

**ARKANSAS BUDGET SYSTEM**  
**AGENCY PROGRAM COMMENTARY**  
**1997 - 1999**

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 supervise, regulate and effectively control the sport of racing in the State of Arkansas.

The Racing **Division** of the Department of Finance and Administration requests the following priorities for the 1997-1999 biennium:

Overtime appropriation of \$55,000 each year is requested. The current appropriation act specifies we pay an hourly rate to comply with the Fair Labor Standards Act. This necessitates an increase in the current overtime appropriation.

Maintenance and Operation of \$11,400 each year is needed for board member expenses. This amount was originally appropriated in Character 09, but board member expenses must be paid from Character 02. The base for Character 09 has been reduced by \$11,400.

Capital Outlay of \$5,000 each year would allow both the horse and dog track to be automated. This would eliminate the manual spreadsheets and greatly reduce the margin of error.

<b>AGENCY</b> 631 - DFA - Racing Division	<b>DIRECTOR</b> Richard A. Weiss	<b>AGENCY PROGRAM COMMENTARY BR21</b>	<b>PAGE</b> 266
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DEPARTMENT OF FINANCE AND ADMINISTRATION  
RACING DIVISION  
SUMMARY OF AUDIT FINDINGS AND RECOMMENDATIONS  
FOR THE YEAR ENDED JUNE 30, 1994

Assets				Liabilities			Total Equity
Cash and Investments	Fixed	Other	Total	Current	Long-Term	Total	
\$ 433,679	\$ 23,551	\$ 21,603	\$ 478,833	\$ 439,320	\$ 8,100	\$ 447,420	\$ 31,413

Revenues				Expenditures				Other Sources (Uses)		
Inter-governmental	Federal	Licenses and Fees	Other	Total	Salaries and Matching	Grants and Aid	Capital	Other Operating	Total	
747,000	\$ 0	\$ 0	\$ 663,443	\$ 1,410,443	\$ 555,686	\$ 0	\$ 823	\$ 915,149	\$ 1,471,658	\$ 2,608

Findings

AUTHORIZED DISBURSEMENTS - During the audit for the year ended June 30, 1994, we noted unauthorized disbursements to employees and commission members for tips claimed on Travel Reimbursement forms (TR-1's), totaling \$95.95, reflected as follows:

Employee or Commission Member	Amount
Peggy Tucker - Executive Secretary	\$ 10.00
Byron Freeland - Investigator	3.50
George Hammons - Commission Member	7.00
Bill Hurt, Sr. - Commission Member	5.20
Joe P. Melton, Jr. - Commission Member	15.50
Joe M. Smreker - Commission Member	54.75
Total	\$ 95.95

These tips were subsequently collected by the Agency and deposited to the State Treasury on July 6, 1995.

Recommendations

Our findings in this matter are being reported in accordance with Ark. Code Ann. 10-4-111.

ARKANSAS BUDGET SYSTEM  
 EMPLOYMENT SUMMARY  
 AS REQUIRED BY ACT 358 OF 1993  
 (A.C.A 19-4-307)

AGENCY TITLE      631 - DFA-DIVISION OF RACING

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	MALE	FEMALE	TOTAL	PERCENTAGE OF TOTAL
WHITE EMPLOYEES	<u>7</u>	<u>5</u>	<u>12</u>	<u>100%</u>
BLACK EMPLOYEES	<u>2</u>	<u>1</u>	<u>3</u>	<u>0%</u>
EMPLOYEES OF OTHER RACIAL MINORITIES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0%</u>
TOTAL EMPLOYED AS OF      08/10/96			<u>3</u>	<u>0%</u>
DATE			TOTAL MINORITIES	
			<u>19</u>	<u>100%</u>
			TOTAL EMPLOYEES	

  
 \_\_\_\_\_  
 AGENCY DIRECTOR

**SUMMARY**

**STATUS OF NEW PROGRAMS/EXPANSIONS AUTHORIZED BY THE 79TH GENERAL ASSEMBLY**

AGENCY: DFA - RACING DIVISION

PROGRAM AUTHORIZED	# POS. AUTH.	ADDITIONAL AUTHORIZED APPROPRIATION		STATUS
		FY 95-96	FY 96-97	
<b><u>APPROPRIATION: 146 - Racing Division</u></b>				
Extra Help		\$28,973	\$28,973	None of the additional authorization was expended in FY96, and the full amount is budgeted in FY97.
Matching		\$7,341	\$7,341	In FY96, all of the additional appropriation was expended, and all is budgeted for FY97.
Overtime		\$12,000	\$12,000	All of the additional appropriation was expended for FY96, and all is budgeted for FY97.
Professional Fees and Services		\$31,492	\$31,492	None of the additional appropriation was expended in FY96, and the full amount is budgeted in FY97.
Capital Outlay		\$2,000	\$0	None of the additional authorization was expended in FY96.

**ARKANSAS BUDGET SYSTEM  
ANALYSIS OF BUDGET REQUEST  
1997 - 1999**

This State Central Services funded appropriation provides for the operations of the Racing Commission. The Commission administers pari-mutuel horse and dog racing regulations in the state. Base Level for this appropriation is \$989,762 in FY98 and \$992,555 in FY99.

Priority requests total \$82,775 each year of the biennium. The request includes an additional \$66,375 in Overtime and Matching appropriation each year to comply with requirements of Federal Fair Labor Standards. Operating Expenses of \$11,400 each year are needed to provide an accurate accounting of reimbursements for Board Members. This amount was inadvertently appropriated in Conference Fees and Travel. The Commission's FY97 budget reflects a Budget Classification Transfer from Conference Fees and Travel to Operating Expenses. The request also includes \$5,000 each year for Capital Outlay to purchase computers for each year to help eliminate the use of manual spreadsheets and reduce the margin of error.

The Executive Recommendation provides for the Agency Request which includes appropriation for a 2.8% Cost of Living Allowance for positions on July 1 of each year of the biennium along with accompanying employee matching requirements.

AGENCY	APPROPRIATION	TREASURY FUND	ANALYSIS OF	PAGE
Name: Racing Commission  Code: 631	Name: Division of Racing  Code: 146	Name: State Central Services  Code: HSC	BUDGET REQUEST  BR20	270

ARKANSAS BUDGET SYSTEM

CHARACTER TITLE	-----EXPENDITURES-----			-----97-98 FISCAL YEAR-----			-----98-99 FISCAL YEAR-----			-----R E C O M M E N D A T I O N S-----			
	95-96	96-97	96-97	BASE	PRIORITY PROGRAMS	TOTAL REQUEST	BASE	PRIORITY PROGRAMS	TOTAL REQUEST	EXECUTIVE		LEGISLATIVE	
	ACTUAL	BUDGETED	AUTHORIZED APPRO							97-98	98-99	97-98	98-99
REGULAR SALARIES	73,847	76,626	69,471	80,244	0	80,244	82,432	0	82,432	80,244	82,432		
NUMBER OF POSITIONS	2	2	2	2	0	2	2	0	2	2	2		
EXTRA HELP	373,554	513,107	522,946	513,107	0	513,107	513,107	0	513,107	513,107	513,107		
NUMBER OF POSITIONS	39	48	48	48	0	48	48	0	48	48	48		
PERSONAL SERV MATCHING	111,180	114,500	89,291	115,481	11,375	126,856	116,086	11,375	127,461	126,856	127,461		
OVERTIME	43,716	67,000	12,000	12,000	55,000	67,000	12,000	55,000	67,000	67,000	67,000		
OPERATING EXPENSES	51,129	80,419	69,019	69,019	11,400	80,419	69,019	11,400	80,419	80,419	80,419		
CONF FEES & TRAVEL	2,763	5,950	17,350	5,950	0	5,950	5,950	0	5,950	5,950	5,950		
PROF FEES & SERVICES	128,639	193,961	203,800	193,961	0	193,961	193,961	0	193,961	193,961	193,961		
CAPITAL OUTLAY	0	0	0	0	5,000	5,000	0	5,000	5,000	5,000	5,000		
DATA PROCESSING	0	0	0	0	0	0	0	0	0	0	0		
<b>TOTAL</b>	<b>784,828</b>	<b>1,051,563</b>	<b>983,877</b>	<b>989,762</b>	<b>82,775</b>	<b>1,072,537</b>	<b>992,555</b>	<b>82,775</b>	<b>1,075,330</b>	<b>1,072,537</b>	<b>1,075,330</b>		
PROPOSED FUNDING SOURCES			*****										
FUND BALANCES			*****										
GENERAL REVENUES			*****										
SPECIAL REVENUES			*****										
FEDERAL FUNDS			*****										
STATE CENTRAL SERVICES FUND	784,828	1,051,563	*****	989,762	82,775	1,072,537	992,555	82,775	1,075,330	1,072,537	1,075,330		
NON-REVENUE RECEIPTS			*****										
CASH FUNDS			*****										
OTHER			*****										
<b>TOTAL FUNDING</b>	<b>784,828</b>	<b>1,051,563</b>	<b>*****</b>	<b>989,762</b>	<b>82,775</b>	<b>1,072,537</b>	<b>992,555</b>	<b>82,775</b>	<b>1,075,330</b>	<b>1,072,537</b>	<b>1,075,330</b>		
EXCESS APPRO/ (FUNDING)			*****										
<b>TOTAL</b>	<b>784,828</b>	<b>1,051,563</b>	<b>*****</b>	<b>989,762</b>	<b>82,775</b>	<b>1,072,537</b>	<b>992,555</b>	<b>82,775</b>	<b>1,075,330</b>	<b>1,072,537</b>	<b>1,075,330</b>		

DEPT 016 DEPARTMENT OF FINANCE AND ADMINISTRATION  
 AGY 631 DEPT OF FINANCE AND ADMINISTRATION - DIVISION OF RACING  
 APPRO 146 DIVISION OF RACING

APPROPRIATION SUMMARY

BR 215

FUND HSC STATE CENTRAL SERV-(000)

FY97 Budgeted amounts exceed authorized amounts due to implementation of the pay plan during the 95-97 biennium, authorization due to reclassification transfers processed in FY97, and authority of the Overtime Holding Account.

ARKANSAS BUDGET SYSTEM  
PROGRAM/SERVICE INFORMATION LIST  
RANK BY APPROPRIATION

01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19	
RANK	PROGRAM DESCRIPTION	FUND	ACCOUNTING INFORMATION	D E S	EXPENDITURES		1997 - 99 BIENNIUM REQUESTS				R E C O M M E N D A T I O N S								
					ACTUAL	BUDGETED	FY 1997 - 98		FY 1998 - 99		EXECUTIVE		LEGISLATIVE						
					95-96	96-97	REQUEST	REQUEST	1997-98	1998-99	1997-98	1998-99							
000		HSC	631 146	B	784,828 2	1,051,563 2	989,762 2			992,555 2				989,762 2	992,555 2				
001		HSC	631 146	P01		0 0	66,375 0			66,375 0				66,375	66,375				
<p>Overtime appropriation of \$55,000 each year is requested. The current appropriation act specifies payment on an hourly rate to comply with the Fair Labor Standards Act. This necessitates an increase in the current overtime appropriation.</p>																			
002		HSC	631 146	P02		0 0	11,400 0			11,400 0				11,400	11,400				
<p>Maintenance and Operation of \$11,400 each year is needed for Board Member expenses. This amount was originally appropriated in character 09, but Board Member expenses must be paid from character 02. The base level for character 09 has been reduced by \$11,400.</p>																			

DEPT 016 DEPARTMENT OF FINANCE AND ADMINISTRATION  
 AGY 631 DEPT OF FINANCE AND ADMINISTRATION - DIVISION OF RACING  
 APPRO 146 DIVISION OF RACING  
 FUND HSC STATE CENTRAL SERV-(000)

RANK BY APPROPRIATION  
 BR 264

ARKANSAS BUDGET SYSTEM

PROGRAM/SERVICE INFORMATION LIST

RANK BY APPROPRIATION

01 02 03 04 05 06 07 08 09 10 11 12 13 14 15 16 17 18 19

RANK	PROGRAM DESCRIPTION	FUND	ACCOUNTING INFORMATION	D E S	-----1997 - 99 BIENNIUM REQUESTS-----				-----R E C O M M E N D A T I O N S-----							
					-----EXPENDITURES-----		-----FY 1997 - 98-----		-----FY 1998 - 99-----		-----EXECUTIVE-----		-----LEGISLATIVE-----			
					---ACTUAL---	---BUDGETED---	-----REQUEST-----		-----REQUEST-----		1997-98	1998-99	1997-98	1998-99		
			95-96	96-97												
003		HSC	631 146	P03		0	5,000	0	5,000	0	5,000	5,000				

Capital Outlay of \$5,000 each year would provide computers for each track. This would eliminate the manual spreadsheets and greatly reduce the margin of error.

DEPT 016 DEPARTMENT OF FINANCE AND ADMINISTRATION  
 AGY 631 DEPT OF FINANCE AND ADMINISTRATION - DIVISION OF RACING  
 APPRO 146 DIVISION OF RACING  
 FUND HSC STATE CENTRAL SERV-(000)

RANK BY APPROPRIATION

BR 264

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