



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2015 Biennium

Bill #	SB0215	Title:	Move board of horseracing to the department of commerce
Primary Sponsor:	Moore, Frederick (Eric)	Status:	As Amended in Senate Committee ▼

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|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input checked="" type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2014</u> <u>Difference</u>	<u>FY 2015</u> <u>Difference</u>	<u>FY 2016</u> <u>Difference</u>	<u>FY 2017</u> <u>Difference</u>
Expenditures:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue - DOL	(\$110,528)	(\$147,427)	(\$149,638)	(\$151,883)
State Special Revenue - DOC	\$110,528	\$147,427	\$149,638	\$151,883
Revenue:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue - DOL	(\$110,528)	(\$147,427)	(\$149,638)	(\$151,883)
State Special Revenue - DOC	\$110,528	\$147,427	\$149,638	\$151,883
Net Impact-General Fund Bala	\$0	\$0	\$0	\$0

Description of fiscal impact: SB 215 moves the administratively attached Board of Horse Racing from the Department of Livestock (DOL) to the Department of Commerce. The Board of Horse Racing is funded with state special revenue. The bill specifies that any enactment of the 2013 Legislature that references the Board of Horse Racing as part of the Department of Livestock must be changed to reflect the Department of Commerce.

FISCAL ANALYSIS

Assumptions:

Department of Commerce (DOC)

1. All revenue and expenses associated with the Board of Horse Racing would move from the Department of Livestock to the Department of Commerce effective October 1, 2013 (75% of fiscal year). Please see the technical note below.
2. The current 2015 biennium budget request for the Board of Horse Racing includes 1.25 FTE and an appropriation of \$147,551 in FY 2014 and \$147,427 in FY 2015.

3. It is assumed that the board will collect sufficient revenues to meet its expenditure obligations for the Board of Horse Racing fund, the Board of Horse Racing Simulcast fund, and the Board of Horse Racing Debt Service fund (outstanding debt of approximately \$565,585).
4. An inflation rate of 1.5% per year on revenues and expenditures has been applied to FY 2016 and FY 2017.
5. The Director’s Office in the DOC provides the agencies centralized service functions such as accounting, budgeting, human resources, information technology, and legal services. Costs are allocated to the agencies divisions, bureaus, and programs via a federally and legislatively approved indirect cost plan. The rates for FY 2014 and FY 2015 are 14.65% and they are applied to actual personal services expenditures. This charge would also be applied to the board.
6. Any enhancements or replacement of information technology systems, infrastructure, components, or specialized software that may be required to accommodate the board will be paid by the board.
7. For the purposes of this fiscal note, it is assumed that any fixed costs allocated to the board for the 2015 biennium by the Department of Livestock would be paid by the board and that the DOC would allocate it’s fixed costs to the board beginning in the 2017 biennium.

	<u>FY 2014</u> <u>Difference</u>	<u>FY 2015</u> <u>Difference</u>	<u>FY 2016</u> <u>Difference</u>	<u>FY 2017</u> <u>Difference</u>
<u>Fiscal Impact:</u>				
FTE - DOC	0.94	1.25	1.25	1.25
FTE - DOL	(0.94)	(1.25)	(1.25)	(1.25)
<u>Expenditures:</u>				
Personal Services DOC	\$72,263	\$96,378	\$97,824	\$99,291
Operating Expenses DOC	\$38,265	\$51,049	\$51,815	\$52,592
Personal Services DOL	(\$72,263)	(\$96,378)	(\$97,824)	(\$99,291)
Operating Expenses DOL	(\$38,265)	(\$51,049)	(\$51,815)	(\$52,592)
TOTAL Expenditures	<u>\$0</u>	<u>\$0</u>	<u>(\$0)</u>	<u>\$0</u>
<u>Funding of Expenditures:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
SSR (02) DOC	\$110,528	\$147,427	\$149,638	\$151,883
SSR (02) DOL	(\$110,528)	(\$147,427)	(\$149,638)	(\$151,883)
TOTAL Funding of Exp.	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
SSR (02) DOC	\$110,528	\$147,427	\$149,638	\$151,883
SSR (02) DOL	(\$110,528)	(\$147,427)	(\$149,638)	(\$151,883)
TOTAL Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$0	\$0	\$0	\$0

Technical Notes:

1. For accounting and auditing efficiencies, consideration should be given to amending the bill to provide for a July 1, 2013, or fiscal year, effective date.

Sponsor's Initials

Date

Budget Director's Initials

Date