

Statewide Vision: An Arizona for everyone.

Agency Vision : World-class gaming regulation benefiting all of Arizona.

Agency Mission: To ethically and effectively regulate gaming, event wagering, fantasy sports, horse racing, and unarmed combat sports while fostering transparency and collaboration with tribal regulatory partners and industry stakeholders; mitigate the harms associated with gambling; and ensure these industries operate in a socially responsible manner.

Agency Description: The Arizona Department of Gaming (ADG) regulates tribal gaming, event wagering, fantasy sports, horse racing and pari-mutuel/simulcast wagering, and unarmed combat sports; investigates illegal off-reservation activities; and provides and supports prevention, education, and treatment programs for people and families affected by problem gambling through its Division of Problem Gambling (DPG).

Resource Assumptions: Enter Full-Time Employees (FTEs) and funding data by type (General fund (GF), other appropriated funds (AF), non-appropriated funds (NAF), and federal funds (FED). Includes three years with actuals reflected for first year and approved for second and third year.

<u>FY</u>	<u>FTEs</u>	<u>Funding:</u>	<u>GF</u>	<u>AF</u>	<u>NAF</u>	<u>FED</u>	<u>Total*</u>
23	155.8		\$16,956,500	\$22,050,000	\$3,715,000	\$0	\$42,721,500
24	155.8		\$16,956,500	\$23,370,000	\$3,715,000	\$0	\$44,041,500
25	155.8		\$11,704,500	\$23,400,500	\$3,715,000	\$0	\$38,820,000

*Total reflects GF + AF + NAF. FED funding shown is broken out from NAF.

Executive Summary:

This year, the Arizona Department of Gaming is replacing its high-level, multi-year strategies with measurable 5-year outcomes. The new outcomes relate to the former strategies in the following ways:

Prior Strategy 1 “Promote Fair and Effective Regulation While Fostering Social Responsibility” relates to new Outcomes 1, 2, and 3: “ADG will reduce noncompliance and adverse incidents by 10% by June 2029,” “ADG will reduce illegal gambling activity in Arizona by 5% by June 2029,” and “ADG will reduce problem gambling in Arizona by 5% by June 2029.”

Prior Strategy 2 “Strengthen Resource Network” is being retired as a strategic plan focus, but is likely to manifest itself again in future objectives, contributing to one or more of the agency’s new Outcomes. Strategic partnerships play a vital role in the agency’s success, and we will continue to identify new ones while strengthening existing relationships.

Prior Strategies 3 and 4 “Provide World-Class Customer Experience” and “Increase Operational Effectiveness, Compliance, and Efficiency” relate to new Outcome 5, “By June 2029, ADG will identify and correct issues in 10 key processes.” ADG has fostered a culture of continuous improvement, but this outcome will focus on the improvements that save stakeholders time and money, and will be in direct response to stakeholder feedback and ideas.

Prior Strategy 5 “Develop a World-Class Team” relates to new Outcome 4, “ADG will achieve an average employee engagement score of 90% or greater during fiscal years 2025 - 2030.” ADG has achieved engagement scores consistently higher than the statewide average, but an average score of 90% will be an increase from the last four years’ average (87.5%). Focusing on employee engagement is an investment into “Our People,” the first foundation of the Arizona Management System, which will result in the highest quality of service to the public.

The Arizona Department of Gaming

2025 - 2029 Strategic Plan

Summary of 5-Year Agency Outcomes (Outcomes are the desired result or impact of addressing strategic issues)

#	Agency Five-Year Outcomes	Start Year	Linked to Gov. Priority Outcome?	Progress / Status
1	ADG will reduce noncompliance and adverse incidents by 10% by June 2029.	2025		Noncompliance and adverse incident categories include potential issues (Compact), unusual occurrences, serious injuries, rule violations, horse fatalities, escalated patron disputes, and certain license/certification denials and revocations.
2	ADG will reduce illegal gambling activity in Arizona by 5% by June 2029.	2025	Public Safety, Border Security, and Corrections Create Safer Communities through Reduced Violent Crime	Primary metric: # of Departmental Reports (DRs). Secondary metrics: # of inquiries, # of non gaming crimes associated with illegal gambling operations.
3	ADG will reduce problem gambling in Arizona by 5% by June 2029.	2025	Affordable and Thriving Economy Putting Money in Arizonans' Pockets	ADG will operationalize the problem gambling survey that was conducted in fiscal year 2023 to track problem gambling self-reports and risk over the next 5 years. FY25's focus is on implementing DPG Assessment recommendations and expanding services. In FY26, ADG will repeat the survey. Based on the initial study, the % of AZ residents predicted to have a gambling disorder is 4%.
4	ADG will achieve an average employee engagement score of 90% or greater during fiscal years 2025 - 2029.	2025		Results from 2020 through 2024 were 87%, 90%, 89%, 84%, and 80% (Average: 86%)
5	By June 2029, ADG will identify and correct issues in 10 key processes.	2025		Key processes will be decided based on stakeholder feedback, i.e., we will improve the processes customers care about the most. The first three processes with issues have been identified. Minor / low-impact process improvements will not be counted toward this outcome.

Outcome #	FY25 Annual Objectives	Objective Metrics	Annual Initiatives
1	Implement all legislative changes in the Unarmed Combat Sports omnibus law by June 2025.	% of omnibus changes implemented, % of referees with completed physicals	-Implement 365 day licensing -Implement referee physicals
1	Complete 25% of ADG's combined rules project (Racing, EWFS, and Boxing/MMA) by June 2025.	% complete of combined rules project, # of proposed rule improvements	-Initiate rulemaking process for Racing, EWFS, and Boxing/MMA
1	Reduce noncompliance related to Fantasy Sports contests down to 0 issues by June 2025.	# of fantasy sports noncompliant issues, # of noncompliant and adverse incidents, % complete of fantasy sports contest guide	-Create and publish fantasy sports contest legalities guide
1	Reduce horse fatality rate to below new industry average of 1.32/1,000 by June 2025	# of horse fatalities per 1,000 starts, % of post race exams by category, % of out-of-state vet's list horses with panel exams	-Expand pre-race exams to include red flag exams -Implement panel exams of out-of-state vet's list horses -Implement HISA's red flag program
2	Double ADG's published educational resources related to illegal gambling by June 2025.	# of published educational resources, # of Departmental Reports (DRs), # of gambling legalities educational inquiries, # of non gaming crimes associated with illegal gambling operations, # of public presentations/meetings, % complete of tribal collaboration PSA project	-Create & publish new educational resources -Revamp website to make illegal gambling educational resources easier to find -Conduct outreach/presentations to public -Collaborate with Tribes on a PSA
3	Achieve a 10% increase in program engagements for the Division of Problem Gambling by June 2025.	# of DPG program engagements by type, % of AZ Residents Predicted to Have Gambling Disorder, % complete of peer support services project, % complete of responsible gaming training project, % complete of self-exclusion form improvement project	-Rollout peer support services -Add responsible gaming training to platform -Expand marketing materials / collateral -Finish self-exclusion form improvement project
4	By June 2025, create and pilot a new onboarding and mentorship/ambassador program.	% complete of onboarding project, employee engagement score, new hire survey score	-Finish onboarding improvement project -Create new hire survey
4	By June 2025, execute quarterly professional development engagements for Supervisors and Managers.	Employee engagement score, % of leaders completing the quarterly trainings	-Identify and execute quarterly leadership trainings
4, 5	Create ADG's first Artificial Intelligence policy by June 2025.	% complete of AI policy	-Conduct agency-wide AI awareness survey -Create AI policy -Create and conduct agency-wide AI risks and benefits training

Outcome #	FY25 Annual Objectives	Objective Metrics	Annual Initiatives
5	Increase the % of customers with access to ADG Connect by 15.4% by June 2025.	% complete of EWFS module project, % of customers with system access, % system adoption for employee certification	-Finish EWFS module development and go live -Integrate with Tribes' licensing software
5	By June 2025, identify and correct issues in 3 key processes.	# of issues in key processes improved, touch time to complete the individual applications, % of fingerprints completed electronically, Customer touch time during audit, % Complete of Audit Program Breakthrough Project, % of Operators Audited Per Year	-Revamp the financial portion of the individual applications (Gaming, EFWS) -Rollout the electronic fingerprinting option -Complete EWFS Audit Program Breakthrough Project (BREAKTHROUGH INITIATIVE)
5	Reduce licensing and certification QA findings by 50% by June 2025. (BREAKTHROUGH OBJECTIVE)	# of QA Findings, % Complete of Certification & Licensing Quality Breakthrough Project	-Complete Certification and Licensing Quality Assurance Breakthrough Project (BREAKTHROUGH INITIATIVE)

Stakeholder Engagement Plan

Internal: ADG staff submits feedback via Google Forms in Feb and early Mar so that the feedback is ready for review once Strategic Planning sessions begin.

External: Beginning in FY25 (for the FY26 Strategic Plan), a similar Google Form survey will be utilized to solicit feedback from external stakeholders during the same period of time as the internal staff survey. For FY25's Strategic Plan, in lieu of the survey, the Strategic Planning team will discuss feedback received throughout the year. External stakeholders include but may not be limited to Tribal Gaming Offices & Tribal Leadership, DPG Providers, Unarmed Combat Sports Commissioners and Promoters, HIWU, HISA, Arizona Horsemen, Racing Permittees, and EWFS Operators.

Communication Plan

Internal: Present the new Strategic Plan to the agency in an all-hands meeting late July or early August. Provide updates to the agency via Operations Reviews quarterly throughout the year.

External: Email stakeholders. Include highlights, a message from the CEO, and a link to the website where the strategic plan is published.