

STATE RACING AND WAGERING BOARD

MISSION

The Racing and Wagering Board regulates all legalized gambling activities in New York except those regulated by the State Lottery. Horse racing, off-track betting (OTB) and Indian casino gaming are directly regulated by the Board. The responsibility for oversight of bingo and other permitted games of chance conducted by religious and not-for-profit organizations is shared with municipalities, which collect license fees and ensure that the Board's rules and regulations are followed.

ORGANIZATION AND STAFFING

A three-member Board oversees agency activities. The Governor appoints each member to a six-year term with the consent of the Senate.

The Chair and central office staff are stationed in Albany with additional staff operating from the New York City regional office. The agency employs on-site inspectors at the Oneida Indians' Turning Stone Casino in Verona, Oneida County and the Mohawk Indians' Akwesasne Mohawk Casino in Hogansburg, Franklin County. The 2002-03 Executive Budget also includes resources to support any additional oversight responsibilities resulting from the establishment of new Indian Casinos in Western New York and the Catskills pursuant to legislation enacted in 2001. Temporary and full-time employees oversee horse racing at New York's four thoroughbred race tracks — Aqueduct, Belmont, Saratoga and Finger Lakes — and seven harness tracks — Buffalo, Monticello, Saratoga, Syracuse, Vernon Downs, Batavia Downs and Yonkers. The Racing and Wagering Board will have a workforce of 115 full time and 165 per diem staff in the 2002-03 fiscal year. Approximately 34 percent of full-time staff and all per diem staff will be supported by State tax dollars; the remaining staff will be supported by revenues generated by Indian casinos and charitable gaming activities.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The 2002-03 Executive Budget recommends \$9.4 million in General Fund support for staff and related costs associated with the processing of racing licenses; the review of financial statements submitted by regional OTBs; legal hearings to suspend or fine violators of racing regulations; seasonal employees at the thoroughbred and harness tracks; and the testing of race horses for prohibited drugs.

In addition, \$2.1 million in existing fees collected by the State from charitable gaming proceeds is recommended to support the regulation of these games. This funding will support oversight of "bell jar" games, which are games of chance in which players remove "pull tabs" from randomly drawn tickets to reveal potential winning combinations of three or more matching items. The Budget also authorizes \$3.2 million in revenues from fees charged to Indian casinos to pay for on-site monitoring and investigation of these casinos.

PROGRAM HIGHLIGHTS

REGULATION OF GAMES OF CHANCE

The Racing and Wagering Board promulgates rules and regulations governing bingo and other games of chance operated by more than 15,000 charitable and not-for-profit organizations throughout the State. The Board establishes standards for issuing licenses to suppliers and manufacturers of gaming equipment; reviews financial statements of charitable

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gaming operations; and, in conjunction with local law enforcement officials, investigates illegal gaming activities. In accordance with legislation enacted in 1996, the Board will continue its oversight of "bell jar" games in order to decrease illegal activity.

INDIAN GAMING

The State has negotiated compacts or protocols with the Oneida Nation and St. Regis Mohawk Tribe to conduct gaming activities. Under these compacts, the Racing and Wagering Board is responsible for supervising gaming activities operating on these Indian lands. The Board maintains 21 employees that oversee activities at the Oneida Nation's Turning Stone Casino and 26 employees at the St. Regis Mohawk Tribe's Akwesasne Casino.

REGULATION OF RACING

The Board's permanent staff oversee 165 temporary employees who ensure that horse races at the State's racetracks are conducted legally. As part of this effort, the Board has a contract with Cornell University to conduct research and to carry out post-race testing of blood and urine samples taken from race horses.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2001-02	Appropriations Recommended 2002-03	Change	Reappropriations Recommended 2002-03
State Operations	14,739,000	14,739,000	0	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	14,739,000	14,739,000	0	0

ALL FUND TYPES PROJECTED LEVELS OF EMPLOYMENT BY PROGRAM FILLED ANNUAL SALARIED POSITIONS

Full-Time Equivalent Positions (FTE)

Program	2001-02 Estimated FTEs 03/31/02	2002-03 Estimated FTEs 03/31/03	FTE Change
Administration			
General Fund	15	14	(1)
Audit and Investigation			
General Fund	23	21	(2)
Regulation of Racing and Off-Track Betting			
General Fund	4	4	0
Regulation of Wagering			
Special Revenue Funds - Other	81	76	(5)
Total	123	115	(8)

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

Fund Type	Available 2001-02	Recommended 2002-03	Change
General Fund	9,427,000	9,427,000	0
Special Revenue Funds - Other	5,312,000	5,312,000	0
Total	14,739,000	14,739,000	0

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**STATE OPERATIONS
ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM
APPROPRIATIONS
(dollars)**

Program	Available 2001-02	Recommended 2002-03	Change
Administration			
General Fund	1,305,000	1,305,000	0
Audit and Investigation			
General Fund	1,168,000	1,168,000	0
Regulation of Racing and Off-Track Betting			
General Fund	6,954,000	6,954,000	0
Regulation of Wagering			
Special Revenue Funds - Other	5,312,000	5,312,000	0
Total	<u>14,739,000</u>	<u>14,739,000</u>	<u>0</u>

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES
2002-03 RECOMMENDED
(dollars)**

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	715,000	0	715,000	0
Audit and Investigation	1,115,000	0	1,115,000	0
Regulation of Racing and Off-Track Betting	4,444,000	0	4,444,000	0
Total	<u>6,274,000</u>	<u>0</u>	<u>6,274,000</u>	<u>0</u>

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2002-03 RECOMMENDED
(dollars)**

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration	590,000	0	210,300	0
Audit and Investigation	53,000	0	8,800	0
Regulation of Racing and Off-Track Betting	2,510,000	0	35,400	0
Total	<u>3,153,000</u>	<u>0</u>	<u>254,500</u>	<u>0</u>

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration	23,800	0	355,900	0
Audit and Investigation	23,500	0	19,300	0
Regulation of Racing and Off-Track Betting	5,900	0	2,465,100	0
Total	<u>53,200</u>	<u>0</u>	<u>2,840,300</u>	<u>0</u>

Program	Equipment	
	Amount	Change
Audit and Investigation	1,400	0
Regulation of Racing and Off-Track Betting	3,600	0
Total	<u>5,000</u>	<u>0</u>

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**STATE OPERATIONS - OTHER THAN GENERAL FUND
SUMMARY OF APPROPRIATIONS AND CHANGES
2002-03 RECOMMENDED
(dollars)**

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Regulation of Wagering	5,312,000	0	3,228,000	0
Total	<u>5,312,000</u>	<u>0</u>	<u>3,228,000</u>	<u>0</u>
Program	Nonpersonal Service			
	Amount	Change		
Regulation of Wagering	2,084,000	0		
Total	<u>2,084,000</u>	<u>0</u>		