

FY21 Budget Performance Review
35300 Oklahoma Horse Racing Commission

Lead Administrator: Kelly Cathey

Lead Financial Officer: Shawn Richmond

Agency Mission

Division and Program Descriptions

Note: Please define any acronyms used in program descriptions.

General Operations

A division of the agency that includes the costs of administrative staff and general operation of the Commission. Within this activity of the agency, the following duties are performed by 7 FTE, including but not limited to:

- A. Issuance of Gaming/Racing Organizational and Occupational Licenses
- B. Development, revision and implementation of administrative and Commission Rules of Racing, Regulations and Directives.
- C. Communicating and corresponding with the Governor's office, Legislature and Courts on behalf of the Commission.
- D. Finance, accounting, budget and statistics for agency activities.
- E. Supervision of agency personnel.
- F. Payroll, benefits and record management.
- G. Public relations

Race Day Expenses

A division of the agency that encompasses all Commission activities that incur at Commission-Licensed racing facilities. Within this agency activity, the following duties are performed by 19 FTE:

- License Clerks-**
 - A. Perform the actual licensing, fingerprinting, screening of racing rulings through a national computer system database, and digital badge processing of all occupation license applicants issued licenses
 - B. Proof all official races for licensure verification of owners, trainers, jockeys, grooms, etc., prior to race participation.
 - C. Process daily deposits, daily and monthly reports of occupation licensing activity.
 - D. Administer the written portion of the trainers test.
 - E. Complete required verifications through the Department of Homeland Security/Immigration and Naturalization Program (SAV)
- Stewards-**
 - A. Approve certain occupation licenses such as trainers, blacksmiths, etc.
 - B. Administer the written portion of the trainers test.
 - C. Officiate over all commission-licensed racing facilities for live, simulcast and schooling/training races.
 - D. Act as Hearing Officers during Stewards' administrative hearings regarding alleged violations of Commission rules of Racing.
 - E. Function as liaison between the Commission, racetrack management, horsemen, and the wagering public.
 - F. File daily and end of meet reports with the Commission regarding racing activities at a racetrack.
 - G. Hearing Officers regarding gaming licensees applications.
- Official Veterinarian and Veterinarian Assistant-**
 - A. Provides direct Commission administration and supervision over Commission-licensed practicing Veterinarians and veterinary practices within the racetrack enclosure.
 - B. Supervises the administration of all injectables and authorized drugs within the enclosure.
 - C. Supervises and administers the Commissions equine drug testing program in the Test Barn.
 - D. In cooperation with the Racing Veterinarian, determines the soundness and health of horses prior to racing.
 - E. Supervises the health and well-being of all equines within the racetrack enclosure and those horses entering the enclosure.
- Horse Identifier-**
 - A. Provides direct Commission administration and supervision of horses entered into a race.
 - B. Identifies and verifies horses papers as entered into the race.
 - C. Identifies and verifies horses as they are brought to the paddock.
 - D. Reviews soundness and health of horses just prior to being saddled and taken to the gate.
 - E. Provides expert identification of horses in criminal cases.
 - F. Identifies and tattoos horses prior to racing careers.

Law Enforcement

A division of the agency relating to the activities by the Commission for the operation of such a division within the Commission as mandated by the Oklahoma Horse Racing Act. Within the division, Special Law Enforcements duties are performed by 4 FTE that include:

- A. Investigating organization and occupation license applicants.
- B. Reviewing OSBI and FBI fingerprint reports for criminal records as they may pertain to Commission mandates.
- C. Overseeing and regulating the human and equine drug testing programs.
- D. Maintaining confidential investigation information.
- E. Acting as liaison for the Commission with all local, state and federal law enforcement agencies.
- F. Investigating and monitoring of off-track betting facilities operated by Commission-licensed racetracks.
- H. Investigate illegal pari-mutuel horse racing and gambling operations.

Oklahoma Bred (OBDFSA)

The Oklahoma Breeding Development program is administered by the agency pursuant to a direct mandate from the Oklahoma Horse Racing Act (Title 3A O.S. Section 208.3) Oklahoma Breeding Development activity relates to expenses incurred by the Oklahoma-Bred Official Registering Agency (Registry) and Oklahoma-Bred Claims Processing departments within the Horse Racing Commission. This activity is funded by the Oklahoma Breeding Development Fund Special Account. Within this division of the agency, the registration of horses is performed by 2 FTE, claims processing duties are performed by 1 FTE and inspection is performed by 1FTE. Those duties include:

- Registry-**
 - A. Registers eligible Oklahoma-Bred racing stock, broodmares, and stallions.
 - B. Transfers ownership of accredited Oklahoma-Bred horses as it pertains to the Program and eligibility.
 - C. Charts and verifies ownership of accredited Oklahoma-Bred winning/qualifying owners and breeders of accredited Oklahoma-Bred races for payment of purse supplements, stallion and broodmare awards by the Claims Department.
 - D. Co-chairs the Oklahoma-Bred Advisory Council.
- Claims-**
 - A. Records and maintains racing information on all accredited Oklahoma-Bred races.
 - B. Proofs and verifies proper ownership of accredited Oklahoma-Bred winners, owners and breeders of accredited Oklahoma-Bred horses participating in Oklahoma-Bred races.
 - C. Requests and processes affidavits and W-9 forms for all accredited Oklahoma-Bred winning/qualifying owners and breeders.
 - D. Processes and mails all purse supplements and breeders awards.
 - E. Assists in the preparation and distribution of 1099s.
 - F. Co-chairs the Oklahoma-Bred Advisory Council.
- Oklahoma-Bred**
 - A. Investigates eligibility and location of Oklahoma-Bred broodmares and stallions.
 - B. Reviews and updates Oklahoma-Bred Registry Database weekly.
 - C. Assists on Oklahoma-Bred Advisory Council

The Oklahoma Breeding Development program is a legislatively-mandated program which encourages the owning, breeding, foaling, training and racing of horses in the State of Oklahoma. As of December 31, 2018, and since 1984, the Oklahoma-Bred Program has paid to owners and breeders of accredited Oklahoma-Bred horses over **117.5 million** in purse supplements, stallion and broodmare awards. Oklahoma Breeding Development Fund Special Account funds are not appropriated and do not affect the State's budget. Funding for all purse supplements, stallion and broodmare awards, marketing/advertising, equine research, annual auditing by the State Auditor and Inspector, and payroll for the abovementioned 4 employees derives from breakage, unclaimed tickets and a portion of exotic wagering handle and registration fees as designated by statute.

Gaming Regulation

Gaming Regulation activity relates to the expense incurred by the Commission for the operation of such a division within the Commission as mandated by the Oklahoma Horse Racing Act and the State Tribla-Gaming Act as enacted with the passage of State Question 712 on November 2, 2004. Within this division, specific Law Enforcement and Gaming Regulation duties are performed by 2 FTE, which include:

- A. Investigating organization and occupation license applicants.
- B. Reviewing OSBI and FBI fingerprint reports for criminal records as they may pertain to Commission mandates.
- C. Overseeing, regulate and inventory the gaming machines within the enclosure of the racing facility.

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D. Maintaining confidential investigation information.

E. Acting as liaison for the Commission with all local, state and federal law enforcement agencies.

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IT Consolidation

IT and database staffing, equipment and expenditures.
 1 staff member provided by OMES.

FY'20 Budgeted Department Funding By Source

Dept. #	Department Name	Appropriations	Federal	Revolving	Local ¹	Other ²	Total
1000001	General Operations			1,046,486			\$1,046,486
2000001	Race Day Expenses			1,458,161			\$1,458,161
3000001	Law Enforcement			456,180			\$456,180
4000001	Oklahoma Bred			211,820			\$211,820
5000001	Gaming Regulation			135,558			\$135,558
8800001	IT Consolidation			115,000			\$115,000
Total		\$0	\$0	\$3,423,205	\$0	\$0	\$3,423,205

1. Please describe source of Local funding not included in other categories:
 2. Please describe source(s) and % of total of "Other" funding if applicable for each department:

FY'19 Carryover by Funding Source

Carryover	Appropriations	Federal	Revolving	Local ¹	Other ²	Total
	\$0	\$0	\$0	\$0	\$0	\$0
	\$0					\$0

1. Please describe source of Local funding not included in other categories:
 2. Please describe source(s) and % of total of "Other" funding if applicable:

What changes did the agency make between FY'19 and FY'20?

- 1.) Are there any services no longer provided because of budget cuts?
 None at this time
- 2.) What services are provided at a higher cost to the user?
 None at this time
- 3.) What services are still provided but with a slower response rate?
 None at this time
- 4.) Did the agency provide any pay raises that were not legislatively/statutorily required?
 None at this time

FY'21 Requested Funding By Department and Source

Dept. #	Department Name	Appropriations	Federal	Revolving	Other ¹	Total	% Change
1000001	General Operations	\$0	\$0	\$1,056,186	\$0	\$1,056,186	0.93%
2000001	Race Day Expenses	\$0	\$0	\$1,467,861	\$0	\$1,467,861	0.67%
3000001	Law Enforcement	\$0	\$0	\$465,880	\$0	\$465,880	2.13%
4000001	Oklahoma Bred	\$0	\$0	\$221,520	\$0	\$221,520	4.58%
5000001	Gaming Regulation	\$0	\$0	\$145,258	\$0	\$145,258	7.16%
8800001	IT Consolidation	\$0	\$0	\$134,000	\$0	\$134,000	16.52%
Total		\$0	\$0	\$3,490,705	\$0	\$3,490,705	1.97%

1. Please describe source(s) and % of total of "Other" funding for each department:

FY'21 Top Five Operational Appropriation Funding Requests

Request by Priority	Request Description	Appropriation Request Amount (\$)
Request 1:		
Request 2:		
Request 3:		
Request 4:		
Request 5:		
Top Five Request Subtotal:		\$0
Total Increase above FY-20 Budget (including all requests)		\$ -
Difference between Top Five requests and total requests:		\$0

Does the agency have any costs associated with the Pathfinder retirement system and federal employees?

N/A

How would the agency be affected by receiving the same appropriation for FY '21 as was received in FY '20? (Flat/ 0% change)

N/A

How would the agency handle a 2% appropriation reduction in FY '21?

N/A

Is the agency seeking any fee increases for FY '21?

	Fee Increase Request (\$)	Statutory change required? (Yes/No)
Increase 1		
Increase 2		
Increase 3		

What are the agency's top 2-3 capital or technology (one-time) requests, if applicable?

Description of request in order of priority	Appropriated Amount (\$)	Submitted to LRFC? (Y/N)
Priority 1		
Priority 2		
Priority 3		

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Federal Funds							
CFDA	Federal Program Name	Agency Dept. #	FY 20 budgeted	FY 19	FY 18	FY 17	FY 16
N/A THIS AGENCY DOES NOT RECEIVE FEDERAL FUNDING							

Federal Government Impact	
1.) How much federal money received by the agency is tied to a mandate by the Federal Government?	N/A THIS AGENCY DOES NOT RECEIVE FEDERAL FUNDING
2.) Are any of those funds inadequate to pay for the federal mandate?	N/A THIS AGENCY DOES NOT RECEIVE FEDERAL FUNDING
3.) What would the consequences be of ending all of the federal funded programs for your agency?	N/A THIS AGENCY DOES NOT RECEIVE FEDERAL FUNDING
4.) How will your agency be affected by federal budget cuts in the coming fiscal year?	N/A THIS AGENCY DOES NOT RECEIVE FEDERAL FUNDING
5.) Has the agency requested any additional federal earmarks or increases?	N/A THIS AGENCY DOES NOT RECEIVE FEDERAL FUNDING

FY'20 Budgeted FTE							
Division #	Division Name	Supervisors	Classified	Unclassified	\$0 - \$35 K	\$35 K - \$70 K	\$70 K - \$\$\$
1000001	General Operations	2		4	2	4	1
2000001	Race Day Expenses			17	7	7	3
3000001	Law Enforcement	1		3		3	
4000001	Oklahoma Bred			4	2	2	
5000001	Gaming Regulation			2		2	
Total		3	0	30	11	18	4

FTE History							
Division #	Division Name	2020 Budgeted	2019	2018	2016	2011	
1000001	General Operations	7.0	7.0	7.0	8.0	9.0	
2000001	Race Day Expenses	18.0	17.0	16.0	15.0	15.0	
3000001	Law Enforcement	3.0	3.0	3.0	2.0	3.0	
4000001	Oklahoma Bred	4.0	4.0	3.0	4.0	4.0	
5000001	Gaming Regulation	2.0	2.0	2.0	5.0	5.0	
Total		34.0	33.0	31.0	34.0	36.0	

Performance Measure Review					
	FY 19	FY 18	FY 17	FY 16	FY 15
Gaming Revenue Generated for Education	\$ 31,750,100.00	\$ 26,350,294.00	\$ 20,688,308.00	\$ 20,844,405.00	\$ 20,615,260.00
OK Bred Funds paid to Public	\$ 7,965,333.00	\$ 7,735,127.00	\$ 6,623,052.00	\$ 6,538,615.00	\$ 9,117,770.00
Number of Occupation Licenses	7910	7,511	8670	6792	8447

Revolving Funds (200 Series Funds)			
Please provide fund number, fund name, description, and revenue source	FY'17-19 Avg. Revenues	FY'17-19 Avg. Expenditures	June '19 Balance
22500-OHRC Operational			
Operational Fund	\$3,265,220	\$826,205	\$801,144
20500-OBDSFA admin			
15% of OBDSFA funds go towards admin to help fund	\$112,000	\$112,000	\$0