

DFA - RACING COMMISSION

Enabling Laws

Act 528 of 2007

A.C.A. §23-110-101 - §23-110-415; A.C.A. §23-111-101 - §23-111-516; A.C.A. §23-113-101 - §23-113-604

History and Organization

The mission of the Racing Commission is to regulate thoroughbred and greyhound racing in the State of Arkansas as provided in the enabling legislation; whereby, the best interests of the State and its citizens are preserved and protected.

Amendment 46 to the Arkansas Constitution authorizes horse and pari-mutual betting in Hot Springs. Act 46 of 1935 established the Arkansas Racing Commission. The Commission is composed of five members, one from each congressional district and one at large, appointed by the Governor for terms of five years. The Commission has the sole jurisdiction over thoroughbred horse and greyhound dog racing. Acts 339 of 1935 and 191 of 1957 stipulate the rules and regulations concerning greyhound racing. The Commission is authorized to grant franchises; approve racing dates; issue permits and licenses; hold hearings and take other action as necessary to supervise, regulate and effectively control the sport of racing in the State of Arkansas.

Act 1151 of 2005, otherwise known as "Games of Skill" legislation, provided for expanded gaming at the race tracks in the State of Arkansas.



Agency Commentary

The Arkansas Racing Commission is composed of five members, one from each congressional district and one at large, appointed by the Governor for terms of five years. The Commission has sole jurisdiction over thoroughbred horse and greyhound dog racing. The Commission is authorized to grant franchises, approve racing dates, issue permits and licenses, hold hearings and take other action as necessary to effectively supervise, regulate and control the sport of racing in the State of Arkansas. Act 1151 of 2005, otherwise known as "Games of Skill" legislation, provided for expanded electronic gaming at the race tracks in the State of Arkansas.

Base Level is sufficient for the Racing Commission for the 2009-2011 biennium.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DEPARTMENT OF FINANCE AND ADMINISTRATION
RACING DIVISION

FOR THE YEAR ENDED JUNE 30, 2007

Findings	Recommendations
None	None

Employment Summary

	Male	Female	Total	%
White Employees	3	5	8	62 %
Black Employees	3	2	5	38 %
Other Racial Minorities	0	0	0	0 %
Total Minorities			5	38 %
Total Employees			13	100 %

Publications

A.C.A. 25-1-204

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution
		Governor	General Assembly		
Electronic Games of Skill Regulations	23-113-201	N	N	100	The regulations must be kept up to date and widely distributed in order to protect the State, the franchises and the gaming public from the actions of illegal/illegal actions of those playing games of skill. It also ensures operating games according to the regulations & standards prescribed by law.
Instant Racing Rules	23-113-603; 23-111-101; 23-110-101	N	N	100	The rules and regulations, when amended, must be filed as prescribed by the Arkansas Administrative Procedures Act. The franchises operating the instant racing games must have up to date regulations available for their employees at all times to insure compliance with Commission regulations.
Medication rules and Penalties for Greyhounds	23-111-204	N	N	300	The current publication of medication rules protects the health of the animals competing in the races and the participants who wager on the races. It also protects the industry by preventing the legitimate owners from being cheated by those who would drug animals.
Medication rules and Penalties for Horses	23-110-202	N	N	300	The current publication of medication rules protects the health of the animals competing in the races and the participants who wager on the races. It also protects the industry by preventing the legitimate owners from being cheated by those who would drug animals.
Pari-mutuel Wagering Rules for Greyhound Racing	23-111-101 - 517	N	N	100	The rules and regulations, when amended, must be filed as prescribed by the Arkansas Administrative Procedures Act. In addition, the franchises operating simulcast wagering must have up to date regulations available for their employees at all times to insure compliance with Commission regulations.

A.C.A. 25-1-204

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution
		Governor	General Assembly		
Pari-mutuel Wagering Rules for Horse Racing	23-110-101 - 415	N	N	100	The rules and regulations, when amended, must be filed as prescribed by the Arkansas Administrative Procedures Act. In addition, the franchises operating simulcast wagering must have up to date regulations available for their employees at all times to insure compliance with Commission regulations.

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2007-2008		2008-2009		2008-2009		2009-2010						2010-2011					
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
146 Division of Racing - Operations	1,032,645	13	1,239,772	13	1,232,121	13	1,280,601	13	1,280,601	13	1,280,601	13	1,297,357	13	1,297,357	13	1,297,357	13
7WJ License Applications	8,754	0	105,000	0	105,000	0	105,000	0	105,000	0	105,000	0	105,000	0	105,000	0	105,000	0
Total	1,041,399	13	1,344,772	13	1,337,121	13	1,385,601	13	1,385,601	13	1,385,601	13	1,402,357	13	1,402,357	13	1,402,357	13

Funding Sources		%		%		%		%		%		%		%		%		%
Fund Balance	4000005	74,314	6.3	139,524	9.6	104,524	7.2	104,524	7.2	104,524	7.2	69,524	4.8	69,524	4.8	69,524	4.8	
General Revenue	4000010	1,032,214	87.4	1,232,121	85.0	1,280,601	88.0	1,280,601	88.0	1,280,601	88.0	1,297,357	90.3	1,297,357	90.3	1,297,357	90.3	
Cash Fund	4000045	69,450	5.9	70,000	4.8	70,000	4.8	70,000	4.8	70,000	4.8	70,000	4.9	70,000	4.9	70,000	4.9	
Merit Adjustment Fund	4000055	0	0.0	7,651	0.5	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
EPO Testing	4000226	400	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
Interest	4000300	4,514	0.4	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
M & R Sales	4000340	31	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
Total Funds		1,180,923	100.0	1,449,296	100.0	1,455,125	100.0	1,455,125	100.0	1,455,125	100.0	1,436,881	100.0	1,436,881	100.0	1,436,881	100.0	
Excess Appropriation/(Funding)		(139,524)		(104,524)		(69,524)		(69,524)		(69,524)		(34,524)		(34,524)		(34,524)		
Grand Total		1,041,399		1,344,772		1,385,601		1,385,601		1,385,601		1,402,357		1,402,357		1,402,357		

Budget exceeds Authorized in Appropriation 146 due to salary adjustments during the 2007-2009 biennium.

Agency Position Usage Report

FY2006 - 2007						FY2007 - 2008						FY2008 - 2009					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Total	Total	Filled	Unfilled			Total	Total	Filled	Unfilled	
2	1	1	2	0	50.00 %	13	13	0	13	0	0.00 %	13	13	0	13	0	0.00 %

In the 2007-2009 Biennium 11 full time Extra Help Positions became Regular Positions; 10 at the dog track & 1 at the horse track.

Analysis of Budget Request

Appropriation: 146 - Division of Racing - Operations

Funding Sources: HUA - Miscellaneous Agencies Fund

The Arkansas Racing Commission is composed of five members, one from each congressional district and one at large, appointed by the Governor for terms of five years. The Commission is authorized to grant franchises, approve racing dates, issue permits and licenses, hold hearings and take other action as necessary to effectively supervise, regulate and control the sport of pari-mutuel horse and dog racing in the State of Arkansas.

Southland Greyhound Park, in West Memphis, Arkansas, operates year-round and runs over 400 live greyhound performances each year. Oaklawn Park, in Hot Springs, Arkansas, has approximately 60 days of live thoroughbred horse racing and also offers Simulcast and Instant horse racing throughout the year. With the passage of Act 1151 of 2005 and passing of local elections, the addition of electronic games of skill at both Arkansas tracks is now allowed.

General revenue funds 100% of the Alcoholic Beverage Control Enforcement's operating budget. Currently 80% of the Agency's budget is personnel related costs with the remaining 20% maintenance and operating expenses.

The FY09 budget amount of \$1,239,772 consists of Regular Salaries and Personal Services Matching for 13 regular positions, 27 Extra Help positions (22 horse track and 5 dog track), Overtime, Operating Expenses, Conference and Travel Expenses, Capital Outlay and Professional Fees.

Base Level salaries for classified positions reflect the recommendations of the Pay Plan Study as well as the recommendation for the Dog Racing Veterinarian transition from an unclassified to a classified position. Salaries are adjusted accordingly. A 2.3% Cost of Living Allowance is reflected in the second year of the biennium. The Base Level request for Regular Salaries may include board member Stipend payments and Career Service payments for eligible employees. Personal Services Matching includes a \$75 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$425.

Base Level of appropriation and general revenue funding represents the Agency Request.

The Executive Recommendation provides for the Agency Request of Base Level appropriation and general revenue funding.

Appropriation Summary

Appropriation: 146 - Division of Racing - Operations

Funding Sources: HUA - Miscellaneous Agencies Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	473,398	551,403	523,331	575,190	575,190	575,190	588,984	588,984	588,984
#Positions		13	13	13	13	13	13	13	13	13
Extra Help	5010001	145,115	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000
#Extra Help		21	27	27	27	27	27	27	27	27
Personal Services Matching	5010003	202,016	200,122	204,344	217,164	217,164	217,164	220,126	220,126	220,126
Overtime	5010006	21,594	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Operating Expenses	5020002	174,536	223,496	223,496	223,496	223,496	223,496	223,496	223,496	223,496
Conference & Travel Expenses	5050009	2,627	5,950	5,950	5,950	5,950	5,950	5,950	5,950	5,950
Professional Fees	5060010	13,359	18,801	35,000	18,801	18,801	18,801	18,801	18,801	18,801
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		1,032,645	1,239,772	1,232,121	1,280,601	1,280,601	1,280,601	1,297,357	1,297,357	1,297,357
Funding Sources										
General Revenue	4000010	1,032,214	1,232,121		1,280,601	1,280,601	1,280,601	1,297,357	1,297,357	1,297,357
Merit Adjustment Fund	4000055	0	7,651		0	0	0	0	0	0
EPO Testing	4000226	400	0		0	0	0	0	0	0
M & R Sales	4000340	31	0		0	0	0	0	0	0
Total Funding		1,032,645	1,239,772		1,280,601	1,280,601	1,280,601	1,297,357	1,297,357	1,297,357
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		1,032,645	1,239,772		1,280,601	1,280,601	1,280,601	1,297,357	1,297,357	1,297,357

Budget amount in Regular Salaries exceeds authorized amount due to salary adjustments during the 2007-2009 biennium.

Analysis of Budget Request

Appropriation: 7WJ - License Applications

Funding Sources: NRC - DFA Racing - Cash in Treasury

Act 1151 of 2005, otherwise known as "Electronic Games of Skill" legislation, provided for expanded gaming at the race tracks in the State of Arkansas. This cash funded appropriation provides for the application process and background investigations for issuing licenses to individuals and industries in the Electronic Games of Skill areas at Oaklawn & Southland Parks.

Applicants, by regulation, are required to pay a license fee and the costs of the background investigations. License fees are deposited to general revenue. The costs of the background investigations are retained by the Department of Finance and Administration - Division of Racing to pay for the actual costs of the investigations, postage and licensing material and unexpected refunds.

The Agency Request is to continue this cash funded appropriation at the current approved level.

The Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: 7WJ - License Applications
Funding Sources: NRC - DFA Racing - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses 5020002	8,754	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Conference & Travel Expenses 5050009	0	0	0	0	0	0	0	0	0
Professional Fees 5060010	0	0	0	0	0	0	0	0	0
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Refunds/Reimbursements 5110014	0	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
Total	8,754	105,000	105,000	105,000	105,000	105,000	105,000	105,000	105,000
Funding Sources									
Fund Balance 4000005	74,314	139,524		104,524	104,524	104,524	69,524	69,524	69,524
Cash Fund 4000045	69,450	70,000		70,000	70,000	70,000	70,000	70,000	70,000
Interest 4000300	4,514	0		0	0	0	0	0	0
Total Funding	148,278	209,524		174,524	174,524	174,524	139,524	139,524	139,524
Excess Appropriation/(Funding)	(139,524)	(104,524)		(69,524)	(69,524)	(69,524)	(34,524)	(34,524)	(34,524)
Grand Total	8,754	105,000		105,000	105,000	105,000	105,000	105,000	105,000