

## Kansas Racing and Gaming Commission

Expenditure	Actual FY 2014	Approved FY 2015	Approved FY 2016	Approved FY 2017
<b>All Funds:</b>				
State Operations	\$ 6,600,666	\$ 8,594,609	\$ 10,205,904	\$ 10,342,213
Aid to Local Units	-	-	-	-
Other Assistance	9,469	6,996	6,996	6,996
<i>Subtotal - Operating</i>	<u>\$ 6,610,135</u>	<u>\$ 8,601,605</u>	<u>\$ 10,212,900</u>	<u>\$ 10,349,209</u>
Capital Improvements	-	-	-	-
TOTAL	<u><u>\$ 6,610,135</u></u>	<u><u>\$ 8,601,605</u></u>	<u><u>\$ 10,212,900</u></u>	<u><u>\$ 10,349,209</u></u>
<b>State General Fund:</b>				
State Operations	\$ -	\$ -	\$ -	\$ -
Aid to Local Units	-	-	-	-
Other Assistance	-	-	-	-
<i>Subtotal - Operating</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Capital Improvements	-	-	-	-
TOTAL	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
<b>Percent Change:</b>				
Operating Expenditures				
All Funds	(4.7)%	30.1 %	18.7 %	1.3 %
State General Fund	-	-	-	-
FTE Positions	91.5	93.5	112.5	112.5
Non-FTE Unclass. Perm. Pos.	1.0	7.5	7.5	-
TOTAL	<u><u>92.5</u></u>	<u><u>101.0</u></u>	<u><u>120.0</u></u>	<u><u>112.5</u></u>

The budget of the Kansas Racing and Gaming Commission contains the budgets of two separate state agencies: the Kansas Racing and Gaming Commission that regulates lottery gaming facility operations and the Kansas Parimutuel Racing Act, and the State Gaming Agency that enforces the provisions of the Tribal Gaming Oversight Act. The FY 2015 approved budget for the Racing and Gaming Commission totals \$8.6 million, all from special revenue funds. This is an increase of \$2.0 million, or 30.1 percent, above FY 2014 actual expenditures. The increase is largely attributable to higher expenditures in the Kansas Racing and Gaming Commission related to the agency's enhancement requests for the re-establishment of the Lottery Gaming Facility Review Board (\$435,175) and the re-establishment of the Gaming Machine Examination

Fund (\$909,365). The FY 2015 approved budget includes 93.5 FTE and 7.5 non-FTE positions, an increase of 2.0 FTE and 6.5 non-FTE positions. The increase in FTE positions is attributable to the Kansas Racing and Gaming Commission's enhancement request for 5.0 FTE positions (two security agents, one information technology staff member, one administrative assistant, and one accountant), requested for the re-establishment of the Gaming Machine Examination Fund, offset by FTE position reductions in the State Gaming Agency. The increase in non-FTE positions is due to the Racing and Gaming Commission's approved enhancement request for the re-establishment of the Lottery Gaming Facility Review Board which statutorily requires seven commission

members. The non-FTE increase was offset by the reduction of 1.0 non-FTE position in the State Gaming Agency.

The FY 2016 approved budget totals \$10.2 million, all from special revenue funds. This is an increase of \$1.6 million, or 18.7 percent, above the FY 2015 approved budget. The increase is attributable to the Racing and Gaming Commission's approved enhancement requests for the re-establishment of the Lottery Gaming Facility Review Board (\$453,898) and Gaming Machine Examination Fund (\$1.6 million), and expenses related to the opening of a lottery gaming facility in the Southeast Gaming Zone (\$944,745). The FY 2016 approved budget includes 112.5 FTE and 7.5 non-FTE positions, which is an increase of 19.0 FTE positions. The increase is due to the Racing and Gaming Commission's enhancement request for an additional 19.0 FTE positions related to the oversight of a gaming facility in the Southeast Gaming Zone.

The FY 2017 approved budget totals \$10.3 million, all from special revenue funds. This is an increase of \$136,309, or 1.3 percent, above the FY 2016 approved budget, and is attributable to the Racing and Gaming Commission's approved enhancement request for expenditures related to the opening of a gaming facility in the Southeast Gaming Zone (\$1.3 million), and the 27<sup>th</sup> pay period which affects both agencies. The FY 2017 approved budget includes 112.5 FTE and no non-FTE positions, a decrease of 7.5 FTE positions. The decrease is attributable to the dissolution of the Lottery Gaming Facility Review Board that is expected to conclude its work during FY 2016.

In addition to approved fiscal changes, the agency requested, and the Legislature appropriated, the Gaming Machine Examination Fund with a no limit-expenditure authority for FY 2015, FY 2016, and FY 2017. Revenues to the fund include gaming machine manufacturers' deposits required for the testing of gaming machines. Expenditures from the fund will include payments to laboratories that examine and certify gaming machines placed in the state-owned casinos.

## Kansas Racing and Gaming Commission

	FY 2015			FY 2016			FY 2017		
	SGF	All Funds	FTE	SGF	All Funds	FTE	SGF	All Funds	FTE
<b>Agency Estimate/Request</b>	\$ -	\$ 8,658,446	93.5	\$ -	\$ 10,372,259	112.5	\$ -	\$ 10,594,575	112.5
<b>Governor's Changes:</b>									
1. KPERS Employer Contribution Rate Reduction	\$ -	\$ (56,841)	-	\$ -	\$ -	-	\$ -	\$ -	-
2. Health Insurance Reduction	-	-	-	-	(72,823)	-	-	(79,805)	-
<b>Total Governor's Recommendation</b>	\$ -	\$ 8,601,605	93.5	\$ -	\$ 10,299,436	112.5	\$ -	\$ 10,514,770	112.5
Change from Agency Est./Req.	\$ -	\$ (56,841)	-	\$ -	\$ (72,823)	-	\$ -	\$ (79,805)	-
Percent Change from Agency Est./Req.	-%	(0.7)%	-%	-%	(0.7)%	-%	-%	(0.8)%	-%
<b>Legislative Action:</b>									
3. KPERS Employer Contribution Rate Reduction	\$ -	\$ -	-	\$ -	\$ (71,469)	-	\$ -	\$ (148,122)	-
4. KPERS Death and Disability Reduction	-	-	-	-	(15,067)	-	-	(17,439)	-
5. Newspapers and Magazines Prohibition	-	\$ -	-	\$ -	\$ -	-	\$ -	\$ -	-
<b>TOTAL APPROVED</b>	<u>\$ -</u>	<u>\$ 8,601,605</u>	<u>93.5</u>	<u>\$ -</u>	<u>\$ 10,212,900</u>	<u>112.5</u>	<u>\$ -</u>	<u>\$ 10,349,209</u>	<u>112.5</u>
Change from Gov. Rec.	\$ -	\$ -	-	\$ -	\$ (86,536)	-	\$ -	\$ (165,561)	-
Percent Change from Gov. Rec.	-%	-%	-%	-%	(0.8)%	-%	-%	(1.6)%	-%
Change from Agency Est./Req.	\$ -	\$ (56,841)	-	\$ -	\$ (159,359)	-	\$ -	\$ (245,366)	-
Percent Change from Agency Est./Req.	-%	(0.7)%	-%	-%	(1.5)%	-%	%	(2.3)%	-%

1. The Governor deleted \$56,841, all from special revenue funds, to reduce the Kansas Public Employees Retirement System employer contribution rate (excluding KPERS Death and Disability) from 11.27 percent to 8.65 percent in FY 2015.
2. The Governor deleted \$72,823 for FY 2016 and \$79,805 for FY 2017, all from special revenue funds, to reduce employer contributions for state employee health insurance.
3. The Legislature reduced the Kansas Public Employees Retirement System employer contribution rate (excluding KPERS Death and Disability) from 12.37 percent to 10.91 percent for FY 2016 and from 13.57 percent to 10.81 percent for FY 2017. **For this agency, the reductions totaled \$71,469 for FY 2016 and \$148,122 for FY 2017, all from special revenue funds.**
4. The Legislature deleted \$15,067 for FY 2016 and \$17,439 for FY 2017, all from special revenue funds, to suspend employer contributions to the Kansas Public Employees Retirement System Group Insurance Fund, or Death and Disability Fund, for the final seven pay periods for FY 2016 and FY 2017.
5. The Legislature prohibited agencies from making expenditures on newspapers and magazines, including electronic subscriptions, for FY 2016 and FY 2017.