

Department of Public Safety
Process for Determining Gaming Billings
Through Iowa Racing and Gaming Commission

Sections 97D.14 and 99F.10 require the Iowa Racing and Gaming Commission to *'to use...the costs of salaries for....special agents for each 'casino' plus any direct and indirect support costs for the agents....for the division of criminal investigations activities, as the basis for determining the amount of revenue raised by the regulatory fee.'*

Indirect support costs are defined as those costs to support the department as a whole where it is either impossible, or impracticable to determine the amount expended in support of any one product, function or service. Examples of indirect costs are accounting, payroll, human resources, information technology services, management and control, and administrative costs for paper, phones, etc. In Public Safety the indirect costs are funded through general fund appropriations to the various divisions of the Department. Indirect cost rates are generally determined by identifying the total direct and indirect costs for the Department and dividing the direct costs for each programmatic area by the total direct costs for the Department to determine a rate and multiplying by the total indirect costs to establish an allocation of indirect cost to a program (see indirect cost detail below).

1. Provide applicable information to the Iowa Racing and Gaming Commission, as follows:
 - Certify approved budget which represents the salaries and direct support costs of the agents.
 - Legislative Action plus Salary Adjustments (if approved)
 - Certify indirect costs to be recovered from industry
 - Legislative Action plus Salary Adjustments (if approved) for indirect functions. (FY12 indirect expense calculated at \$11.3 million against direct expenses of \$106.5 million. Gaming direct expenses total \$10.9 million. \$10.9 million divided by \$106.5 million = allocation rate of 10.19%. 10.19% times \$11.26 million of indirect expense = indirect allocation of \$1.14 million to gaming.
2. IRGC develops weekly billings by casino
 - Divide certified budget by the number of personnel limited by statute (for Riverboat 2 special agents and 4 gaming enforcement officers, 5 if a patronage of 2,000 or more)
 - Allocate direct costs based on the number of personnel per boat
 - Allocate indirect cost on an equal basis
3. Gaming industry remits weekly billings to IRGC for deposit into the Gaming Enforcement Fund
4. The Department expends from the fund at the level authorized by session law
5. Under present law the indirect cost billings remain in the Gaming Enforcement Fund (Governor's recommendation includes language that will result in the transfer of indirect cost billings to the general fund)

**Excursion Boat Billing Computation
Fiscal Year 2012**

FY2012 Legislative Action	\$ 9,836,306
Salary Adjustment	<u>\$ 499,403</u>
Total Appropriation	\$10,335,709

Less:

Track Budget	\$ 616,255
Pari-mutuel Budget	<u>\$ 292,491</u>
Excursion Boat Budget	<u>\$ 9,426,963</u>

Average cost per SA1	\$ 78,733
# Boats with 5 th SA1	7
Adjustment for 5 th SA1	\$ 551,131

Base Billing to all boats	\$ 8,875,832
Divided by # boats	<u>15</u>
Base Billing per Boat	\$ 591,722
5 th SA1 Adjustment	<u>\$ 78,733</u>
Large Capacity Boat Billing	\$ 670,455

Indirect Cost Allocation

Total Indirect Cost – Gaming	\$1,088,375	
Boat Proportion	<u>92.0%</u>	(Based on budget)
Indirect Cost Allocated-Boats	\$1,001,310	
Divided by # Boats	<u>15</u>	
Indirect Cost per Boat	\$ 66,754	

Base Billing per Boat	\$ 591,722
Indirect Cost Allocation	<u>\$ 66,754</u>
Total Bill Small Capacity Boat	\$ 658,476
5 th SA1 Allocation	<u>\$ 78,733</u>
Total Bill Large Capacity Boat	\$ 737,209

**Track Casino Billing Computation
Fiscal Year 2012**

Track Casino Budget	\$ 908,746
Indirect Cost Proportion at 8.0%	<u>\$ 87,070</u>
Total Billable	\$ 995,816
# Track-Casinos	<u>3</u>
Annual Billing per Track-Casino	\$ 331,938

EXCURSION BOAT
 REGULATORY FEE SCHEDULE FOR DCI – FY2012
 JUNE 24, 2011 THROUGH JUNE 22, 2012

TOTAL AMOUNT TO BE RECOVERED \$9,430,440

APPORTIONMENT PER EXCURSION GAMBLING BOAT

IOC Marquette

Direct Costs	\$591,722	
Indirect Costs	<u>66,754</u>	
Total DCI Regulatory Fee	\$658,476	
Total Regulatory Fee Per Week	<u>\$12,663</u>	
	(\$658,476/52)	

Dubuque Diamond Jo

Direct Costs	\$591,722	
Indirect Costs	<u>66,754</u>	
Total DCI Regulatory Fee	\$658,476	
Total Regulatory Fee Per Week	<u>\$12,663</u>	
	(\$658,476/52)	

Wild Rose Clinton

Direct Costs	\$591,722	
Indirect Costs	<u>66,754</u>	
Total DCI Regulatory Fee	\$658,476	
Total Regulatory Fee Per Week	<u>\$12,663</u>	
	(\$658,476/52)	

IOC Bettendorf

Direct Costs	\$591,722	
Addit. GEO	78,733	
Indirect Costs	<u>66,754</u>	
Total DCI Regulatory Fee	\$737,209	
Total Regulatory Fee Per Week	<u>\$14,177</u>	
	(\$737,209/52)	

Rhythm City Casino

Direct Costs	\$591,722	
Addit. GEO	78,733	
Indirect Costs	<u>66,754</u>	
Total DCI Regulatory Fee	\$737,209	
Total Regulatory Fee Per Week	<u>\$14,177</u>	
	(\$737,209/52)	

Catfish Bend Casino II

Direct Costs	\$591,722	
Indirect Costs	<u>66,754</u>	
Total DCI Regulatory Fee	\$658,476	
Total Regulatory Fee Per Week	<u>\$12,663</u>	
	(\$658,476/52)	

Argosy Casino Sioux City

Direct Costs	\$591,722	
Indirect Costs	<u>66,754</u>	
Total DCI Regulatory Fee	\$658,476	
Total Regulatory Fee Per Week	<u>\$12,663</u>	
	(\$658,476/52)	

Harrahs

Direct Costs	\$591,722	
Addit. GEO	78,733	
Indirect Costs	<u>66,754</u>	
Total DCI Regulatory Fee	\$737,209	
Total Regulatory Fee Per Week	<u>\$14,177</u>	
	(\$737,209/52)	

Ameristar Casino & Hotel

Direct Costs \$591,722
Addit. GEO 78,733
Indirect Costs 66,754
Total DCI Regulatory Fee \$737,209
Total Regulatory Fee Per Week \$14,177
(\$737,209/52)

Terrible's Lakeside

Direct Costs \$591,722
Indirect Costs 66,754
Total DCI Regulatory Fee \$658,476
Total Regulatory Fee Per Week \$12,663
(\$658,476/52)

Diamond Jo Worth

Direct Costs \$591,722
Indirect Costs 66,754
Total DCI Regulatory Fee \$658,476
Total Regulatory Fee Per Week \$12,663
(\$658,476/52)

Wild Rose Emmetsburg

Direct Costs \$591,722
Indirect Costs 66,754
Total DCI Regulatory Fee \$658,476
Total Regulatory Fee Per Week \$12,663
(\$658,476/52)

Riverside Casino & Golf Resort

Direct Costs \$591,722
Addit. GEO 78,733
Indirect Costs 66,754
Total DCI Regulatory Fee \$737,209
Total Regulatory Fee Per Week \$14,177
(\$737,209/52)

IOC Waterloo

Direct Costs \$591,722
Addit. GEO 78,733
Indirect Costs 66,754
Total DCI Regulatory Fee \$737,209
Total Regulatory Fee Per Week \$14,177
(\$737,209/52)

Grand Falls Casino Resort

Direct Costs \$591,722
Addit. GEO 78,733
Indirect Costs 66,754
Total DCI Regulatory Fee \$737,209
Total Regulatory Fee Per Week \$14,177
(\$737,209/52)

These regulatory fees will be effective **SEPTEMBER 5, 2011** and be retroactive back to **JUNE 27, 2011**. Your first regulatory fee payment due **SEPTEMBER 15, 2011** should be for 16 weeks; 5 weeks paid up front, 10 weeks to catch up to the current week, and the current week of September 5.

Your last regulatory fee for FY 12 will be due **MAY 24, 2012**.

**RACETRACK ENCLOSURES
REGULATORY FEE SCHEDULE FOR DCI – FY2012
JUNE 24, 2011 THROUGH JUNE 21, 2012**

TOTAL AMOUNT TO BE RECOVERED \$995,814

APPORTIONMENT PER RACETRACK ENCLOSURE

Bluffs Run Casino (BR)

Direct Costs	\$302,915
Indirect Costs	<u>29,023</u>
Total DCI Regulatory Fee	\$331,938

Total Regulatory Fee Per Week

$\$331,938/52 = \underline{\$6,383}$ per week

Dubuque Greyhound Park and Casino (DGP&C)

Direct Costs	\$302,915
Indirect Costs	<u>29,023</u>
Total DCI Regulatory Fee	\$331,938

Total Regulatory Fee Per Week

$\$331,938/52 = \underline{\$6,383}$ per week

Prairie Meadows Racetrack and Casino (PMR&C)

Direct Costs	\$302,915
Indirect Costs	<u>29,023</u>
Total DCI Regulatory Fee	\$331,938

Total Regulatory Fee Per Week

$\$331,938/52 = \underline{\$6,383}$ per week

These regulatory fees will be effective **SEPTEMBER 5, 2011** and be retroactive back to **JUNE 27, 2011**. Your first regulatory fee payment due **SEPTEMBER 15, 2011** should be for 16 weeks; 5 weeks paid up front, 10 weeks to catch up to the current week, and the current week of September 5.

Your last regulatory fee for FY 12 will be due **MAY 24, 2012**.