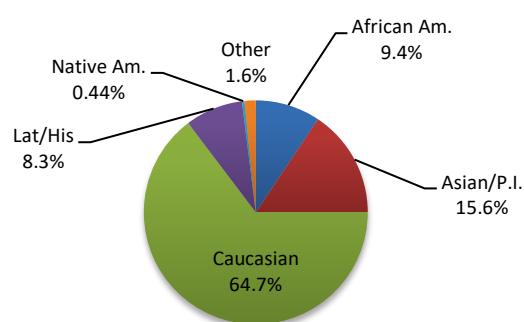
**VEP Gender**



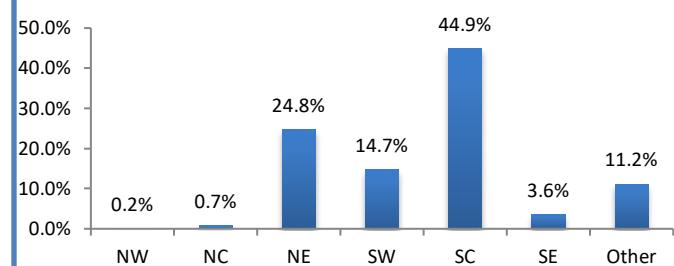
**Exclusion Period**



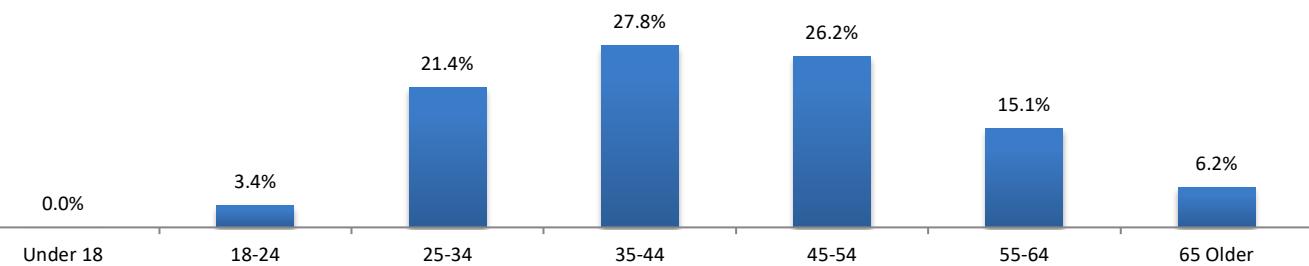
**Ethnicity**



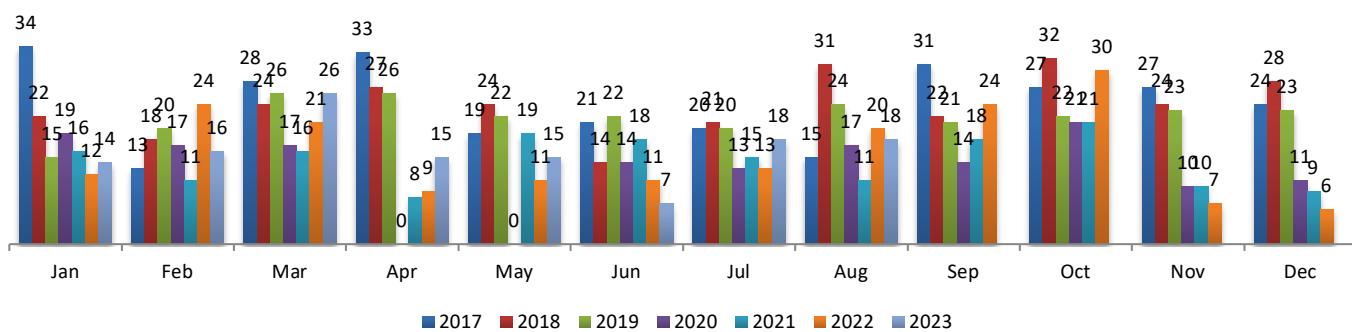
**Lottery Region**



**Age of VEP**

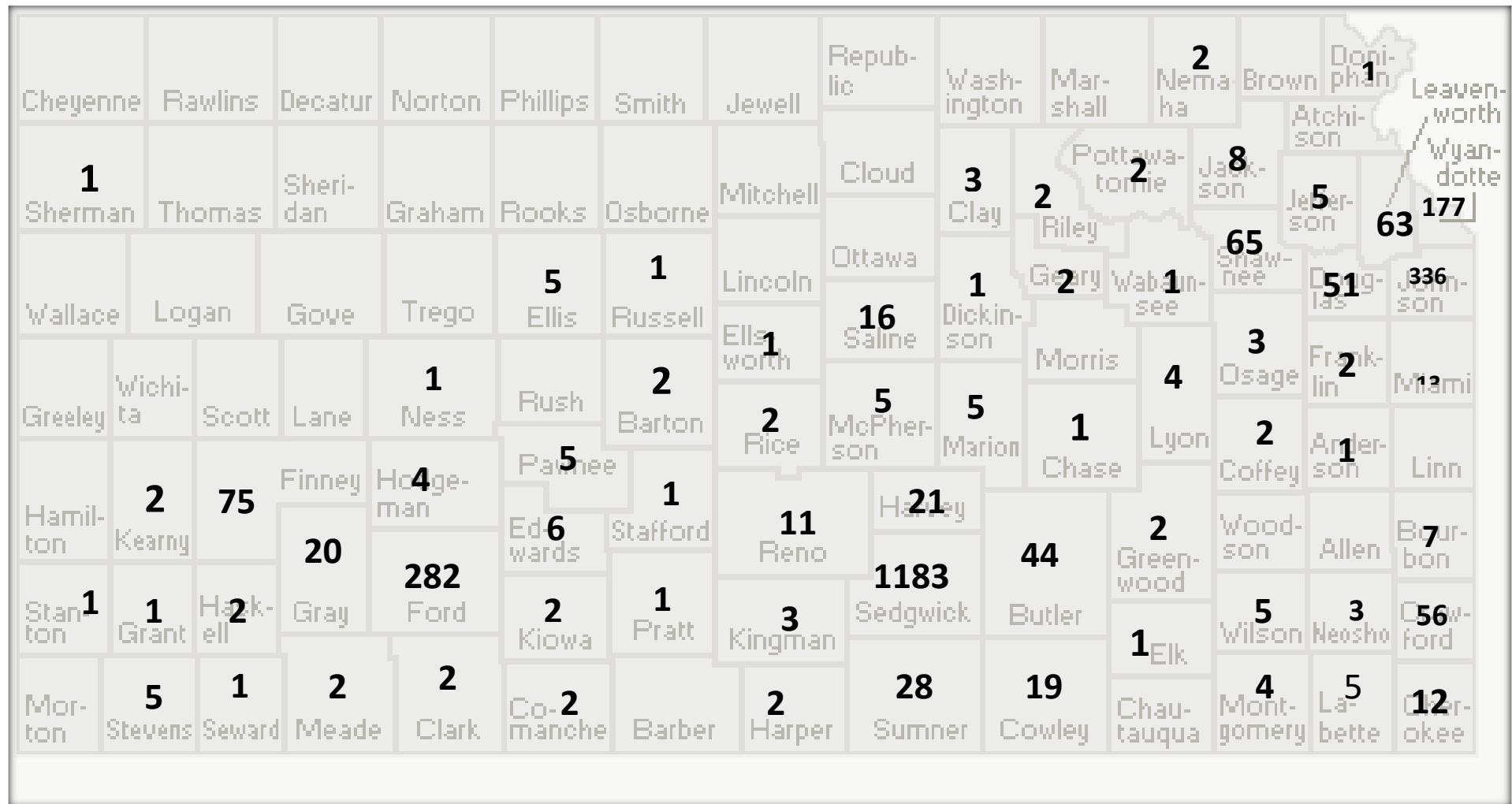


**VEP Enrollments by Year**



## **KRGC Voluntarily Excluded Persons**

### **December 2009 – August 2023**



Colorado – 5  
Iowa – 4  
Kansas-2,626  
Missouri -242  
Nebraska – 6  
Oklahoma – 49  
Other-37

**TOTAL VEPs = 2,969**

08/30/2023

All Departments		Cash Fund Balances as of August 31, 2023														
DeptID		All			ELARF			Backgrounds			Illegal Gambling			Racing		
All Funds		Beg. Balance	4,140,263		Beg. Balance	266,065		Beg. Balance	74,482		Beg. Balance	149,705				
		Revenue	2,173,358		Revenue	32,654		Revenue	-		Revenue	20,000				
		Expenses	1,188,005		Expenses	48,486		Expenses	75		Expenses	88,335				
		End Balance	5,125,615		End Balance	250,233		End Balance	74,407		End Balance	81,370				
Fund		Grand Total														
BudgetUnit		All Funding Sources														
		YTD FY2023 ACTUALS	YTD FY2024 ACTUALS	\$ VARIANCE	% VARIANCE	August FY2023 ACTUALS	August FY2024 ACTUALS	\$ VARIANCE	% VARIANCE	YTD FY2024 BUDGET	YTD FY2024 ACTUALS	\$ VARIANCE	% VARIANCE			
51000	Payroll	957,746	1,068,018	110,272	12%	470,120	527,804	57,684	12%	1,451,221	1,068,018	-383,203	-26%			
10	Shrinkage	0	0	0	0%	0	0	0	0%	-108,842	0	108,842	-100%			
<b>Net Salaries and Wages</b>		<b>957,746</b>	<b>1,068,018</b>	<b>110,272</b>	<b>12%</b>	<b>470,120</b>	<b>527,804</b>	<b>57,684</b>	<b>12%</b>	<b>1,342,379</b>	<b>1,068,018</b>	<b>-274,361</b>	<b>-20%</b>			
52000	Communication	9,679	9,955	275	3%	4,675	5,033	358	8%	18,367	9,955	-8,412	-46%			
52100	Freight and Express	240	282	42	18%	73	195	122	167%	217	282	65	30%			
52200	Printing and Advertising	0	18	18	0%	0	18	18	0%	242	18	-224	-93%			
52300	Rents	54,212	78,705	24,494	45%	54,202	53,953	-248	0%	45,192	78,705	33,514	74%			
52400	Repair/Servicing/Mainten	4,809	5,882	1,073	22%	1,503	695	-808	-54%	9,285	5,882	-3,402	-37%			
52510	InState Travel and Subsistence	5,680	22,788	17,108	301%	3,483	8,015	4,532	130%	38,647	22,788	-15,859	-41%			
52520	Out of State Travel and Subsistence	4,453	5,318	865	19%	4,453	5,318	865	19%	0	5,318	5,318	0%			
52530	International Travel and Subsistence	0	0	0	0%	0	0	0	0%	0	0	0	0%			
52600	Fees-Other Services	48,822	81,122	32,300	66%	29,460	54,646	25,186	85%	73,657	81,122	7,465	10%			
52700	Fee-Professional Services	1,185	685	-500	-42%	1,140	360	-780	-68%	63,758	685	-63,073	-99%			
52900	Other Contractual Services	3,707	3,782	75	2%	3,707	3,707	0	0%	3,674	3,782	108	3%			
<b>Subtotal Contractual Services</b>		<b>132,786</b>	<b>208,537</b>	<b>75,751</b>	<b>57%</b>	<b>102,695</b>	<b>131,940</b>	<b>29,245</b>	<b>28%</b>	<b>253,038</b>	<b>208,537</b>	<b>-44,500</b>	<b>-18%</b>			
53200	Food for Human Consumption	11	2,854	2,843	25967%	11	0	-11	-100%	0	2,854	2,854	0%			
53400	Maint Constr Material Supply	0	5	5	0%	0	0	0	0%	717	5	-712	-99%			
53500	Vehicle Part Supply Accessory	2,064	1,069	-995	-48%	596	747	151	25%	5,159	1,069	-4,091	-79%			
53600	Pro Science Supply Material	44	1,269	1,225	2774%	0	1,199	1,199	0%	9,977	1,269	-8,707	-87%			
53700	Office and Data Supplies	1,988	7,043	5,055	254%	1,489	4,013	2,524	170%	17,676	7,043	-10,633	-60%			
53900	Other Supplies and Materials	603	712	109	18%	394	351	-43	-11%	1,033	712	-321	-31%			
<b>Subtotal Commodities</b>		<b>4,710</b>	<b>12,953</b>	<b>8,243</b>	<b>175%</b>	<b>2,489</b>	<b>6,309</b>	<b>3,819</b>	<b>153%</b>	<b>34,562</b>	<b>12,953</b>	<b>-21,609</b>	<b>-63%</b>			
54000	<b>TOTAL Capital Outlay</b>	<b>122,946</b>	<b>35,393</b>	<b>-87,553</b>	<b>-71%</b>	<b>17,249</b>	<b>28,701</b>	<b>11,453</b>	<b>66%</b>	<b>51,717</b>	<b>35,393</b>	<b>-16,324</b>	<b>-32%</b>			
55960	Vol Retirement Incentive	0	0	0	0%	0	0	0	0%	0	0	0	0%			
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>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0%</b>			
<b>Grand Total</b>		<b>1,218,188</b>	<b>1,324,901</b>	<b>106,713</b>	<b>9%</b>	<b>592,553</b>	<b>694,754</b>	<b>102,201</b>	<b>17%</b>	<b>1,681,695</b>	<b>1,324,901</b>	<b>-356,794</b>	<b>-21%</b>			

# September 2023 - August 2024

## Kansas Racing and Gaming Commission Planner

Sep 2023						
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	31				

### SEPTEMBER

8 Commission Meeting

### OCTOBER

13 Commission Meeting

### NOVEMBER

17 Commission Meeting

### DECEMBER

15 Commission Meeting

### JANUARY

12 Commission Meeting

### FEBRUARY

Oct 2023						
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	31				

Mar 2024						
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
24	25	26	27	28	29	30
31						

Apr 2024						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

Nov 2023						
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	31				

### MARCH

16 Commission Meeting

### APRIL

12 Commission Meeting

### MAY

17 Commission Meeting

### JUNE

14 Commission Meeting

### JULY

12 Commission Meeting

### AUGUST

16 Commission Meeting

Jun 2024						
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
23	24	25	26	27	28	29
30						

Jul 2024						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

Feb 2024						
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	31				

Aug 2024						
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	31				