

Louisiana Senate Finance Committee



FY25 Executive Budget

01 – Executive Department 254 – Louisiana State Racing Commission

March 2024

Senator Cameron Henry, President
Senator Glen Womack, Chairman





FY25 Executive Budget

Schedule 01 — Executive Department Agencies

Executive Department

Management and
Regulatory Agencies
Supporting the
Executive Branch of
State Government

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01-254 Louisiana State Racing Commission Agency Overview



Mission
Supervise, regulate and enforce all statutes concerning horse racing and pari-mutuel wagering for live horse racing on-track and off-track; to collect and record taxes due to the state.



ACTIVITIES

Administrative

- Public meetings, hearing cases & issue and collect fines.
- Collection of self-generated revenues.

Veterinarian

- Perform pre-race examinations of all horses racing in Louisiana.
- Maintains the official veterinarian records and reports.

Breeders Awards, Video Poker, Board of Regents

- **Breeders Awards** – awards paid to breeders of horses in LA bred races.
- **Video Draw Poker, Sports Wagering Supplement Funds** – disbursement to the horse associations and racetracks for LA bred purse supplements.
- **Board of Regents** – disburses 33% of the 1.5% license fee of the total amount of all wagers at off-track betting parlors (OTBs).
- **Historical Horse Racing License Fee** – disburses 33% of the historical horse racing fees to various stakeholders

Regulatory & Licensing

- Operations of field offices and auditors at each racetrack in Louisiana.
- Issue licenses.
- Act 437 of the 2021 Regular Session authorized a new form of pari-mutuel wagering called Historical Horse Racing (HHR).

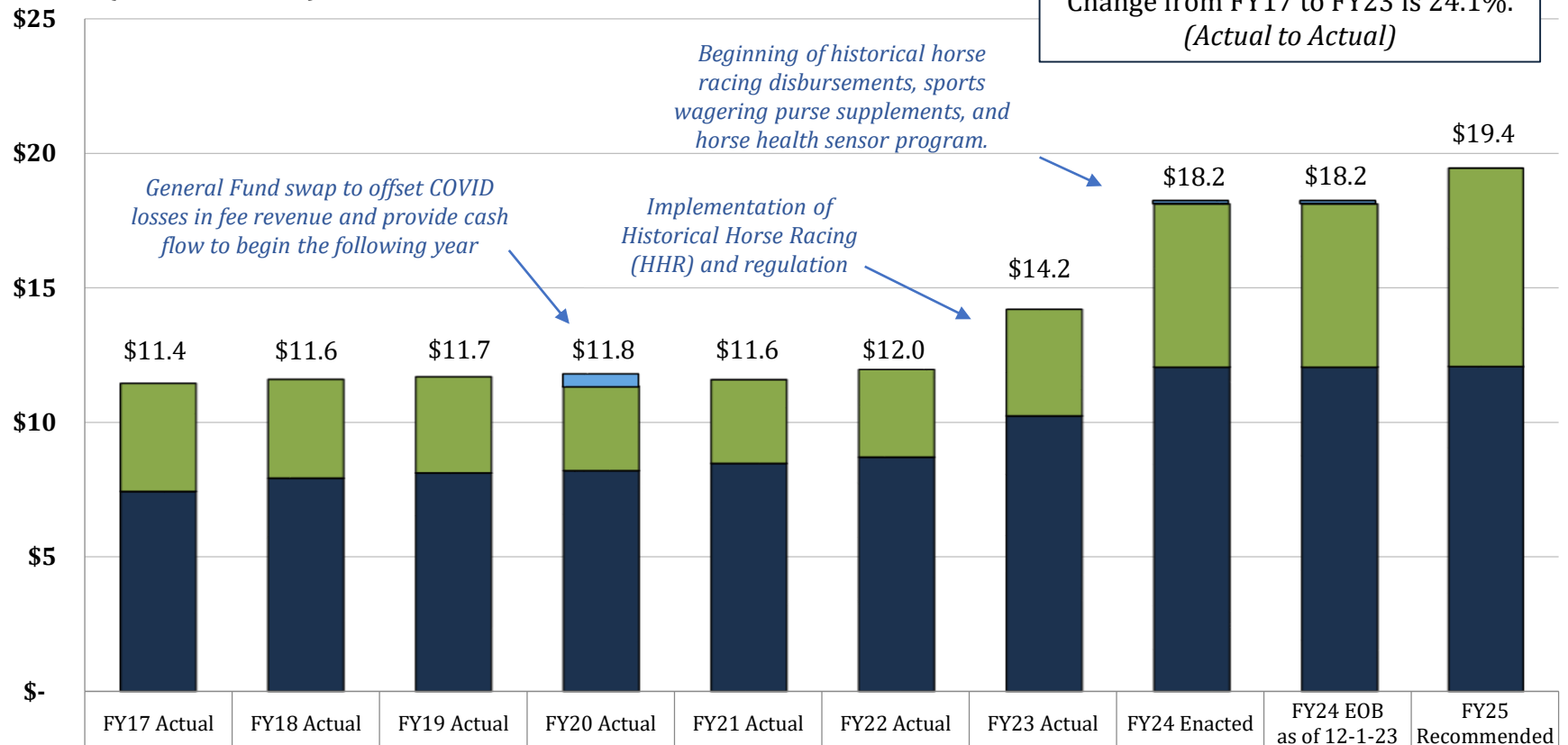


01-254 Louisiana State Racing Commission

Changes in Funding since FY17

**Total Budget by Fiscal Year and Means of Finance
(in \$ millions)**

Change from FY17 to FY25 is 70.0%.
(Actual to Recommended)
Change from FY17 to FY23 is 24.1%.
(Actual to Actual)





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Statewide Adjustments Recommended for FY25

State General Fund (Direct)	Interagency Transfers	Fees and Self-generated Revenues	Statutory Dedications	Federal Funds	Total	T.O.	Adjustment
\$100,000	\$0	\$6,085,527	\$12,038,418	\$0	\$18,223,945	89	Existing Operating Budget as of 12/1/23
\$0	\$0	\$55,000	\$0	\$0	\$55,000	0	Acquisitions & Major Repairs
\$0	\$0	(\$88,274)	\$0	\$0	(\$88,274)	0	Attrition Adjustment
\$0	\$0	\$0	(\$150)	\$0	(\$150)	0	Civil Service Fees
\$0	\$0	\$12,591	\$0	\$0	\$12,591	0	Group Insurance Rate Adjustment for Active Employees
\$0	\$0	\$2,755	\$0	\$0	\$2,755	0	Group Insurance Rate Adjustment for Retirees
\$0	\$0	\$0	(\$7)	\$0	(\$7)	0	Legislative Auditor Fees
\$0	\$0	\$41,955	\$0	\$0	\$41,955	0	Market Rate Classified
\$0	\$0	(\$55,000)	\$0	\$0	(\$55,000)	0	Non-Recurring Acquisitions & Major Repairs
(\$100,000)	\$0	\$0	\$0	\$0	(\$100,000)	0	Non-recur Special Legislative Project
\$0	\$0	\$0	(\$664)	\$0	(\$664)	0	Office of State Procurement
\$0	\$0	\$0	\$18,345	\$0	\$18,345	0	Office of Technology Services (OTS)
\$0	\$0	\$20,425	\$0	\$0	\$20,425	0	Related Benefits Base Adjustment
\$0	\$0	(\$206,249)	\$0	\$0	(\$206,249)	0	Retirement Rate Adjustment
\$0	\$0	\$0	\$7,538	\$0	\$7,538	0	Risk Management
\$0	\$0	\$63,453	\$0	\$0	\$63,453	0	Salary Base Adjustment
\$0	\$0	\$0	\$76	\$0	\$76	0	UPS Fees
(\$100,000)	\$0	(\$153,344)	\$25,138	\$0	(\$228,206)	0	Total Statewide Adjustments
\$0	\$0	\$1,451,127	\$0	\$0	\$1,451,127	0	Total Other Adjustments
\$0	\$0	\$7,383,310	\$12,063,556	\$0	\$19,446,866	89	TOTAL FY 25 RECOMMENDED BUDGET
(\$100,000)	\$0	\$1,297,783	\$25,138	\$0	\$1,222,921	0	Total Adjustments (Statewide and Agency-specific)



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Non-Statewide Adjustments for FY25

Other Adjustments

State General Fund (Direct)	Interagency Transfers	Fees and Self-generated Revenues	Statutory Dedications	Federal Funds	Total	T.O.	Adjustment
\$0	\$0	\$1,451,127	\$0	\$0	\$1,451,127	0	Increase to send license fees collected on Historical Horse Racing to breeder associations, local parish government authorities, and sheriff departments per Act 258 of the 2023 Regular Legislative Session.
\$0	\$0	\$1,451,127	\$0	\$0	\$1,451,127	0	Total Other Adjustments

Act 437 of the 2021 Regular Session authorized a new form of pari-mutuel wagering called Historical Horse Racing (HHR) of which La. Racing Commission is responsible for regulation.

Act 381 of the 2022 Regular Session authorized the Louisiana State Racing Commission to collect a license fee not to exceed four percent of the total amount wagered at each off-track wagering facility on historical horse racing to cover administrative costs.

Act 258 of the 2023 Regular Session mandates the collection of historical horse racing license fees, now set at one and one-half percent of the total amount wagered at each off-track wagering facility on historical horse racing and allocates the fees to various stakeholders.

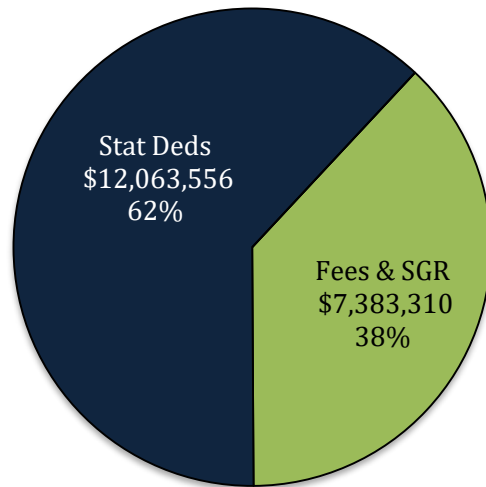


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Agency Level Budget Overview

Total Funding	FY23 Actual	FY24 Enacted	FY24 EOB as of 12-1-23	FY25 Recommended	Difference FY24 EOB to FY25 Recommended
General Fund	\$0	\$100,000	\$100,000	\$0	(\$100,000)
Fees and Self Generated	\$3,967,374	\$6,085,527	\$6,085,527	\$7,383,310	\$1,297,783
Statutory Dedications					\$0
Video Draw Poker Device Purse Supplement Fund	\$4,090,804	\$4,090,804	\$4,090,804	\$4,090,804	\$0
Pari-mutuel Live Racing Facility Gaming Control Fund	\$6,140,165	\$6,147,614	\$6,147,614	\$6,172,752	\$25,138
Sports Wagering Purse Supplement Fund	\$0	\$1,800,000	\$1,800,000	\$1,800,000	\$0
TOTAL LA Racing Commission	\$14,198,343	\$18,223,945	\$18,223,945	\$19,446,866	\$1,222,921
T.O. Positions	89	89	89	89	0

FY25 Recommended Total Means of Finance



Total \$19.4 M

LSRC is authorized to retain excess fees to use as seed until the next year's fees are collected.

\$1,222,291 Budget Adjustments = This net increase is driven by an increase of \$1,451,127 for pass-through historical horse racing proceeds to various entities per Act 258 of 2023. This increase is offset by a net decrease of **(\$128,206)** in standard statewide costs, largely driven by a large retirement rate decrease, and a **(\$100,000)** reduction of State General Fund for a horse health sensor system in FY 2024.

Fees and Self-Generated Revenue = licenses, fees on wagering, admission, examinations, fines, and reimbursement of certain salaries by racing associations

Statutory Dedications:

Video Draw Poker Device Purse Supplement Fund = 1.5% of VDP net proceeds disbursed for purse supplements

Pari-mutuel Live Racing Facility Gaming Control Fund = a portion of net proceeds from slots at the tracks to be used for LA Racing Commission operating expenses

Sports Wagering Purse Supplement Fund = 2.5% of a 10% tax on net gaming proceeds from sports wagering disbursed for purse supplements



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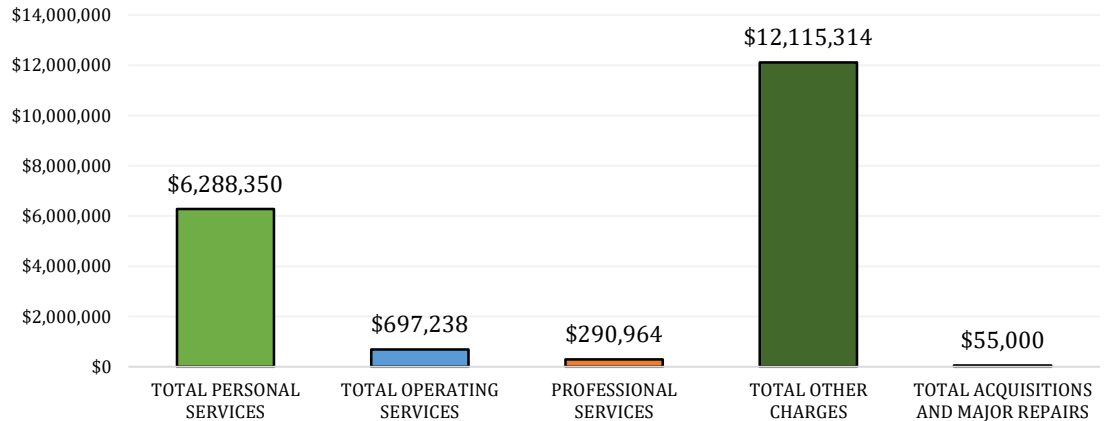
Categorical Expenditures at FY25 Recommended

The largest expenditure category in the Louisiana State Racing Commission is Total Other Charges, which comprises 62 percent of the agency's budget.

Other Charges houses funding for various purse supplements (\$5.9 m.), breeder awards (\$1.7 m.), HHR projected license fee allocation (\$1.4 m.), lab analysis costs for equine specimens by the Industrial Laboratories (\$1.4 m.), and payments to various state agencies for services rendered (\$1.6 m.).

Personal Services make up the second largest portion of the agency's budget at 32 percent. Salaries make up 69 percent of expenditures, while Related Benefits contributes 29 percent.

FY25 Recommended Expenditures



Categorical Expenditures	FY23 Actual	FY24 Enacted	FY24 EOB as of 12/01/23	FY25 Recommended	Difference FY24 EOB vs. FY25 REC
Salaries	\$3,448,927	\$4,324,800	\$4,324,800	\$4,359,328	\$34,528
Other Compensation	\$103,280	\$77,592	\$77,592	\$77,592	\$0
Related Benefits	\$1,461,202	\$2,039,302	\$2,039,302	\$1,851,430	(\$187,872)
TOTAL PERSONAL SERVICES	\$5,013,409	\$6,441,694	\$6,441,694	\$6,288,350	(\$153,344)
Travel	\$149,603	\$156,589	\$156,589	\$156,589	\$0
Operating Services	\$397,832	\$456,899	\$456,899	\$456,899	\$0
Supplies	\$86,243	\$83,750	\$83,750	\$83,750	\$0
TOTAL OPERATING EXPENSES	\$633,678	\$697,238	\$697,238	\$697,238	\$0
PROFESSIONAL SERVICES	\$126,577	\$290,964	\$290,964	\$290,964	\$0
Other Charges	\$7,253,919	\$9,143,540	\$9,143,540	\$10,494,667	\$1,351,127
Debt Service	\$0	\$0	\$0	\$0	\$0
Interagency Transfers	\$1,097,934	\$1,595,509	\$1,595,509	\$1,620,647	\$25,138
TOTAL OTHER CHARGES	\$8,351,854	\$10,739,049	\$10,739,049	\$12,115,314	\$1,376,265
Acquisitions	\$72,825	\$55,000	\$55,000	\$55,000	\$0
Major Repairs	\$0	\$0	\$0	\$0	\$0
TOTAL ACQ. & MAJOR REPAIRS	\$72,825	\$55,000	\$55,000	\$55,000	\$0
TOTAL EXPENDITURES	\$14,198,343	\$18,223,945	\$18,223,945	\$19,446,866	\$1,222,921



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Categorical Expenditures at FY25 Recommended

Professional Services

Amount	Description
\$188,317	Contract with Gaming Laboratories International to assist with the development of technical standards and regulations for Historical Horse Racing
\$60,000	Contract with Thoroughbred Racing Protective Bureau to assist with the development of technical standards and regulations for Historical Horse Racing
\$19,596	Lagniappe Court Reporting, Inc. - Court Reporters to record and transcribe proceedings at commission hearings
\$12,871	Travel allowances related to legal services for the Commission, including professional and expert witnesses
\$10,000	Veterinarian services
\$180	Legal services related to Racing Commission matters, personnel-related matters, and other miscellaneous services deemed necessary
\$290,964	Total Professional Services

Other Charges

Amount	Description
\$4,090,804	Video Draw Poker Device Purse Supplement Fund - Purse Supplements
\$1,800,000	Sports Wagering Purse Supplement Fund - Purse Supplements
\$1,451,127	HHR License Fees allocated to Breeder Associations, Law Enforcement, and Local Governments
\$1,450,000	Industrial Labs - Chemical and other analysis on equine specimens
\$800,000	Quarterhorse Breeder Awards
\$700,000	Thoroughbred Breeder Awards
\$202,736	Off-track Breeder Awards
\$10,494,667	Total Other Charges

Interagency Transfers Expenses

Amount	Description
\$682,614	State Police - Security, investigations and searches of any type, as provided by the Rules of Racing and the statutes including background, criminal history, and police report checks
\$410,000	Board of Regents
\$170,743	Department of Justice - Legal services
\$88,998	Telephone and Data Service - Office of Technology Services
\$77,447	Office of Risk Management (ORM)
\$60,918	Office of Technology Services (OTS) Fees
\$60,000	Department of Agriculture
\$26,481	Division of Administration - State Printing Fees
\$24,169	Legislative Auditor Fees
\$6,709	Civil Service Fees
\$4,472	LA Register and LA Roster
\$4,135	Office of State Procurement (OSP) Fees
\$3,629	Uniform Payroll System (UPS) Fees
\$332	Louisiana Property Assistance Agency
\$1,620,647	Total IAT Expenses

Acquisitions & Major Repairs

Amount	Description
\$25,000	Replacement computers
\$25,000	Replacement office furniture
\$5,000	Replacement lab equipment
\$55,000	Total Acquisitions & Major Repairs

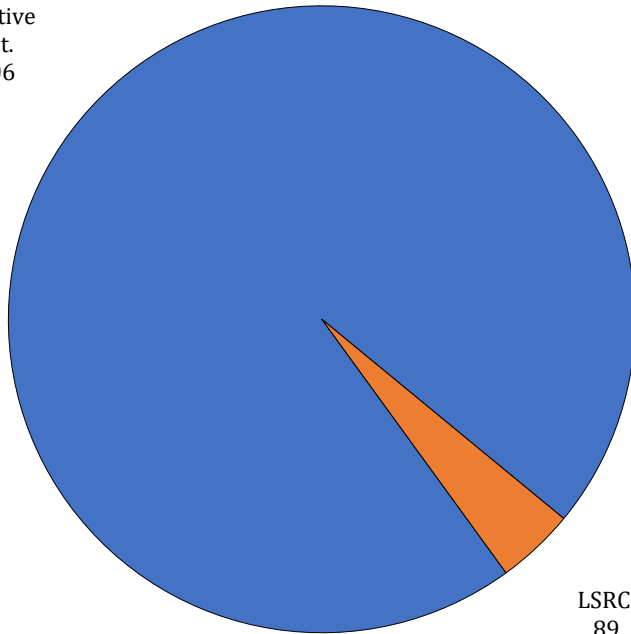


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FTEs, Authorized T.O., and Other Charges Positions

**FY25 Agency Employees
as a portion of
FY25 Total Department Employees**

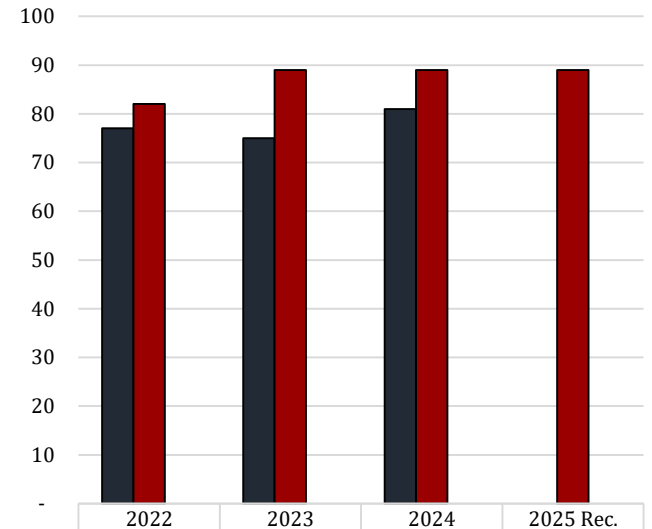
Total
Executive
Dept.
2,206



LSRC
89
4%

FY24 number of funded, but not filled,
positions as of January 29 = 12

**Number
and
Types
of
Positions**



	2022	2023	2024	2025 Rec.
■ Total FTEs (1st July Report)	77	75	81	-
■ Authorized T.O. Positions	82	89	89	89
■ Other Charges Positions	-	-	-	-

The full-time equivalent or **FTE** definition refers to the number of hours considered full-time. For example, if an agency considers 40 hours full time, and there are two employees working 20 hours per week, those two employees would be 1.0 FTE.

Authorized Positions are those referred to in the Table of Organization (or T.O.) for each department. This count includes only those positions paid for from the Salaries expenditure category for the organization units and agencies included in each department's appropriation. This excludes positions paid for from other expenditure categories, such as wages or per diem.

Other Charges positions are authorized under R.S. 39:2(5)(b):

(5)(b) "Authorized other charges positions" means the number of positions in an appropriation bill to be funded by the other charges continuing category of the accounting system for the state. The number may be adjusted during a fiscal year in accordance with law.

- [Act 377 of 2013 by Rep. Burrell]
- Positions coded in the Other Charges expenditure category
- These positions are usually associated with federal grants



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Related Employment Information

Salaries and Related Benefits for the 89 Authorized Positions are listed below in Chart 1.
In Chart 2, benefits are broken out to show the portion paid for active versus retired employees.
This is where payments for the Unfunded Accrued Liability (UAL) can be found.

1.

Personal Services	2022 Actual	2023 Actual	2024 Enacted	2025 Recommended
Salaries	\$2,827,440	\$3,448,927	\$4,324,800	\$4,359,328
Other Compensation	\$98,563	\$103,280	\$77,592	\$77,592
Related Benefits	\$1,203,461	\$1,461,202	\$2,039,302	\$1,851,430
Total Personal Services	\$4,129,464	\$5,013,409	\$6,441,694	\$6,288,350

Average T.O Salary = \$57,021

Examples of Other Compensation include pay for WAE employees, part-time employees, student workers, etc.

2.

Related Benefits FY25 Recommended	Total Funding	%
Total Related Benefits	\$1,851,430	
UAL payments	\$985,202	53%
Retiree Health Benefits	\$85,616	
Remaining Benefits*	\$780,612	
Means of Finance	General Fund = 0%	Other = 100%

Department Demographics	Total	%
Gender		
Female	48	62
Male	29	38
Race/Ethnicity		
White	52	68
Black	13	17
Asian	0	0
Indian	0	0
Hawaiian/Pacific	0	0
Declined to State	12	16
Currently in DROP or Eligible to Retire	23	30

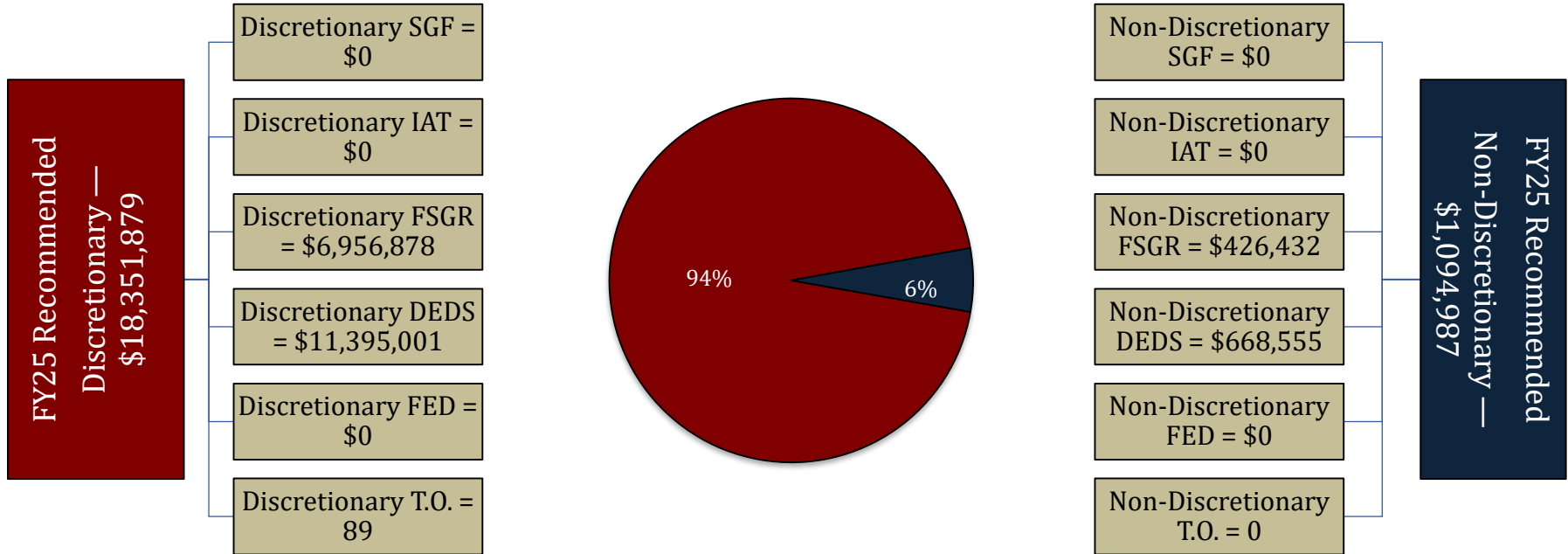
* Remaining Benefits include employer contribution to authorized positions' retirement, health, Medicare, FICA, Emoluments etc. The authorized positions include authorized T.O. positions and authorized other charges positions, both filled and vacant.

Other Charges Benefits
\$0



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FY25 Discretionary/Non-Discretionary Comparison



Total Discretionary Funding by Office		
Executive Office	\$20,602,942	0.43%
Office of Indian Affairs	\$0	0.00%
Office of Inspector General	\$1,866,453	0.04%
Mental Health Advocacy Service	\$0	0.00%
LA Tax Commission	\$4,322,351	0.09%
Division of Administration	\$980,820,356	20.70%
Coastal Protection and Restoration Authority	\$197,569,088	4.17%
GOHSEP	\$3,126,385,146	65.98%
Department of Military Affairs	\$113,454,239	2.39%
Louisiana Public Defender Board	\$47,628,367	1.01%
Louisiana Stadium and Exposition District	\$94,128,573	1.99%
Louisiana Commission on Law Enforcement	\$49,391,407	1.04%
Governor's Office of Elderly Affairs	\$70,783,478	1.49%
Louisiana State Racing Commission	\$18,351,879	0.39%
Office of Financial Institutions	\$12,790,407	0.27%
Total Discretionary	\$4,738,094,686	100.00%

Total Non-Discretionary Funding by Type		
UAL Obligation	\$ 985,202	90%
Legislative Auditor Fees	\$ 24,169	2%
Retirees Group Insurance	\$ 85,616	8%
Total Non-Discretionary	\$ 1,094,987	100%

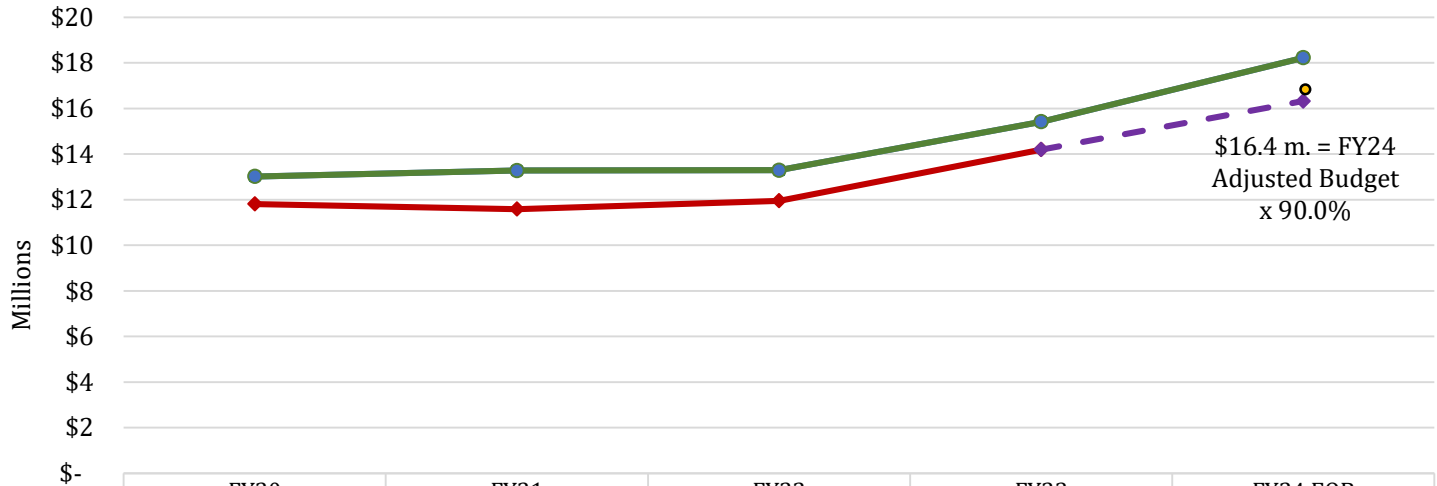


01-254 Louisiana State Racing Commission Enacted & FYE Budget vs. Actual Expenditures FY20 to FY23

FYE Budget = "Fiscal Year End" Budget includes all in-house and regular BA-7s through June 30 of the fiscal year. For FY24, it is as of January.

**FY24 Known
Supplemental Needs:**
\$0

**FY23 General Fund
Reversions:**
\$0



	FY20	FY21	FY22	FY23	FY24 EOB
Enacted Budget	\$13,019,837	\$13,280,865	\$13,292,042	\$15,417,730	\$18,223,945
FYE Budget	\$13,019,837	\$13,280,865	\$13,292,042	\$15,417,730	\$18,223,945
Actual Expenditures	\$11,813,777	\$11,582,791	\$11,954,246	\$14,198,343	
FY24 Expenditure Trend				\$14,198,343	\$16,323,267

Monthly Budget Activity				
	FY24 Adjusted Budget	FY24 Aggregate Expenditures	Remaining Budget Authority	Percent Expended To Date
Jul-23	\$ 18,223,945	\$ 487,706	\$ 17,736,239	2.7%
Aug-23	\$ 18,223,945	\$ 1,976,297	\$ 16,247,648	10.8%
Sep-23	\$ 18,223,945	\$ 3,997,365	\$ 14,226,580	21.9%
Oct-23	\$ 18,223,945	\$ 5,310,625	\$ 12,913,320	29.1%
Nov-23	\$ 18,223,945	\$ 6,650,609	\$ 11,573,336	36.5%
Dec-23	\$ 18,223,945	\$ 7,791,691	\$ 10,432,254	42.8%
Jan-24	\$ 18,223,945	\$ 9,521,906	\$ 8,702,039	52.2%

Monthly Budget Activity				
	FY24 Adjusted Budget	FY24 Aggregate Expenditures	Remaining Budget Authority	Percent Expended To Date
<i>(Trend based on average monthly expenditures to date)</i>				
Feb-24	\$ 18,223,945	\$ 10,882,178	\$ 7,341,767	59.7%
Mar-24	\$ 18,223,945	\$ 12,242,450	\$ 5,981,495	67.2%
Apr-24	\$ 18,223,945	\$ 13,602,722	\$ 4,621,223	74.6%
May-24	\$ 18,223,945	\$ 14,962,995	\$ 3,260,950	82.1%
Jun-24	\$ 18,223,945	\$ 16,323,267	\$ 1,900,678	89.6%
Historical Year End Average				90.0%



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Agency Specific Issues

Pass-Through and Mandatory Funding FY 25 Recommended Budget

\$	4,090,804	Purse supplement pass through funds (<i>dedicated video draw poker revenue</i>)
\$	1,800,000	Purse supplement pass through funds (<i>dedicated sports wagering revenue</i>)
\$	1,799,750	Breeder Awards (<i>minimum statutory payout is budgeted</i>)
\$	1,451,127	Historical horse racing license fee disbursements to various entities (<i>statutory</i>)
\$	1,343,308	Industrial lab contract for equine testing (<i>mandatory for races to occur</i>)
\$	410,000	Board of Regents Payment (<i>statutory; portion of off-track betting revenues</i>)
\$	173,667	Attorney General for legal services (<i>statutory</i>)
\$	60,000	La. Dept. of Agriculture pass-through to promote horse racing industry (<i>statutory</i>)
\$	11,128,656	TOTAL (~57.2% of Recommended Budget)



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Agency Specific Issues

Historical Horse Racing or HHR (Act 437 of 2021) was authorized by the legislature in 2021 that tasked the LSRC with its regulation. Since then, the LSRC has approved the operation of Historic Horse Racing in 18 off-track betting locations. Currently there are 473 certified and approved HHR terminals that allow pari-mutuel wagering on horse races that already occurred, or Historic Horse Races. The legislation limited the number of terminals to 50 per location.

Act 258 of the 2023 Regular Session established a license fee of 1.5% of the total amount wagered at each off track wagering facility on historical horse racing, the distribution of which can be found below:

Total FY 25 Projected Historical Horse Racing Collections \$4,397,355

