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House Appropriation Budget Hearings

Response to Questionnaire

1. During the 2016 sessions, what did the department testify would be the effects of the FY 17 budget on services, staffing and contracts?

The LSRC Budget for FYE 2017 includes a reduction of the Video Draw Poker Purse Supplemental Fund, and the absorption of additional expenditures such as the Board of Regents and Department of Agriculture and Forestry.

- The LSRC reduced the security services provided by the Louisiana State Police Security Detail. It would be a challenge for the Racing Commission to meet its mandate to secure the racetracks from criminals and criminal activity without adequate enforcement and criminal histories, and patrol back side of racetracks, and security checks.
 - Operating & Professional Services Expenditures were also reduced and no salary increases would be provided this fiscal year.
 - The reduction of the Video Draw Poker Purse Supplemental Fund will affect the distribution of the purses which could impact the ability of the race tracks filling races with high-quality horses. Therefore, we can expect a decline in revenues since the quality of races depends on the quality of horses racing which directly impact the amount wagered.
2. Compared to FY 16, what reductions, including services, staffing and contracts, have been made in the department in FY 17?
 - Racing Commission reduced the security services provided by the Louisiana State Police Security Detail by approximately 1/3 for FY 17.
 - Operating Expenditures, Professional Services Expenditures were reduced.
 - No Salary increase were provided this fiscal year.
 - VDPP Supplemental Fund distribution was also reduced.

3. What reductions would the department make if there are mid-year reductions to the FY17 budget?
 - An additional \$147,848 will be reduced from the VDPP Supplemental Fund.
 - Other reductions will impact Related Benefits and another 1/3 reduction to the security service contract with the Louisiana State Police Security Detail.

4. Brief overview of the FY 18 budget request compared to FY 17.
 - What increases are requested in FY 18 and why are the increases necessary?
 - Mandatory Inflation Adjustments \$27, 237
 - Personnel Services Increase \$7,756
 - IAT Agreement - Department of Agriculture & Forestry \$60,000 (La R.S. 4:165(D)) - not funded in FY17 (see Executive Department Supporting Documentation). This liability was added in the verbiage of the HB1 Act 17.
 - LSU Veterinarian Contract \$43,203. It represents annual increase of the existing contract between LSRC & LSU School of Veterinary Medicine. LSRC adopted the anabolic steroid testing & the Model Rules enacted by ARCI & several National Racing Associations. These rules require changes in the degree and type of drug analysis adding a significant number of quantitative analysis & more intensive qualitative testing. LSRC must comply with the Model Rules regulations in order to retain the Graded Status (12 most prestigious races in LA), Breeders Cup Limited purses of \$250,000 and Simulcasting Privileges which are 2/3 of the overall wagering which amounts to approximately 1 Billion dollars.
 - Restore the reduction to the VDPP Supplemental Fund \$393,291 as a result of the annualizing reductions made in FY 17.

5. Has the department added any positions, including classified, unclassified, and other charges positions in FY 17? Did the department request additional positions in FY 19 budget request?
 - No.
 - No.

6. Provide a summary of changes in salaries from FY 16 to FY 17. Provide a summary of requested changes in salaries from FY 17 to FY 18.
 - None.
 - LSRC requested 4% performance adjustments only of \$147,471 for FY 18.

Response to Additional Questions

7. What budget adjustments have been made since the initial appropriation to your department? How much in each means of finance has been appropriated to each agency since the initial appropriation?

- None

8. Do your spending and staffing levels match the priorities of your department?

- Staffing – yes.
- Spending – no. IAT for the Board of Regents & Department of Agriculture and Forestry are obligations but not priorities. The LSU Contract, the MOU with the State Police for security services, and Video Poker Purse Fund Distributions are priorities.

9. Provide the top 5 performance measures that give the outcomes in your department. How do you rank nationally based on these priority measures?

- PI 1054 Annual amount wagered at race tracks and off track (OTB) wagering facilities in millions.
- PI 1055 Cost per race
- PI 11601 Percentage of humans testing positive
- PI 1062 Annual amount of breeder awards paid
- PI 11600 Percentage of horses testing positive

No national rankings are available.

10. Provide a list of all sources of revenue that are not appropriated. These funds could include restricted or off budget accounts. Also, provide the amount anticipated to be used in FY 17, the amount in FY 18, and any balance or reserve amount for each source or revenue.

- Not Applicable.