

NARRATIVE INFORMATION -- DA 400

DIVISION OF THE BUDGET
STATE OF KANSAS

AGENCY NAME	Kansas Racing and Gaming Commission	
AGENCY NUMBER	553	Function No 1
PROGRAM TITLE AND CODE	Agency-Wide Overview	
SUBPROGRAM TITLE AND CODE		

September 13, 2024

Adam Proffitt, Director of Budget
Division of the Budget
Suite 504, Landon State Office Building
900 SW Jackson
Topeka, KS 66612

Dear Director Proffitt:

As Executive Directors of the Kansas Racing and Gaming Commission (KRGC), and the Kansas State Gaming Agency (KSGA), we hereby submit for your consideration the Fiscal Year 2025, and Fiscal Year 2026 budget document for the KRGC and KSGA.

As always, we and our staff are prepared to provide any additional information which you or our budget analyst may require.

Sincerely,



Donald Brownlee
Executive Director
Kansas Racing and Gaming Commission

NARRATIVE INFORMATION -- DA 400

DIVISION OF THE BUDGET
STATE OF KANSAS

AGENCY NAME	Kansas Racing and Gaming Commission	
AGENCY NUMBER	553	FUNCTION NO. 1
PROGRAM TITLE AND CODE		
SUBPROGRAM TITLE AND CODE		

Table of Contents

General Agency Information - DA 400	.....	2
Explanation of Receipt Estimates - DA 405	.....	8
Racing Program		
Program Narrative Information - DA 400	.....	16
Tribal Gaming Program		
Program Narrative Information - DA 400	.....	21
Expanded Lottery Act Regulation Program		
Program Narrative Information - DA 400	.....	27
Organization Charts	.....	39

NARRATIVE INFORMATION -- DA 400

DIVISION OF THE BUDGET
STATE OF KANSAS

AGENCY NAME	Kansas Racing and Gaming Commission	
AGENCY NUMBER	553	Function 1
PROGRAM TITLE AND CODE	Agency-Wide Overview	
SUBPROGRAM TITLE AND CODE		

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.

NARRATIVE INFORMATION -- DA 400

AGENCY NAME Kansas Racing and Gaming Commission
AGENCY NUMBER 553
PROGRAM TITLE AND CODE Agency-Wide Overview
SUBPROGRAM TITLE AND CODE

DIVISION OF THE BUDGET
STATE OF KANSAS

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 FY 2025 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) nine months of regulatory obligations related to the construction of a parimutuel facility in Sedgwick county.

The submitted budget for FY 2026 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 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

DIVISION OF THE BUDGET
STATE OF KANSAS

AGENCY NAME	Kansas Racing and Gaming Commission
AGENCY NUMBER	553
PROGRAM TITLE AND CODE	Agency-Wide Overview
SUBPROGRAM TITLE AND CODE	

KRGC Budget Overview (continued)

Current Year Comparison of FY 2025 Approved and Revised Budget Expenditures

The KRGC's revised FY 2025 budget is approximately \$10.9 million which is consistent with the approved FY 2025 budget of \$10.9 million. KRGC has assumed a shrinkage rate of 7.5% for FY 2025 which totals a shrinkage rate of about \$600,000. There are two programs within the budget. The expanded gaming regulation budget is approximately \$9.6 million and the parimutuel gaming program budget is approximately \$1.3 million.

The FTE for the requested FY 2025 budget is unchanged from the approved FY 2025 FTE 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 2025 approved and requested FY 2026 Budget Expenditures

The KRGC's requested FY 2026 budget is \$11.1 million which is consistent with the approved FY 2025 budget of \$10.9 million. KRGC has assumed a shrinkage rate of 7.5% for FY 2026 which totals a shrinkage amount of approximately \$700,000. There are two programs within the budget. The expanded gaming regulation budget is approximately \$9.7 million and the parimutuel gaming program budget is approximately \$1.4 million.

The number of FTE positions requested for the FY 2026 budget is consistent with the approved FY 2025 budget of 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

AGENCY NAME	Kansas Racing and Gaming Commission
AGENCY NUMBER	553
PROGRAM TITLE AND CODE	Agency-Wide Overview
SUBPROGRAM TITLE AND CODE	

DIVISION OF THE BUDGET
STATE OF KANSAS

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 - 2024

Racing Program

KRGC expenditures for FY 2024 of approximately \$170,000 were for regulation of parimutuel wagering and were predominately for salaries and wages, primarily as the result of backgrounding and regulatory activities for a parimutuel facility in Sedgwick County and to maintain the Kansas Bred Registry.

Expanded Lottery Act Gaming Program

KRGC expenditures for FY 2024 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 FY 2024 expenditures were approximately \$1.1 million or 12% below budget at approximately \$8 million compared to budgeted expenditures of about \$9.1 million. The primary reason for savings was related to salaries and wages for unfilled positions.

NARRATIVE INFORMATION -- DA 400

AGENCY NAME Kansas Racing and Gaming Commission

AGENCY NUMBER 553

DIVISION OF THE BUDGET

PROGRAM TITLE AND CODE Agency-Wide Overview

STATE OF KANSAS

SUBPROGRAM TITLE AND CODE

Agency Wide Overview of Current Year Estimate and Budget Year Scenarios

Current Year - 2025

Racing Program

The budget is built on the assumptions that 1) there will be regulatory activity related to the construction and startup operations of a parimutuel facility in Sedgwick County; 2) KRGC staff will administer to he Kansas Bred Registry Program in FY 2025. The budget is consistent with the approved FY 2025 budget.

Tribal Gaming Program

The budget for the current fiscal year remains unchanged from the approved budget.

Expanded Lottery Act Regulation Program

The current FY 2025 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.

Supplemental Package - FY 2025

Racing Program

The Racing Program does not request any supplemental funding for the current year.

Tribal Gaming Program

The Tribal Gaming Program does not request any enhancement packages.

Expanded Gaming Program

The Expanded Gaming Program does not request any supplemental funding for the current year.

Budget Year Information - FY 2026

Racing Program

The budget is built on the assumptions that 1) there will be a full year of regulatory operations for parimutuel facility in Sedgwick County; 2) KRGC staff will administer the Kansas Bred Registry Program in FY 2026. The budget is consistent with the approved FY2025 budget.

Tribal Gaming Program

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 position would assist with the oversight of sports wagering at the tribal casinos and the increased load of background investigations; it would require an additional \$75,000.

Expanded Lottery Act Regulation Program

The requested FY 2026 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.

NARRATIVE INFORMATION -- DA 400

AGENCY NAME Kansas Racing and Gaming Commission
AGENCY NUMBER 553
PROGRAM TITLE AND CODE Agency-Wide Overview
SUBPROGRAM TITLE AND CODE

DIVISION OF THE BUDGET
STATE OF KANSAS

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

Supplemental Package - FY 2026
Racing Program
The Racing Program does not request any supplemental packages.

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

AGENCY--SUBAGENCY 553-00

FUNCTION NO. 01

DIVISION OF THE BUDGET
STATE OF KANSAS

PROGRAM TITLE AND CODE Tribal Gaming Program - 03700

SUBPROGRAM TITLE AND CODE:

DOB USE ONLY

TRIBAL GAMING PROGRAM

Tribal Gaming Fund - 2320

Revenues are based on the Legislative approved budgets and are approved and paid by the compacted tribes.

	FY21	FY22	FY23	FY24	FY25	FY26
	Actuals	Actuals	Actuals	Actuals	Estimate	Estimate
Other Service Charges	1,380,365	1,416,804	1,282,806	1,298,399	1,566,009	1,576,040
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)	(450,048)	(451,000)	(451,000)

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

553-00

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 FY 2025. The estimated revenues projected in FY 2025, and FY 2026 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 KRG staff. Additionally, the greyhound registry is currently maintained by the Kansas Greyhound Association.

	Actual FY17	Actual FY18	Actual FY19	Actual FY20	Actual FY21	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Estimate FY26
Pari-mutuel Tax	-	-	-	-	-	-	-	-	-	-
Pari-mutuel Tax - Simulcast	-	-	-	-	-	-	-	-	-	-
Admissions Tax	-	-	-	-	-	-	-	-	-	-
Charges - Inspect, Examine, Audit	360	-	-	-	-	-	125,000	141,578	1,600,000	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	360	2,058	188	1,723	1,075	1,649	125,000	141,578	1,601,000	1,601,000

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
 553-00
 Racing Program - 03900

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. HB2551 that for FY 2025 and FY 2026 that division of funds generated from K.S.A. 74-8823(a)(5) will first be used to cover the expenses of KRGC related to parimutuel activities the remaining funds will be designated as follows 2/3 to the Horse Fair Racing Benefit Fund and 1/3 to the Kansas Horse Breeding Development Fund.

HB 2551 states that for FY 2025 and FY 2026 funds generated from K.S.A. 74-8823(a)(5) will first be used to cover the expenses of KRGC related to parimutuel activities 2/3 of the remaining funds will be transferred to the Horse Fair Racing Benefit Fund. KRGC does not have an estimate of the revenue that will generated for the fund at this time.

	Actual FY17	Actual FY18	Actual FY19	Actual FY20	Actual FY21	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Estimate FY26
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 FY 2025, or FY 2026. The estimated revenues projected in FY 2025, and FY 2026 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 FY17	Actual FY18	Actual FY19	Actual FY20	Actual FY21	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Estimate FY26
Reimbursed Backgrounding Fees	-	-	-	-	-	-	-	-	-	-
Balance Transfer Out	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-

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
553-00
Racing Program - 03900

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. HB2551 that for FY 2025 and FY 2026 that division of funds generated from K.S.A. 74-8823(a)(5) will first be used to cover the expenses of KRGC related to parimutuel activities the remaining funds will be designated as follows 2/3 to the Horse Fair Racing Benefit Fund and 1/3 to the Kansas Horse Beeding Development Fund.

HB 2551 states that for FY 2025 and FY 2026 funds generated from K.S.A. 74-8823(a)(5) will first be used to cover the expenses of KRGC related to parimutuel activities 1/3 of the remaining funds will be transferred to the Horse Breeding Development Fund. KRGC does not have an estimate of the revenue that will generated for the fund at this time.

	Actual FY17	Actual FY18	Actual FY19	Actual FY20	Actual FY21	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Estimate FY26
Breakage	-	-	-	-	-	-	-	-	-	-
Unclaimed Winning Tickets	-	-	-	-	-	-	-	-	-	-
Other Misc Revenue	-	-	-	-	-	-	-	-	-	-
Operating Transfer In	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-

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 KRGC 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 2025 or FY 2026. 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 KRGC 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 2025, or FY 2026. 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:
 AGENCY--SUBAGENCY CODES:
 PROGRAM TITLE AND CODE:
 SUBPROGRAM TITLE AND CODE:

Kansas Racing and Gaming
 Commission
 553-00
 Racing Program - 03900

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 FY25, or FY26. There has been no activity in this fund in previous years.

	Actual FY17	Actual FY18	Actual FY19	Actual FY20	Actual FY21	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Estimate FY26
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 FY 2025, or FY 2026. The estimated revenues projected in FY 2025, and FY 2026 are attributed to applicant deposits.

	Actual FY17	Actual FY18	Actual FY19	Actual FY20	Actual FY21	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Estimate FY26
Deposit	-	-	-	-	-	-	501,521	-	-	-

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
 553-00
 Racing Program - 03900

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 2025, or FY 2026.

	Actual FY17	Actual FY18	Actual FY19	Actual FY20	Actual FY21	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Estimate FY26
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 2025, or FY 2026.

	Actual FY17	Actual FY18	Actual FY19	Actual FY20	Actual FY21	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Estimate FY26
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 FY 2025 and FY 2026 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 FY17	Actual FY18	Actual FY19	Actual FY20	Actual FY21	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Estimate FY26
PMIB Loan Proceeds	-	-	-	-	-	-	-	-	-	-
LGFRB applicant reimbursements	-	-	-	-	-	-	-	-	-	-
Hollywood Start-up Reimb.	-	-	-	-	-	-	-	-	-	-
Sumner Casino Start-up Reimb.	-	-	-	-	-	-	-	-	-	-
Boot Hill Start-up Reimb.	-	-	-	-	-	-	-	-	-	-
Hollywood Ops Reimbursement	1,753,827	1,807,405	1,754,182	1,368,001	2,364,914	1,856,409	2,315,520	2,321,425	1,500,000	2,360,000
Sumner Casino Ops Reimbursement	1,825,345	1,865,898	1,907,527	1,474,782	2,589,199	1,913,545	2,281,907	2,591,385	1,800,000	2,440,000
Boot Hill Ops Reimbursement	942,606	982,583	1,090,169	732,669	1,303,987	1,171,772	1,392,363	1,642,267	1,250,000	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	1,514,800	1,250,000	1,840,000
Administrative Costs Allocation Parimu	-	-	-	-	-	-	-	510,837	500,000	750,000
Facility Mgr Background Deposits	-	-	-	-	-	-	-	-	-	-
Vendor Background Fees	-	-	-	-	-	-	-	-	-	-
Miscellaneous Revenue	3,675	388	4,695	35,806	1,231	3,827	1,007	31,284	-	-
Transfer In	-	-	-	-	-	-	-	375,000	375,000	375,000
Transfer Out	-	-	-	-	-	(16,098)	-	-	-	-
	<u>6,404,812</u>	<u>5,744,722</u>	<u>5,918,647</u>	<u>4,494,585</u>	<u>7,722,339</u>	<u>6,066,119</u>	<u>7,323,054</u>	<u>8,986,998</u>	<u>6,675,000</u>	<u>9,550,000</u>

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 FY17	Actual FY18	Actual FY19	Actual FY20	Actual FY21	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Estimate FY26
Examination Deposits	176,153	138,652	175,742	130,155	279,316	329,115	426,736	323,294	400,000	375,000
Refunds	(9,440)	-	-	-	-	-	-	-	-	-
	166,713	138,652	175,742	130,155	279,316	329,115	426,736	323,294	400,000	375,000

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 FY 2024 and FY 2025, 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 FY2025, and FY 2026 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 FY17	Actual FY18	Actual FY19	Actual FY20	Actual FY21	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Estimate FY26
Seizures	-	60	(919)	113,908	7,627	(13,493)	15,084	255	5,000	5,000
Transfers	-	-	-	-	-	-	-	-	-	-
	-	60	(919)	113,908	7,627	(13,493)	15,084	255	5,000	5,000

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 FY17	Actual FY18	Actual FY19	Actual FY20	Actual FY21	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Estimate FY26
Gaming Machine Exam Deposits	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-

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 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
AGENCY NUMBER
PROGRAM TITLE AND CODE
SUBPROGRAM TITLE AND CODE

Kansas Racing and Gaming Commission
553
Parimutuel Gaming Program - 03900

PARIMUTUEL GAMING PROGRAM

Salaries and Wages

	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Estimate	Estimate
State Racing Fund	4,895	1,406	342	1,388	2,826	3,274	34,078	114,415	851,896	1,083,584
Horse Fair Racing Benefit Fund	-	-	-	-	-	-	-	-	-	-
Racing Investigative Expense Fund	-	-	-	-	-	-	-	-	-	-
Racing Reimbursable Expense Fund	-	-	-	-	-	-	-	-	-	-
Total	4,895	1,406	342	1,388	2,826	3,274	34,078	114,415	851,896	1,083,584

Prior Year FY 2024

In FY 2024 \$114,415 in salaries and wages were expended, primarily as the result of backgrounding and regulatory activities for the parimutuel facility in Sedgwick County and to maintain the Kansas Bred Registry.

Current Year FY 2025

The requested FTE for FY 2025 remains consistent with the approved FTE of 13.05 for the regulation of a historical horse racing machines at a parimutuel facility in Sedgewick county. The 13 FTE are funded for nine months of regulatory activities. KRGC has assumed a shrinkage of 7.5% which is about \$64,000.

Budget Year FY 2026

The requested number of FTE for the regulation of parimutuel activities remains consistent with the approved FTE for FY 2025 at 13.05 FTE for a full of regulation of a historical horse racing machines at a parimutuel facility in Sedgewick county. KRGC has assumed a shrinkage of 7.5% which is about \$80,000.

Current Year FY 2025- Enhancement

There are no salary and wages enhancements for the parimutuel program in the budget year.

Budget Year FY 2026- Enhancement

There are no salary and wages enhancements for the parimutuel program in FY 2026.

NARRATIVE INFORMATION -- DA 400

AGENCY NAME	Kansas Racing and Gaming Commission
AGENCY NUMBER	553
PROGRAM TITLE AND CODE	Parimutuel Gaming Program - 03900
SUBPROGRAM TITLE AND CODE	

DIVISION OF THE BUDGET
STATE OF KANSAS

PARIMUTUEL GAMING PROGRAM

Contractual Service

State Racing Fund	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Estimate	Estimate
Communication	-	-	-	-	-	-	-	-	10,000	10,000
Freight & Express	-	-	-	-	-	-	-	-	-	-
Printing & Advertising	-	-	-	-	-	-	-	-	-	-
Rents	308	-	268	-	-	-	-	24,740	20,500	20,500
Repairing & Servicing	-	-	-	-	-	-	-	-	-	-
Travel & Subsistence	-	-	-	-	-	-	5,746	18,432	40,000	40,000
Fees - Other Services	-	-	-	-	-	-	3,841	48	150,000	150,000
Fees - Professional Services	-	-	-	-	-	-	8,640	-	100,500	100,500
Other Contractual Services	-	-	-	-	-	-	190	-	-	-
Total Contractual Services	308	-	268	-	-	-	18,417	43,220	321,000	321,000

Prior Year FY 2024

In FY 2024 approximately \$43,000 in contractual services were expended, primarily as the result of regulatory activities for the parimutuel facility in Sedgwick County.

Current Year FY 2025

Funds are budgeted for racing records storage and to operate the Kansas Bred Registry Program for registration of horses and greyhounds and to regulate a parimutuel facility in Sedgwick County. Contractual expenditures for FY 2025 remain consistent with the approved FY 2025 budget at \$321,000 primarily for the regulation of historical horse racing machines at a parimutuel facility in Sedgwick County.

Budget Year FY 2026

Funds are budgeted for racing records storage and to operate the Kansas Bred Registry Program for registration of horses and greyhounds and to regulate a parimutuel facility in Sedgwick County. Contractual expenditures for FY 2026 remain consistent with the approved FY 2025 budget at \$321,000 primarily for the regulation of historical horse racing machines at a parimutuel facility in Sedgwick County.

Current Year FY 2026- Enhancement

There are no contractual expenditure enhancements for the parimutuel program in the budget year.

Budget Year FY 2026- Enhancement

There are no contractual expenditure enhancements for the parimutuel program in FY 2026.

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

	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Estimate	Estimate
Animal Food	-	-	-	-	-	-	-	-	-	-
Food	-	-	-	-	-	-	-	2,854	-	-
Maintenance Material, Supplies, Parts	-	-	-	-	-	-	-	-	200	200
Motor Vehicle Parts, Supplies	-	-	-	-	-	-	108	315	8,000	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	3,169	35,600	35,600

Prior Year FY 2024

In FY 2024 approximately \$3,200 were expended for commodities primarily for fuel related to agency vehicle travel related to parimutuel activities.

Current Year FY 2025

The request for commodities for parimutuel activity remains consistent with the approved FY 2025 budget at \$35,600 for the regulation of historical horse racing machines at a parimutuel facility in Sedgwick County.

Budget Year FY 2026

The request for commodities for parimutuel activity remains consistent with the approved FY 2026 budget at \$35,600 for the regulation of historical horse racing machines at a parimutuel facility in Sedgwick County.

Current Year FY 2025- Enhancement

There are no commodities expenditure enhancements for the parimutuel program in the budget year.

Budget Year FY 2026- Enhancement

There are no commodities expenditure enhancements for the parimutuel program in FY 2025.

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
Parimutuel Gaming Program - 03900

PARIMUTUEL GAMING PROGRAM

Capital Outlay

State Racing Fund

	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Estimate	Estimate
Equipment, Machinery, Furniture and Fixtures	-	-	-	-	-	-	-	-	-	-
Books and Library Materials	-	-	-	-	-	-	-	-	-	-
Professional and Scientific Equipment	-	-	-	-	-	-	-	-	5,000	-
Microcomputer Systems and Support Equipment	-	-	-	-	-	-	-	-	30,000	25,000
Information Processing Equipment	-	-	-	-	-	-	-	-	60,000	10,000
Computer Systems, Info Processing or Micro Software	-	-	-	-	-	-	-	-	55,000	35,000
Other Equip Furniture/Fixtures	-	-	-	-	-	-	739	-	-	-
Passenger cars	-	-	-	-	-	-	-	-	-	-
Total Capital Outlay	-	-	-	-	-	-	739	-	150,000	70,000

Prior Year FY 2024

In FY 2024 no funds were expended for capital outlay.

Current Year FY 2025

KRGC is requesting approximately \$150,000 in expenditures for capital outlay in FY 2025 for the regulation of historical horse racing machines at a parimutuel facility in Sedgwick County.

Budget Year FY 2026

KRGC is requesting approximately \$70,000 in expenditures for capital outlay in FY 2026 for the regulation of historical horse racing machines at a parimutuel facility in Sedgwick County.

Current Year FY 2025- Enhancement

There are no capital outlay expenditure enhancements for the parimutuel program in the budget year.

Budget Year FY 2026- Enhancement

There are no capital outlay enhancements for the parimutuel program in FY 2025.

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	

TRIBAL GAMING PROGRAM

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 Tribe of Kansas and Nebraska; the Kickapoo Tribe of Kansas; the Prairie Band Potawatomi Nation; and the Sac & Fox Nation of Missouri in Kansas and Nebraska.

PROGRAM'S STATUTORY HISTORY:

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.

PROGRAM GOAL

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.

OBJECTIVES:

Prohibit undesirable employees, contractors, manufacturers, and distributors from obtaining licenses and/or access to casino facilities and activities.

Ensure the provisions of the tribal-state gaming compacts, the Tribal Gaming Oversight Act, and the Indian Gaming Regulatory Act are met.

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	

TRIBAL GAMING PROGRAM

OUTCOME MEASURES:

	FY22	FY23	FY24	FY25	FY26
	Actuals	Actuals	Actuals	Estimate	Estimate
Average days to complete background investigations	31	30	35	35	35
Average days to preliminary suitability	2	3	1.5	2	2

STRATEGIES:

- 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.

OUTPUT MEASURES:

	FY22	FY23	FY24	FY25	FY26
	Actuals	Actuals	Actuals	Estimate	Estimate
Number of background investigations.	411	467	448	450	450
Number of official slot machine inspections	339	303	372	350	350
Number of compliance inspections	190	180	177	180	180
Number of internal control inspections	1,874	1,603	347	1,500	1,500

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
Tribal Gaming Program - 03700

FUNCTION NO. 1

TRIBAL GAMING PROGRAM

Salaries and Wages

Tribal Gaming Fund	FY 22 Actuals	FY 23 Actuals	FY 24 Actuals	FY 25 Estimate	FY 26 Estimate
Assumed Shrinkage	986,697	1,014,179	1,015,349	1,138,654 (20,000)	1,149,639 (20,000)
Net Salaries and Wages	<hr/>			1,118,654	1,129,639

The Tribal Gaming Program funding request will be used to finance 15 FTE positions for FY 25 & FY 26.

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

Current Year FY 2025

Salaries and wages for the current year remain unchanged from the FY 25 legislative approved budgeted amount.
The Kansas State Gaming Agency has assumed a shrinkage amount of \$20,000, which equals a shrinkage rate of approximately 1.76%.

Budget Year FY 2026

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 1.74%.

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
AGENCY NUMBER
PROGRAM TITLE AND CODE
SUBPROGRAM TITLE AND CODE

Kansas Racing and Gaming Commission
553 FUNCTION NO.
Tribal Gaming Program - 03700

1

TRIBAL GAMING PROGRAM

Contractual Services

Tribal Gaming Fund	FY 23	FY 24	FY 25	FY 26
	Actuals	Actuals	Estimate	Estimate
Communication	38,244	37,878	80,100	80,100
Freight & Express	39	-	100	100
Printing & Advertising	24	24	100	100
Rents	91,673	93,616	95,330	95,330
Repairing & Servicing	34,426	17,544	26,800	26,800
Travel & Subsistence	13,045	9,603	20,750	20,750
Fees - Record Checks, Building Surcharge	44,727	43,459	51,500	51,500
Fees - Other Services	23,360	29,662	36,550	36,550
Fees - Professional Services	-	-	500	500
Other Contractual Services	3,071	3,122	3,700	3,700
Official Hospitality	55	48	1,000	1,000
Total Contractual Services	<u>248,664</u>	<u>234,956</u>	<u>316,430</u>	<u>316,430</u>

Prior Year FY 2024

During FY 2024 Contractual Services were approximately 15.2% 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 2025

In the current year, the contractual service budget remains consistent with the FY 2025 legislative approved budgeted amount.

Budget Year FY 2026

In the budget year FY 2026, 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

1

Commodities

Tribal Gaming Fund	FY23	FY24	FY25	FY26
	Actuals	Actuals	Estimate	Estimate
Maintenance Materials, Supplies, Parts	920	245	1,750	1,750
Motor Vehicle Parts, Supplies	5,684	5,218	10,500	10,500
Professional & Scientific Supplies	-	113	500	500
Stationary & Office Supplies	3,520	998	3,000	3,000
Other Supplies, Materials, Parts	2,014	8,073	4,500	4,500
Total Commodities	12,138	14,647	20,250	20,250

Prior Year FY 2024

In FY 2024, Commodities were approximately 43.33% 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 2025

In the current year, the commodities budget remains consistent with the FY 2025 legislative approved budgeted amount.

Budget Year FY 2026

In the budget year FY 2026, 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 FUNCTION NO. 1
 PROGRAM TITLE AND CODE Tribal Gaming Program - 03700
 SUBPROGRAM TITLE AND CODE

TRIBAL GAMING PROGRAM

Capital Outlay

Tribal Gaming Fund	FY23	FY24	FY25	FY26
	Actuals	Actuals	Estimate	Estimate
Vehicles	-	-	-	-
Equipment, Machinery, Furniture and Fixtures	-	-	1,500	1,500
Professional and Scientific Equipment	-	2,279	-	-
Books and Library Materials	-	-	-	-
Microcomputer Systems and Support Equipment	7,339	30,895	11,300	11,300
Information Processing Equipment	-	-	18,500	18,500
Computer Systems, Info Processing or Micro Software	542	274	2,500	2,500
Buildings & Improvements	-	-	-	-
Telecommunications/ Data Facilities	-	-	-	-
	<u>7,881</u>	<u>33,448</u>	<u>33,800</u>	<u>33,800</u>

Prior Year FY 2024

In the prior year, capital outlay was approximately 13.96% above the approved legislative budgeted amount.

Current Year FY 2025

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

Budget Year FY 2026

In the budget year FY 2026, 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 2019	Actual FY 2020	Actual FY 2021	Actual FY 2022	Actual FY 2023	Actual FY 2024	Estimate FY 2025	Estimate FY 2026
Number of background investigations completed (individual & corporate)	1,123	927	606	1,247	1,270	1,205	1,270	1,270
Percentage of employee licenses denied by the Commission	1%	1%	1%	1%	1%	1%	2%	2%
Number of initial EGM inspections/certifications	791	375	108	204	504	640	700	700
Number of Criminal Case Reports	486	409	457	340	258	289	550	550
Illegal gaming machines seized (# does not include components, prizes and other related items seized)	47	39	6	10	43	27	60	60
Illegal gambling complaints received	176	143	145	121	104	115	220	220
Local criminal prosecutions initiated with KRGC assistance*	1	0	0	5	0	4	25	25
Number of VEP enrollees granted access to lottery gaming facility	85	86	99	80	58	74	71	71
Number of new Voluntary Exclusion Program enrollments	289	200	174	172	192	499	300	300

* 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 does not have prosecution authority and it is unknown whether county and district attorneys initiated criminal cases based on KRGC efforts.

NARRATIVE INFORMATION -- DA 400

AGENCY NAME	Kansas Racing and Gaming Commission
AGENCY NUMBER	553
PROGRAM TITLE AND CODE	Expanded Gaming Regulation - 03800
SUBPROGRAM TITLE AND CODE	Gaming Regulation

DIVISION OF THE BUDGET
STATE OF KANSAS

EXPANDED LOTTERY ACT REGULATION PROGRAM (GAMING)
Subprogram Gaming Regulation

Purpose:

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.

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: 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.

PROGRAM GOALS - INTEGRITY OF GAMING

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.

Objectives

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.

<u>OUTCOME MEASURE:</u>		Actual	Actual	Actual	Actual	Actual	Actual	Estimate	Estimate
		FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Corporate Background Completion %		136%	150%	100%	134%	117%	116%	95%	95%
Individual Background Completion %		69%	91%	67%	91%	129%	87%	95%	95%
% of Employee Applicants Denied Temporary Permits		3%	2%	2%	5%	4%	1%	5%	5%
% Employee Licenses Denied by Commission		1%	1%	0.5%	1%	1%	1%	2%	2%
Licenses revoked because of previously undiscovered information		0%	0%	0%	0%	0%	0%	0%	0%
<u>OUTPUT MEASURES:</u>									
Corporate Background Investigations:	Completed	16	6	0	7	41	25	20	20
	Pending/In-Process	35	63	77	59	33	13	20	20
	Updates/Renewals	18	26	23	36	23	34	20	20
Individual Background Investigations:	Completed	1,107	921	606	1,240	1,229	1,180	1,250	1,250
	Pending/In-Process	987	686	798	571	545	607	750	750
	Updates/Renewals	1,037	1,031	994	1,022	977	989	1,250	1,250
Vendor Licenses:	Approved	15	6	0	7	41	25	15	15
	Temporary	6	2	10	2	32	4	10	10
	Renewals	18	26	23	36	23	34	20	20
Casino Employee Licenses:	Gaming Licenses Approved	691	635	385	755	695	694	800	800
	Gaming Licenses Denied	16	18	6	22	19	29	20	20
	Temporary Work Permits Issues	837	555	637	909	700	796	800	800
	License Renewals	704	695	667	512	575	575	750	750
Criminal Case Reports		486	409	457	340	258	289	550	550

NARRATIVE INFORMATION -- DA 400

AGENCY NAME	Kansas Racing and Gaming Commission
AGENCY NUMBER	553
PROGRAM TITLE AND CODE	Expanded Gaming Regulation - 03800
SUBPROGRAM TITLE	Gaming Regulation

DIVISION OF THE BUDGET
STATE OF KANSAS

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 2019	Actual FY 2020	Actual FY 2021	Actual FY 2022	Actual FY 2023	Actual FY 2024	Estimate FY 2025	Estimate FY 2026
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	17	17	14	10	6	8	15	15
Machine Software Inspections	1,913	2,280	1,721	4,201	4,566	4,123	5,000	5,000
Initial EGM Inspections/Certifications	791	375	108	204	504	640	700	700
EGM Hardware/Software Components Tested and Approved	2,634	2,683	1,706	1,626	2,177	3,237	3,600	3,600
Table Games Tested and Approved	27	3	2	1			5	5
Internal Control Plans Approved	0	0	0	0	0	0	0	0
Internal Control Plan Amendments Reviewed	77	60	46	68	58	65	65	65
Internal Control Plan Amendments Approved	66	55	34	56	36	32	55	55
Investigations of Variances/Findings found in Audits	0	2	0	0	0	0	1	1
Security Plans Approved	0	0	0	0	0	0	0	0
Security Plan Amendments Reviewed	1	2	2	9	2	2	2	2
Security Plan Amendments Approved	2	2	2	6	0	1	2	2
Non-Criminal Incident Reports	492	807	1,218	525	340	353	500	500
Official Customer Complaints Received	10	14	27	8	85	78	51	41

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	Illegal Gaming

EXPANDED LOTTERY ACT REGULATION PROGRAM (GAMING)
Subprogram Illegal Gaming

Purpose:

Protect the state of Kansas and its citizens from unregulated gaming.

Required By Statute: Yes.

Maintenance of Effort or Matching Requirement: None.

Statutory Requirements: 74-8750(b)&(d); 74-8772(e); Appropriations language establishes the illegal gambling fund for machines seized through enforcement by KRGC.

Consequences of Not Funding: Failure to fund could result in the proliferation of gaming that is corrupt. It can also impact the gaming revenue the State receives.

PROGRAM GOAL - ILLEGAL GAMING ENFORCEMENT

Coordinate with state agencies and local authorities to reduce and minimize illegal gaming in Kansas.

Objectives

- 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.

	Actual FY 2019	Actual FY 2020	Actual FY 2021	Actual FY 2022	Actual FY 2023	Actual FY 2024	Estimate FY 2025	Estimate FY 2026
<u>OUTPUT MEASURES:</u>								
Illegal gaming machines seized (# does not include components, prizes and other related items seized)	47	39	6	10	43	27	60	60
Illegal gambling complaints received	176	143	145	121	104	115	220	220
Local criminal prosecutions initiated with KRGC assistance*	1	0	0	5	0	4	25	25
The number of investigations related to criminal activity as stipulated in K.S.A. § 74-8792(a)	0	0	0	0	0	25	100	100

* 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 does not have prosecution authority and it is unknown whether county and district attorneys initiated criminal cases based on KRGC efforts.

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 2019	Actual FY 2020	Actual FY 2021	Actual FY 2022	Actual FY 2023	Actual FY 2024	Estimate FY 2025	Estimate FY 2026
<u>OUTCOME MEASURE:</u>								
Number of VEP enrollees granted access to lottery gaming facility	85	86	99	80	58	74	71	71
Number of audit deficiencies of lottery gaming facility's responsible gambling plan (initiated FY 2013)	0	0	0	0	0	0	0	0
Number of problem gambling helpline calls reporting lottery gaming facility as source (% of total)	15%	14%	11%	37%	23%	42%	33%	30%
<u>OUTPUT MEASURES:</u>								
Number of new Voluntary Exclusion Program enrollments	289	200	174	172	192	499	300	300

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

	FY16 Actual	FY17 Actual	FY18 Actual	FY19 Actual	FY20 Actual	FY21 Actual	FY22 Actual	FY23 Actual	FY24 Actual	FY25 Estimate	FY26 Estimate
Gaming Regulation Sub-Program - 03861											
Expanded Lottery Act Regulation Fund	3,987,843	4,425,473	4,784,630	4,960,509	5,151,087	5,128,709	5,369,133	5,961,686	6,334,729	7,519,725	7,575,667
Gaming Background Investigations Fund	205,429	167,533	170,982	201,735	179,014	261,078	338,903	331,836	303,628	350,790	354,966
Subtotal Salaries and Wages - 03861	4,193,272	4,593,006	4,955,612	5,162,244	5,330,101	5,389,787	5,708,036	6,293,522	6,638,357	7,870,515	7,930,633
Responsible Gaming Sub-Program - 03862											
Expanded Lottery Act Regulation Fund	-	-	2,031	39,597	30,882	29,162	35,562	35,934	49,871	30,442	30,783
Gaming Background Investigations Fund	-	-	-	-	-	-	-	-	-	-	-
Subtotal Salaries and Wages - 03862	-	-	2,031	39,597	30,882	29,162	35,562	35,934	49,871	30,442	30,783
Illegal Gaming Sub-Program - 03863											
Expanded Lottery Act Regulation Fund	-	81,429	81,429	76,611	82,557	57,305	51,715	89,912	274,167	657,777	681,585
Gaming Background Investigations Fund	-	-	-	-	-	-	-	-	-	-	-
Subtotal Salaries and Wages - 03863	-	81,429	81,429	76,611	82,557	57,305	51,715	89,912	274,167	657,777	681,585
Expanded Gaming Regulation Program Total											
Expanded Lottery Act Regulation Fund	3,987,843	4,506,902	4,868,090	5,076,717	5,264,526	5,215,176	5,456,410	6,087,532	6,658,767	8,207,944	8,288,035
Gaming Background Investigations Fund	205,429	167,533	170,982	201,735	179,014	261,078	338,903	331,836	303,628	350,790	354,966
Total Salaries and Wages - Expanded Gaming Regulation Program	4,193,272	4,674,435	5,039,072	5,278,452	5,443,540	5,476,254	5,795,313	6,419,368	6,962,395	8,558,734	8,643,001

Prior Year -FY 2024

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 81.5 regular unclassified positions. In addition, KRGC has 5 commissioners which are non-FTE temporary unclassified.

Current Year FY 2025

Salaries and wages for FY 2025 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 FY 2025. In addition, the KRGC funds a 0.5 temporary unclassified position, 5 KRGC Commissioners in the temporary unclassified service. The revised FTE for FY 2025 is unchanged from the approved FY 2025 budget. KRGC has assumed a shrinkage of 7.5% which is about \$600,000.

Budget Year FY 2026

Salaries and wages for FY 2026 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 FY 2025. In addition, the KRGC funds a 0.5 temporary unclassified position, 5 KRGC Commissioners in the temporary unclassified service. KRGC's requested FTE is unchanged from the approved FY 2025 budget. KRGC has assumed a shrinkage of 7.5% which is about \$650,000.

Current Year FY 2025- Supplemental

There is no supplemental package for FY 2025.

Budget Year FY 2026- Supplemental

There is no supplemental package for FY 2026.

NARRATIVE INFORMATION – DA 400

Kansas Racing and Gaming Commission

553

DIVISION OF THE BUDGET
STATE OF KANSAS

Expanded Gaming Regulation - 03800

EXPANDED GAMING REGULATION PROGRAM

Contractual Services

Contractual Services by Sub-Program

	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Estimate	Estimate
Gaming Regulation Sub-Program - 03861										
Expanded Lottery Act Reg Fund - 2535										
Communication	93,861	79,494	62,571	64,043	80,408	81,224	66,332	62,762	85,200	85,200
Freight & Express	1,407	4,490	4,008	3,488	2,963	2,968	3,378	3,985	1,300	1,300
Printing & Advertising	-	-	45	842	46	131	1,489	3,368	1,450	1,450
Rents	208,953	215,597	232,254	223,794	227,867	227,045	230,156	241,639	260,650	260,650
Repairing & Servicing	49,537	20,846	20,901	109,664	15,242	14,219	18,275	25,043	55,708	55,708
Travel & Subsistence	121,777	89,902	67,729	75,366	58,344	57,843	79,439	86,573	151,634	151,634
Fees - Other Services	312,416	350,094	349,065	247,461	269,938	339,163	364,823	317,052	346,940	346,940
Fees - Professional Services	6,614	28,743	51,841	69,247	40,041	38,949	7,774	18,504	282,050	282,050
Other Contractual Services	4,820	4,123	2,675	3,026	7,981	8,383	10,699	6,754	19,043	19,043
Subtotal - Cont Services - ELARF	799,385	793,289	791,089	796,931	682,830	769,925	782,365	765,680	1,203,975	1,203,975
Gaming Background Investigations Fund - 2682										
Communication	-	-	-	-	-	-	-	-	-	-
Freight & Express	-	-	-	-	-	-	-	-	-	-
Printing & Advertising	-	-	-	-	-	-	-	-	-	-
Rents	-	-	-	-	-	-	-	-	-	-
Repairing & Servicing	-	-	-	-	-	-	-	-	-	-
Travel & Subsistence	9,645	12,996	14,377	6,019	-	6,562	7,885	15,975	35,250	35,250
Fees - Other Services	-	5	321	142	-	-	-	1,255	-	-
Fees - Professional Services	-	-	-	-	-	-	-	134	-	-
Other Contractual Services	-	-	-	-	-	-	-	-	-	-
Subtotal - Cont Services - Gaming Background Invest Fund	9,645	13,001	14,698	6,161	-	6,562	7,885	17,364	35,250	35,250
Illegal Gambling Enforcement Fund - 2734										
Communication	-	-	-	-	-	-	-	-	-	-
Freight & Express	-	-	-	-	-	-	-	-	-	-
Printing & Advertising	-	-	-	-	-	-	-	-	-	-
Rents	-	-	-	-	-	-	-	-	-	-
Repairing & Servicing	-	-	-	-	-	-	-	-	-	-
Travel & Subsistence	-	-	-	-	-	-	-	-	-	-
Fees - Other Services	-	-	-	-	-	-	-	-	-	-
Fees - Professional Services	-	-	-	-	-	-	-	-	-	-
Other Contractual Services	-	-	-	-	-	-	-	-	-	-
Subtotal - Cont Services - Illegal Gambling Enforcement Fund	-	-	-	-	-	-	-	-	-	-
Subtotal - Cont. Services - Gaming Regulation 03861	809,030	806,290	805,787	803,092	682,830	776,487	790,250	783,044	1,239,225	1,239,225
Responsible Gaming Sub-Program - 03862										
Expanded Lottery Act Regulation Fund - 2535										
Subtotal - Cont Services - ELARF	-	-	-	-	-	-	-	106	-	-
Gaming Background Investigations Fund	-	-	-	-	-	-	-	106	-	-
Subtotal - Cont Services - Gaming Background Invest Fund	-	-	-	-	-	-	-	212	-	-
Illegal Gambling Enforcement Fund - 2734	-	-	-	-	-	-	-	-	-	-
Subtotal - Cont Services - Illegal Gambling Enforcement Fund	-	-	-	-	-	-	-	-	-	-
Subtotal Cont. Services - Responsible Gambling 03862	-	-	-	-	-	-	-	212	-	-
Illegal Gaming Sub-Program - 03863										
Expanded Lottery Act Reg Fund - 2535										
Communication	-	-	-	-	-	-	-	34	20,000	20,000
Freight & Express	-	-	-	-	-	-	-	45	-	-
Printing & Advertising	-	-	-	-	-	-	-	-	-	-
Rents	-	-	-	200	-	-	-	-	-	-
Repairing & Servicing	-	-	-	-	47	-	92	-	-	-
Travel & Subsistence	-	150	198	477	1,194	1,421	3,665	6,794	25,000	25,000
Fees - Other Services	-	-	15	-	-	-	550	350	20,000	20,000
Fees - Professional Services	-	-	-	-	-	-	-	-	50,000	50,000
Other Contractual Services	-	-	-	-	-	-	-	383	-	-
Subtotal - Cont Services - ELARF	-	150	213	677	1,241	1,421	4,307	7,606	115,000	115,000
Illegal Gambling Enforcement Fund - 2734										
Communication	-	-	240	-	-	-	-	-	-	-
Freight & Express	-	-	-	-	-	-	-	20	-	-
Printing & Advertising	-	-	-	-	-	-	-	-	-	-
Rents	178	-	-	780	-	-	-	-	-	-
Repairing & Servicing	-	-	-	70	-	-	-	-	-	-
Travel & Subsistence	726	207	1,206	-	-	-	-	-	-	-
Fees - Other Services	-	408	145	-	-	-	-	-	-	-
Fees - Professional Services	-	-	-	-	-	-	-	383	-	-
Other Contractual Services	107	-	221	116	70	-	362	-	3,000	3,000
Subtotal - Cont Services - Illegal Gambling Enforcement Fund	1,011	615	1,812	966	70	-	362	403	3,000	3,000
Subtotal - Cont. Services - Illegal Gaming 03863	1,011	765	2,025	1,643	1,311	1,421	4,669	8,009	118,000	118,000
Total Contractual Services - Expanded Gaming Regulation Program	810,041	807,055	807,812	804,735	684,141	777,908	794,919	791,159	1,357,225	1,357,225

Prior Year - FY 2024

The majority of contractual expenditures for FY 2024 are for the regulation of the four lottery gaming facilities currently operating. Expenses for central administration primarily consist of rent and monument charge (\$227,000), and database fees related to background investigations (\$170,000).

Current Year - FY 2025

FY 2025 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 2025

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

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 (Continued)

Budget Year - FY 2026

The FY 2026 budget year reflects costs for the ongoing expanded gaming regulation of the four operational lottery gaming facilities and are consistent with the approved FY 2025 contractual services budget.

NOTE: The KRGC requests to continue the Hospitality Fund in the amount of \$1,500.

Enhancement - FY 2026

There are no contractual service enhancements for the Kansas Racing and Gaming Commission in the FY 2026 budget.

NARRATIVE INFORMATION -- DA 400

AGENCY NAME Kansas Racing and Gaming Commission
 AGENCY NUMBER 553
 PROGRAM TITLE AND CODE Expanded Gaming Regulation - 03800
 SUBPROGRAM TITLE AND CODE

DIVISION OF THE BUDGET
 STATE OF KANSAS

EXPANDED GAMING REGULATION PROGRAM

Commodities

Commodities by Sub-Program

	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Estimate	Estimate
Gaming Regulation Sub-Program - 03861										
Expanded Lottery Act Reg Fund - 2535										
Clothing	1,550	13	3,928	11,131	647	-	210	638	-	-
Food	16	55	32	514	-	59	72	341	-	-
Maintenance Materials, Supplies, Parts	3,395	8,215	3,891	7,694	553	7,784	3,915	948	4,100	4,100
Motor Vehicle Parts, Supplies	9,356	7,453	10,967	-	8,352	11,567	12,559	19,310	28,055	28,055
Professional & Scientific Supplies	421	4,061	793	3,535	3,908	2,883	1,101	2,068	25,860	25,860
Stationary & Office Supplies	48,872	10,933	21,312	13,828	9,986	10,892	16,437	30,317	84,555	84,555
Other Supplies, Materials, Parts	43,710	34,087	24,036	9,671	4,581	27,401	28,485	24,845	4,300	4,300
Subtotal - Commodities - ELARF	107,320	64,817	64,959	46,373	28,027	60,586	62,779	78,467	146,870	146,870
Gaming Background Investigations Fund - 2682										
Maintenance Materials, Supplies, Parts	-	-	-	-	-	-	-	-	-	-
Motor Vehicle Parts, Supplies	201	249	504	-	-	164	-	178	1,700	1,700
Professional & Scientific Supplies	-	-	-	139	-	-	-	-	-	-
Stationary & Office Supplies	-	-	-	-	-	-	-	-	-	-
Other Supplies and Materials	45	-	-	-	-	-	-	-	-	-
Subtotal - Commodities - Gaming Background Investigations Fund	246	249	504	139	-	164	-	178	1,700	1,700
Illegal Gambling Enforcement Fund - 2734										
Subtotal - Commodities - Illegal Gambling Enforcement Fund	-	-	-	-	-	-	-	-	-	-
Subtotal - Commodities - Gaming Regulation	107,566	65,066	65,463	46,512	28,027	60,750	62,779	78,645	148,570	148,570
Responsible Gaming Sub-Program - 03862										
Expanded Lottery Act Regulation Fund - 2535										
Subtotal - Commodities - ELARF	-	-	-	-	-	-	-	-	-	-
Gaming Background Investigations Fund										
Subtotal - Commodities - Gaming Background Investigations Fund	-	-	-	-	-	-	-	-	-	-
Illegal Gambling Enforcement Fund - 2734										
Subtotal - Commodities - Illegal Gambling Enforcement Fund	-	-	-	-	-	-	-	-	-	-
Subtotal Commodities - Responsible Gambling 03862	-	-	-	-	-	-	-	-	-	-
Illegal Gaming Sub-Program - 03863										
Expanded Lottery Act Regulation Fund - 2535										
Food	-	-	-	-	-	-	179	-	-	-
Clothing	-	-	-	-	-	-	-	109	-	-
Maintenance Materials, Supplies, Parts	-	-	-	-	-	-	-	41	-	-
Motor Vehicle Parts, Supplies	-	639	371	297	613	350	1,349	2,342	1,200	1,200
Professional & Scientific Supplies	574	-	-	-	-	918	-	-	20,000	20,000
Stationary & Office Supplies	-	-	-	-	-	-	-	95	10,000	10,000
Other Supplies and Materials	-	136	-	207	-	326	-	333	-	-
Subtotal - Commodities - ELARF	574	775	371	504	613	1,594	1,349	2,920	31,200	31,200
Illegal Gambling Enforcement Fund - 2734										
Maintenance Materials, Supplies, Parts	-	-	-	-	-	-	-	-	-	-
Motor Vehicle Parts, Supplies	151	722	580	238	-	-	-	-	-	-
Professional & Scientific Supplies	574	-	-	-	-	-	-	-	-	-
Stationary & Office Supplies	-	-	65	240	-	-	91	49	-	-
Other Supplies and Materials	-	-	16	-	-	-	-	16	-	-
Subtotal - Commodities - Illegal Gambling Enforcement Fund	725	722	661	478	-	-	91	65	-	-
Subtotal - Commodities - Illegal Gambling - 03863	1,299	1,497	1,032	982	613	1,594	1,440	2,985	31,200	31,200
Total Commodities - Expanded Gaming Regulation Program	108,865	66,563	66,495	47,494	28,640	62,344	64,219	81,630	179,770	179,770

Prior Year - FY 2024

The FY 2024 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 KRGC offices. Office supplies include security badge supplies for the printing and replacement of security badges for gaming facility employees.

Current 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 is unchanged from the FY 2025 approved budget.

Enhancement - FY 2025

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

NARRATIVE INFORMATION -- DA 400

AGENCY NAME	Kansas Racing and Gaming Commission
AGENCY NUMBER	553
PROGRAM TITLE AND CODE	Expanded Gaming Regulation - 03800
SUBPROGRAM TITLE AND CODE	

DIVISION OF THE BUDGET
STATE OF KANSAS

EXPANDED GAMING REGULATION PROGRAM

Commodities (Continued)

Budget Year - FY 2026

The FY 2026 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 2025 budget.

Enhancement - FY 2026

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

	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY25
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Estimate	Estimate
Gaming Regulation Sub-Program - 03861										
Expanded Lottery Act Reg Fund - 2535										
Passenger Cars	53,246	-	53,240	-	-	-	-	78,852	-	-
Equipment, Machinery, Furniture and Fixtures	33,086	5,101	3,428	-	3,679	10,487	5,500	6,553	5,500	5,500
Professional and Scientific Equipment	-	239	311	292	709	1,797	-	809	-	-
Books and Library Materials	83	-	-	-	-	150	-	1,992	-	-
Microcomputer Systems and Support Equipment	17,990	30,427	-	-	21,650	92,700	85,300	11,949	85,300	85,300
Information Processing Equipment	8,773	525	44,593	15,190	66,653	40,302	15,000	36,005	15,000	15,000
Computer Systems, Info Processing or Micro Software	8,318	18,501	-	60,796	38,722	36,179	49,500	33,684	49,500	49,500
Telecommunications/ Data Facilities	1,749	-	-	-	-	-	-	-	-	-
Building Improvements Non Cap	-	-	-	9,450	-	915	-	4,760	-	-
<i>Subtotal - Capital Outlay - ELARF</i>	<i>123,245</i>	<i>54,793</i>	<i>101,572</i>	<i>85,728</i>	<i>131,413</i>	<i>182,530</i>	<i>155,300</i>	<i>174,604</i>	<i>155,300</i>	<i>155,300</i>
Gaming Background Investigations Fund - 2682										
<i>Subtotal - Capital Outlay - Gaming Background Investigations Fund</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
Subtotal - Capital Outlay - 03861	123,245	54,793	101,572	85,728	131,413	182,530	155,300	174,604	155,300	155,300
Responsible Gaming Sub-Program - 03862										
Expanded Lottery Act Reg Fund - 2535										
<i>Subtotal - Capital Outlay - ELARF</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
Gaming Background Investigations Fund - 2682										
<i>Subtotal - Capital Outlay - Gaming Background Investigations Fund</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
Subtotal Capital Outlay - 03862	-	-	-	-	-	-	-	-	-	-
Illegal Gaming Sub-Program - 03863										
Expanded Lottery Act Reg Fund - 2535										
Professional and Scientific Equipment	-	-	-	-	-	-	-	856	5,000	5,000
Information Processing Equipment	42	-	76	259	-	-	-	1,489	-	-
Equipment, Machinery, Furniture and Fixtures	-	-	-	-	-	-	-	4,358	-	-
<i>Subtotal - Capital Outlay - ELARF</i>	<i>42</i>	<i>-</i>	<i>76</i>	<i>259</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>6,703</i>	<i>5,000</i>	<i>5,000</i>
Illegal Gambling Enforcement Fund - 2734										
<i>Subtotal - Capital Outlay - Illegal Gambling Fund</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>2,405</i>	<i>-</i>	<i>-</i>	<i>61,333</i>	<i>2,058</i>	<i>-</i>	<i>-</i>
Subtotal Capital Outlay - 03863	42	-	76	2,664	-	-	61,333	8,761	5,000	5,000
Total Capital Outlay - Expanded Gaming Regulation Program	123,287	54,793	101,648	88,392	131,413	182,530	216,633	183,365	160,300	160,300

Prior Year - FY2024

The FY24 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 2025

The FY 2025 budget year reflects continued costs associated with the regulation of gaming for the Topeka office and the KRGC 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 is consistent with the approved FY 2025 budget.

Enhancement - FY 2025

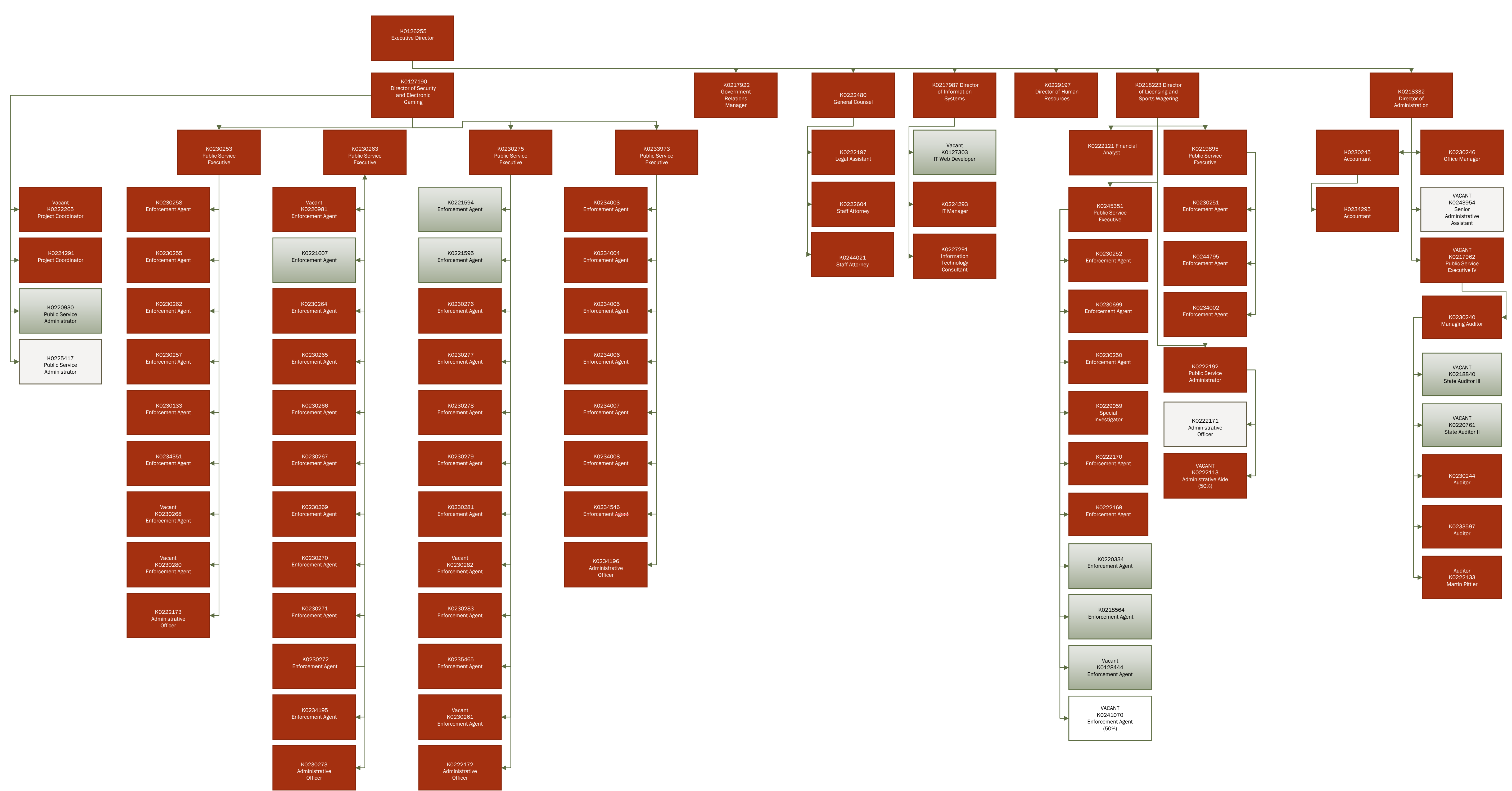
There are no capital outlay enhancements for the Kansas Racing and Gaming Commission in the budget year.

Budget Year - FY 2026

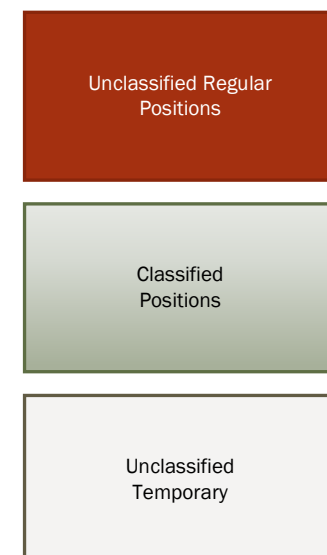
The FY 2026 budget year reflects continued costs associated with the regulation of gaming for the Topeka office and the KRGC offices located at each of the four lottery gaming facilities. Expenditures include scheduled replacement computer workstations; scheduled server replacement; gaming test equipment; and other miscellaneous hardware.

Enhancement - FY 2026

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



Legend



Fiscal Years 2025 and 2026

