

DFA - RACING COMMISSION

State Contracts Over \$50,000 Awarded To Minority Owned Businesses Fiscal Year 2018

None

Employment Summary

	Male	Female	Total	%
White Employees	5	5	10	67 %
Black Employees	3	2	5	33 %
Other Racial Minorities	0	0	0	0 %
Total Minorities			5	33 %
Total Employees			15	100 %

Publications

A.C.A. 25-1-201 et seq.

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		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.	0	0.00

A.C.A. 25-1-201 et seq.

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
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.	0	0.00
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.	0	0.00
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.	0	0.00
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.	0	0.00

A.C.A. 25-1-201 et seq.

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		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.	0	0.00

Department Appropriation Summary

Appropriation	Historical Data						Agency Request and Executive Recommendation							
	2017-2018		2018-2019		2018-2019		2019-2020				2020-2021			
	Actual	Pos	Budget	Pos	Authorized	Pos	Agency	Pos	Executive	Pos	Agency	Pos	Executive	Pos
146 Division of Racing - Operations	1,503,660	14	1,578,743	14	1,507,635	14	1,590,656	13	1,590,656	13	1,591,762	13	1,591,762	13
7WJ License Applications	218,945	0	320,973	0	312,111	0	320,991	0	320,991	0	320,991	0	320,991	0
Total	1,722,605	14	1,899,716	14	1,819,746	14	1,911,647	13	1,911,647	13	1,912,753	13	1,912,753	13

Funding Sources		%		%		%		%		%		%	
Fund Balance	4000005	661,219	26.9	734,273	30.1	538,300	23.9	538,300	23.9	392,309	17.7	392,309	17.7
General Revenue	4000010	1,477,387	60.1	1,507,635	61.8	1,543,071	68.4	1,543,071	68.4	1,544,177	69.8	1,544,177	69.8
Cash Fund	4000045	291,999	11.9	125,000	5.1	175,000	7.8	175,000	7.8	275,000	12.4	275,000	12.4
Performance Fund	4000055	26,273	1.1	71,108	2.9	0	0.0	0	0.0	0	0.0	0	0.0
Total Funds		2,456,878	100.0	2,438,016	100.0	2,256,371	100.0	2,256,371	100.0	2,211,486	100.0	2,211,486	100.0
Excess Appropriation/(Funding)		(734,273)		(538,300)		(344,724)		(344,724)		(298,733)		(298,733)	
Grand Total		1,722,605		1,899,716		1,911,647		1,911,647		1,912,753		1,912,753	

FY18 Actual Expenses in Extra Help exceeds the Authorized Amount due to Payplan.

FY19 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2017-2019 Biennium.

Regular Salaries appropriation includes board member stipend payments.

Variances in fund balance due to unfunded appropriation in Division of Racing State - Operations(146).

Expenditure of appropriation is contingent upon available funding.

Analysis of Budget Request

Appropriation: 146 - Division of Racing - Operations

Funding Sources: HUA - Miscellaneous Agencies Fund

The Arkansas Racing Commission is composed of seven members each appointed by the Governor for terms of five years. Each congressional district is represented and members of the commission shall have been a resident of Arkansas for not less than ten years and shall be a qualified voter at the time of his or her appointment.

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.

The Racing Commission State Operations appropriation (146) is funded from general revenue. Currently 83% of the Agency's budget is personnel related costs with the remaining 17% maintenance and operating expenses.

The Agency requests \$1,590,656 in FY20 and \$1,591,762 in FY21.

The Agency request includes a reallocation of \$61,643 in each year of the biennium to Extra Help from the following Commitment Items:

- (\$41,643) from Regular Salaries and Personal Services Matching of each of the biennium associated with the reduction of a Fiscal Support Specialist position. The duties associated with this position have been absorbed by another position within the agency.
- (\$20,000) from Overtime each year of the biennium. Due to position restructuring the agency has reduced its need for overtime appropriation.

The Agency provided the following justification of appropriation requests that exceeds the FY18 Actual Expenditures by more than 10%:

- Overtime: While the need for overtime has been reduced, the Division still needs to continue an amount above 10% of actual expenditures. The need for overtime can vary greatly from factors beyond the Division's control and they need the flexibility to respond. These factors can including inclement weather, days in the seasons, need for testing, etc.
- Conference and Travel: The Division expenses conference and travel only as needed to ensure that Arkansas's Racing Commission is staying up to date on the rules and standards for the operation of expanded gaming, the employment of personnel to conduct the compliance and regulatory duties, and the oversight as to the proper operation of gaming devices.

- Professional Service Fees: The Professional Fees line item is used to provide for the Division's need to retain Legal Services, and these needs can vary greatly from year to year depending on changes in law or rules and regulations, pending litigation related to appeals, etc.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 146 - Division of Racing - Operations

Funding Sources: HUA - Miscellaneous Agencies Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2017-2018	2018-2019	2018-2019	2019-2020		2020-2021	
		Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Regular Salaries	5010000	625,476	681,870	635,816	645,989	645,989	646,889	646,889
#Positions		14	14	14	13	13	13	13
Extra Help	5010001	335,252	310,000	310,000	371,643	371,643	371,643	371,643
#Extra Help		22	30	30	30	30	30	30
Personal Services Matching	5010003	290,268	298,026	257,972	289,177	289,177	289,383	289,383
Overtime	5010006	5,815	15,000	30,000	10,000	10,000	10,000	10,000
Operating Expenses	5020002	222,999	235,847	235,847	235,847	235,847	235,847	235,847
Conference & Travel Expenses	5050009	0	3,000	3,000	3,000	3,000	3,000	3,000
Professional Fees	5060010	23,850	35,000	35,000	35,000	35,000	35,000	35,000
Data Processing	5090012	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0
Total		1,503,660	1,578,743	1,507,635	1,590,656	1,590,656	1,591,762	1,591,762

Funding Sources								
General Revenue	4000010	1,477,387	1,507,635		1,543,071	1,543,071	1,544,177	1,544,177
Performance Fund	4000055	26,273	71,108		0	0	0	0
Total Funding		1,503,660	1,578,743		1,543,071	1,543,071	1,544,177	1,544,177
Excess Appropriation/(Funding)		0	0		47,585	47,585	47,585	47,585
Grand Total		1,503,660	1,578,743		1,590,656	1,590,656	1,591,762	1,591,762

FY18 Actual Expenses in Extra Help exceeds the Authorized Amount due to Payplan.

FY19 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2017-2019 Biennium.

Regular Salaries appropriation includes board member stipend payments.

Expenditure of appropriation is contingent upon available funding.

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. During the 2017-2019 Biennium, the agency increased its licensing's fees and added an option for a 3 year license. The revenue from the fee increase is deposited into the Divisions cash fund and is utilized for the increasing veterinary needs associated with more advanced testing. 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 Racing Commission Cash Operations 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.

The Agency requests \$320,991 in each year of the biennium.

The Agency provided the following justification of appropriation requests that exceed the FY18 Actual Expenditures by more than 10%:

- Extra Help, and Conference and Travel: The Division would like to continue the current level of appropriation into the biennium. The Division's fee increase has generated additional cash revenue. This increased revenue will allow the Division to utilize its cash appropriation more in the coming biennium to cover increasing cost associated with racing and gaming.
- Operating Expense: The current level of appropriation is needed specifically to cover the increasing cost of the technical services contract in for biological specimen testing of racing animals. Both an increased number of specimens being tested and the need for more advanced testing has caused an increase of over \$100,000 in the past three years.
- Refund/Reimbursements: The need for Refund and Reimbursement appropriation varies from year to year. The Division needs the appropriation to process refunds if required. Additionally, the division has recently begun offering three (3) year licenses, as a result the amount of each refund will also be increased.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

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

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2017-2018	2018-2019	2018-2019	2019-2020		2020-2021	
		Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Extra Help	5010001	36,864	65,000	65,000	65,000	65,000	65,000	65,000
#Extra Help		0	1	1	1	1	1	1
Personal Services Matching	5010003	8,258	14,973	6,111	14,991	14,991	14,991	14,991
Operating Expenses	5020002	173,823	231,000	231,000	231,000	231,000	231,000	231,000
Conference & Travel Expenses	5050009	0	5,000	5,000	5,000	5,000	5,000	5,000
Professional Fees	5060010	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0
Refunds/Reimbursements	5110014	0	5,000	5,000	5,000	5,000	5,000	5,000
Capital Outlay	5120011	0	0	0	0	0	0	0
Total		218,945	320,973	312,111	320,991	320,991	320,991	320,991
Funding Sources								
Fund Balance	4000005	661,219	734,273		538,300	538,300	392,309	392,309
Cash Fund	4000045	291,999	125,000		175,000	175,000	275,000	275,000
Total Funding		953,218	859,273		713,300	713,300	667,309	667,309
Excess Appropriation/(Funding)		(734,273)	(538,300)		(392,309)	(392,309)	(346,318)	(346,318)
Grand Total		218,945	320,973		320,991	320,991	320,991	320,991

Expenditure of appropriation is contingent upon available funding.