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LOUISIANA STATE RACING COMMISSION

October 14, 2016

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Charles A. Gardiner III
Executive Director

Mr. Jay Dardenne
Commissioner
Division of Administration
P.O. Box 94095
Baton Rouge, LA 70804

RE: LSRC initiatives to ensure a more efficient operation for Fiscal Year 2016-17 and beyond.

Dear Mr. Dardenne:

The Louisiana State Racing Commission (LSRC) respectfully submits a comprehensive list of initiatives to ensure a more efficient operation for Fiscal Year 2016-17 and beyond. The LSRC is committed to a path of continued fiscal responsibility in all facets of its operations. After further evaluation, changes to policies and practices have been made in 4 key areas: Administrative, Audit, Fiscal and IT Departments. Changes in these areas are as follows:

Administrative Department

- Integration from paper documents to digital formats for Meeting Notices, Meeting Agendas, Rule Making, and all other mass mail out correspondence. This method provides a significant savings in postage and paper costs and allows better utilization of employee function.
- Refocus on payroll procedures to efficiently and effectively maintain accurate time keeping.

Audit Department

- The implementation of a new procedure in response to the new statute requiring quarterly deposits of uncashed wagering tickets (OUTS) 90 days after the end of every live meet. Deposits are processed timely and electronically deposited directly to the State Treasury without any extra expenses.
- The implementation of payment from LSRC off track wagering (OTB) revenue to the Louisiana Board of Regents as required without adding any additional expense as part of other audit duties.
- Detailed records and files are maintained in the computer database and are retrievable in a short time within deadlines to comply with various requests covering many years of data, often from the news media.
- Audit employees are experienced and dependable in performing their work often with minimum supplies and communicating by telephone and e-mail on a daily basis. Overtime work is very infrequent.

Audit Department (Continued)

- The Audit Division frequently prepares and submits electronic financial reports and news articles to the LSRC Commissioners, Horse Organizations and Stakeholders to provide internal and external evidence and data for decisions regarding the trends and status of thoroughbred and quarter horse wagering, horse breeding, and new regulations and statutes. These reports involve funds in excess of \$600 million annually on horse racing wagering, purses, and slots at racetracks and video poker devices at off track wagering outlets.

Fiscal Department

- Newly created procedures for ACT 186 and La. R.S. 4:218A(2) and effectively implemented the processing, auditing and payment of these additional tasks and responsibilities. Moreover, the latest Travel/CBA Card mandate created additional work and responsibilities for the administrative and fiscal departments by requiring all agencies to pre-pay for all travel expenses of our employees via Travel/CBA credit card. Consequently, the transaction activity of the Travel/CBA credit card went from \$16,700 to \$51,400 annually.
- All newly added tasks and responsibilities were strategically and efficiently distributed among existing resources thus avoiding increasing expenditures. The LSRC is also dealing with a budget cuts for FYE 2016 while absorbing new LAT Expenditures such as the Department of Agriculture & Forestry; Off Track wagering distributions to the Louisiana Board of Regents; and other agencies increasing their fees and in some instances doubling up their fees.
- The Fiscal Department has fully implemented the scanning of all of its documents. We are utilizing the latest technology while efficiently decreasing research time and improving record keeping. No storage expense.

Information Technology Department

- All data connections to satellite offices have been upgraded from frame relay data lines to city-to-city MetroE T1 data lines. This upgrade results in an improvement in connectivity and a decrease in monthly cost for the line services.
- All office locations have been upgraded from Cisco 10/100 switches to Juniper Gigabyte switches. This upgrade coupled with the dedicated city-to-city data lines increases the internal communication within the offices and insures data transfer reliability to the data center.
- LSRC traditional standalone data servers have been migrated to a newer virtualized environment powered by HP ESXs and Data Domains. With this upgrade the data servers are split throughout the environment to increase security and build redundancy. The upgrade streamlines the backup and recovery process and potentially eliminates any downtime or loss of data in case of hardware failure or disaster/emergency.

Efficient and effective changes to policies and practices in the Administrative, Audit, Fiscal, and IT Departments demonstrates the commitment by LSRC to strive to produce savings and additional revenues to the state for Fiscal Year 2016-17 and beyond.

Sincerely,



Charles A. Gardiner III
Executive Director

CAG/mjd
Enclosure

cc: Senator John A. Alario, Jr., Senate President
Representative Taylor F. Barras, Speaker of the House
Kimberly L. Robinson, Secretary of Revenue
Chris Henry, Budget Analyst, House Fiscal Division