

KANSAS RACING AND GAMING COMMISSION

FY 2024 – FY 2026 BUDGET SUMMARY

FIG. 1 BUDGET SUMMARY, FY 2024 – FY 2026

	Actual FY 2024	Agency FY 2025	Legislative Budget Committee FY 2025	Agency FY 2026	Legislative Budget Committee FY 2026
EXPENDITURES:					
State Operations*	\$ 9,477,752	\$ 12,398,362	\$ 12,398,362	\$ 12,621,604	\$ 12,485,823
Salaries and Wages	8,092,159	9,823,487	9,823,487	10,126,729	9,990,948
Contractual Services	1,074,095	1,995,155	1,995,155	1,995,155	1,995,155
Commodities	99,445	235,620	235,620	235,620	235,620
Capital Outlay	212,053	344,100	344,100	264,100	264,100
State Aid and Assistance	\$ 10,585	\$ -	\$ -	\$ -	\$ -
Aid to Local Units	-	-	-	-	-
Other Assistance	10,585	-	-	-	-
Capital Budget and Debt	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Improvements	-	-	-	-	-
Debt Service Principal	-	-	-	-	-
Debt Service Interest	-	-	-	-	-
TOTAL	\$ 9,488,337	\$ 12,398,362	\$ 12,398,362	\$ 12,621,604	\$ 12,485,823
FINANCING:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Lottery Regulation Fund	7,694,912	9,248,492	9,248,492	9,322,576	9,109,692
Tribal Gaming Fund	1,298,399	1,489,134	1,489,134	1,500,119	1,615,669
Parimutuel Racing Fund	160,745	1,295,105	1,295,105	1,429,415	1,384,381
All Other Funds	334,281	365,631	365,631	369,494	376,081
TOTAL	\$ 9,488,337	\$ 12,398,362	\$ 12,398,362	\$ 12,621,604	\$ 12,485,823
PERCENTAGE CHANGE:					
State General Fund	-- %	-- %	-- %	-- %	-- %
All Funds	7.1 %	30.7 %	-- %	1.8 %	(1.1) %
FTE Positions	107.5	120.5	120.5	120.5	120.5

* Note: Expenditures for debt service interest are reflected under "Capital Budget and Debt."

AGENCY OVERVIEW

The mission of the Kansas Racing and Gaming Commission (KRGC) is to ensure that all racing and gaming activities that occur within the state are conducted with integrity. The KRGC is viewed as both a regulatory agency and an enforcement agency. As a regulatory agency, the KRGC is tasked with verifying that all gambling activities comply with state law. As a criminal justice agency, the KRGC is tasked with enforcing all gambling laws.

In 1986, Kansas voters approved Article 15, Section 3b of the *Kansas Constitution*, which authorizes the regulation, licensing, and taxation of horse and dog racing and parimutuel wagering. The Legislature established the Kansas Racing Commission (KRC) in 1987 as the entity charged with implementing provisions of the Kansas Parimutuel Racing Act. In 1996, the State Gaming Agency was attached to the KRC, and the agency was renamed the Kansas Racing and Gaming Commission. As such, a portion of the budget request reflects the expenditures associated with the State Gaming Agency's oversight and regulation of tribal casinos. The 2007 Legislature further expanded the authority of KRGC by assigning regulatory duties associated with expanded gaming activities, and the 2022 Legislature did the same when it legalized sports wagering. Similarly, the State Gaming Agency oversees and enforces class III gaming conducted pursuant to tribal-state gaming compacts.

The agency administers three programs to help effectuate the mission to ensure racing and gaming activities are conducted with integrity: the Expanded Gaming Regulation program, the

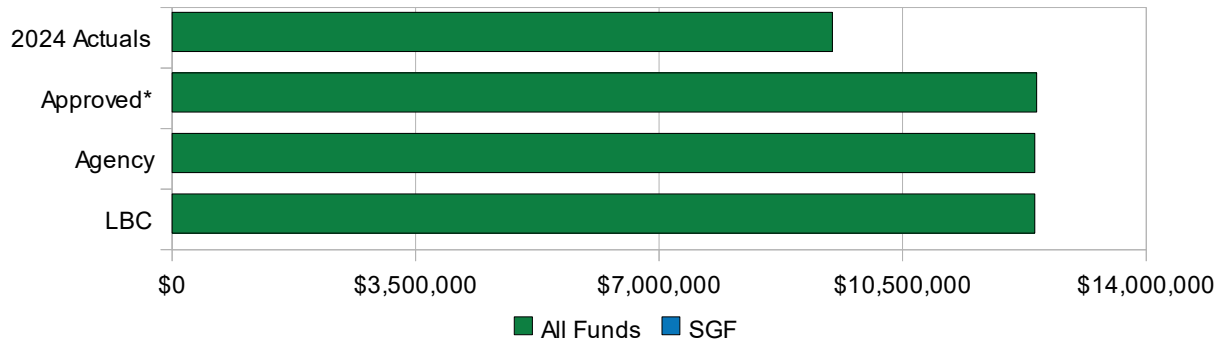
Parimutuel Racing Regulation program, and the Tribal Gaming Regulation program. The following provides detailed information on the three programs.

- **EXPANDED GAMING REGULATION PROGRAM (KRGK).** KRGK regulates each gaming facility. This includes the oversight of internal controls, security, and background checks, as well as the auditing of gaming facility revenues. The Kansas Expanded Lottery Act requires lottery and racetrack gaming facility managers to pay for all costs of oversight and regulation.
 - **GAMING REGULATION SUBPROGRAM.** The Gaming Regulation Subprogram provides internal support and monitors compliance with gaming operations rules and regulations. Enforcement agents investigate alleged violations of gaming statutes and regulations and conduct background investigations of licensees.
 - **RESPONSIBLE GAMING SUBPROGRAM.** The Responsible Gaming Subprogram administers the voluntary exclusion program for people with gambling problems in the State of Kansas. The subprogram also audits and approves each lottery gaming facility's responsible gaming plan and ensures the facility's advertising satisfies KRGK regulations.
 - **ILLEGAL GAMING SUBPROGRAM.** The Illegal Gaming Subprogram focuses on the reduction and elimination of illegal gaming activity.
- **PARIMUTUEL RACING PROGRAM.** KRGK administers provisions of the Parimutuel Racing Act and serves as the regulatory entity for horse and greyhound racing. Although there are no currently operating racetracks in the state, the KRGK has the authority to issue racing dates, promulgate racing regulations as required to maintain public confidence in the parimutuel wagering system, ensure the safety and welfare of racing animals, monitor the public health and safety at Kansas racetracks, and encourage the growth of the horse and greyhound breeding industry.
- **TRIBAL GAMING REGULATION PROGRAM.** The 1996 Tribal Gaming Oversight Act created the State Gaming Agency in order to fulfill the duties in the gaming compacts and to enforce the provisions of the compacts and state laws, including general criminal statutes and specific criminal gaming statutes in the Tribal Gaming Oversight Act. The agency performs all necessary background investigations prior to licensing for casino employees, management contractors, manufacturers, and distributors at gaming facilities. In addition, the agency ensures gaming is conducted in accordance with the tribal compacts as well as applicable state and federal laws. The agency's staff may examine and inspect all tribal gaming facilities as well as the records, books, papers, machines, equipment, electronic records, surveillance and security tapes, and logs.

There are four state-owned casinos for which KRGK is responsible for regulating: the **Boot Hill Casino and Resort** (Dodge City), the **Hollywood Casino at Kansas Speedway** (Kansas City), the **Kansas Crossing Casino and Hotel** (Pittsburg), and the **Kansas Star Casino** (Mulvane). In addition, there are four tribal casinos in Kansas for which the State Gaming Agency has oversight: the **Golden Eagle Casino** (located on Kickapoo Tribe in Kansas land in Brown County); the **Prairie Band Potawatomi Casino** (located on Prairie Band Potawatomi Nation land in Jackson County); the **Sac and Fox Casino** (located on Sac & Fox Nation of Missouri in Kansas and Nebraska land in Brown County); and the **Casino White Cloud** (located on Iowa Tribe of Kansas and Nebraska land in Brown County).

FY 2025 ANALYSIS

FIG. 2 BUDGET HIGHLIGHTS, FY 2025



* Note: Includes SGF reappropriations.

FIG. 3 BUDGET COMPARISON, FY 2025

Fund	2024 Actuals	2025 Approved*	2025 Agency	Agency Change from Previous-Year Actuals		Agency Change from Approved*	
SGF	\$ -	\$ -	\$ -	\$ -	-- %	\$ -	-- %
All Other Funds	9,488,337	12,427,104	12,398,362	2,910,025	30.7	(28,742)	(0.2)
TOTAL	\$ 9,488,337	\$ 12,427,104	\$ 12,398,362	\$ 2,910,025	30.7 %	\$ (28,742)	(0.2) %

* Note: Includes SGF reappropriations.

BUDGET ANALYSIS

FIG. 4 SUMMARY OF BUDGET REQUEST, FY 2025

	Agency			Legislative Budget Committee		
	SGF	All Funds	FTE	SGF	All Funds	FTE
Approved, FY 2025	\$ -	\$ 12,427,104	120.5	\$ -	\$ 12,427,104	120.5
2024 SB 28 & HB 2551	-	12,427,104	120.5	-	12,427,104	120.5
1. SGF Reappropriation	-	-	-	-	-	-
Supplemental Requests	\$ -	\$ -	-	\$ -	\$ -	-
2. No Supplemental Requests	-	-	-	-	-	-
Other Changes	\$ -	\$ (28,742)	-	\$ -	\$ (28,742)	-
3. Parimutuel Racing Equipment	-	100,000	-	-	100,000	-
4. Tribal Gaming Communications	-	40,800	-	-	40,800	-
5. Employee Benefits	-	(139,599)	-	-	(139,599)	-
6. All Other Adjustments	-	(29,943)	-	-	(29,943)	-
TOTAL	\$ -	\$ 12,398,362	120.5	\$ -	\$ 12,398,362	120.5

1. SGF REAPPROPRIATION

The agency does not have any SGF to reappropriate from FY 2024 into FY 2025.

2. SUPPLEMENTAL REQUESTS

The revised estimate does not include any supplemental requests in FY 2025.

3. PARIMUTUEL RACING EQUIPMENT

The 2024 Legislature approved \$1.4 million, all from special revenue funds, in FY 2025 for the regulation of historical horse racing machines at a parimutuel facility in Sedgwick County. The agency anticipates that a parimutuel facility in the county will be operational within the current fiscal year and that regulatory activity will begin in FY 2025. As such, the agency's revised request includes an additional \$100,000, all from special revenue funds, for equipment associated with the regulation of parimutuel horse racing machines in FY 2025. This funding would be for equipment, such as information

processing systems and other software, that will assist the agency in the regulation of historical horse racing machines at the new facility.

- **Agency:** Add \$100,000, all from special revenue funds, for equipment associated with the regulation of parimutuel racing in FY 2025.
- **LBC:** No changes.

4. TRIBAL GAMING COMMUNICATIONS SERVICES

The agency's revised request includes an additional \$40,800, all from the Tribal Gaming Fund, for intergovernmental communication services associated with the Tribal Gaming Regulation program in FY 2025. These services are reimbursements to the Office of Information and Technology Services (OITS) for non-recurring communications services.

- **Agency:** Add \$40,800, all from the Tribal Gaming Fund, for communication services associated with tribal gaming regulation in FY 2025.
- **LBC:** No changes.

5. EMPLOYEE BENEFITS

The agency's revised request includes a decrease of \$139,599, all from special revenue funds, for lower estimated spending on employee benefits in FY 2025. The decrease is due to a reduction in employer contributions for fringe benefits such as group health insurance (\$100,418), leave pay assessments (\$10,941), and the Kansas Public Employees Retirement System (\$7,806).

- **Agency:** Delete \$139,599, all from special revenue funds, for lower estimated expenditures for employee benefits in FY 2025.
- **LBC:** No changes.

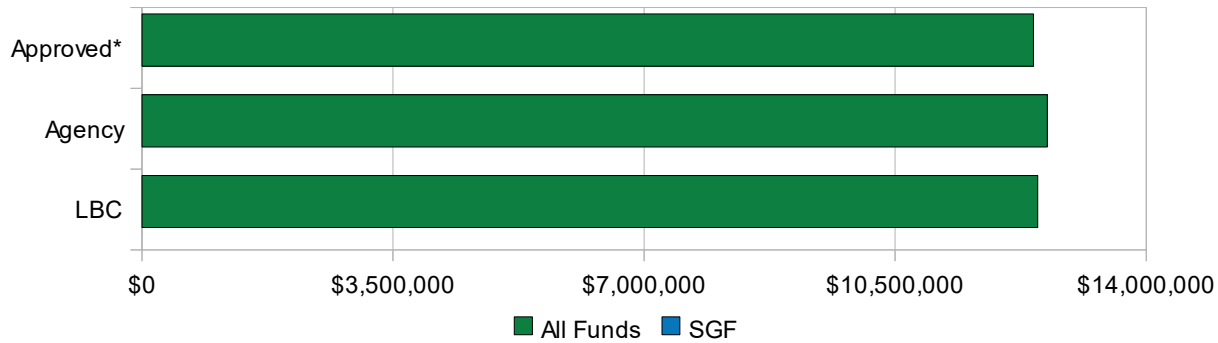
6. ALL OTHER ADJUSTMENTS

The agency's revised request includes a decrease of \$29,943, all from special revenue funds, for a variety of other adjustments in FY 2025. The primary factor for the reduction in funds is due to the agency's anticipated shrinkage of approximately 7.5 percent (\$23,968), though the agency also anticipates the Tribal Gaming Program will need less moneys for commodities, such as gasoline (\$3,400) and data processing supplies (\$1,800).

- **Agency:** Delete \$29,943, all from special revenue funds, for shrinkage and other adjustments in FY 2025.
- **LBC:** No changes.

FY 2026 ANALYSIS

FIG. 5 BUDGET HIGHLIGHTS, FY 2026



* Note: Reflects legislative-approved expenditures for FY 2025, excluding reappropriations.

FIG. 6 BUDGET HIGHLIGHT CHANGES, FY 2026

Fund	2025 Agency	2025 Approved*	2026 Agency	Agency Change from Previous-Year Agency		Agency Change from Approved*	
SGF	\$ -	\$ -	\$ -	\$ -	-- %	\$ -	-- %
All Other Funds	12,398,362	12,427,104	12,621,604	223,242	1.8	194,500	1.6
TOTAL	\$ 12,398,362	\$ 12,427,104	\$ 12,621,604	\$ 223,242	1.8 %	\$ 194,500	1.6 %

* Note: Reflects legislative-approved expenditures for FY 2025, excluding reappropriations.

BUDGET ANALYSIS

FIG. 7 SUMMARY OF BUDGET REQUEST, FY 2026

	SGF	Agency All Funds	FTE	Legislative Budget Committee SGF	Agency All Funds	FTE
Approved, FY 2025	\$ -	\$ 12,427,104	120.5	\$ -	\$ 12,427,104	120.5
2024 SB 28 & HB 2551	-	12,427,104	120.5	-	12,427,104	120.5
Enhancement Requests	\$ -	\$ -	-	\$ -	\$ -	-
1. No Enhancement Requests	-	-	-	-	-	-
Other Changes	\$ -	\$ 194,500	-	\$ -	\$ 58,719	-
2. Salaries and Wages	-	135,781	-	-	-	-
3. Parimutuel Gaming Equipment	-	20,000	-	-	20,000	-
4. Tribal Gaming Communications	-	40,800	-	-	40,800	-
5. All Other Adjustments	-	(2,081)	-	-	-2081	-
TOTAL	\$ -	\$ 12,621,604	120.5	\$ -	\$ 12,485,823	120.5

1. ENHANCEMENT REQUEST

The agency's request does not include any enhancement requests for FY 2026.

2. SALARIES AND WAGES

The agency requests an additional \$135,781, all from special revenue funds, for salary and wage expenditures for FY 2026. The agency is under the assumption that vacant positions within the Expanded Gaming Program will be filled throughout the fiscal year. Although the requested amount includes an increase in employee pay (\$176,888) and benefits (\$6,558), it is partially offset by the agency's anticipated shrinkage (\$47,665).

- **Agency:** Add \$135,781, all from special revenue funds, for increased salary and wage expenditures for FY 2026.
- **LBC:** Delete \$135,781, all from special revenue funds, for increased salary and wage expenditures for FY 2026.

3. PARIMUTUEL GAMING EQUIPMENT

The agency anticipates that a parimutuel facility in Sedgwick County will be fully operational and under regulatory supervision during the entirety of FY 2026. As such, the agency requests an additional \$20,000, all from special revenue funds, for equipment associated with the regulation of parimutuel horse racing machines for FY 2026. Funding would be for equipment, such as information processing systems and other software, that will assist the agency in the regulation of historical horse racing machines at the new facility.

- **Agency:** Add \$20,000, all from special revenue funds, for equipment associated with the regulation of parimutuel racing for FY 2026.
- **LBC:** No changes.

4. TRIBAL GAMING COMMUNICATIONS

The agency requests an additional \$40,800, all from the Tribal Gaming Fund, for intergovernmental communication services associated with the Tribal Gaming Regulation program for FY 2026. These services are reimbursements to OITS for non-recurring communications services.

- **Agency:** Add \$40,800, all from the Tribal Gaming Fund, for communication services associated with tribal gaming regulation for FY 2026.
- **LBC:** No changes.

5. ALL OTHER ADJUSTMENTS

The agency's revised request includes a decrease of \$2,081, all from special revenue funds, for a variety of other adjustments for FY 2026. Specifically, the Tribal Gaming Program anticipates expending less moneys on commodities such as gasoline (\$3,400) and data processing supplies (\$1,800).

- **Agency:** Delete \$2,081, all from special revenue funds, in all other adjustments for FY 2026.
- **LBC:** No changes.

REFERENCE TABLES

FIG. 8 10-YEAR EXPENDITURE HISTORY, FY 2017 – FY 2026

Fiscal Year	SGF	Change	All Funds	Change	FTE
FY 2017	\$ -	- %	\$ 7,236,074	(19.4) %	109.5
FY 2018	-	-	7,428,995	2.7	103.4
FY 2019	-	-	7,593,764	2.2	103.5
FY 2020	-	-	7,806,879	2.8	100.5
FY 2021	-	-	7,545,768	(3.3)	99.5
FY 2022	-	-	7,996,833	6.0	99.5
FY 2023	-	-	8,858,751	10.8	107.5
FY 2024	-	-	9,488,337	7.1	107.5
FY 2025 Agency	-	-	12,398,362	30.7	120.5
FY 2026 Agency	-	-	12,621,604	1.8	120.5
10-Yr. Chg. (FY 2017– 2026)	\$ -	- %	\$ 5,385,530	74.4 %	11.0
3-Yr. Avg. (FY 2022– 2024)*	\$ -	-	\$ 8,781,307		104.8

* Note: Reflects three most recent years of actuals data.

FIG. 9 EXPENDITURES BY PROGRAM, FY 2024 – FY 2026

Program	Actual FY 2024	Agency FY 2025	LBC FY 2025	Agency FY 2026	LBC FY 2026
Expanded Gaming Regulation	\$ 8,018,549	\$ 9,614,123	\$ 9,614,123	\$ 9,692,070	\$ 9,485,773
Tribal Gaming Regulation	1,298,399	1,489,134	1,489,134	1,500,119	1,615,669
Parimutuel Racing Regulation	171,389	1,295,105	1,295,105	1,429,415	1,384,381
TOTAL	\$ 9,488,337	\$ 12,398,362	\$ 12,398,362	\$ 12,621,604	\$ 12,485,823

FIG. 10 FTE POSITIONS BY PROGRAM, FY 2024 – FY 2026

Program	Actual FY 2024	Agency FY 2025	LBC FY 2025	Agency FY 2026	LBC FY 2026
Expanded Gaming Regulation	90.5	92.5	92.5	92.5	92.5
Tribal Gaming Regulation	15.0	15.0	15.0	15.0	15.0
Parimutuel Racing Regulation	2.1	13.1	13.1	13.1	13.1
TOTAL	107.5	120.5	120.5	120.5	120.5