

# Arizona Department of Racing

JLBC: Brian Schmitz

OSPB: Bob Chapko

| DESCRIPTION                           | FY 2003          | FY 2004          | FY 2005 |                  |
|---------------------------------------|------------------|------------------|---------|------------------|
|                                       | ACTUAL           | ESTIMATE         | OSPB    | JLBC             |
| <b>OPERATING BUDGET</b>               |                  |                  |         |                  |
| <i>Full Time Equivalent Positions</i> | 46.5             | 46.5             |         | 46.5             |
| Personal Services                     | 1,611,000        | 1,707,400        |         | 1,707,400        |
| Employee Related Expenditures         | 394,500          | 408,300          |         | 408,300          |
| Professional and Outside Services     | 323,500          | 358,300          |         | 358,300          |
| Travel - In State                     | 150,700          | 116,600          |         | 116,600          |
| Travel - Out of State                 | 3,200            | 2,500            |         | 2,500            |
| Other Operating Expenditures          | 214,300          | 287,400          |         | 287,400          |
| Equipment                             | 2,700            | 0                |         | 0                |
| <b>AGENCY TOTAL</b>                   | <b>2,699,900</b> | <b>2,880,500</b> |         | <b>2,880,500</b> |

## FUND SOURCES

|                                      |                  |                  |  |                  |
|--------------------------------------|------------------|------------------|--|------------------|
| General Fund                         | 2,366,400        | 2,442,500        |  | 2,442,500        |
| <u>Other Appropriated Funds</u>      |                  |                  |  |                  |
| County Fair Racing Fund              | 295,300          | 362,500          |  | 362,500          |
| Racing Administration Fund           | 38,200           | 75,500           |  | 75,500           |
| SUBTOTAL - Other Appropriated Funds  | 333,500          | 438,000          |  | 438,000          |
| <b>SUBTOTAL - Appropriated Funds</b> | <b>2,699,900</b> | <b>2,880,500</b> |  | <b>2,880,500</b> |
| Other Non-Appropriated Funds         | 2,003,300        | 1,618,700        |  | 1,618,700        |
| <b>TOTAL - ALL SOURCES</b>           | <b>4,703,200</b> | <b>4,499,200</b> |  | <b>4,499,200</b> |

## CHANGE IN FUNDING SUMMARY

### FY 2004 to FY 2005 JLBC

|                          | \$ Change | % Change |
|--------------------------|-----------|----------|
| General Fund             | 0         | 0.0%     |
| Other Appropriated Funds | 0         | 0.0%     |
| Total Appropriated Funds | 0         | 0.0%     |
| Non Appropriated Funds   | 0         | 0.0%     |
| Total - All Sources      | 0         | 0.0%     |

**AGENCY DESCRIPTION** — The department regulates the Arizona pari-mutuel horse and greyhound racing industry through supervision of race meetings, screening of license applicants, collection of taxes and fees, and assessment of fines or other penalties. The Division of Boxing Regulation was transferred to the Department of Racing in FY 2003, and it is responsible for licensing, investigating, and regulating the professional boxing and kickboxing industry in Arizona.

| PERFORMANCE MEASURES   | FY 2003<br>Appropriation | FY 2003<br>Actual | FY 2004<br>Appropriation | FY 2005<br>Recommend. |
|--|--------------------------|-------------------|--------------------------|-----------------------|
| • % of horse racing customers reporting “very good” or “excellent” service     | 95                       | 99                | 90                       | 99                    |
| • % of greyhound racing customers reporting “very good” or “excellent” service | 95                       | 99                | 95                       | 99                    |
| • % of positive horse drug tests   | 0.9                      | 1.6               | 1.5                      | 1.5                   |
| • % of positive greyhound drug tests   | 0.1                      | 0.03              | 0.1                      | 0.08                  |
| • Administration as a % of total cost  | 31                       | NA                | 20                       | 16.9                  |

**Comments:** The agency did not submit information for any measure labeled as “NA.”

**RECOMMENDED CHANGES FROM FY 2004**

**Operating Budget**

The JLBC recommends \$2,880,500 for the operating budget in FY 2005. This amount includes \$2,442,500 from the General Fund, \$362,500 from the County Fair Racing Fund, and \$75,500 from the Racing Administration Fund. These amounts would fund the following adjustment:

**Lease Costs** **GF** **\$0**  
 The JLBC recommends no change from the General Fund for increased lease costs. The agency would absorb a FY 2005 lease increase of \$4,500 within its Other Operating Expenditures. With its lump sum budget the agency has the discretion to shift these monies from other line items.

\* \* \*

**JLBC RECOMMENDED FORMAT — Lump Sum by Agency**

**JLBC RECOMMENDED FOOTNOTES**

*Standard Footnotes*

The Department of Racing shall report to the President of the Senate, the Speaker of the House of Representatives, the chairpersons of the Senate and House of Representatives Appropriations Committees, and the Director of the Joint Legislative Budget Committee on a semiannual basis on boxing related activities. The report shall contain the number of boxing events, gross receipts, state revenues, and license fee collections.

| SUMMARY OF FUNDS   | FY 2003<br>Actual | FY 2004<br>Estimate     |
|--|-------------------|-------------------------|
| <b>Arizona Breeders Award (RCA2206/A.R.S. § 5-113)</b>   |                   | <b>Non-Appropriated</b> |
| <b>Source of Revenue:</b> Receives 22% of revenue derived from pari-mutuel receipts, license fees, and unclaimed property (or a maximum of \$800,000). |                   |                         |
| <b>Purpose of Fund:</b> To award the breeder of every winning horse or greyhound foaled or whelped in this state.                                      |                   |                         |
| <b>Funds Expended</b>  | 1,152,000         | 800,000                 |
| <b>Year-End Fund Balance</b>   | 272,500           | 272,500                 |
| <b>County Fair Racing (RCA2170/A.R.S. § 5-113)</b>   |                   | <b>Appropriated</b>     |
| <b>Source of Revenue:</b> Receives 9% of revenue derived from pari-mutuel receipts, license fees, and unclaimed property (or a maximum of \$300,000).  |                   |                         |
| <b>Purpose of Fund:</b> For the administration of county fair racing.  |                   |                         |
| <b>Funds Expended</b>  | 295,300           | 362,500                 |
| <b>Year-End Fund Balance</b>   | 106,400           | 43,900                  |
| <b>County Fairs Racing Betterment (RCA2207/A.R.S. § 5-113)</b>   |                   | <b>Non-Appropriated</b> |
| <b>Source of Revenue:</b> Receives 22% of revenue derived from pari-mutuel receipts, license fees, and unclaimed property (or a maximum of \$800,000). |                   |                         |
| <b>Purpose of Fund:</b> To provide a grant to each eligible county fair association conducting a county fair racing meeting.                           |                   |                         |
| <b>Funds Expended</b>  | 810,900           | 778,500                 |
| <b>Year-End Fund Balance</b>   | 358,400           | 379,900                 |
| <b>Greyhound Adoption (RCA2015/A.R.S. § 5-113)</b>   |                   | <b>Non-Appropriated</b> |
| <b>Source of Revenue:</b> License fees collected from dog breeders, racing kennels, and other operations where greyhounds are raised for dog racing.   |                   |                         |
| <b>Purpose of Fund:</b> To provide grants to non-profit organizations to promote the adoption of retired racing greyhounds as domestic pets.           |                   |                         |
| <b>Funds Expended</b>  | 400               | 200                     |
| <b>Year-End Fund Balance</b>   | 0                 | 0                       |

| SUMMARY OF FUNDS   | FY 2003<br>Actual | FY 2004<br>Estimate     |
|--|-------------------|-------------------------|
| <b>Racing Administration (RCA2018/A.R.S. § 5-113)</b>  |                   | <b>Appropriated</b>     |
| <b>Source of Revenue:</b> Receives 1% of revenue derived from pari-mutuel receipts, license fees, and unclaimed property (or a maximum of \$45,000).                                       |                   |                         |
| <b>Purpose of Fund:</b> To administer the Arizona County Fairs Racing Betterment Fund, the Arizona Breeders' Award Fund, the Arizona Stallion Award Fund, and the Greyhound Adoption Fund. |                   |                         |
| <b>Funds Expended</b>  | 38,200            | 75,500                  |
| <b>Year-End Fund Balance</b>   | 42,100            | 11,600                  |
| <b>Stallion Award (RCA2315/A.R.S. § 5-113)</b>   |                   | <b>Non-Appropriated</b> |
| <b>Source of Revenue:</b> Receives 1% of revenue derived from pari-mutuel receipts, license fees, and unclaimed property (or a maximum of \$40,000).                                       |                   |                         |
| <b>Purpose of Fund:</b> To award owners or lessees of stallions that bred winning horses in this state.  |                   |                         |
| <b>Funds Expended</b>  | 40,000            | 40,000                  |
| <b>Year-End Fund Balance</b>   | 60,300            | 60,300                  |

[Click here to return to the Table of Contents](#)