

MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE

The meeting was called to order by Chairman Stephen Morris at 10:35 a.m. on January 20, 2004, in Room 123-S of the Capitol.

All members were present except:

Senator Nick Jordan- excused

Committee staff present:

Alan Conroy, Director, Kansas Legislative Research Department
J. G. Scott, Chief Fiscal Analyst, Kansas Legislative Research Department
Amy Deckard, Kansas Legislative Research Department
Susan Kannarr, Kansas Legislative Research Department
Julian Efird, Kansas Legislative Research Department
Carolyn Rampey, Kansas Legislative Research Department
Norman Furse, Revisor of Statutes
Jill Wolters, Assistant Revisor, Revisor of Statutes
Judy Bromich, Administrative Analyst
Mary Shaw, Committee Secretary

Conferees appearing before the committee:

Phill Kline, Attorney General, State of Kansas
Ed Van Petten, Executive Director, Kansas Lottery
Tracy Diel, Executive Director, Kansas Racing and Gaming Commission
John McElroy, Executive Director, Kansas Racing and Gaming Commission

Others attending:

See Attached List.

Chairman Morris welcomed Phill Kline, Attorney General, State of Kansas, who provided an update on the Colorado and Nebraska Water Litigation and the Tobacco Settlement funds. (No written testimony was submitted.) Attorney General Kline provided a background on the water litigation which is a vital issue to the state. He explained that later this week exceptions will be filed to the Order of the Special Master seeking oral argument before the United States Supreme Court on three issues and one sub-issue regarding Colorado Water Litigation:

1. Calculation of pre-judgement interest.
2. Whether the Court will appoint a River Master to oversee compliance with the Court's order.
3. A formula in determining compliance, which is a hydrological model, and to see that enforcement occurs on an annual basis.
 - a. Sub-issue as to whether Colorado violated the compact in 1997-1999.

Regarding the Nebraska Water Litigation, the Attorney General explained that settlement was reached in November 2002 and the computer model was completed in July 2003 as it relates to the Republican River. The computer model has been updated to 2002 and now will be updated annually. There will be some ongoing costs as it relates to updating the computer model and assuring that it is applied correctly to that particular basin.

Attorney General Kline explained, regarding the Tobacco Settlement funds, there are some issues as it relates to diminishment of receipts that will be brought before the Legislature. He cautioned that this money is no way definitive and certain in future years. The settlement itself is very payment-based upon market share and complex calculations so it will always deviate. The Attorney General explained that one of the biggest impacts on the settlement was something at the time they did not perceive which was the dramatic rise in market share of non-participating manufacturers. Attorney General Kline mentioned that there is some legislation that will be placed before the Legislature. That legislation will re-calculate the essential payments of the non-participating manufacturers. Passing this legislation would protect the state receipts in the future.

CONTINUATION SHEET

MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE at 10:35 a.m. on January 20, 2004, in Room 123-S of the Capitol.

The Attorney General mentioned that there is a challenge to all of this that is growing more serious. The Second Circuit of Appeals has remanded the case finding that the issue of whether the states, in negotiation with the tobacco companies, violated the Sherman Anti-Trust Act. That case is going to be heard and there is serious concern about that case, and if Kansas would lose in that case, then it would strike down all of the laws, most likely, as it relates to non-participating manufacturers and then jeopardize the entire settlement agreement. Committee questions and discussion followed.

The Chairman welcomed Ed Van Petten, Executive Director, Kansas Lottery, who presented an update on the operation of the Kansas Lottery (Attachment 1). Mr. Van Petten discussed the following information:

- I. Lottery Sales. Sales have shown an increase in the last two fiscal years and mentioned that they felt that increases are a result of changes made in game development and marketing practices.
- II. Transfers. That the 2002 legislature allowed the Lottery to modify the method of calculating transfers made each month.
- III. Operations. Security continues to be the primary concern both in their gaming system and field operations.
- IV. Partnerships. Marketing partnerships are continuing to be developed with Kansas businesses and industries.
- V. Veteran's Benefit Games. A total transfer of approximately \$640,000 is anticipated.

Mr. Van Petten explained that the Kansas Lottery has joined the Kansas Attorney General's Office, the Kansas Bureau of Investigation, Kansas Highway Patrol, the Kansas Association of Broadcasters and other organizations to participate in the Kansas AMBER Plan. Committee questions and discussion followed. Senator Helgeson requested information regarding demographics in out-of-state and in-state lottery sales.

Chairman Morris welcomed Tracy Diel, Executive Director, Kansas Racing and Gaming Commission, who presented an overview of the commission (Attachment 2). Mr. Diel explained that the Kansas Racing and Gaming Commission has regulatory jurisdiction over the parimutuel racing industry in the State of Kansas. The Kansas Racing and Gaming Commission does not receive any State General Fund money, but is funded through a tax on parimutuel wagering, fees charged for licensing, an admission tax where applicable, and fines levied by the Commission.

Mr. Diel mentioned that there are two functioning parimutuel racetracks in Kansas at the current time:

- The Woodlands, located in Kansas City, Kansas, and
- Wichita Greyhound Park (WGP), located in Valley Center.

The Chairman welcomed John McElroy, Executive Director, Kansas Racing and Gaming Commission, who presented information on the Kansas State Gaming Commission (Attachment 3). Mr. McElroy explained that K.S.A. 74-9805 limits the jurisdiction of the Agency to oversight and investigations concerning tribal gaming operations in Kansas carried out in connection with Tribal State Contracts. He noted that the Agency is entirely funded by contributions from the four recognized Kansas tribes. Mr. McElroy mentioned that all of the Tribes are current in paying their assessments. Committee questions and discussion followed.

The meeting adjourned at 12:00 p.m. The next meeting is scheduled for January 21, 2004.

**SENATE WAYS AND MEANS COMMITTEE
GUEST LIST**

DATE January 20, 2004

NAME	REPRESENTING
David Davis	Attorney General's office
Kam Hansen	Attorney General's office
David L. Pope	KS Dept of Agric - DWR
GREGG A. FOLZ	KDA
Tracy Diel	KRBK
John McElroy	KSEA
Ethan Erickson	Div. of the Budget
Ken RAHJES	KS Dairy Assn.
Julie Hein	Hein Law Firm
Nolly Damon	Philip Morris
Eun ddd	Hein
Kim Fowler	Judicial Branch
Kevin Robertson	The Central Assoc
Leland E. Rolfs	KS Dept. of Agric
Maryanne Hellebrand	KSKA
Dave Carter	KS Credit Unions
Dan Lewien	SRS Budget
Sam Sellers	Sen. Butler
TERRY FORSYTH	KWEA
D.A. Brady	Hein Law Firm

TESTIMONY ON THE KANSAS LOTTERY

Before the Senate Ways and Means Committee

By: Ed Van Petten, Executive Director - Kansas Lottery

January 20, 2004

Committee Members:

Thank you for the opportunity to address this committee regarding the operation of the Kansas Lottery. As in the past, I have put together some facts regarding the operation of the lottery and sales figures for the present fiscal year to give this committee some insight into the direction that your lottery is taking. I am very confident that this fiscal year will again show the highest sales in the history of the lottery, as well as the largest transfer to our great state as we did last fiscal year.

I. Sales

Sales have shown an increase the last two fiscal years, after decreases in FY00 and FY01. As you will recall, there was substantial scandal during the year 2000 that created a lot of bad publicity which was rehashed repeatedly during the 2001 legislative session. Public perception of the Lottery during this time period was less favorable than during the previous years. This perception has improved at this time. Sales projections developed for budget preparation for this fiscal year and next, are as follows:

	<u>FY04</u>	<u>FY05</u>
Instant Games	\$83,800,000	\$85,000,000
Keno	39,000,000	39,000,000
Super Kansas Cash	20,500,000	20,500,000
Pick 3	6,000,000	6,000,000
Powerball	54,000,000	54,000,000
2by2	2,500,000	3,500,000
Pull tabs	<u>4,500,000</u>	<u>5,000,000</u>
Total projected sales	\$210,300,000	\$213,000,000

Senate Ways and Means
1-20-04
Attachment 1

Sales for the first half of FY04 are:

Instant Games	\$45,481,080
Keno	20,049,551
Super Kansas Cash	14,205,132
Pick 3	2,667,730
Powerball	33,006,916
2by2	1,373,707
Pull tabs	<u>1,930,143</u>
Total sales	\$118,714,259

As you can see, we are exceeding projected sales at this time by over \$10 million.

Although all reports are generated based on fiscal year results, I have requested calendar year sales for 2003, which are as follows:

Instant Games	\$92,083,469
Keno	39,909,861
Super Kansas Cash	23,470,679
Pick 3	5,491,073
Powerball	55,803,678
2by2	2,755,167
Pull tabs	<u>3,540,895</u>
Total sales	\$223,054,822

We feel that the increases we are seeing are a result of changes we have made in game development and marketing practices. We are printing smaller quantities of most of our instant games, but introducing more games to the market each week. This results in higher printing cost per ticket on the games affected, however, most games sell substantially out, which means fewer tickets are destroyed after a game is ended. We have seen a dramatic increase in total sales of our instant games since initiating this practice. Overall printing costs have not increased substantially, as we are printing more tickets of our staple games, such as Crossword, Bingo, Double Doubler and Triple Tripler, and printing more games at a time, which gives us a cost savings from our printer.

Increases in sales for Powerball, have been as a direct result of high jackpots during the first half of the fiscal year. Increases in sales continue with Super Kansas Cash, which was modified in February 2002, to pay many more and larger prizes other than the jackpot prize. The changes seem to have been well received by the players, even though the odds of winning the jackpot were increased from approximately 1:800,000 to 1:2.4 million.

We do advertise our products, mostly by radio advertisements and point of sale materials. Quarterly costs for media advertising usually run about \$300,000. We usually advertise only featured or specialty games, such as the "Cabela's Cash" or "Kansas Beef 'n Bucks" games with some periodic support for the lotto style games.

Although we continue to increase the number of retailers in our system, the increases have been due mostly to construction of additional convenience stores in metropolitan areas. A recruitment effort during 2003 directed at social environments met with little success, but the effort is continuing.

II. Transfers

The 2002 legislature allowed the Lottery to modify the method of calculating transfers made each month. Rather than the statutory provision of transferring 30% of gross sales each month, the Omnibus bill allowed for minimum monthly transfers of \$4.5 million, and a minimum annual total of \$59 million. This request was made to give us more flexibility in operations and the possibility of increasing prize payouts to bolster sales. As a result of these changes, the lottery has on occasion transferred less than 30% of sales in a month; however our average transfers have been running closer to 32%.

Our first year operating under the new plan resulted in \$62.5 million transferred. Transfers thus far for this fiscal year, which includes the transfer on December sales, total \$36,782,800. This reflects six of the twelve monthly transfers and includes a singular transfer in July of \$782,800 as ordered by the Governor as a budget reduction, and \$500,000 as the first transfer for the Veteran's Benefit games.

III. Operations

Our primary concern continues to be security, both in our gaming system and field operations. We have eliminated the ability of programmers to access the gaming system unaudited, by adding a test system, detached from the gaming system, for developing new programs. We have also increased the audit functions, or oversight, on the gaming system.

All divisions are required to reduce the use of paper to the greatest degree possible. Daily and weekly sales reports, which formerly were distributed on paper, are now paperless and maintained "on line" on our internal server. All draw information is also maintained paperless; however some reports and records must be maintained in paper form.

Our gaming system in the field now operates on a wireless communications system statewide. We utilize both satellite and radio technology, and have increased operations with approximately 99.9% up time. When operating on the telecommunications system,

uptime ran approximately 98.5%. Total savings per year will run approximately \$1.6 million.

Cellular telephone contracts are continually reviewed for better and cheaper coverage. Costs for FY04 should be reduced by about \$9,500 from FY03. All sales, security and IT personnel have cell phones issued to them.

We are required to survey retailers to ensure compliance with the Americans with Disabilities Act, which is a continuing responsibility. We have enjoyed a good working relationship with Anthony Fadale, State ADA Coordinator, and recently with Rocky Nichols who has assumed the position of Executive Director of Kansas Advocacy and Protective Services, Inc. We are considering at this time making modifications to the method followed in conducting surveys, as presently, we utilize sales staff for many surveys, and there could be an appearance of conflict, as these are the staff that are in daily contact with retailers.

IV. Partnerships

We continue to develop marketing partnerships with Kansas businesses and industries. As you are aware we market games with Kansas Speedway, the Kansas State Fair, Cabela's and various automobile dealers. We recently launched the "Kansas Beef 'n Bucks" instant ticket in cooperation with Dodge City Steak Company and the Kansas Livestock Association. Our intent with these games is to increase the exposure of Kansas business and industry and to generate enthusiasm in the Kansas citizens for our games. We will soon launch a game supporting the June 5, 2004, ARCA series race at the Kansas Speedway, and a game supporting the Country Stampede, held in June at Tuttle Creek Park.

One question that comes up every year concerns our partnership with the Kansas Speedway and the cost associated therewith. Although our costs do increase somewhat every year, for FY03 the cost of our marketing partnership was \$158,000. This included signage at the Speedway, a retail location during all five days of racing, 100 grandstand seats for the four major days of racing, a chalet for entertainment of winners who are in the 100 grandstand seats, and a 32-person suite which we use to entertain marketing partners, prospective marketing partners and our top retailers. Sales of tickets associated with the Speedway, which we have the right to sell only because of this marketing partnership, total \$1,457,303. At 30% of sales, the State would have realized a transfer of \$437,190, and our total transfers last year averaged 30.8%. In addition to this, on two occasions approximately 100,000 people witnessed the Kansas Lottery presenting vehicles to winners. On one of those occasions, the vehicle was awarded by Governor Sebelius.

There are a number of businesses in the lottery industry that license certain products for use of logos and using their merchandise for prizes in conjunction with lottery games. These licenses are quite often very expensive, so we have tried to generate the same

effect of "brand" or name recognition, and hopefully help a Kansas business in the process. Instead of costing the Lottery extra, the merchandise has been provided at no cost, or reduced cost, with no charges for the use of logos and names. This seems to be a good way to stimulate economic development in Kansas without the use of public funds to do so. In fact, we are generating additional public funding in the process.

V. Veteran's Benefit Games

Unaudited sales figures for the Veteran's Benefit Games are as follows:

Sunflower Salute	\$1,171,568
Veteran's Cash	<u>1,053,469</u>
Total sales	\$2,225,037

All expenses relating to the game are to be deducted from gross sales to determine the amount transferred. We will transfer \$500,000 in January with the remainder being transferred at the end of the fiscal year. We anticipate a total transfer of approximately \$640,000.



NEWS RELEASE

DATE: January 14, 2004
CONTACT: Jane Elliott (785) 296-5708

Kansas Lottery Joins in AMBER Alert Program for Recovery of Abducted Children

TOPEKA, KAN. – A parent's worst nightmare is the thought of losing a child. The abduction of a child is a devastating experience. The Kansas Lottery has joined the Kansas Attorney General's Office, Kansas Bureau of Investigation, Kansas Highway Patrol, the Kansas Association of Broadcasters and other organizations to participate in the Kansas AMBER Plan. In March 2002, the AMBER Plan was implemented statewide in Kansas. The Kansas AMBER Plan is a voluntary, cooperative effort between law enforcement agencies, radio and television stations and citizens to help protect children.

When an AMBER Alert is activated by a local law enforcement agency, the relevant information is sent to the Kansas Bureau of Investigation, which disseminates the information to law enforcement agencies and media outlets. At this time, the Kansas Lottery will send an immediate message to all Kansas Lottery retailers, which includes approximately 1,850 locations statewide. The special message containing information about the child abduction will be sent to the retailer lotto terminals, which will appear as a printed message for posting at the counter. The information will also appear on the Keno TV monitors in the stores and on Beta Brite signs at Lottery locations. The Lottery's online vendor, GTECH Corp., which owns and services the Kansas Lottery terminals, has supported the AMBER Plan program in Kansas, as well as several other lottery jurisdictions in the United States.

"If we can assist in even one recovery of an abducted child, it will be well worth the effort," said Lottery Executive Director Ed Van Petten. "I know that our retailers, our players, GTECH, and all Kansas citizens join me in offering all of the support possible for this worthwhile project."

-more-

Before a law enforcement agency can activate the AMBER Alert, the situation must meet all of these conditions:

- The abducted child is 17 years old or younger; or he/she has a physical or mental disability;
- The child is in danger of serious bodily harm or death;
- The information is available to disseminate to the public to assist in the safe recovery of the child and/or apprehension of the suspect.

The local law enforcement agency makes the final determination as to whether an AMBER Alert is activated.

There are 46 statewide systems and 96 total AMBER Alert systems in place nationwide. The systems are named after Amber Hagerman, the 9-year-old Texas girl who was kidnapped and killed in 1996. The National Center for Missing and Exploited Children reports that since 1996 the system has been responsible for the recovery of 43 abducted children.

For more information, contact the Kansas Bureau of Investigation at 785-296-8200.

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NEWS RELEASE

DATE: Jan. 14, 2004
CONTACT: Jane Elliott (785) 296-5708

Cabela's Cash Second-Chance Drawing Location Changed to State Capitol; Governor Kathleen Sebelius Will Be the Lottery's Guest Draw Official

TOPEKA, KAN. – The second-chance drawing for a \$10,000 Cabela's shopping spree and four additional \$2,000 shopping sprees will be held at 11 a.m., Friday, Jan. 23, 2004 on the second floor rotunda of the State Capitol Building. Governor Kathleen Sebelius has agreed to be the Lottery's guest draw official at the drawing. One entry will be drawn to win a \$10,000 shopping spree at the Cabela's store in Kansas City. Four additional prizewinners will be drawn, each winning a \$2,000 shopping spree at the Kansas City location.

The \$2 Cabela's Cash instant scratch game launched in September of 2003 and offered a \$10,000 top prize. The game officially ends on Friday, Jan. 16, 2004. Non-winning Cabela's Cash tickets were eligible for entry in the drawing. Entries must be received by the morning mail pick-up in Topeka, Kan. on Jan. 20, 2004 for the drawing on Jan. 23, 2004.

From its beginnings in 1961 with a simple ad in a Wyoming newspaper, Cabela's has grown into what we know today as the "World's Foremost Outfitter." The success of Cabela's resulted from a commitment by two men, Dick and Jim Cabela, founders of the family-owned company, which originated in Nebraska. The company currently employs over 7,000 persons and has stores in Nebraska, Michigan, Minnesota, Pennsylvania, Wisconsin, South Dakota, and Kansas.

The Cabela's store in Kansas City, Kan., has been a number one tourist attraction in Kansas and recorded more than two million visitors between August and December of 2002.

The Jan. 23 drawing will conclude the promotion, which was in effect since the Cabela's Cash ticket was launched in September. The drawing was originally scheduled to take place at the Cabela's store location in Kansas City, Kan.

##

KANSAS LOTTERY

To Date Activity 12/31/03

1-9

Net Sales	\$2,434,190,165	Game Prizes	\$1,267,836,457
FY 88	\$65,804,532	FY 88	\$30,123,006
FY 89	68,188,022	FY 89	33,755,427
FY 90	64,530,640	FY 90	28,941,942
FY 91	70,206,003	FY 91	32,800,224
FY 92	77,147,506	FY 92	37,304,320
FY 93	114,499,165	FY 93	58,865,299
FY 94	152,292,802	FY 94	79,390,419
FY 95	177,074,245	FY 95	92,074,812
FY 96	182,113,628	FY 96	96,088,069
FY 97	185,356,681	FY 97	99,351,785
FY 98	192,017,310	FY 98	101,688,863
FY 99	198,920,985	FY 99	107,079,089
FY 2000	192,560,800	FY 2000	104,377,074
FY 2001	184,727,159	FY 2001	97,938,088
FY 2002	190,083,880	FY 2002	98,963,631
FY 2003	202,942,874	FY 2003	107,660,534
FY 2004	115,723,933	FY 2004	61,433,875
Retailer Commissions	\$134,598,637	Transfers To State (Cash basis)	\$745,838,985
FY 88	\$3,618,110	FY 88 *	\$11,343,321
FY 89	3,602,985	FY 89	24,500,950
FY 90	3,318,244	FY 90	19,259,917
FY 91	3,657,131	FY 91	19,453,470
FY 92	4,071,319	FY 92	27,147,019
FY 93	5,819,600	FY 93	32,629,372
FY 94	7,845,162	FY 94	47,888,013
FY 95	9,145,434	FY 95	53,246,818
FY 96	9,949,228	FY 96	58,114,547
FY 97	10,409,462	FY 97	56,658,134
FY 98	10,935,736	FY 98	60,304,388
FY 99	11,133,848	FY 99	59,333,464
FY 2000	11,086,788	FY 2000	59,646,911
FY 2001	10,657,155	FY 2001	56,535,258
FY 2002	10,970,973	FY 2002 **	60,494,603
FY 2003	11,743,157	FY 2003	62,500,000
FY 2004	6,634,305	FY 2004 ***	36,782,800

* Includes \$2,843,321 Loan & Interest Payback

** Includes \$4,000,000 payment on July 15, 2002

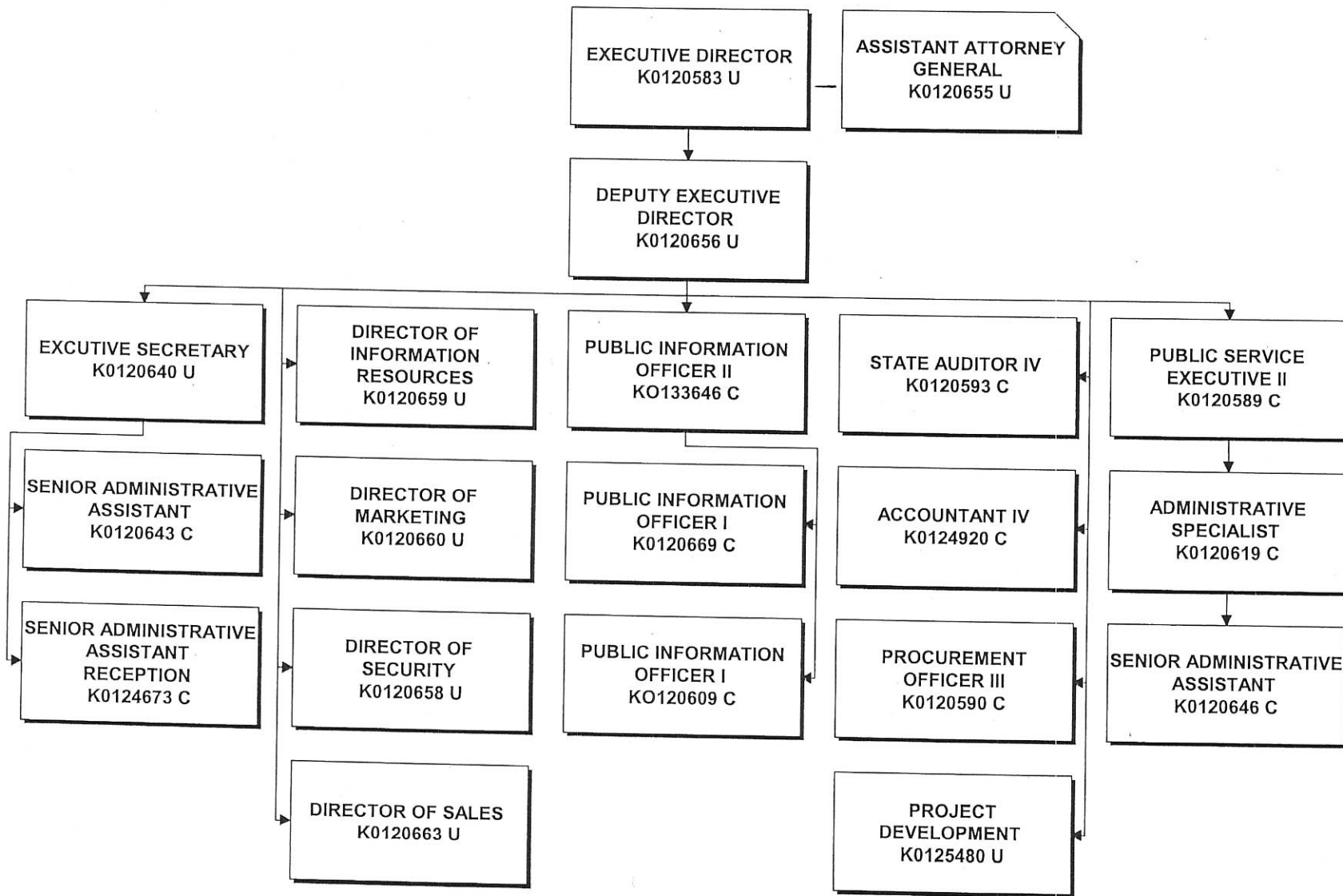
*** Includes extra \$782,800 transfer and \$500,000 veteran's transfer

--- FY 2004 is UNAUDITED ---

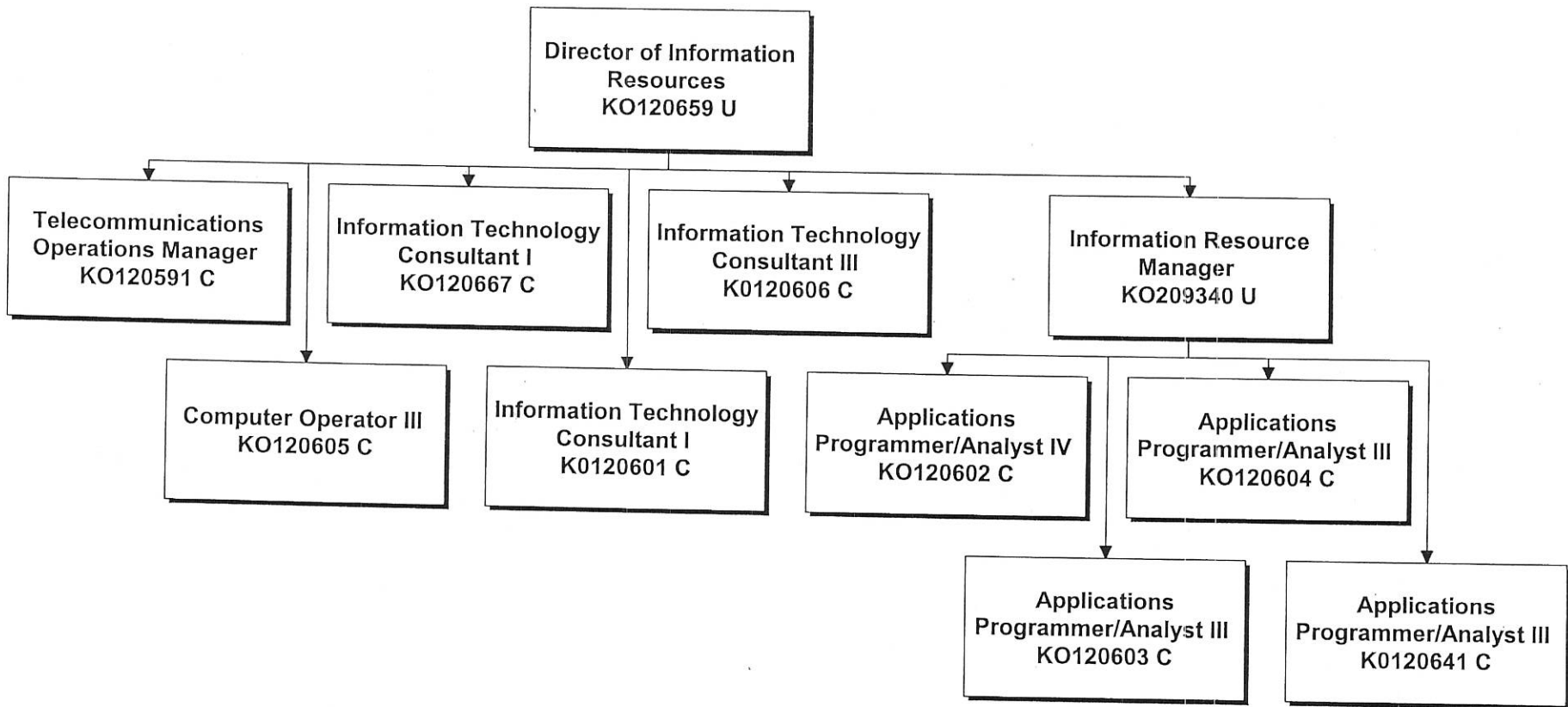
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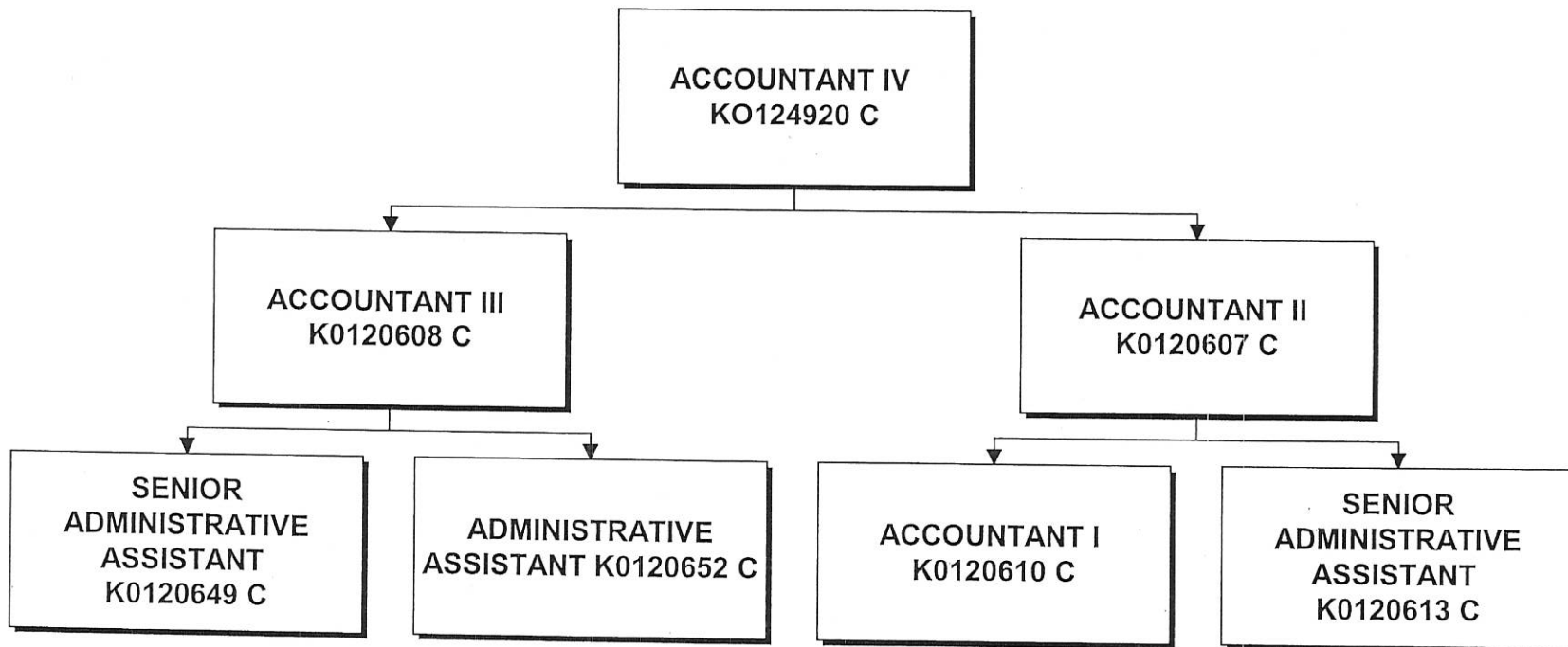
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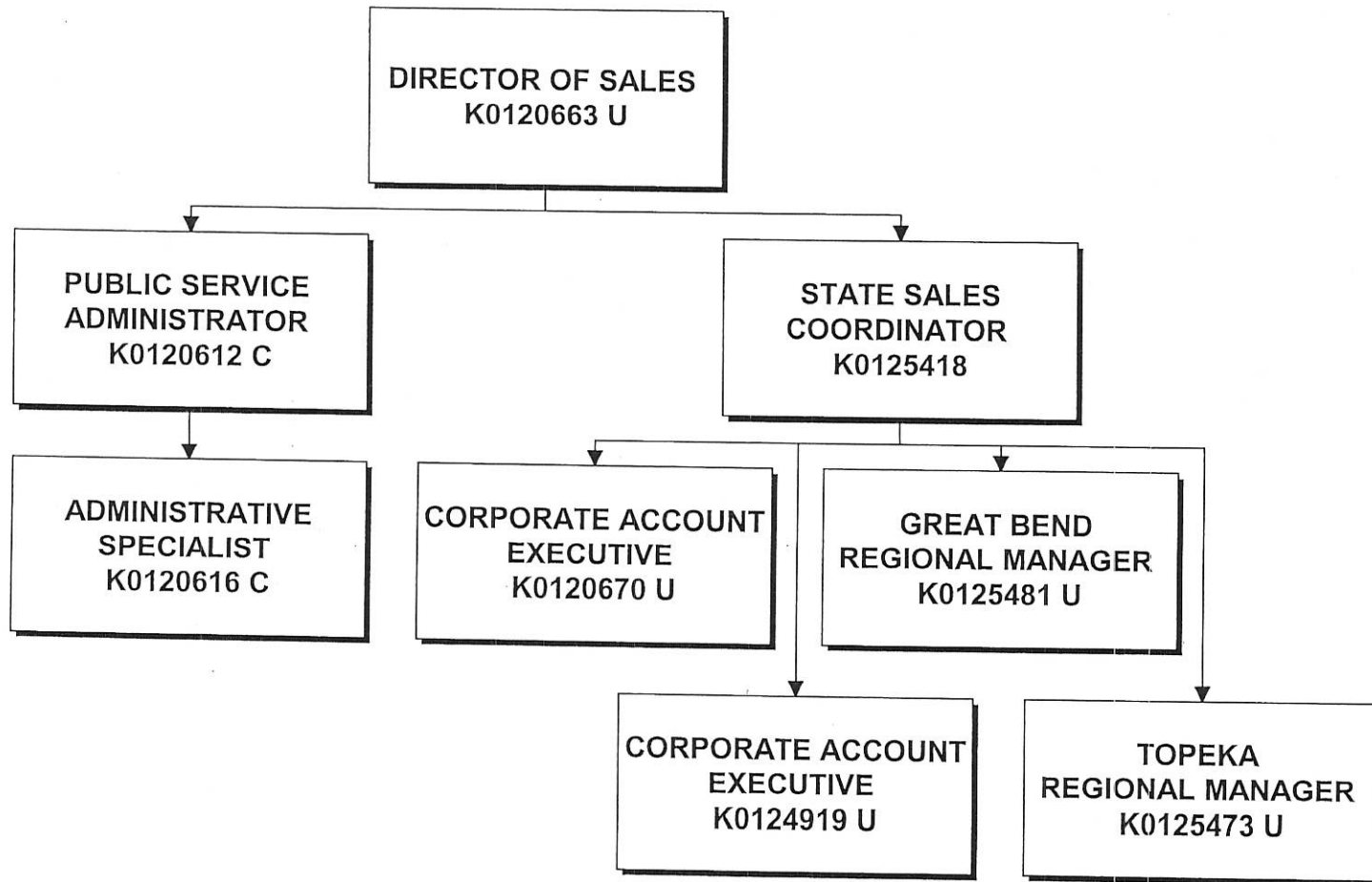
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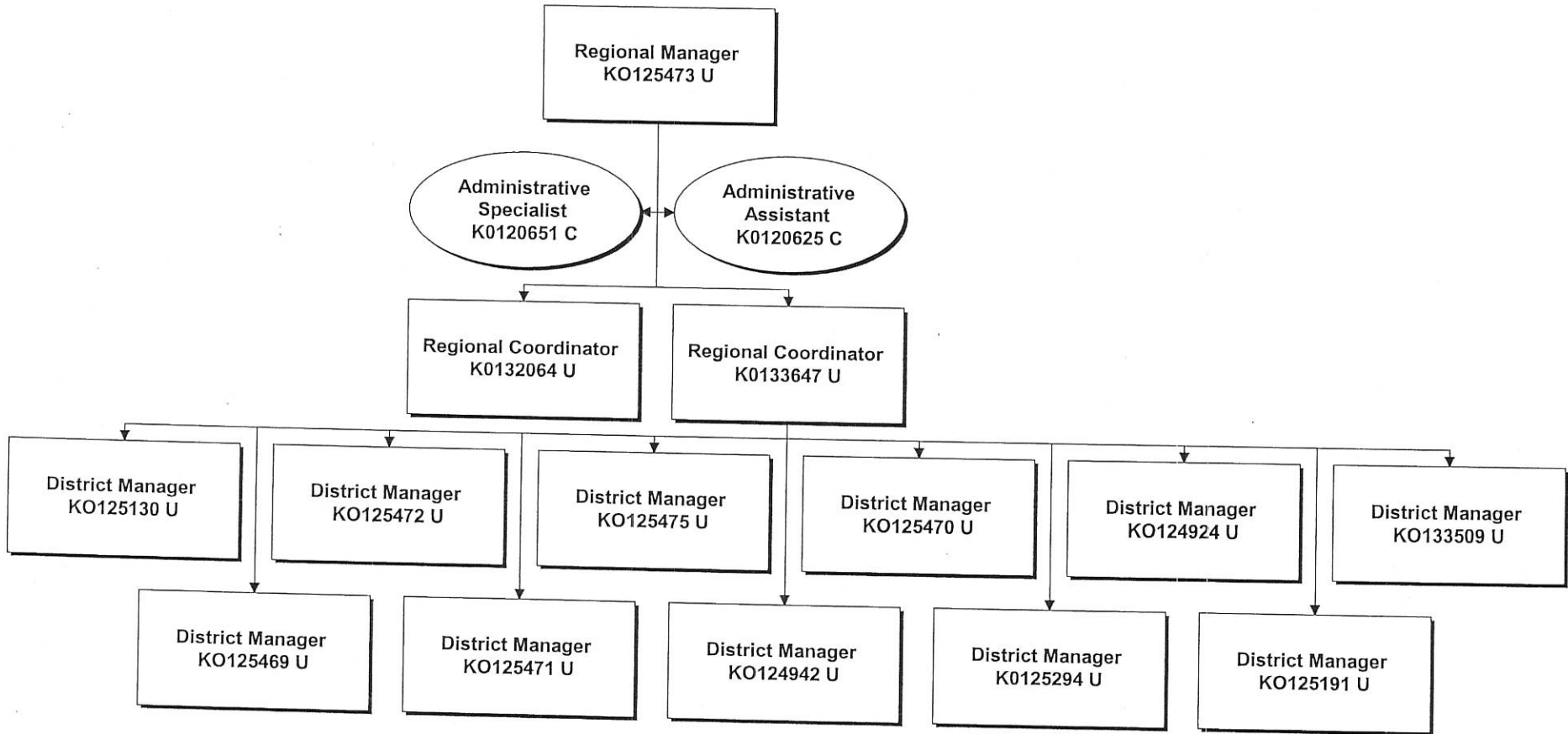
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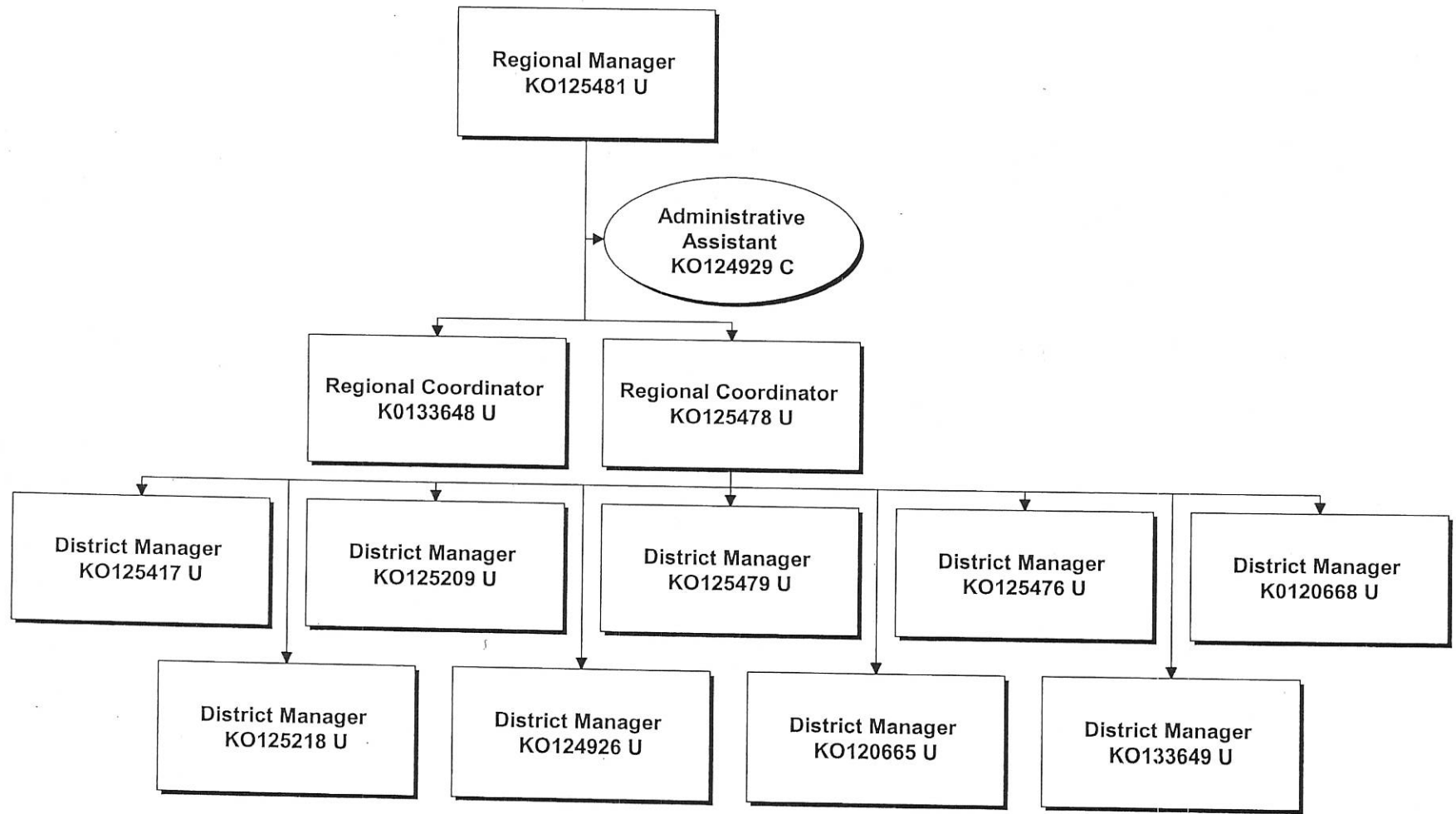
SALES



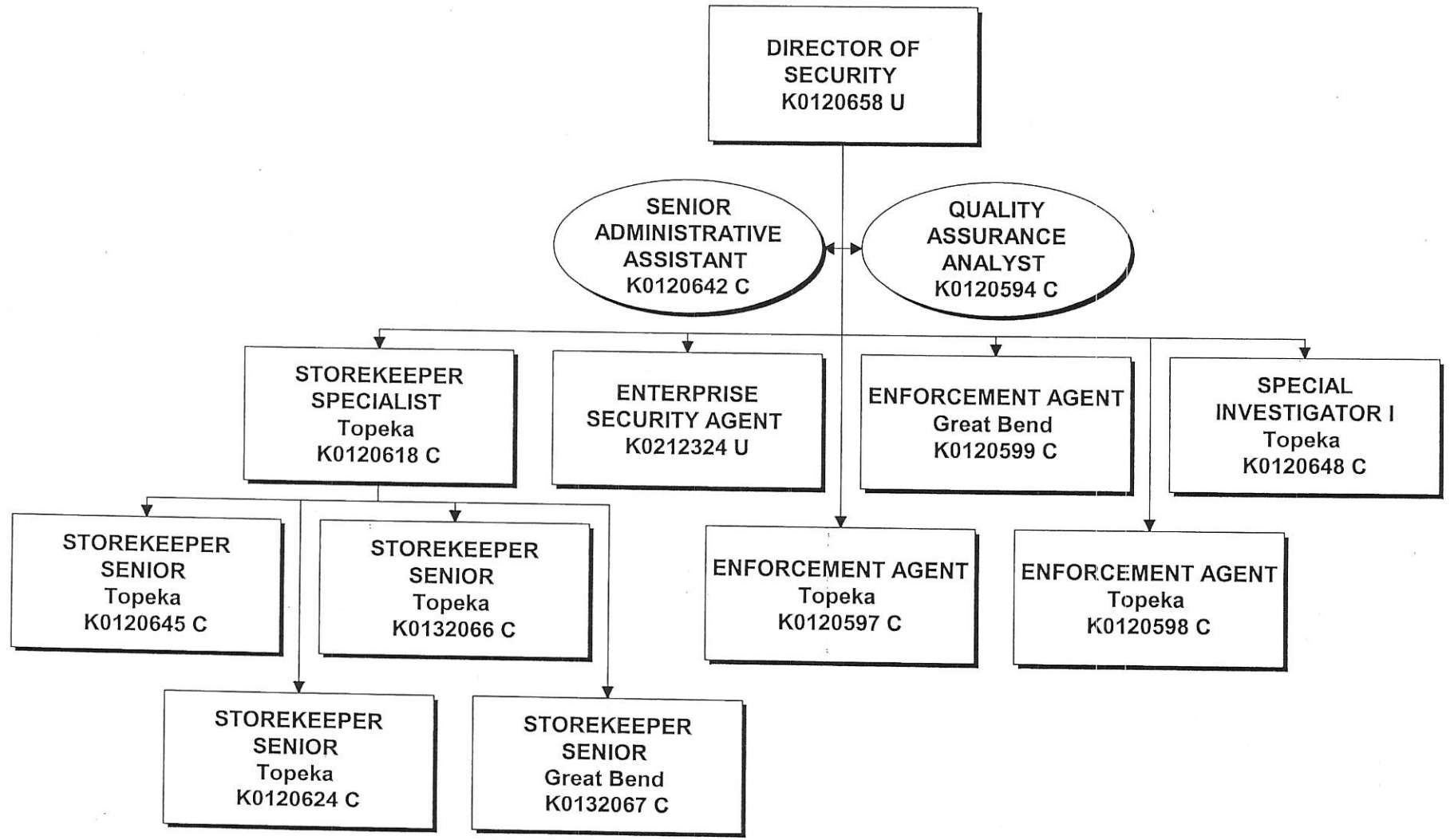
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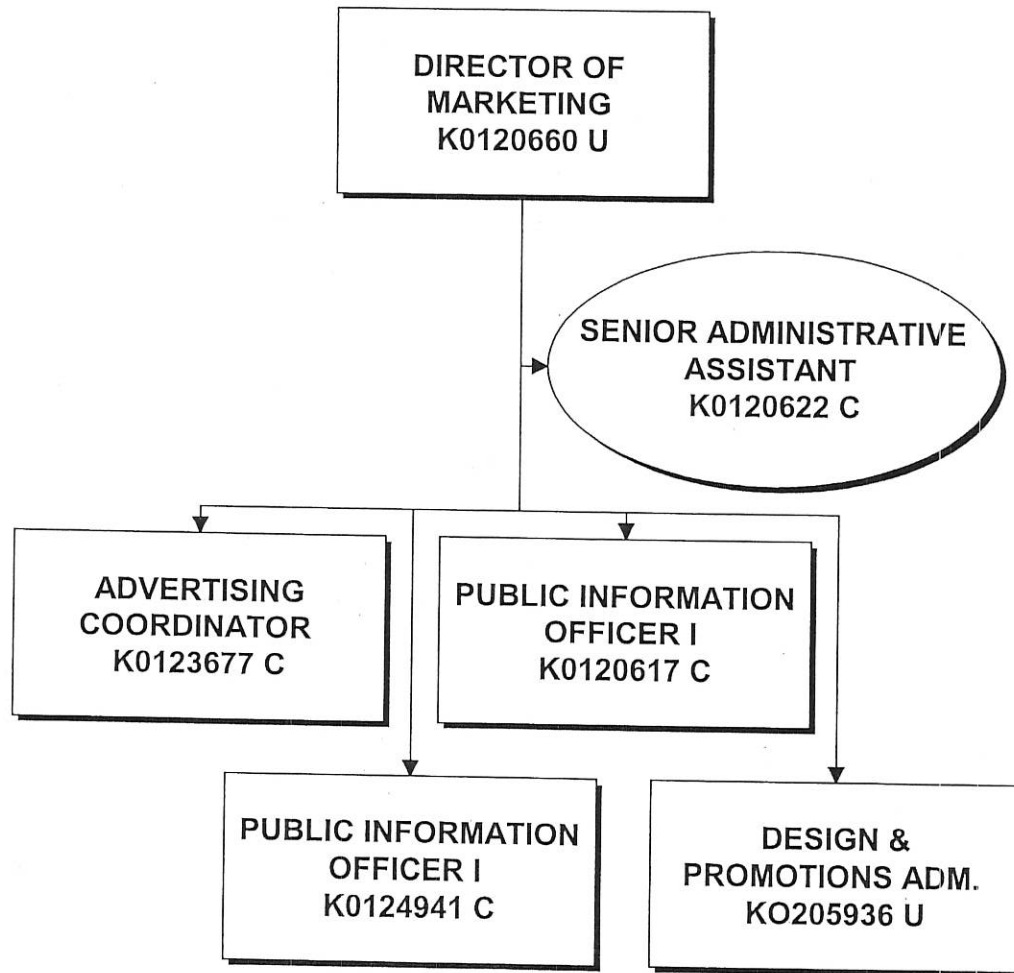
GREAT BEND REGIONAL SALES OFFICE



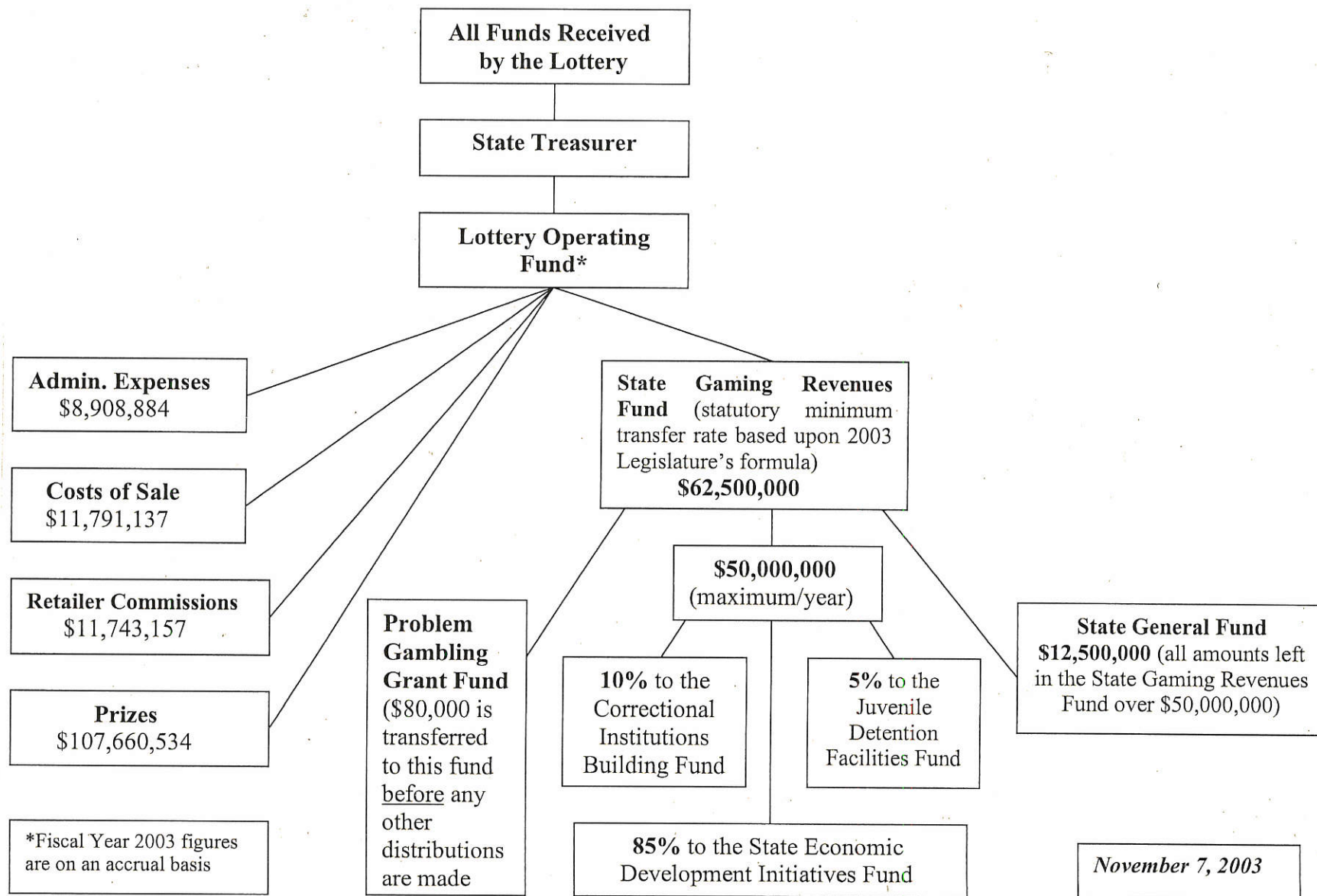
SECURITY ORGANIZATIONAL CHART



MARKETING



KANSAS LOTTERY FUNDS TRANSFER FY 2003



EDIF Allocation by County: FY03

Kansas Department of Commerce

1-19

COUNTY	PROGRAM NAME	RECIPIENT	AWARD	BSCITY
Allen	Kansas Industrial Retraining Program	B & W Custom Truck Beds, Inc.	\$ 6,444.00	Humboldt
		<i>Total</i>	<i>\$ 6,444.00</i>	
Atchison	Attraction Development Grants Kansas Industrial Retraining Program	KS Lewis and Clark Bicentennial Commission	\$ 91,000.00	Atchison
		Unit Rail Anchor Company	\$ 9,137.00	Atchison
		<i>Total</i>	<i>\$ 100,137.00</i>	
Barton	Attraction Development Grants From the Land of Kansas Kansas Existing Industry Expansion Program Kansas Industrial Retraining Program Kansas Industrial Retraining Program Kansas Industrial Training Program	City of Great Bend	\$ 16,400.00	Great Bend
		Central Supply	\$ 500.00	Great Bend
		Kansas Country Estates	\$ 15,000.00	Great Bend
		Primus Sterilizer Company	\$ 5,071.00	Great Bend
		Great Bend Industries	\$ 13,264.00	Great Bend
		T&C MFG & Operating, Inc.	\$ 4,000.00	Great Bend
		<i>Total</i>	<i>\$ 54,235.00</i>	
Bourbon	Agricultural Value Added Center Incentives Without Walls Kansas Industrial Retraining Program Training Equipment Grant Program	Rainbow Organic Farms	\$ 12,500.00	Bronson
		Downtown Fort Scott	\$ 12,146.00	Fort Scott
		Tower Metal Products LP	\$ 13,317.00	Fort Scott
		Fort Scott Community College	\$ 39,061.00	Fort Scott
		<i>Total</i>	<i>\$ 77,024.00</i>	
Brown	From the Land of Kansas From the Land of Kansas Kansas Industrial Retraining Program Kansas International Trade Show Assistance Program	Mom & I's Candy	\$ 175.00	Everest
		Mom & I's Candy	\$ 75.00	Everest
		RHS Inc.	\$ 7,500.00	Hiawatha
		RHS, Inc.	\$ 500.00	Hiawatha
		<i>Total</i>	<i>\$ 8,250.00</i>	
Butler	Agricultural Value Added Center Incentives Without Walls Incentives Without Walls Kansas Economic Opportunity Initiative Fund Kansas Industrial Retraining Program Kansas Industrial Training Program Kansas Industrial Training Program	Prairie Pride	\$ 60,000.00	Potwin
		El Dorado Main Street	\$ 15,000.00	El Dorado
		El Dorado Main Street	\$ 15,000.00	El Dorado
		International Utility Structures (Kansas), Inc. (IUSI)	\$ 125,000.00	El Dorado
		Continental American Corporation	\$ 12,287.00	El Dorado
		IUS (Kansas) Inc.	\$ 100,000.00	El Dorado
		Prairie Pride, Inc.	\$ 13,000.00	Potwin
		<i>Total</i>	<i>\$ 340,287.00</i>	

EDIF Allocation by County: FY03

Kansas Department of Commerce

1-20

Cherokee	Attraction Development Grants	Heart of the Heartlands, Inc.	\$ 20,000.00	Scammon
	Kansas Industrial Retraining Program	Celltron, Inc.	\$ 25,069.00	Galena
	Kansas Industrial Retraining Program	Williams Machine & Tool Co., Inc.	\$ 25,069.00	Galena
	Kansas International Trade Show Assistance Program	Celltron, Inc.	\$ 3,500.00	Galena
			Total	\$ 73,638.00
Cheyenne	From the Land of Kansas	Connie Morris	\$ 500.00	St. Francis
	Kansas International Trade Show Assistance Program	Connie Morris Books	\$ 448.00	St. Francis
			Total	\$ 948.00
Cloud	Agricultural Value Added Center	Dinah's Noodles	\$ 79,500.00	Clyde
Cloud	Agricultural Value Added Center	Dinah's Noodles	\$ 52,000.00	Clyde
Cloud	Attraction Development Grants	Orphan Train Depot Project	\$ 8,800.00	Concordia
			Total	\$ 140,300.00
Coffey	Kansas Industrial Training Program	Kansas Assemblies, Inc.	\$ 22,582.00	Le Roy
			Total	\$ 22,582.00
Cowley	Kansas Economic Opportunity Initiative Fund	American Waste Management	\$ 25,000.00	Winfield
	Kansas Economic Opportunity Initiative Fund	Rubbermaid Home Products	\$ 100,000.00	Winfield
	Kansas Industrial Training Program	Good Time Productions, Inc.	\$ 15,000.00	Arkansas City
	Kansas International Trade Show Assistance Program	Prime Plastic Containers, Inc.	\$ 1,500.00	Winfield
	Training Equipment Grant Program	Cowley County Communit College	\$ 16,900.00	Arkansas City
			Total	\$ 158,400.00
Crawford	Certified Development Company Assistance	Mid America Incorporated	\$ 69,664.00	Pittsburg
	Certified Development Company Assistance	Mid-America, Inc. CDC	\$ 53,126.00	Pittsburg
	Kansas Industrial Retraining Program	Progressive Products, Inc.	\$ 14,000.00	Pittsburg
	Kansas Industrial Retraining Program	Superior Industries International, Inc.	\$ 60,000.00	Pittsburg
	Kansas Industrial Training Program	Progressive Products, Inc.	\$ 15,000.00	Pittsburg
	Kansas Industrial Training Program	HIX Corporation	\$ 9,000.00	Pittsburg
	Kansas Industrial Training Program	Superior Industries International, Inc.	\$ 90,000.00	Pittsburg
	Kansas International Trade Show Assistance Program	HIX	\$ 2,000.00	Pittsburg
	Kansas International Trade Show Assistance Program	HIX	\$ 429.00	Pittsburg
	Small Business Development Centers	Pittsburg State University SBDC	\$ 37,682.00	Pittsburg
			Total	\$ 350,901.00

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Douglas	Agricultural Value Added Center	Davenport Orchards & Vineyards	\$ 75,000.00	Eudora
	Attraction Development Grants	Kansas Wildscape Foundation	\$ 80,000.00	Lawrence
	Certified Development Company Assistance	Wakarusa Valley Development, Inc.	\$ 19,979.00	Lawrence
	From the Land of Kansas	Pyle Meat Co.	\$ 250.00	Eudora
	Kansas Industrial Retraining Program	Heinz Pet Products-DLM Foods	\$ 27,385.00	Lawrence
	Kansas Industrial Retraining Program	Pine Family Farms, General Partnership	\$ 12,762.00	Lawrence
	Kansas Industrial Training Program	Packerware	\$ 22,000.00	Lawrence
	Kansas International Trade Show Assistance Program	IRIS	\$ 1,348.00	Lawrence
	Kansas International Trade Show Assistance Program	Cardinal Brands, Inc.	\$ 3,500.00	Lawrence
	Kansas International Trade Show Assistance Program	Griffin Technologies, LLC	\$ 2,368.00	Lawrence
	Kansas International Trade Show Assistance Program	Griffin Technologies, LLC	\$ 1,500.00	Lawrence
	Kansas International Trade Show Assistance Program	Cardinal Brands, Inc.	\$ 750.00	Lawrence
	Kansas International Trade Show Assistance Program	IRIS	\$ 1,475.00	Lawrence
	Small Business Development Centers	University of Kansas SBDC	\$ 28,374.00	Lawrence
		Total	\$ 276,691.00	
Ellis	Community Capacity Building Program	City of Ellis	\$ 15,000.00	Ellis
	Community Capacity Building Program	Downtown Hays Development Corporation	\$ 14,000.00	Hays
	Incentives Without Walls	Ellis Mian Street	\$ 5,000.00	Ellis
	Kansas Industrial Retraining Program	Hess Services, Inc.	\$ 18,066.00	Hays
	Small Business Development Centers	Fort Hays State University SBDC	\$ 33,583.00	Hays
	Total	\$ 85,649.00		
Ellsworth	Kansas Industrial Retraining Program	Maico Industries, Inc.	\$ 11,413.00	Ellsworth
	Total	\$ 11,413.00		
Finney	Small Business Development Centers	Garden City Community College SBDC	\$ 28,981.00	Garden City
	Training Equipment Grant Program	Garden City Community College	\$ 10,000.00	Garden City
	Training Equipment Grant Program	Garden City Community College	\$ 17,049.00	Garden City
	Total	\$ 56,030.00		
Ford	Certified Development Company Assistance	Great Plains Development, Inc.	\$ 47,178.00	Dodge City
	Kansas Industrial Retraining Program	Roto-Mix	\$ 21,856.00	Dodge City
	Total	\$ 69,034.00		
Franklin	From the Land of Kansas	Maudie's Sweet Salsa	\$ 105.00	Ottawa

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	Incentives Without Walls	Ottawa Main Street	\$ 13,658.00	Ottawa
	Incentives Without Walls	Ottawa Main Street	\$ 15,000.00	Ottawa
	Kansas Industrial Retraining Program	Midwest Cabinet Co., Inc.	\$ 21,585.00	Ottawa
		Total	\$ 50,348.00	
Geary	Kansas Industrial Retraining Program	Foot Locker, Inc.	\$ 6,993.00	Junction City
		Total	\$ 6,993.00	
Gove	Kansas Industrial Training Program	Coop. Agricultural Services, Inc.	\$ 1,000.00	Grimmell
		Total	\$ 1,000.00	
Graham	Certified Development Company Assistance	Pioneer Country Development	\$ 33,980.00	Hill City
		Total	\$ 33,980.00	
Harper	Community Capacity Building Program	Harper County	\$ 15,000.00	Anthony
Harper	Kansas Industrial Retraining Program	Nance Manufacturing, Inc./Prairie Belting	\$ 24,000.00	Anthony
		Total	\$ 39,000.00	
Harvey	Kansas Industrial Retraining Program	Mid-Continent Cabinetry	\$ 54,145.00	Newton
	Kansas Industrial Retraining Program	North American Nutrition	\$ 22,509.00	Hesston
	Kansas International Trade Show Assistance Program	Bunting Magnetics Co.	\$ 2,738.00	Newton
	Kansas International Trade Show Assistance Program	TracAbout, Inc	\$ 1,500.00	Newton
	Kansas International Trade Show Assistance Program	Continental Agra Equipment	\$ 1,524.00	Newton
	Kansas International Trade Show Assistance Program	Bunting Magnetics Co.	\$ 2,269.00	Newton
	Kansas International Trade Show Assistance Program	Bunting Magnetics Co.	\$ 3,429.00	Newton
		Total	\$ 88,114.00	
Johnson	Certified Development Company Assistance	Johnson County Certified Development Company	\$ 23,311.00	Overland Park
	Community Capacity Building Program	City of Olathe	\$ 13,000.00	Olathe
	Kansas Economic Opportunity Initiative Fund	Century Business Services, Inc.	\$ 324,000.00	Leawood
	Kansas Economic Opportunity Initiative Fund	B/E Aerospace, Inc.	\$ 100,000.00	Lenexa
	Kansas Economic Opportunity Initiative Fund	Cable Tech, LLC (Tech Investment, LLC)	\$ 36,000.00	Lenexa
	Kansas Economic Opportunity Initiative Fund	Community America Credit Union	\$ 125,000.00	Lenexa
	Kansas Economic Opportunity Initiative Fund	Encore receivable management, inc.	\$ 100,000.00	Lenexa
	Kansas Economic Opportunity Initiative Fund	Machine Laboratory, LLC	\$ 54,000.00	Lenexa
	Kansas Economic Opportunity Initiative Fund	Grundfos Pumps Corporation	\$ 75,000.00	Olathe
	Kansas Economic Opportunity Initiative Fund	American Identity	\$ 250,000.00	Overland Park

Kansas Economic Opportunity Initiative Fund	DaimlerChrysler Services North America LLC	\$ 125,000.00	Overland Park
Kansas Industrial Retraining Program	Audiovisual, Inc. DBA: AVI Systems	\$ 4,061.00	Lenexa
Kansas Industrial Retraining Program	Dimensional Innovations, Inc.	\$ 47,000.00	Overland Park
Kansas Industrial Retraining Program	DLR Group, Inc.	\$ 6,932.00	Overland Park
Kansas Industrial Retraining Program	Collegiate Marketing Services, Inc.	\$ 10,839.00	Overland Park
Kansas Industrial Retraining Program	Bayer Corp., Animal Health Division	\$ 80,000.00	Shawnee
Kansas Industrial Retraining Program	TED Manufacturing Corporation	\$ 5,000.00	Shawnee
Kansas Industrial Retraining Program	Sokkia Corporation	\$ 25,123.00	Olathe
Kansas Industrial Retraining Program	DD Traders aba DEMDACO	\$ 19,541.00	Stilwell
Kansas Industrial Retraining Program	Nazdar	\$ 40,000.00	Shawnee
Kansas Industrial Retraining Program	Seaboard Corporation	\$ 15,000.00	Shawnee Mission
Kansas Industrial Retraining Program	Aviation Simulation Technology, Inc.	\$ 19,855.00	Lenexa
Kansas Industrial Retraining Program	LaserCycle, Inc.	\$ 100,000.00	Lenexa
Kansas Industrial Retraining Program	Suho Industries, Inc.	\$ 25,000.00	Overland Park
Kansas Industrial Retraining Program	TMS, Inc.	\$ 23,000.00	Mission
Kansas Industrial Training Program	LabOne, Inc.	\$ 60,000.00	Lenexa
Kansas Industrial Training Program	Encore Receivable Management, Inc.	\$ 84,579.00	Olathe
Kansas Industrial Training Program	DLR Group	\$ 6,000.00	Overland Park
Kansas Industrial Training Program	TradeNet Publishing, Inc	\$ 40,000.00	Gardner
Kansas Industrial Training Program	Cardinal Brush, Inc.	\$ 6,000.00	Olathe
Kansas Industrial Training Program	Silpada Designs	\$ 6,600.00	Stilwell
Kansas Industrial Training Program	Automotive Equipment Service, Inc.	\$ 25,000.00	Olathe
Kansas Industrial Training Program	Baldwin Graphic Systems, Inc.	\$ 37,400.00	Lenexa
Kansas Industrial Training Program	Horizon National Bank	\$ 88,000.00	Leawood
Kansas Industrial Training Program	American Identity, Inc.	\$ 72,722.00	Overland Park
Kansas Industrial Training Program	IAC Group/Individual Assurance Company	\$ 80,000.00	Prairie Village
Kansas Industrial Training Program	Bayer HealthCare LLC; Animal Health Division	\$ 25,000.00	Shawnee
Kansas Industrial Training Program	CFS West Holdings, Inc.	\$ 50,000.00	New Century
Kansas Industrial Training Program	Midwest Consulting Group, Inc.	\$ 60,000.00	Overland Park
Kansas Industrial Training Program	Foss Training & Consulting	\$ 30,000.00	Leawood
Kansas Industrial Training Program	Novartis Animal Vaccines, Inc.	\$ 18,000.00	Overland Park
Kansas Industrial Training Program	K.C. Strings, Inc	\$ 3,000.00	Merriam
Kansas International Trade Show Assistance Program	Aviation Simulation Technology	\$ 2,375.00	Lenexa
Kansas International Trade Show Assistance Program	Weather Metrics	\$ 2,763.00	Lenexa
Kansas International Trade Show Assistance Program	IBT	\$ 3,492.00	Merriam
Kansas International Trade Show Assistance Program	Butler National Corp	\$ 3,500.00	Olathe
Kansas International Trade Show Assistance Program	CareFore Medical , Inc.	\$ 1,500.00	Olathe

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Kansas Department of Commerce

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	Kansas International Trade Show Assistance Program	Biologix Research Corporation	\$ 2,504.00	Overland Park
	Kansas International Trade Show Assistance Program	Disposable Instruments	\$ 1,777.00	Lenexa
	Kansas International Trade Show Assistance Program	RJJM Corp	\$ 1,500.00	Olathe
	Kansas International Trade Show Assistance Program	Disposable Instruments	\$ 2,769.00	Lenexa
	Kansas International Trade Show Assistance Program	Superior Signals, Inc.	\$ 3,437.00	Olathe
	Kansas International Trade Show Assistance Program	Kraft Tool Company	\$ 3,500.00	Shawnee
	Kansas International Trade Show Assistance Program	Butler National Corp.	\$ 3,500.00	Olathe
	Kansas International Trade Show Assistance Program	Biomune Company	\$ 1,925.00	Lenexa
	Kansas International Trade Show Assistance Program	Biomune Company	\$ 250.00	Lenexa
	Kansas International Trade Show Assistance Program	American Academy of Family Physicans	\$ 2,526.00	Leawood
	Kansas International Trade Show Assistance Program	American Academy of Family Physicans	\$ 974.00	Leawood
	Kansas International Trade Show Assistance Program	Back Porch Designs	\$ 765.00	Overland Park
	Kansas International Trade Show Assistance Program	Xenotech, LLC	\$ 1,100.00	Lenexa
	Small Business Development Centers	Johnson County Community College SBDC	\$ 45,913.00	Overland Park
	Training Equipment Grant Program	Johnson Count Community College	\$ 16,000.00	Overland Park
			Total \$ 2,441,033.00	
Labette	Incentives Without Walls	Downtown Parsons, Inc.	\$ 15,000.00	Parsons
	Incentives Without Walls	Downtown Parson, Inc	\$ 15,000.00	Parsons
	Incentives Without Walls	Downtown Parsons, Inc.	\$ 7,478.00	Parsons
	Kansas Industrial Retraining Program	Power Flame, Inc.	\$ 48,625.00	Parsons
	Kansas Industrial Training Program	Alexander Manufacturing Company, Inc.	\$ 30,000.00	Parsons
	Kansas International Trade Show Assistance Program	Alexander Mfg. Co.	\$ 1,500.00	Parsons
			Total \$ 117,603.00	
Lane	Kansas Economic Opportunity Initiative Fund	High Line Services, LLC	\$ 40,000.00	Dighton
	Kansas Industrial Training Program	High Line Services, LLC	\$ 40,000.00	Dighton
			Total \$ 80,000.00	
Leavenworth	Community Capacity Building Program	City of Leavenworth	\$ 95,000.00	Leavenworth
	From the Land of Kansas	Treehouse Berry Farms	\$ 250.00	Linwood
	From the Land of Kansas	Treehouse Berry Farm	\$ 250.00	Linwood
	Incentives Without Walls	Leavenworth Main Street	\$ 15,000.00	Leavenworth
	Incentives Without Walls	Leavenworth Main Street	\$ 15,000.00	Leavenworth
	Kansas Industrial Retraining Program	Peruvian connection	\$ 30,000.00	Tonganoxie
			Total \$ 155,500.00	

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Logan	Agricultural Value Added Center	Co-Ag	\$ 90,986.00	Oakley
	Kansas Industrial Retraining Program	Coop. Agricultural Services, Inc.	\$ 833.00	Oakley
		Total	\$ 91,819.00	
Lyon	Certified Development Company Assistance	Eastern Kansas Economic Development Group, Inc.	\$ 36,801.00	Emporia
	Community Capacity Building Program	City of Emporia	\$ 9,500.00	Emporia
	Incentives Without Walls	Emporia Main Street	\$ 3,500.00	Emporia
	Incentives Without Walls	Emporia Main Street	\$ 15,000.00	Emporia
	Kansas Industrial Retraining Program	Detroit Diesel Remanufacturing - Central	\$ 14,791.00	Emporia
	Kansas Industrial Training Program	Menu Foods Midwest Corporation	\$ 40,300.00	Emporia
	Kansas Industrial Training Program	Menu Foods Midwest Corporation	\$ 100,000.00	Emporia
	Total	\$ 219,892.00		
Marion	Agricultural Value Added Center	Jason Wiebe Dairy	\$ 30,000.00	Durham
	Community Capacity Building Program	City of Peabody	\$ 15,000.00	Peabody
		Total	\$ 45,000.00	
Marshall	Incentives Without Walls	Marysville Main Street program	\$ 5,743.00	Marysville
	Incentives Without Walls	Marysville Main Street	\$ 15,000.00	Marysville
		Total	\$ 20,743.00	
McPherson	Certified Development Company Assistance	McPherson County Small Business Development Association	\$ 19,292.00	McPherson
	From the Land of Kansas	Butterfield Books, Inc.	\$ 250.00	Lindsborg
	From the Land of Kansas	Smoky Hill Bison Co.	\$ 250.00	Lindsborg
	From the Land of Kansas	Farm Shed Goods & Gifts	\$ 250.00	Inman
	Kansas Economic Opportunity Initiative Fund	Abbott Labs	\$ 100,000.00	McPherson
	Kansas Industrial Retraining Program	Johns Manville Corporation	\$ 111,210.00	McPherson
	Kansas Industrial Retraining Program	Central Plastics, Inc.	\$ 11,000.00	McPherson
	Kansas International Trade Show Assistance Program	Moridge Manufacturing, Inc.	\$ 1,500.00	Moundridge
	Total	\$ 243,752.00		
Mitchell	Certified Development Company Assistance	Four Rivers Development, Inc.	\$ 14,980.00	Beloit
	Community Capacity Building Program	North Central Regional Planning Commission	\$ 13,000.00	Beloit
	Kansas Industrial Retraining Program	Sunflower Manufacturing	\$ 68,000.00	Beloit
	Total	\$ 95,980.00		
Montgomery	Kansas Industrial Retraining Program	Charloma, Inc.	\$ 11,750.00	Cherryvale

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	Kansas Industrial Retraining Program	Dixon Industries, Inc.	\$ 18,872.00	Coffeyville
	Kansas Industrial Training Program	Charloma, Inc	\$ 58,500.00	Cherryvale
	Kansas Industrial Training Program	Matcor Metal Fabrication, Inc.	\$ 48,354.00	Independence
		Total	\$ 137,476.00	
Morris	Attraction Development Grants	Kaw Nation of Oklahoma	\$ 80,000.00	Council Grove
	Kansas Economic Opportunity Initiative Fund	U.S. Stone Industries, LLC	\$ 50,000.00	Council Grove
	Kansas Industrial Retraining Program	Peterson Machine Tool, Inc.	\$ 22,380.00	Council Grove
		Total	\$ 152,380.00	
Nemaha	Kansas Industrial Training Program	C.J. Foods, Inc.	\$ 40,000.00	Bern
		Total	\$ 40,000.00	
Neosho	Incentives Without Walls	Main Street Chanute	\$ 2,800.00	Chanute
		Total	\$ 2,800.00	
Osborne	Kansas Industrial Retraining Program	RC Pork, Inc	\$ 5,000.00	Downs
	Kansas Industrial Training Program	RC Pork, Inc.	\$ 18,838.00	Downs
		Total	\$ 23,838.00	
Ottawa	Community Capacity Building Program	City of Minneapolis	\$ 13,000.00	Minneapolis
		Total	\$ 13,000.00	
Pottawatomie	Attraction Development Grants	Kaw Valley Muzzleloaders, Inc.	\$ 3,000.00	St. George
	Incentives Without Walls	Wamego Main Street	\$ 5,000.00	Wamego
		Total	\$ 8,000.00	
Reno	Attraction Development Grants	Reno County Historical Society	\$ 80,000.00	Hutchinson
	Incentives Without Walls	Downtown Hutchinson Revitalization Partnership, Inc.	\$ 15,000.00	Hutchinson
	Kansas Economic Opportunity Initiative Fund	Dillon Companies, Inc. (Kroger)	\$ 30,000.00	Hutchinson
	Kansas Industrial Retraining Program	Aroow Machine Inc.	\$ 13,850.00	Hutchinson
	Kansas International Trade Show Assistance Program	Lowen Sign Company	\$ 606.00	Hutchinson
	Training Equipment Grant Program	Hutchinson Community College	\$ 31,000.00	Hutchinson
		Total	\$ 170,456.00	
Republic	Incentives Without Walls	Belleville Main Street	\$ 15,000.00	Belleville
		Total	\$ 15,000.00	

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Rice	Incentives Without Walls	Sterling Main Street	\$ 2,225.00	Sterling
	Incentives Without Walls	Sterling Main Street	\$ 3,580.00	Sterling
	Kansas Industrial Training Program	JACAM Chemicals, L.L.C.	\$ 7,500.00	Sterling
				Total \$ 13,305.00
Riley	Agricultural Value Added Center	K-State Food Science	\$ 50,000.00	Manhattan
	Agricultural Value Added Center	K-State Meat Science	\$ 10,000.00	Manhattan
	Attraction Development Grants	Country Stampede	\$ 12,000.00	Manhattan
	Incentives Without Walls	Manhattan Main Street	\$ 15,000.00	Manhattan
	Incentives Without Walls	Downtown Manhattan, Inc	\$ 15,000.00	Manhattan
	Incentives Without Walls	Downtown Manhattan, Inc	\$ 15,000.00	Manhattan
	Kansas Existing Industry Expansion Program	Viewpoint Technologies, Inc.	\$ 25,000.00	Manhattan
	Kansas Industrial Training Program	It's Greek to Me, Inc.	\$ 19,000.00	Manhattan
	Kansas International Trade Show Assistance Program	Agtech	\$ 765.00	Manhattan
	Kansas International Trade Show Assistance Program	American Institute of Baking	\$ 1,128.00	Manhattan
	Small Business Development Centers	Kansas State University SBDC	\$ 36,851.00	Manhattan
			Total \$ 199,744.00	
Rooks	Community Capacity Building Program	City of Plainville	\$ 15,000.00	Plainville
Russell	Incentives Without Walls Kansas Economic Opportunity Initiative Fund	Russell Main Street	\$ 15,000.00	Russell
		Murfin Drilling Company, Inc.	\$ 88,000.00	Russell
				Total \$ 103,000.00
Saline	Agricultural Value Added Center Kansas Economic Opportunity Initiative Fund Kansas Industrial Retraining Program Kansas Industrial Retraining Program Kansas International Trade Show Assistance Program	Smoky Hill Vineyards & Winery	\$ 102,900.00	Salina
		lock/line LLC	\$ 190,000.00	Salina
		A-Plus Galvanizing, Inc.	\$ 13,829.00	Salina
		Salina Vortex Corporation	\$ 31,000.00	Salina
		Callabresi Combustion System	\$ 1,500.00	Salina
			Total \$ 339,229.00	
Sedgwick	Attraction Development Grants Attraction Development Grants Certified Development Company Assistance From the Land of Kansas	City of Wichita	\$ 24,000.00	Wichita
		Kansas African American Museum, Inc.	\$ 26,140.00	Wichita
		South Central Kansas Economic Development District	\$ 57,803.00	Wichita
		Unique Equine	\$ 250.00	Valley Center

	Kansas Economic Opportunity Initiative Fund	Wichita Educational Foundation of Aviation Manufacturing	\$ 100,000.00	Wichita
	Kansas Industrial Retraining Program	Aerospace Systems & Components, Inc.	\$ 31,512.00	Wichita
	Kansas Industrial Retraining Program	Norland Plastics Co.	\$ 20,000.00	Haysville
	Kansas Industrial Retraining Program	HSP Inc.	\$ 9,451.00	Wichita
	Kansas Industrial Retraining Program	Rapid Processing Solutions, Inc.	\$ 7,262.00	Wichita
	Kansas Industrial Retraining Program	Raytheon Aircraft	\$ 75,657.00	Wichita
	Kansas Industrial Retraining Program	Brytam Manufacturing, Inc.	\$ 1,525.00	Derby
	Kansas Industrial Retraining Program	JMT Industries	\$ 3,831.00	Wichita
	Kansas Industrial Retraining Program	Kansas Fun Drilling, Inc.	\$ 6,386.00	Wichita
	Kansas Industrial Retraining Program	M6 Concrete Accessories Co., Inc.	\$ 20,000.00	Wichita
	Kansas Industrial Retraining Program	Senior Aerospace Composites	\$ 56,390.00	Wichita
	Kansas Industrial Retraining Program	Universal Products, Inc.	\$ 44,650.00	Goddard
	Kansas Industrial Retraining Program	Aero-Mach Labs, Inc.	\$ 40,000.00	Wichita
	Kansas Industrial Retraining Program	PCI Acquisition Company	\$ 53,100.00	Wichita
	Kansas Industrial Retraining Program	ADR Inc., aba ADR Bookprint	\$ 13,300.00	Wichita
	Kansas Industrial Retraining Program	McCormick-Armstrong Company, Inc.	\$ 14,926.00	Wichita
	Kansas International Trade Show Assistance Program	Great Plains	\$ 2,623.00	Wichita
	Kansas International Trade Show Assistance Program	Plastic Fabricating Company	\$ 2,759.00	Wichita
	Kansas International Trade Show Assistance Program	Winona Van Norman	\$ 2,021.00	Wichita
	Kansas International Trade Show Assistance Program	Midwest Technologies Inc.	\$ 3,050.00	Wichita
	Kansas International Trade Show Assistance Program	Equential Technologies	\$ 2,800.00	Wichita
	Kansas International Trade Show Assistance Program	Louvered Images	\$ 1,500.00	Wichita
	Kansas International Trade Show Assistance Program	Filter Logix	\$ 1,500.00	Wichita
	Kansas International Trade Show Assistance Program	Quantum Market Research	\$ 1,500.00	Wichita
	Small Business Development Centers	Wichita State University SBDC	\$ 46,962.00	Wichita
	Training Equipment Grant Program	Wichita Area Technical College	\$ 49,890.00	Wichita
		Total	\$ 720,788.00	
Seward	Attraction Development Grants	International Pancake Day of Liberal Fdn	\$ 65,760.00	Liberal
		Total	\$ 65,760.00	
Shawnee	Attraction Development Grants	Railroad Heritage, Inc.	\$ 50,000.00	Topeka
	Kansas Economic Opportunity Initiative Fund	Sports Car Club of America, Inc.	\$ 90,000.00	Topeka
	Kansas Economic Opportunity Initiative Fund	Target Corporation	\$ 350,000.00	Topeka
	Kansas Industrial Retraining Program	PTMW Inc.	\$ 4,000.00	Topeka
	Kansas Industrial Training Program	Personalized Brokerage Services, Inc.	\$ 30,000.00	Topeka
	Kansas Industrial Training Program	Sports Car Club of America, Inc.	\$ 68,800.00	Topeka

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	Kansas Industrial Training Program	HME, Inc.	\$ 3,781.00	Topeka
	Kansas International Trade Show Assistance Program	PTMW	\$ 1,500.00	Topeka
	Small Business Development Centers	State Small Business Development Center	\$ 140,000.00	Topeka
	Small Business Development Centers	Washburn University SBDC	\$ 27,500.00	Topeka
		Total	\$ 765,581.00	
Smith	Community Capacity Building Program	City of Smith Center	\$ 9,748.00	Smith Center
		Total	\$ 9,748.00	
Stafford	Incentives Without Walls	St. John Main Street	\$ 2,000.00	St. John
		Total	\$ 2,000.00	
Stevens	Kansas International Trade Show Assistance Program	Almar Manufacturing	\$ 3,500.00	Hugoton
		Total	\$ 3,500.00	
Sumner	Community Capacity Building Program	City of Oxford	\$ 15,000.00	Oxford
		Total	\$ 15,000.00	
Wichita	Kansas Existing Industry Expansion Program	Heartland Mill, Inc.	\$ 30,000.00	Marienthal
	Kansas Industrial Training Program	Heartland Mill, Inc.	\$ 4,000.00	Marienthal
		Total	\$ 34,000.00	
Wilson	Incentives Without Walls	Main Street Neodesha	\$ 5,000.00	Neodesha
	Kansas Industrial Retraining Program	LaFarge Midwest, Inc.	\$ 3,200.00	Fredonia
	Kansas Industrial Training Program	Prestige, Inc.	\$ 20,000.00	Neodesha
		Total	\$ 28,200.00	
Wyandotte	Attraction Development Grants	National Agricultural Center & Hall of Fame	\$ 6,400.00	Bonner Springs
	Certified Development Company Assistance	Avenue Area, Inc.	\$ 18,006.00	Kansas City
	Kansas Economic Opportunity Initiative Fund	Assail, Inc.	\$ 150,000.00	Kansas City
	Kansas Existing Industry Expansion Program	Plastic Packaging Technologies, LLC (Tech Investments, LLC	\$ 30,000.00	Kansas City
	Kansas Industrial Retraining Program	Associated Wholesale Grocers	\$ 42,800.00	Kansas City
	Kansas Industrial Retraining Program	Griffin Wheel Company	\$ 40,000.00	Kansas City
	Kansas Industrial Retraining Program	Harlan Corporation	\$ 17,384.00	Kansas City
	Kansas Industrial Retraining Program	Plastic Packaging Technologies, LLC	\$ 20,000.00	Kansas City
	Kansas Industrial Training Program	Knight Transportation, Inc.	\$ 48,667.00	Kansas City
	Kansas Industrial Training Program	Staples, Inc.-Quill Distribution Center	\$ 32,800.00	Edwardsville

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Kansas Industrial Training Program	NFM of Kansas, Inc.	\$ 199,000.00	Kansas City
Kansas Industrial Training Program	Ford Storage & Moving Company	\$ 32,000.00	Kansas City
Kansas International Trade Show Assistance Program	Columbian TecTank	\$ 2,009.00	Kansas City
Kansas International Trade Show Assistance Program	American Crane & Tractor	\$ 3,500.00	Kansas City
Kansas International Trade Show Assistance Program	Magnum System	\$ 2,443.00	Kansas City
		Total	
		\$ 645,009.00	

KANSAS

KANSAS RACING AND GAMING COMMISSION

KATHLEEN SEBELIUS, GOVERNOR

TO: Senate Ways and Means Committee

FROM: Tracy T. Diel, Executive Director
Kansas Racing and Gaming Commission

DATE: January 20, 2004

SUBJECT: Overview of the Kansas Racing and Gaming Commission

Senator Morris and members of the Committee, thank you for the opportunity to appear today and update you on the Kansas Racing and Gaming Commission (KRG/Commission).

The KRG has regulatory jurisdiction over the parimutuel racing industry in the State of Kansas. The Commission is responsible for issuing licenses to individuals involved in the greyhound and horse racing industry, animal health oversight, and assigning staff to oversee the live races offered at each parimutuel racetrack facility. The KRG employs and assigns certain staff to each racetrack facility that operates year round. These employees work for and report to the Commission. Three full-time judges are responsible for making sure that the races offered are conducted fairly and in accordance with the rules and regulations of the KRG. Two assistant animal health officers are responsible for ensuring that all animal health regulations of the KRG are followed. The auditor is responsible for verifying that all monetary issues regarding the wagering public and the State of Kansas are performed properly. The KRG is authorized 43 full-time positions which are spread out among the main office in Topeka and the field offices at the Woodlands and Wichita Greyhound Park (WGP). In addition, the Commission has several temporary positions that are filled during the county fair meets.

The KRG does not receive any State General Fund money, but is funded through a tax on parimutuel wagering, fees charged for licensing, an admission tax, where applicable, and fines levied by the KRG. In 2002, the KRG received 3.61% of each dollar wagered on live greyhound or horse racing in the State of Kansas. In addition, it received 2.37% of each dollar wagered on simulcast greyhound and horse racing offered at Kansas parimutuel racetracks. These funds make up the operating revenue of the KRG. The Commission transfers funds in excess of the amount required for operating expenditures and adequate fund balance to the state gaming revenues fund. This money is then transferred into the Economic Development Initiative Fund (EDIF) and can vary from year to year.

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Senate Ways and Means
1-20-04
Attachment 2

At the current time, there are two parimutuel racetracks operating in the State of Kansas that offer year-round racing. The Woodlands, located in Kansas City, Kansas, offers greyhound racing year round and a horse racing schedule in the fall. In 2003, the Woodlands offered 250 days of live greyhound racing with 321 live racing performances and 4,733 races, including 30 days of live horse racing. This was the longest live horse race meet since 1995. WGP, located in Valley Center, Kansas, also operates year round, but does not offer any live horse racing. During 2003, WGP offered 239 days of live greyhound racing with 286 live racing performances and 4,693 races. There are two county fair meet locations that offer limited parimutuel racing during the late spring and summer months. Eureka Downs, located in Eureka, Kansas, offers live horse racing and Anthony Downs, located in Anthony, Kansas, offers both horse and greyhound racing. During 2003, Eureka Downs offered 20 days of live horse racing and Anthony Downs offered six days of live horse and greyhound racing. All total, there were 495 live greyhound racing days and 56 live horse racing days offered in 2003. In addition, Camptown Greyhound Park, located in Frontenac, Kansas, previously opened for business in 1995 and 2000, but has been closed since November 2000.

The live parimutuel racing industry in the State of Kansas faced several challenges in 2003. Due to an outbreak of severe kennel cough on the East Coast, the racetracks in Kansas were placed under a quarantine by the KRGC in mid-April. This strain of kennel cough was such that it closed down several racetracks across the country for significant periods of time. The Commission was concerned that closing down a racetrack in Kansas at this time would be detrimental to kennel owners and trainers operating at Kansas tracks. The quarantine, in effect until mid-June, restricted the movement of greyhounds coming into the state and limited the ability of kennel owners to bring fresh greyhounds to the racetrack. This created a strain on the active greyhound list at each racetrack. Then, on July 10, 2003, WGP was hit by a severe storm which caused extensive damage to the racetrack. Live racing was canceled for three weeks due to the damage sustained. In addition to these factors, the overall parimutuel wagering handle has been down. The KRGC is in the process of compiling its annual report for calendar year 2003 detailing the parimutuel handle. Preliminary information shows the parimutuel wagering handle for 2003 totaled approximately \$100,626,497, compared with a total wagering handle of \$110,832,003 for 2002. Of the total for 2003, \$25,766,384 was from live greyhound and horse racing, with the remaining attributed to wagering on simulcast races received at the different racetracks. I am providing the Committee copies of the KRGC 2001-2002 Annual Report for your review and comparison.

The 2004 racing season has begun at the racetracks. For calendar year 2004, the Woodlands has been approved by the KRGC to again offer 30 days of live horse racing as well as 266 live greyhound racing days with 293 racing performances. The KRGC has approved WGP to offer 254 live greyhound racing days with 305 racing performances. The Commission has just begun the process for this year's county fair meets. Eureka Downs has requested 20 live horse racing days and Anthony Downs, celebrating its 100th year of horse racing this summer, has requested six days of live horse and greyhound racing.

This concludes my testimony today. Should you have any questions, I will attempt to answer them at this time.



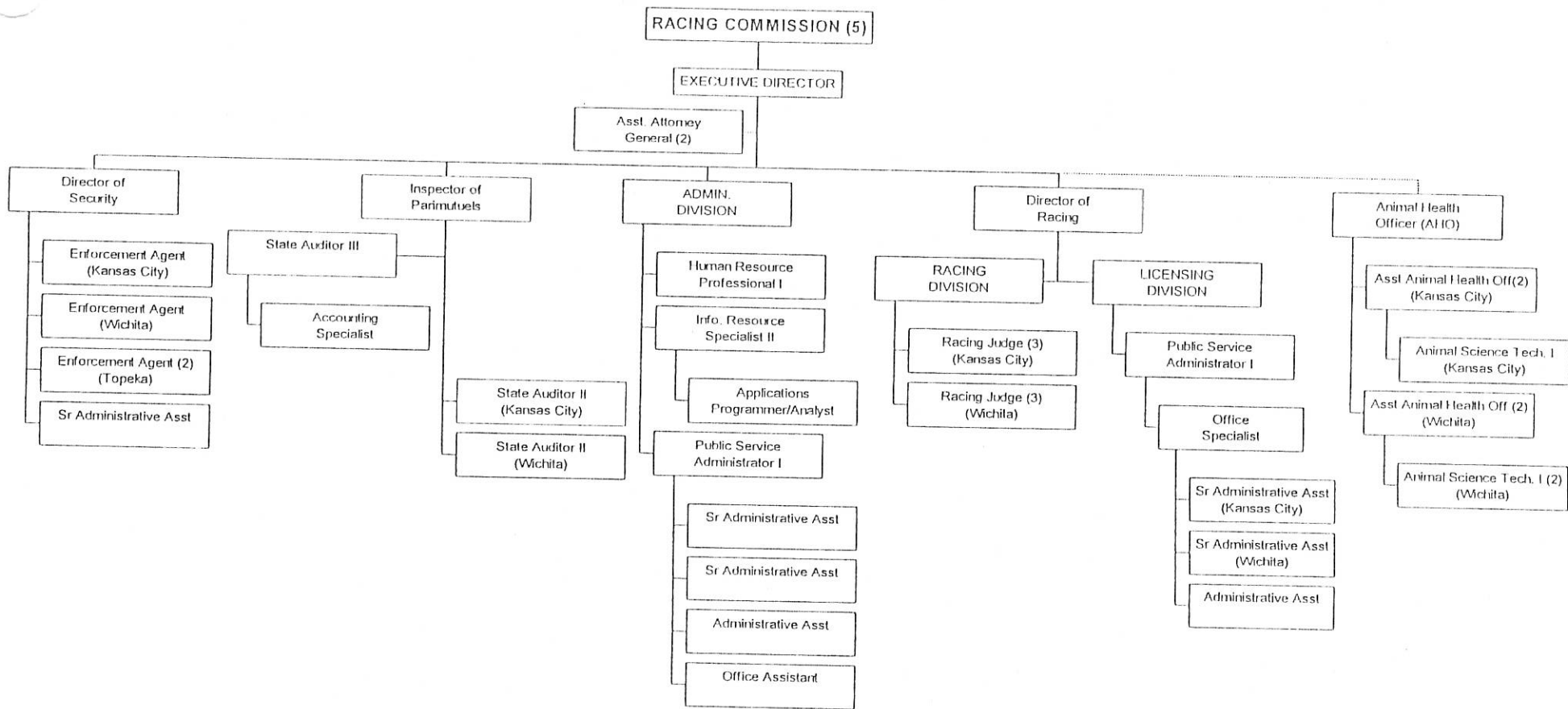
Racing and Gaming Commission Fund Activity
Fiscal Years 2001 and 2002



	State Racing Fund	Horse Fair Racing Benefit Fund	Horse Breeding Development Fund	Racing Investigative Expense Fund	Greyhound Breeding Development Fund	Racing Reimbursable Expense Fund	Racing Applicant Deposit Fund	Tribal Gaming Fund	Totals
FY 2001									
Beginning balance (7-1-00)	\$ 707,659	\$ 477,946	\$ 170,090	\$ 24,664	\$ 331,237	\$ 26,286	\$ 747	\$ 1,200,025	\$ 2,938,654
Prior period adjustments	10,479	-	-	-	-	618	-	13,176	24,273
Receipts									
Revenue	3,258,969	941,447	485,516	(4,772)	447,759	44,734	46	560,005	5,733,704
Operating transfer	76,418	-	-	-	-	-	-	-	76,418
General Fund transfer	-	-	-	-	-	-	-	450,000	450,000
Disbursements									
Operating expenditures	(3,153,002)	(816,951)	(459,046)	-	(306,825)	(40,702)	-	(1,115,475)	(5,892,001)
State Gaming Revenue Fund transfer	(426,605)	-	-	-	-	-	-	-	(426,605)
Operating transfer	-	(76,418)	-	-	-	-	-	-	(76,418)
Greyhound Tourism Fund transfer	-	-	-	-	(67,164)	-	-	-	(67,164)
General Fund transfer	-	-	-	-	-	-	-	(420,864)	(420,864)
Ending balance (6-30-01)	<u>\$ 473,918</u>	<u>\$ 526,024</u>	<u>\$ 196,560</u>	<u>\$ 19,892</u>	<u>\$ 405,007</u>	<u>\$ 30,936</u>	<u>\$ 793</u>	<u>\$ 686,867</u>	<u>\$ 2,339,997</u>
FY 2002									
Beginning balance (7-1-01)	\$ 473,918	\$ 526,024	\$ 196,560	\$ 19,892	\$ 405,007	\$ 30,936	\$ 793	\$ 686,867	\$ 2,339,997
Prior period adjustments	4,534	4,466	-	-	-	-	-	(214,241)	(205,241)
Receipts									
Revenue	3,074,887	951,528	480,161	3,840	347,356	26,445	22	907,551	5,791,790
Operating transfer	78,418	-	-	-	-	-	-	-	78,418
General Fund transfer	-	-	-	-	-	-	-	450,000	450,000
Disbursements									
Operating expenditures	(2,731,634)	(1,054,408)	(472,879)	(3,840)	(458,252)	(25,886)	-	(1,104,705)	(5,851,604)
State Gaming Revenue Fund transfer	(343,724)	-	-	-	-	-	-	-	(343,724)
Operating transfer	-	(78,418)	-	-	-	-	-	-	(78,418)
Greyhound Tourism Fund transfer	-	-	-	-	(53,103)	-	-	-	(53,103)
General Fund transfer	(4,839)	-	-	-	-	-	-	(302,083)	(306,922)
Ending balance (6-30-02)	<u>\$ 551,560</u>	<u>\$ 349,192</u>	<u>\$ 203,842</u>	<u>\$ 19,892</u>	<u>\$ 241,008</u>	<u>\$ 31,495</u>	<u>\$ 815</u>	<u>\$ 423,389</u>	<u>\$ 1,821,193</u>

Racing Program

KANSAS RACING AND GAMING COMMISSION



* The Assistant Attorney General positions report to the Attorney General's Office but are counted in the Racing Commission's FTE allotment. The Executive Director supervises the day-to-day legal operation duties.

** The Animal Health Officers are under the direction of the Racing Commission and supervised by the Executive Director.

Note: Camptown Greyhound Park in Frontenac, Kansas, ceased operations in November 2000.



Racing Program Offices



Topeka Office

Kansas Racing and Gaming Commission
3400 S.W. Van Buren Street
Topeka, Kansas 66611-2228
Phone: (785) 296-5800
Fax: (785) 296-0900
Homepage: www.ink.org/public/krc
E-mail: kracing@cjnetworks.com

Field Offices

Kansas Racing and Gaming Commission
c/o The Woodlands
P.O. 12694
99th Street and Leavenworth Road
Kansas City, Kansas 66112
Phone: (913) 788-3621
Fax: (913) 788-3881
E-mail: kracing@kcinter.net

Kansas Racing and Gaming Commission
c/o Wichita Greyhound Park
P.O. Box 425
1500 East 77th Street North
Valley Center, Kansas 67147-0277
Phone: (316) 755-2736
Fax: (316) 755-3294
E-mail: racing@southwind.net



Racing Program Executive Staff



Tracy T. Diel
Acting Executive Director

Frances K. Snell
Director of Racing

David E. Johnson
Director of Security

D. Bryce Peckham, DVM
Animal Health Officer

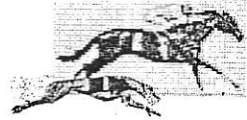
Debra L. Billingsley
Assistant Attorney General

Kit A. Bostrom
Director of Licensing

James Glackin
Assistant Attorney General



Departments of the Commission



Licensing

The Licensing Division ensures the integrity of racing and wagering in Kansas by identifying, licensing and conducting background checks on individuals who work at the racetrack facility and owners of the racing animals. These individuals are required to obtain an occupation license and undergo a background check before working or racing animals at the facility. In addition, licenses are granted to facility owners, facility managers, non-profit organizations, concessionaires, racing and wagering equipment and services, and simulcasting entities. Officers, directors and owners of these entities are subject to background investigations before the commission grants a license for the year.

Occupation Licenses

There were over 3,800 occupation licenses in 2001 and over 3,600 occupation licenses in 2002 issued to industry personnel and racetrack personnel during the license year. One-year and three-year occupation licenses were issued in different license categories for the race meets at the Woodlands, Wichita Greyhound Park and the county fairs. Over 1,300 sets of fingerprints in 2001 and over 600 sets of fingerprints in 2002 were submitted to the Kansas Bureau of Investigation for background checks. Licensees were able to participate in the fingerprint reciprocity program in lieu of submitting fingerprint cards. Licensees submitted over 500 reciprocity forms for 13 different racing jurisdictions in both 2001 and 2002 that were recognized by the commission. These reciprocity records were then verified with the specific jurisdiction in order to complete the background check on the licensee.

Registrations

Stable names, kennel names, corporations, partnerships, syndicates and other entities that own racing animals, which participated in racing in Kansas, were required to register with the commission. Entities filed over 350 registrations during the 2001 and over 400 registrations during the 2002 license years. Owners of these entities were required to obtain an occupation license.

Concessionaire and Racing and Wagering Equipment and Services Licenses

Concessionaire licenses are required before any entity may sell goods or services at a racetrack facility. There were 18 concessionaire licenses granted in 2001 and 115 concessionaire licenses granted in 2002 to entities providing animal feed, tack and supplies as well as food and beverage concessions and video and photo finish products. United Tote held a valid Racing and Wagering Equipment and Services license during the 2001 and 2002 racing seasons.



Departments of the Commission



Animal Health

The Kansas parimutuel racing act provides that the commission appoint an animal health officer and assistants to advise the commission in matters of veterinary medicine. At all times they are to serve and protect the health and well being of the racing animals. The animal health officer serves the commission staff in Topeka, and two assistants serve at each racetrack.

The animal health officers are responsible for conducting veterinary services for racing animals. This includes physical examinations prior to racing and observation for lameness, illness, or any other condition which would prevent the animal from racing to its potential. They are also responsible for treating emergencies of a veterinary nature encountered during the running of the race. In consultation with the judges or stewards, the animal health officers help determine which animals may be scratched from racing due to injury, disease, or disability.

Racing animals are subject to drug testing to deter the use of drugs to influence the outcome of a race. The animal health officer at each track is charged with obtaining blood and/or urine samples to be submitted to the official testing laboratory. A concerted effort is made to obtain the desired specimens from the animals and deliver them to the laboratory under strict chain of custody procedures so that a given specimen is unadulterated and from the identified animal.

During 2001 and 2002, the racing chemistry was performed by Truesdail Laboratories in Tustin, California. The results of their testing are as follows:

<u>Source</u>	<u>Urine</u>	<u>Blood</u>	<u>Total</u>	<u>Number of Positives</u>
2001				
Equine	894	885	1,779	12
Greyhound	9,572	0	11,331	9
2002				
Equine	852	889	1,741	3
Greyhound	10,060	0	10,060	12



Departments of the Commission



Racing Division

The Racing Division enforces the civil provisions of the parimutuel racing act and the rules and regulations of the commission. The division's goal is to instill and preserve public trust and confidence by ensuring the integrity of the race meets. The commission appointees serving as stewards or racing judges at each horse or greyhound race meet work towards achieving the goal by performing various duties such as observing monitors in the starting boxes and lock-out kennels, determining if sufficient cause has been provided to scratch a horse or greyhound from official races, observing during racing for proper racing, and determining correct finishing order.

During the 2001 race meet the stewards/judges had 715 findings in the 10,602 official races.

During the 2002 race meet the stewards/judges had 820 findings in the 10,699 official races.

Security Division

Security personnel are vested with the power and authority of law enforcement officers in the execution of the duties imposed upon the commission by the provision of the parimutuel racing act. The division's goal is to ensure licensees involved in racing activities are honest, to be proactive and responsive to confidential information concerning potential illegal activities, and to eliminate and/or reduce the potential for accidents. The commission appointees serving as security personnel work towards achieving the goal by investigating violations of the race act, conducting search and seizures, and enforcing all criminal laws of the State. The security personnel also conduct background investigations for various management positions within the racing industry as well as those for all commission employees.

During the 2001 race meets the security personnel conducted 104 background investigations and 850 breathalyzer tests.

During the 2002 race meets the security personnel conducted 37 background investigations and 741 breathalyzer tests.



Racing Program Fund Activity
Fiscal Years 2001 and 2002



	State Racing Fund	Horse Fair Racing Benefit Fund	Horse Breeding Development Fund	Racing Investigative Expense Fund	Greyhound Breeding Development Fund	Racing Reimbursable Expense Fund	Racing Applicant Deposit Fund	Totals
FY 2001								
Beginning balance (7-1-00)	\$ 707,659	\$ 477,946	\$ 170,090	\$ 24,664	\$ 331,237	\$ 26,286	\$ 747	\$ 1,738,629
Prior period adjustments	10,479	-	-	-	-	618	-	11,097
Receipts								
Revenue	3,258,969	941,447	485,516	(4,772)	447,759	44,734	46	5,173,699
Operating transfer	76,418	-	-	-	-	-	-	76,418
General Fund transfer	-	-	-	-	-	-	-	-
Disbursements								
Operating expenditures	(3,153,002)	(816,951)	(459,046)	-	(306,825)	(40,702)	-	(4,776,526)
State Gaming Revenue Fund transfer	(426,605)	-	-	-	-	-	-	(426,605)
Operating transfer	-	(76,418)	-	-	-	-	-	(76,418)
Greyhound Tourism Fund transfer	-	-	-	-	(67,164)	-	-	(67,164)
General Fund transfer	-	-	-	-	-	-	-	0
Ending balance (6-30-01)	<u>\$ 473,918</u>	<u>\$ 526,024</u>	<u>\$ 196,560</u>	<u>\$ 19,892</u>	<u>\$ 405,007</u>	<u>\$ 30,936</u>	<u>\$ 793</u>	<u>\$ 1,653,130</u>
FY 2002								
Beginning balance (7-1-01)	\$ 473,918	\$ 526,024	\$ 196,560	\$ 19,892	\$ 405,007	\$ 30,936	\$ 793	\$ 1,653,130
Prior period adjustments	4,534	4,466	-	-	-	-	-	9,000
Receipts								
Revenue	3,074,887	951,528	480,161	3,840	347,356	26,445	22	4,884,239
Operating transfer	78,418	-	-	-	-	-	-	78,418
General Fund transfer	-	-	-	-	-	-	-	-
Disbursements								
Operating expenditures	(2,731,634)	(1,054,408)	(472,879)	(3,840)	(458,252)	(25,886)	-	(4,746,899)
State Gaming Revenue Fund transfer	(343,724)	-	-	-	-	-	-	(343,724)
Operating transfer	-	(78,418)	-	-	-	-	-	(78,418)
Greyhound Tourism Fund transfer	-	-	-	-	(53,103)	-	-	(53,103)
General Fund transfer	(4,839)	-	-	-	-	-	-	(4,839.00)
Ending balance (6-30-02)	<u>\$ 551,560</u>	<u>\$ 349,192</u>	<u>\$ 203,842</u>	<u>\$ 19,892</u>	<u>\$ 241,008</u>	<u>\$ 31,495</u>	<u>\$ 815</u>	<u>\$ 1,397,804</u>



State Racing Fund
Fiscal Years 2001 and 2002



Receipts:	FY 01	FY 02	% Increase/ (Decrease)
Parimutuel tax	\$ 1,105,546	\$ 915,214	(17.2)%
Simulcast tax	1,882,895	1,902,357	1.0%
Admissions tax	40,631	40,325	(0.8)%
License fees	56,470	52,909	(6.3)%
Fines	19,470	25,175	29.3%
Daily license fees	143,800	137,200	(4.6)%
Miscellaneous revenue	10,157	1,707	(83.2)%
Total receipts	<u>\$ 3,258,969</u>	<u>\$ 3,074,887</u>	<u>(5.6)%</u>
Disbursements:			
Salaries and wages	\$ (2,294,629)	\$ (2,039,860)	(11.1)%
Contractual services	(746,449)	(641,920)	(14.0)%
Commodities	(67,041)	(44,276)	(34.0)%
Capital outlay	(44,873)	(5,578)	(87.6)%
Miscellaneous	(10)	-	(100.0)%
Total disbursements	<u>\$ (3,153,002)</u>	<u>\$ (2,731,634)</u>	<u>(13.4)%</u>
Transfers:			
State Gaming Revenue Fund Transfer	\$ (426,605)	\$ (343,724)	(19.4)%
Horse Fair Racing Benefit Fund Transfer	76,418	78,418	2.6%
Total transfers	<u>\$ (350,187)</u>	<u>\$ (265,306)</u>	<u>(24.2)%</u>
FTE	<u>51.0</u>	<u>43.0</u> *	<u>(15.7)%</u>

* Reduction due to elimination of Camptown employees.

State Racing Fund - K.S.A. 74-8826

All taxes on live parimutuel wagering, admissions tax, application fees, license fees, and fines that were collected by the Commission were credited to the State Racing Fund. Two-thirds of the parimutuel taxes on simulcast performances were credited to the State Racing Fund. All operating expenses of the Commission were paid from the State Racing Fund.



Horse Fair Racing Benefit Fund Fiscal Years 2001 and 2002



Receipts:	FY 01	FY 02	% Increase/ (Decrease)
One-third of simulcast tax	<u>\$ 941,447</u>	<u>\$ 951,528</u>	<u>1.1%</u>
Disbursements:			
Anthony Fair Association grant	\$ (158,000)	\$ (350,517) *	121.8%
Eureka Downs grant	(600,000)	(568,390)	(5.3)%
Administrative costs	(58,951)	(135,501) **	129.9%
Total disbursements	<u>\$ (816,951)</u>	<u>\$ (1,054,408)</u>	<u>29.1%</u>
Transfers:			
Operating Transfer - Salaries	<u>\$ (76,418)</u>	<u>\$ (78,418)</u>	<u>2.6%</u>

* \$180,000 for 2001 race meet and \$170,517 for the 2002 race meet.

** Funded additional Commission employees and expenses directly related to county fair meets.

Horse Fair Racing Benefit Fund - K.S.A. 74-8838

This fund's revenue is derived from one-third of the parimutuel taxes from simulcast races. The Commission distributes monies from the fund for expenses related to the conduct of a race meet conducted by a fair association or horsemen's nonprofit organization. Included in the Operating Transfer are the wages for Commission staff performing services at such race meetings.



Horse Breeding Development Fund Fiscal Years 2001 and 2002



Receipts:	FY 01	FY 02	% Increase/ (Decrease)
Breakage-live	\$ 12,332	\$ 10,453	(15.2)%
Breakage-simulcast	221,380	227,771	2.9%
Total breakage	<u>233,712</u>	<u>238,224</u>	<u>1.9%</u>
Outs-live	17,083	16,137	(5.5)%
Outs-simulcast	234,721	225,800	(3.8)%
Total outs	<u>251,804</u>	<u>241,937</u>	<u>(3.9)%</u>
Total receipts	<u>\$ 485,516</u>	<u>\$ 480,161</u>	<u>(1.1)%</u>
Disbursements:			
Purse supplements and breed awards	\$ (459,046)	\$ (466,959)	1.7%
Research grants	-	(5,920)	100.0%
Total disbursements	<u>\$ (459,046)</u>	<u>\$ (472,879)</u>	<u>3.0%</u>

Horse Breeding Development Fund - K.S.A. 74-8829

This fund's revenue is derived from breakage and unclaimed winning tickets from live and simulcast horse performances. The funds are distributed by the Commission for purse supplements, stakes races, and breed awards to animals registered in the Kansas Bred program. There are also equine research grants awarded by the Commission.



Racing Investigative Expense Fund Fiscal Years 2001 and 2002



Receipts:	FY 01	FY 02	% Increase/ (Decrease)
Investigative fees	<u>\$ (4,772) *</u>	<u>\$ 3,840</u>	<u>180.5%</u>
Disbursements:			
Investigative costs	<u>\$ -</u>	<u>\$ (3,840)</u>	<u>100.0%</u>

*Refunded Investigative fees

Racing Investigative Expense Fund - K.S.A. 74-8835

All expenses of investigation of an applicant's qualifications for an organization license, facility owner license or facility manager license are paid from this fund. Whenever another state agency assists the Commission in investigations and incurs costs in addition to those attributed to operations of the agency, those costs are paid from this fund. The applicant reimburses the Commission for all costs related to their investigation.



Greyhound Breeding Development Fund Fiscal Years 2001 and 2002



Receipts:	FY 01	FY 02	% Increase/ (Decrease)
Outs-live	\$ 293,314	\$ 210,087	(28.4)%
Outs-simulcast	154,445	137,269	(11.1)%
Total receipts	<u>\$ 447,759</u>	<u>\$ 347,356</u>	<u>(22.4)%</u>
Disbursements:			
Breed stakes race awards	\$ (215,499)	\$ (209,452)	(2.8)%
Research grants	(91,326)	(248,800) *	172.4%
Total disbursements	<u>\$ (306,825)</u>	<u>\$ (458,252)</u>	<u>49.4%</u>
Transfers:			
Kansas Greyhound Tourism Fund	<u>\$ (67,164)</u>	<u>\$ (53,103)</u>	<u>(20.9)%</u>

* Several grants from previous years were disbursed

Greyhound Breeding Development Fund - K.S.A. 74-8831.

This fund's revenue is derived from unclaimed winning tickets from greyhound races. Funds are distributed by the Commission as follows:

Fifteen percent of the receipts are transferred to the Greyhound Tourism Fund.

Thirty-five percent of the receipts are used to fund research conducted within the State of Kansas relating to the prevention of injury and disease of greyhounds.

Fifty percent of the receipts are returned to the track where they were used to supplement stakes races for Kansas-whelped greyhounds.



Racing Reimbursable Expense Fund Fiscal Years 2001 and 2002



Receipts:	FY 01	FY 02	% Increase (Decrease)
Fingerprint fees	<u>44,734</u>	<u>26,445</u>	<u>(40.9)%</u>
Disbursements:			
KBI -fingerprint charges	<u>(40,702)</u>	<u>(25,886)</u>	<u>(36.4)%</u>

Racing Reimbursable Expense Fund - K.S.A 74-8827

As of December 1997, reimbursements for the services of assistant animal health officers, stewards, and racing judges at the Wichita and Kansas City racetrack facilities are no longer collected.



Racing Applicant Deposit Fund Fiscal Years 2001 and 2002



Receipts:	FY 01	FY 02	% Increase (Decrease)
Interest on deposit	<u>\$ 46</u>	<u>\$ 22</u>	<u>(52.2)%</u>

Racing Applicant Deposit Fund - K.S.A. 74-8828

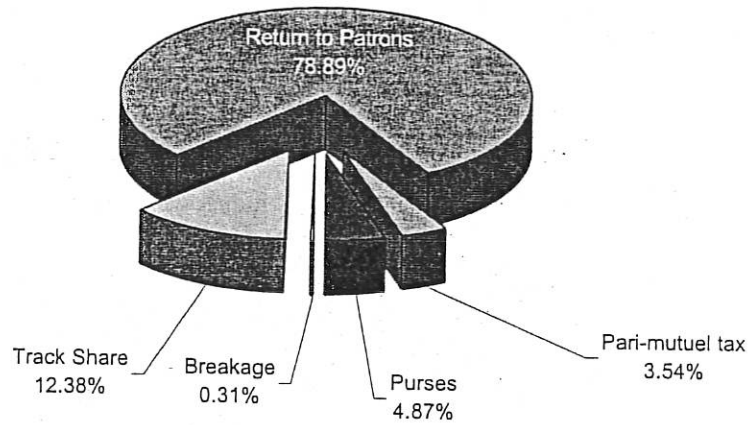
An applicant proposing to construct a racetrack facility is required at the time of making application to make a deposit. If the racetrack is constructed in accordance with the terms of the application, the deposit and interest are refunded. If the applicant fails to complete the racetrack facility in accordance with terms, the deposit and interest are forfeited by the applicant.



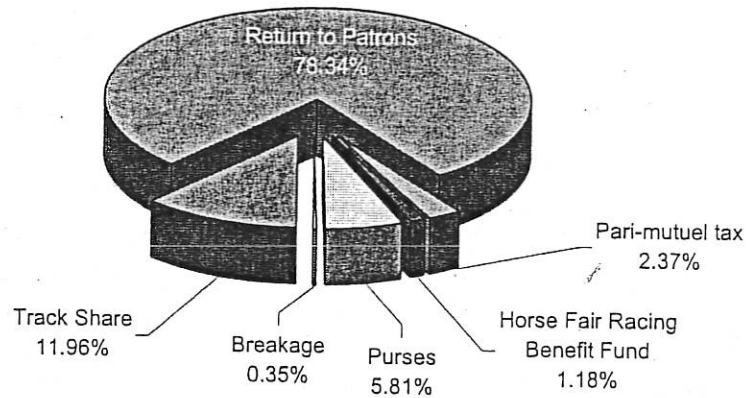
The Wagering Dollar



Live Racing - 2001



Simulcast Racing - 2001

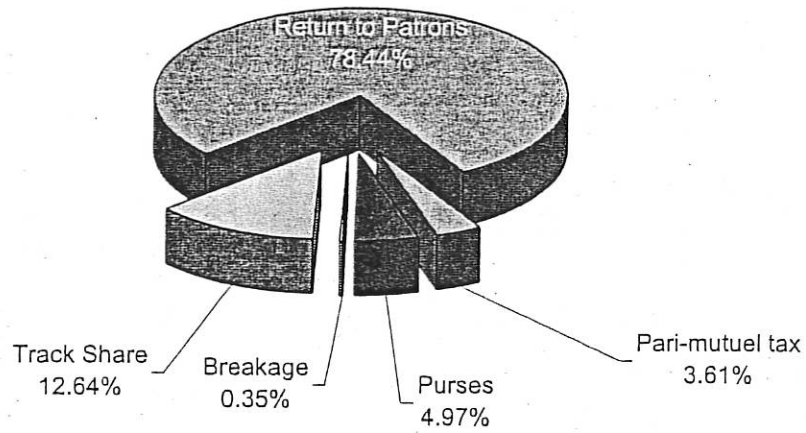




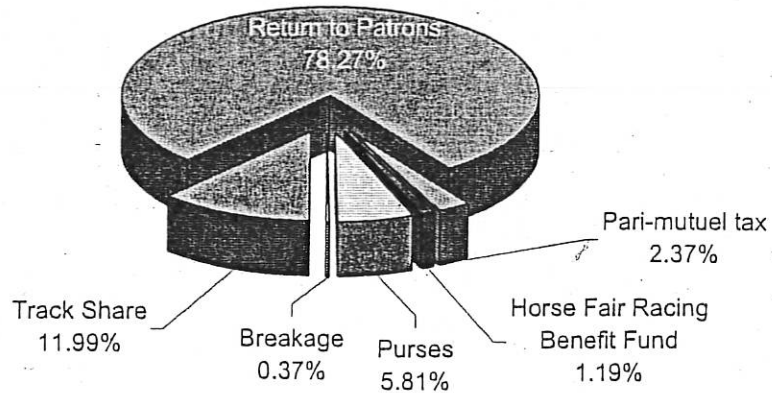
The Wagering Dollar



Live Racing - 2002



Simulcast Racing - 2002





Track Statistics

For Calendar Years 2001 and 2002



Handle	Woodlands Kansas City, KS		Wichita Greyhound Park Valley Center, KS		Camptown Frontenac, KS
	2001	2002	2001	2002	n/a
Live					
Horse	\$ 1,266,964	\$ 1,444,487	\$ -	\$ -	\$ -
Greyhound	12,477,138	13,636,774	12,204,006	11,610,357	-
Total live handle	<u>13,744,102</u>	<u>15,081,261</u>	<u>12,204,006</u>	<u>11,610,357</u>	<u>-</u>
Simulcast					
Horse	34,785,386	38,291,077	11,684,235	13,152,204	-
Greyhound	14,571,957	15,971,408	16,367,984	16,100,587	-
Total simulcast handle	<u>49,357,343</u>	<u>54,262,485</u>	<u>28,052,219</u>	<u>29,252,791</u>	<u>-</u>
Total handle	<u>\$ 63,101,445</u>	<u>\$ 69,343,746</u>	<u>\$ 40,256,225</u>	<u>\$ 40,863,148</u>	<u>\$ -</u>
Purses					
Live					
Horse	\$ 86,344	\$ 98,562	\$ -	\$ -	\$ -
Greyhound	584,259	645,294	585,398	556,664	-
Total live purses	<u>670,603</u>	<u>743,856</u>	<u>585,398</u>	<u>556,664</u>	<u>-</u>
Simulcast					
Horse	1,473,648	1,622,106	169,636	191,104	-
Greyhound	1,391,729	1,528,823	1,459,811	1,509,095	-
Total simulcast purses	<u>2,865,377</u>	<u>3,150,929</u>	<u>1,629,447</u>	<u>1,700,199</u>	<u>-</u>
Total purses	<u>\$ 3,535,980</u>	<u>\$ 3,894,785</u>	<u>\$ 2,214,845</u>	<u>\$ 2,256,863</u>	<u>\$ -</u>
Race days					
Live					
Horse	26	25	-	-	-
Greyhound	256	257	263	254	-
Total race days	<u>282</u>	<u>282</u>	<u>263</u>	<u>254</u>	<u>-</u>
Performances					
Live					
Horse	26	25	-	-	-
Greyhound	300	333	287	305	-
Total live performances	<u>326</u>	<u>358</u>	<u>287</u>	<u>305</u>	<u>-</u>
Simulcast					
Horse	3,776	3,573	2,382	4,153	-
Greyhound	3,166	3,894	4,534	6,468	-
Total simulcast performances	<u>6,942</u>	<u>7,467</u>	<u>6,916</u>	<u>10,621</u>	<u>-</u>
Total performances	<u>7,268</u>	<u>7,825</u>	<u>7,203</u>	<u>10,926</u>	<u>-</u>
Attendance					
Live/simulcast					
Horse	21,525	37,029	N/A	N/A	N/A
Greyhound	232,311	262,159	-	-	-
Total attendance	<u>253,836</u>	<u>299,188</u>	<u>-</u>	<u>-</u>	<u>-</u>



Track Statistics

For Calendar Years 2001 and 2002



Handle	Eureka Downs Eureka, Kansas		Anthony Downs Anthony, Kansas	
	2001	2002	2001	2002
Live				
Horse	\$ 349,440	\$ 291,934	\$ 94,044	\$ 88,261
Greyhound	-	-	49,299	80,136
Total live handle	<u>349,440</u>	<u>291,934</u>	<u>143,343</u>	<u>168,397</u>
Simulcast				
Horse	159,256	164,778	-	-
Greyhound	-	-	-	-
Total simulcast handle	<u>159,256</u>	<u>164,778</u>	<u>-</u>	<u>-</u>
Total handle	<u>\$ 508,696</u>	<u>\$ 456,712</u>	<u>\$ 143,343</u>	<u>\$ 168,397</u>
Purses				
Live				
Horse	\$ 23,498	\$ 19,542	\$ 6,367	\$ 5,990
Greyhound	-	-	2,278	3,754
Total live purses	<u>23,498</u>	<u>19,542</u>	<u>8,645</u>	<u>9,744</u>
Simulcast				
Horse	9,253	9,576	-	-
Greyhound	-	-	-	-
Total simulcast purses	<u>9,253</u>	<u>9,576</u>	<u>-</u>	<u>-</u>
Total purses	<u>\$ 32,751</u>	<u>\$ 29,118</u>	<u>\$ 8,645</u>	<u>\$ 9,744</u>
Race days				
Live				
Horse	20	20	6	6
Greyhound	-	-	6	6
Total race days	<u>20</u>	<u>20</u>	<u>12</u>	<u>12</u>
Performances				
Live				
Horse	20	20	6	6
Greyhound	-	-	6	6
Total live performances	<u>20</u>	<u>20</u>	<u>12</u>	<u>12</u>
Simulcast				
Horse	37	51	-	-
Greyhound	-	-	-	-
Total simulcast performances	<u>37</u>	<u>51</u>	<u>-</u>	<u>-</u>
Total performances	<u>57</u>	<u>71</u>	<u>12</u>	<u>12</u>
Attendance				
Live/simulcast				
Horse	7,668	6,416	1,922	2,181
Greyhound	-	-	1,923	2,181
Total attendance	<u>7,668</u>	<u>6,416</u>	<u>3,845</u>	<u>4,361</u>



Track Statistics

For Calendar Years 2001 and 2002



Handle	Overall Totals	
	2001	2002
Live		
Horse	\$ 1,710,448	\$ 1,824,682
Greyhound	24,730,443	25,327,267
Total live handle	<u>26,440,891</u>	<u>27,151,949</u>
Simulcast		
Horse	46,628,877	51,608,059
Greyhound	30,939,941	32,071,995
Total simulcast handle	<u>77,568,818</u>	<u>83,680,054</u>
Total handle	<u>\$ 104,009,709</u>	<u>\$ 110,832,003</u>
Purses		
Live		
Horse	\$ 116,209	\$ 124,094
Greyhound	1,171,935	1,205,712
Total live purses	<u>1,288,144</u>	<u>1,329,806</u>
Simulcast		
Horse	1,652,537	1,822,786
Greyhound	2,851,540	3,037,918
Total simulcast purses	<u>4,504,077</u>	<u>4,860,704</u>
Total purses	<u>\$ 5,792,221</u>	<u>\$ 6,190,510</u>
Race days		
Live		
Horse	52	51
Greyhound	525	517
Total race days	<u>577</u>	<u>568</u>
Performances		
Live		
Horse	52	51
Greyhound	593	644
Total live performances	<u>645</u>	<u>695</u>
Simulcast		
Horse	6,195	7,777
Greyhound	7,700	10,362
Total simulcast performances	<u>13,895</u>	<u>18,139</u>
Total performances	<u>14,540</u>	<u>18,834</u>
Attendance		
Live/simulcast		
Horse	31,115	45,626
Greyhound	234,234	264,340
Total attendance	<u>265,349</u>	<u>309,965</u>



Track Statistics

For Calendar Years 2001 and 2002



	Woodlands		Wichita Greyhound Park		Camptown
	Kansas City Kansas		Valley Center, Kansas		Frontenac, KS
	2001	2002	2001	2002	n/a
Pari-mutuel tax					
Live					
Horse	\$ 43,170	\$ 49,278	\$ -	\$ -	\$ -
Greyhound	438,071	483,845	438,926	417,372	-
Total live pari-mutuel tax	481,241	533,123	438,926	417,372	-
Simulcast					
Horse	1,172,500	1,275,164	410,181	470,999	-
Greyhound	547,437	608,293	617,515	613,196	-
Total simulcast pari-mutuel tax	1,719,937	1,883,457	1,027,696	1,084,195	-
Total pari-mutuel tax	\$ 2,201,178	\$ 2,416,580	\$ 1,466,622	\$ 1,501,567	\$ -
Outs					
Live					
Horse	\$ 9,758	\$ 11,888	\$ -	\$ -	\$ -
Greyhound	105,832	n/a	103,312	n/a	-
Total live outs	115,590	11,888	103,312	-	-
Simulcast					
Horse	167,905	n/a	50,968	n/a	-
Greyhound	65,663	n/a	71,606	n/a	-
Total simulcast outs	233,568	-	122,574	-	-
Total outs	\$ 349,158	\$ 11,888	\$ 225,886	\$ -	\$ -
Breakage					
Live					
Horse	\$ 9,553	\$ 9,929	\$ -	\$ -	\$ -
Greyhound	41,576	49,242	31,437	29,876	-
Total live breakage	51,129	59,171	31,437	29,876	-
Simulcast					
Horse	162,530	195,353	50,968	50,562	-
Greyhound	30,610	32,201	27,635	26,058	-
Total simulcast breakage	193,140	227,554	78,603	76,620	-
Total breakage	\$ 244,269	\$ 286,725	\$ 110,040	\$ 106,496	\$ -
Admission tax					
Live/Simulcast					
Horse	\$ 3,138	n/a	n/a	n/a	n/a
Greyhound	33,745	28,428	-	-	-
Total admission tax	\$ 36,883	\$ 28,428	\$ -	\$ -	\$ -
Other taxes & fees					
Daily license fees	\$ 61,800	\$ 62,200	\$ 68,400	\$ 72,400	-
Licensing	26,702	33,119	12,135	10,618	-
Fines	10,691	8,855	8,282	11,456	-
Local ad valorem tax	-	-	-	-	-
Total other taxes & fees	\$ 99,193	\$ 104,174	\$ 88,817	\$ 94,474	\$ -



Track Statistics

For Calendar Years 2001 and 2002



	Eureka Downs		Anthony Downs	
	Eureka, Kansas		Anthony, Kansas	
	2001	2002	2001	2002
Pari-mutuel tax				
Live				
Horse	\$ 11,747	\$ 9,769	\$ 3,185	\$ 2,997
Greyhound	-	-	1,709	2,816
Total live pari-mutuel tax	<u>11,747</u>	<u>9,769</u>	<u>4,894</u>	<u>5,813</u>
Simulcast				
Horse	5,037	5,240	-	-
Greyhound	-	-	-	-
Total simulcast pari-mutuel tax	<u>5,037</u>	<u>5,240</u>	<u>0</u>	<u>0</u>
Total pari-mutuel tax	<u>\$ 16,784</u>	<u>\$ 15,009</u>	<u>\$ 4,894</u>	<u>\$ 5,813</u>
Outs				
Live				
Horse	\$ 5,051	\$ 5,273	\$ 1,329	\$ 1,002
Greyhound	-	-	944	838
Total live outs	<u>5,051</u>	<u>5,273</u>	<u>2,273</u>	<u>1,840</u>
Simulcast				
Horse	2,740	1,163	-	-
Greyhound	-	-	-	-
Total simulcast outs	<u>2,740</u>	<u>1,163</u>	<u>-</u>	<u>-</u>
Total outs	<u>\$ 7,791</u>	<u>\$ 6,436</u>	<u>\$ 2,273</u>	<u>\$ 1,840</u>
Breakage				
Live				
Horse	\$ 3,443	\$ 3,042	\$ 971	\$ 992
Greyhound	-	-	372	402
Total live breakage	<u>3,443</u>	<u>3,042</u>	<u>1,343</u>	<u>1,394</u>
Simulcast				
Horse	905	1,053	-	-
Greyhound	-	-	-	-
Total simulcast breakage	<u>905</u>	<u>1,053</u>	<u>-</u>	<u>-</u>
Total breakage	<u>\$ 4,348</u>	<u>\$ 4,095</u>	<u>\$ 1,343</u>	<u>\$ 1,394</u>
Admission tax				
Live/Simulcast				
Horse	\$ 1,328	\$ 1,106	\$ 475	\$ 533
Greyhound	-	-	476	533
Total admission tax	<u>\$ 1,328</u>	<u>\$ 1,106</u>	<u>\$ 951</u>	<u>\$ 1,066</u>
Other taxes & fees				
Daily license fees	\$ 2,000	\$ 2,000	\$ 600	\$ 600
Licensing	6,342	4,626	908	556
Fines	2,550	1,200	350	-
Local ad valorem tax	1,534	1,283	769	872
Total other taxes & fees	<u>\$ 12,426</u>	<u>\$ 9,109</u>	<u>\$ 2,627</u>	<u>\$ 2,028</u>



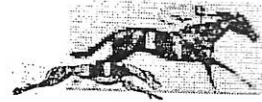
Track Statistics
For Calendar Years 2001 and 2002



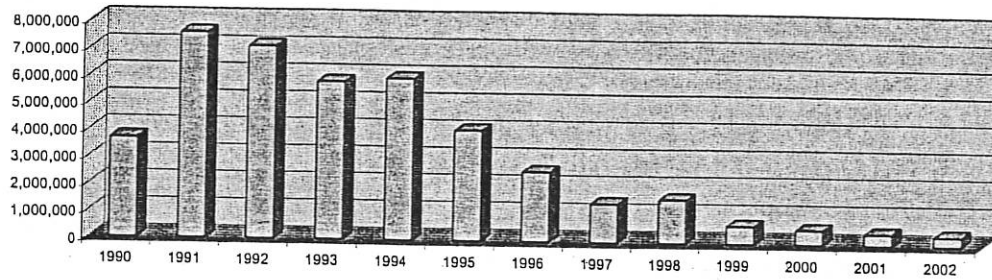
	Overall Totals	
	2001	2002
Pari-mutuel tax		
Live		
Horse	\$ 58,102	\$ 62,044
Greyhound	878,706	904,033
Total live pari-mutuel tax	<u>936,808</u>	<u>966,077</u>
Simulcast		
Horse	1,587,718	1,751,403
Greyhound	1,164,952	1,221,489
Total simulcast pari-mutuel tax	<u>2,752,670</u>	<u>2,972,892</u>
Total pari-mutuel tax	<u>\$ 3,689,478</u>	<u>\$ 3,938,969</u>
Outs		
Live		
Horse	\$ 16,138	\$ 18,163
Greyhound	210,088	n/a
Total live outs	<u>226,226</u>	<u>19,001</u>
Simulcast		
Horse	221,613	n/a
Greyhound	137,269	n/a
Total simulcast outs	<u>358,882</u>	<u>1,163</u>
Total outs	<u>\$ 585,108</u>	<u>\$ 20,164</u>
Breakage		
Live		
Horse	\$ 13,967	\$ 13,963
Greyhound	73,385	79,520
Total live breakage	<u>87,352</u>	<u>93,483</u>
Simulcast		
Horse	214,403	246,968
Greyhound	58,245	58,259
Total simulcast breakage	<u>272,648</u>	<u>305,227</u>
Total breakage	<u>\$ 360,000</u>	<u>\$ 398,710</u>
Admission tax		
Live/Simulcast		
Horse	\$ 4,941	\$ 1,639
Greyhound	34,221	28,961
Total admission tax	<u>\$ 39,162</u>	<u>\$ 30,600</u>
Other taxes & fees		
Daily license fees	\$ 132,800	\$ 137,200
Licensing	46,087	48,919
Fines	21,873	21,511
Local ad valorem tax	2,303	2,155
Total other taxes & fees	<u>\$ 203,063</u>	<u>\$ 209,785</u>



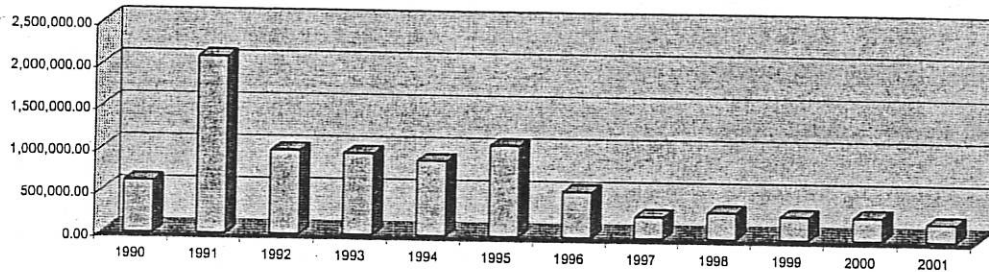
Benefits of Parimutuel Racing



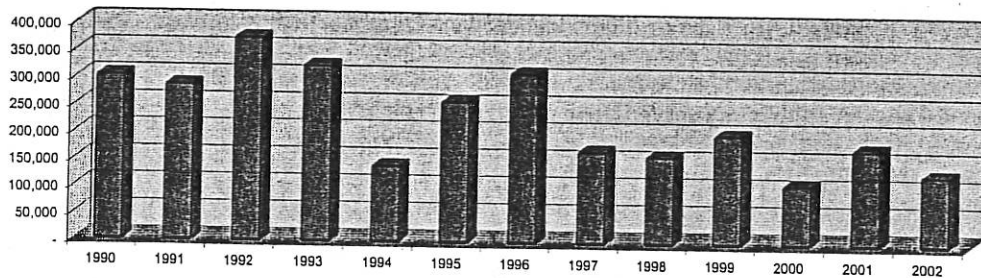
Transfers to State Gaming Revenue Fund



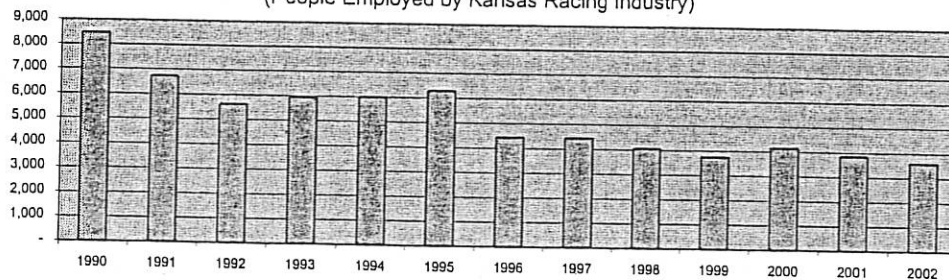
Charitable Contributions



Research Grants Funded



Occupational Licenses Issued (People Employed by Kansas Racing Industry)





Charitable Contributions



The Kansas parimutuel racing act directs that each organization licensee must distribute net earnings to 501(c)(3) nonprofits who are domiciled in and who will expend the monies in Kansas. The following schedule indicates the amount of charitable contributions by each organization licensee:

	Calendar Year	
	<u>2001</u>	<u>2002</u>
TRAK East	\$ 76,837	\$134,950
Wichita Greyhound Charities, Inc.	\$126,881	\$125,932

TRAK East is associated with the Woodlands Race Course and Woodlands Kennel Club. Wichita Greyhound Charities, Inc. is associated with Wichita Greyhound Park. The following reflects how these charitable distributions improve the quality of life for Kansans:

TRAK EAST, INC. - 2001

(15 CONTRIBUTIONS)

Alzheimer's Association – Heartland Chapter	\$5,000
Big Brothers/Big Sisters of Douglas County	2,400
Big Brothers/Big Sisters of Greater Kansas City	9,000
Big Brothers/Big Sisters of Manhattan, Inc.	3,500
CASA of the High Plains, Inc.	4,000
Catholic Housing of Wyandotte County, Inc.	8,000
Donnelly College	8,320
Duchesne Clinic	4,400
Economic Opportunity Foundation	5,000
Kansas Center for Canine Assistance	2,000
Kansas Jaycees Cerebral Palsy Foundation	1,528
Leavenworth Road Association	5,000
Salina Emergency Aid/Food Bank	3,500
Temporary Lodging for Children, Inc.	5,189
They Wyandotte County Parks Foundation	10,000
Total	<u>\$76,837</u>

TRAK EAST, INC. – 2002

(20 CONTRIBUTIONS)

Big Brothers/Big Sisters of Greater Kansas City	\$5,000
Big Brothers/Big Sisters of Manhattan	5,500
Boys & Girls Club of Lawrence	5,000
Cancer Action	3,000
Caritas Clinic	8,000



Charitable Contributions



Casa of the High Plains	2,500
Catholic Charities	8,485
Donnelly College	10,000
Economic Opportunity Foundation	6,500
Friends of Yates	18,311
Kaw Valley Center	10,000
Leavenworth Road Association	5,000
Mother to Mother Ministry of Kansas City, Kansas	2,724
National Multiple Sclerosis Society, Mid America Chapter	5,000
Salina Emergency Aid/Food Bank	6,500
Temporary Lodging for Children	10,000
The Children's Museum of Kansas City	2,230
The Wyandotte County Parks Foundation	15,000
Vernon Multi-Purpose Center	1,200
Youth Opportunities Unlimited	5,000
Total	<u>\$134,950</u>

WICHITA GREYHOUND CHARITIES, INC. – 2001

(33 CONTRIBUTIONS)

The ARC of Sedgwick County	\$1,850
CASA-Children Worth Saving, Inc.	730
Consumer Credit Counseling Service, Inc.	3,600
Dress for Success Wichita	5,000
Friends of the Sedgwick County Soldiers and Sailors Civil War Monument	5,000
Harvey County Historical Society, Inc.	5,000
Heartspring	5,000
Hospice, Inc.	3,000
Kansas Children's Service League	3,000
Kansas Humanities Council	2,500
Kansas Public Telecommunications Service, Inc.	5,000
Kansas Starbase	1,800
Kiowa Historical Society	2,586
Lindsborg Arts Council	3,200
Make-A-Wish Foundation of Kansas, Inc.	5,000
March of Dimes KS/Western MO Chapter	5,000
Metropolitan Ballet of Topeka	5,000
Muscular Dystrophy Association	2,500
Music Theatre of Wichita, Inc.	4,000
Newton Area Senior Center	4,000
Newton Meals on Wheels, Inc.	4,500
Orpheum Performing Arts Centre, Ltd.	5,000
Race The Wind Greyhound Adoption, Inc.	1,500
Rainbows United, Inc.	2,500
TLC Greyhound Adoption	2,500



Charitable Contributions



Tri-Valley Developmental Services	5,000
Via Christi Foundation	4,390
Wichita Black Arts Festival Association	3,500
Wichita Chamber Chorale, Inc.	3,870
Wichita Festivals, Inc.	14,100
Wichita Independents	2,000
Wichita/Sedgwick County Historical Museum	2,505
Wichita's Promise Youth Council	2,750
Total	<u>\$126,881</u>

WICHITA GREYHOUND CHARITIES, INC. – 2002

(29 CONTRIBUTIONS)

Augusta Arts Council	\$5,000
Boys and Girls Club of South Central Kansas	4,760
Cerebral Palsy Research Foundation of Kansas	5,000
Consumer Credit Counseling Service, Inc.	2,100
Dress for Success Wichita	5,000
Envision	7,000
Exploration Place	5,000
Family Service and Guidance Center, Inc.	2,500
Heartspring	5,000
Hesston College	730
Kansas Aviation Museum	2,500
Kingman County Council on Aging	1,222
Medical Service Bureau, Inc.	5,000
Metropolitan Ballet of Topeka	5,000
Metropolitan Ballet of Wichita	5,000
Newton Area Senior Center	5,000
Orpheum Performing Arts Centre, Ltd.	5,000
Paws-Up, Inc.	2,090
Race The Wind Greyhound Adoption, Inc.	3,000
Senior Services, Inc.	4,800
The Kansas African American Museum	5,000
The Leukemia & Lymphoma Society	5,000
The Wichita Convention & Sports Foundation	5,000
Three Trees, Inc.	4,970
Wichita Art Museum	5,000
Wichita Black Arts Festival Association	5,000
Wichita Jazz Festival, Inc.	5,000
Wichita/Sedgwick County Historical Museum	2,490
Winfield Arts and Humanities Council, Inc.	3,500
Total	<u>\$125,932</u>

Testimony Before the Senate Ways and Means Committee

John E. McElroy, JD, CFE
Executive Director
Kansas State Gaming Agency
January 20, 2004

Mr. Chairman and members of the committee:

It is my pleasure to appear today before the Senate Ways and Means Committee to provide information about the Kansas State Gaming Agency. In Kansas, the Iowa Tribe of Kansas and Nebraska, the Prairie Band Potawatomi Nation of Kansas, the Kickapoo Tribe, and the Sac and Fox Nation of Missouri in Kansas and Nebraska each have a reservation and a casino. Each casino operates through the terms of a Tribal State Compact.

KSA 74-9805 limits the jurisdiction of the Agency to oversight and investigations concerning tribal gaming operations in Kansas carried out in connection with Tribal State Compacts. Specifically, the Agency is charged with monitoring gaming activities at the casinos and doing background investigations of vendors who do significant business with casinos, gaming personnel and tribal gaming inspectors. Licensing is done by the individual Tribal Gaming Commissions who are also designated in the Compacts as the primary regulators. The Agency has no jurisdiction over any other type of gaming, legal or illegal.

The Agency was officially designated a part of the Kansas Racing and Gaming Commission in the Tribal Gaming Oversight Act, KSA 74-9801 et seq, in 1996. The Commission approves the Agency's budget, the number and qualifications of its employees and any expenditures for arbitration. All other management functions are left to the executive director and his designees. Until April, 2003, the executive director also had the role of executive director of the Kansas Racing Commission. I have been the full time executive director of the Agency since April, 2003.

Senate Ways and Means
1-20-04
Attachment 3

The Agency has three management/ supervisory personnel, three support personnel, six special investigators and nine enforcement agents. Special investigators are assigned to do Category II background investigations exclusively. Corporate and Category I background investigations are done by enforcement agents. Enforcement agents are sworn law enforcement officers. Enforcement agents are also responsible for monitoring gaming activity at the casinos. The Agency operates 11 vehicles.

The Agency is entirely funded by contributions from the four recognized Kansas tribes. The Agency budget for FY 2004 is \$1,562,688. Each Tribe receives a notice of assessment from the Agency by July 31 of each year. Any funds left over from the previous fiscal year are credited to the next year's tribal assessments before the notice is sent. Tribes must pay their assessments on or before September 21, January 1, and April 1. All of the Tribes are current in paying their assessments. The Tribes pay no other funds to the State.

State general funds are only used in the case of an arbitration award if the State is ordered to pay any of the costs of arbitration. During 2003, one arbitration, which ended in a redistribution of assessments for investigative costs, resulted in a general fund expense of \$2900. Another arbitration request made by a Tribe has been withdrawn. A third arbitration request, this one by the Agency, is currently still being negotiated.

The Agency is housed on the second floor of 701 SW Jackson, Topeka, KS. During the summer of 2003, the Agency installed a server based computer network with high speed internet access. This purchase has increased the efficiency of the Agency and now permits data files to be backed up every evening and prevents loss of data due to power failure.

The Agency has investigated several criminal cases in 2003. One case involves an employee who allegedly possessed unauthorized computer files from a previous gaming employer. Another involved the theft of an empty cash container allegedly by a patron. In one case a patron attempted to use counterfeit bills in a slot machine. The final case involved two out of state patrons who

are alleged to have attempted to cheat a slot machine. In each of these cases, at least one person was apprehended and charged. Another case involving false statements is awaiting a decision by the Attorney General. Only the counterfeit money case has been concluded.

I am unable to discuss with you any particular information in regard to any particular casino. KSA 45-221 (42) prohibits disclosure of records when disclosure is prohibited by a Tribal State Compact. All Tribal State Compacts clearly call attention to the confidential and proprietary nature of information provided to the Agency by the Tribes to permit the Agency to carry out its mission.

I am pleased to stand for questions. I can be reached by telephone at 368-6202 or by email at john.mcelroy@ksgaming.org.