

HORSE RACING BOARD

ITEM 240 of the Budget Bill

Budget page 774
Budget line No. 7

For Support of the Horse Racing Board From the Fair and Exposition Fund

Amount requested	\$191,975
Estimated to be expended in 1952-53 Fiscal Year	165,267
Increase (16.2 percent)	\$26,708

Summary of Increase

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages	\$15,607	\$1,387	\$14,220	774	60
Operating expense	13,152	730	12,422	775	11
Equipment	-2,051	-2,251	200	775	19
Total increase	\$26,708	\$134	\$26,842		

RECOMMENDATIONS

Amount budgeted	\$191,975
Legislative Auditor's recommendation	163,933
Reduction	\$28,042

ANALYSIS

The recommended reductions are as follows:

	Amount	Budget page	Line No.
Delete three positions of photographer-identifier	\$16,070	774	47
Reduce travel expense	10,724	774	73
Reduce photographic supplies	1,248	775	5
Total reduction	\$28,042		

The requested appropriation for the Horse Racing Board represents an increase of \$26,708 or 16.2 percent above estimated expenditures for 1952-53.

The chief item of increase under salaries and wages is a request for three new positions of race track investigator. The chief item of increase under operating expense is an increase of \$10,724 in travel expense for the staff, a part of which is for the proposed new positions; an increase of \$1,248 for photographic supplies, and a new item of \$450 for the payment of expenses of witnesses in hearings before the Horse Racing Board. The chief item of increase under equipment is a request for \$200 for the purchase of a special camera with which to microfilm licenses and other records of the board.

Three new positions of race track investigator were also requested by the Horse Racing Board for 1952-53. At that time we pointed out that we believed no new investigator positions were necessary, particularly if the Horse Racing Board de-emphasized or abolished its program of identifying horses which required the equivalent of three positions of photographer-identifier. It is our understanding that the Horse Racing Board has by action taken at its meeting on December 11, 1952, abandoned the horse identification service which had been rendered by members of the staff and provided that hereafter the proper identification of

horses was the responsibility of the track managements to be enforced under the rule-making and licensing power of the board. This action also corresponds with recommendations which we have made in our analyses in 1951-52 and 1952-53. We believe this is a desirable step for the board to take and that the action will make unnecessary the addition of new positions which were requested in the budget before this action became effective.

One new position of racing license clerk was added to the budget in 1952-53 and the staff that is now provided gives the Horse Racing Board full coverage for all licensing activities and reasonable enforcement activities related to estimated number of racing days at all of the major tracks and at the fairs.

Under operating expense we recommend that the request of \$1,748 for photographic supplies be reduced to the amount of \$500 authorized and estimated to be spent in the current fiscal year. This will permit the Horse Racing Board to carry on all necessary photographic activities in connection with the licensing of jockeys and other officials at the tracks and will delete the photographic supplies that were otherwise requested for the program of horse identification.

The new item of \$450 for the payment of expenses of witnesses in certain cases who are subpoenaed to appear before the Horse Racing Board we believe to be a proper responsibility of the State and we recommend approval of this amount. However, we question whether these payments can be made under the existing law governing the Horse Racing Board and recommend that steps be taken to place its procedures relative to hearings in conformity with other licensing agencies.

Under equipment, \$200 is requested for the purchase of a special camera to microfilm records of the Horse Racing Board and to simplify the problem of transporting a large volume of records on the racing circuit. We believe that this can be a desirable expenditure and one which can result in economies if the records of the board are microfilmed to the maximum extent possible. It is noted that a station wagon was approved in the budget for 1952-53 largely for the purpose of transporting files and records between the tracks. It is also noted that the request for equipment to microfilm records for use at the tracks does not include a request for a Recordak or similar equipment which would appear to be necessary in order to use microfilm records.

The number of racing days during 1953-54 at the major tracks and at the fairs is estimated at 476 days, of which 346 days are at major tracks, 100 days at fair tracks and 30 days for combination meetings. During the Fiscal Year 1952-53, the budget was based upon an estimated 472 days of racing. This figure is now revised downward to an estimated 418 racing days.

Total state revenue from horse racing is estimated to be \$22,221,314 for the Fiscal Year 1953-54. The following table shows the distribution, by fund, of state horse racing revenue from the Fiscal Year 1945-46.

Distribution By Fund of State Revenue From Horse Racing

	<i>Total pari-mutuel pool</i>	<i>Fair and Exposition Fund</i>	<i>State College Fund</i>	<i>Wildlife Restoration Fund</i>	<i>Capital Outlay and Savings Fund</i>	<i>General Fund</i>	<i>Total state revenue</i>
1945-46 -----	\$414,094,075	\$16,585,164	---	---	---	\$6,172,894	\$22,758,058
1946-47 -----	349,664,050	14,005,562	---	---	---	5,075,238	19,080,800
1947-48 -----	356,923,225	14,287,884	\$816,252	\$3,000,000	---	2,073,313	20,177,449
1948-49 -----	303,017,750	12,138,675	988,674	3,000,000	---	1,165,150	17,292,499
1949-50 -----	284,127,592	11,384,103	694,106	3,000,000	---	345,644	15,423,853
1950-51 -----	288,625,822	11,565,792	889,179	---	---	3,809,125	16,264,096
1951-52 -----	357,551,294	14,334,163	1,079,899	1,000,000	\$1,000,000	2,628,546	20,042,608
1952-53 (Est.) -----	358,346,939	14,415,377	1,250,587	1,000,000	1,000,000	2,920,461	20,586,425
1953-54 (Est.) -----	393,415,550	15,768,122	1,200,478	1,000,000	1,000,000	3,252,714	22,221,314

Percent of Total Revenue

1945-46 -----	72.9%	---	---	---	---	27.1%	100.0%
1946-47 -----	73.4	---	---	---	---	26.6	100.0
1947-48 -----	70.8	4.0%	14.9%	---	---	10.3	100.0
1948-49 -----	70.2	5.7	17.4	---	---	6.7	100.0
1949-50 -----	73.8	4.5	19.5	---	---	2.2	100.0
1950-51 -----	71.1	5.5	---	---	---	23.4	100.0
1951-52 -----	71.5	5.4	5.0	5.0%	---	13.1	100.0
1952-53 (Est.) -----	70.0	6.0	4.9	4.9	---	14.2	100.0
1953-54 (Est.) -----	71.0	5.4	4.5	4.5	---	14.6	100.0