



**TEXAS RACING COMMISSION**

**P. O. Box 12080  
Austin, TX 78711-2080  
(512) 833-6699  
Fax (512) 833-6907**

Friday, February 28, 2020  
10:00 a.m.  
John H. Reagan Building, Room 100  
105 W. 15<sup>th</sup> Street  
Austin, TX 78701

**AD HOC HORSE INDUSTRY ESCROW ACCOUNT COMMITTEE  
AGENDA**

**I. CALL TO ORDER**

**II. PROCEEDINGS ON REQUESTS FOR FUNDING**

Discussion and possible action to make recommendations to the Commission regarding breed registries' requests for funding

**III. PROCEEDINGS ON PROCEDURAL MATTERS**

Discussion and possible action to make recommendations to the Commission regarding the allocation, distribution, use, and audit of funds from the Horse Industry Escrow Account, including the following:

- A. a review process for proposals
- B. an application form for breed registries requesting funds from the horse industry escrow account and related forms
- C. amendments to 16 TAC Chapter 303, Subchapter G

**IV. PUBLIC COMMENT**

**V. ADJOURN**



TEXAS RACING COMMISSION

FORM HIEA-1

APPLICATION FOR BREED REGISTRY FUNDING FROM THE HORSE INDUSTRY ESCROW ACCOUNT

GENERAL INFORMATION

(Must be accompanied by at least one completed Form HIEA-2, Project Narrative)

Section A. Organization Information

Breed Registry Name: Texas Paint Horse Breeders Association

Mailing Address: PO Box 163794 Street Address

Fort Worth TX 76161 Tarrant City State Zip Code County

Physical Address: 122 E Exchange Ave Suite 420 Street Address

Fort Worth TX 76164 Tarrant City State Zip Code County

Section B. Contact Personnel

(1) Name of Primary Program Contact (This person can answer day-to-day questions about the organization and the project.)

Full Name: Lex Smurthwaite Mr. Dr. Ms. Other

Position Title: Executive Secretary

Email Address:

Phone: (817) 781 - 5980 Ext. -- Alt #: -- -- --

(2) Secondary Program Contact (This person can answer day-to-day questions about the organization and the project.)

Full Name: Karen Utecht Mr. Dr. Ms. Other

Position Title: Treasurer

Email Address:

Phone: (817) 222 - 6444 Ext. Alt #: (817) 988 - 5188

**(3) Name of Authorized Official** *(This person is authorized to enter into legal agreements on behalf of the organization. This person's name will appear on the funding agreement for signature.)*

Full Name: Lex Smurthwaite  Mr.  Dr.  
*First Last*  Ms.  Other \_\_\_\_\_

Position Title: Executive Secretary

Email Address: \_\_\_\_\_

Phone: (817) 781 - 5980 Ext. \_\_\_\_\_ Alt #:( \_\_\_\_\_ ) - \_\_\_\_\_

**Section C. Certifications**

**By signing below, applicant and its authorized official (the person listed in Section B.3):**

- (1) certify that all information provided in connection with this application is true and correct;
- (2) acknowledge that any misrepresentation or false statement made by applicant or an authorized agent of applicant in connection with this application, whether intentional or not, will constitute grounds for denial of this application and may be the subject of substantial civil and/or criminal liability and sanctions;
- (3) acknowledge that acceptance of funds in connection with this application acts as acceptance of the authority of the Texas Racing Commission (TxRC) or any successor agency and the State Auditor's Office (SAO) or any successor agency to conduct an investigation in connection with those funds, and applicant further agrees to cooperate fully with TxRC or its successors and SAO or its successor in the conduct of the audit or investigation, including allowing TxRC and/or SAO to inspect applicant's premises and providing all records requested during the funding period and for at least five years after the funding is expended; and
- (4) certify that the authorized official is authorized to submit this application and to make the preceding certifications and acknowledgements on behalf of applicant.

**Notice of Penalties: The penalty for knowingly making false statements or false entries, or attempts to secure money through fraudulent means, may include fines, incarceration, and/or forfeiture of funds.**

**Authorized Official:** *(Person listed in Section B.3)*

x 2/24/2020/ /

**Signature**

**Date**

*This application becomes public record and is subject to disclosure. With few exceptions, you have the right to request and be informed about the information that the State of Texas collects about you. You are entitled to receive and review the information upon request. You also have the right to ask the state agency to correct any information that is determined to be incorrect. (Reference: Texas Government Code, Sections 552.021, 552.023, and 559.004.)*



APPLICATION FOR BREED REGISTRY FUNDING  
FROM THE HORSE INDUSTRY ESCROW ACCOUNT

PROJECT NARRATIVE (USE A SEPARATE FORM FOR EACH EVENT)  
(Must be accompanied by Form HIEA-2, Project Narrative)

**APPLICANT NAME: TEXAS PAINT HORSE BREEDERS ASSOCIATION**

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*This form was developed to be completed electronically. Handwritten applications and/or narratives will not be accepted. Click the grey text boxes to type responses. A maximum of 6 pages may be used to fully respond.*

**Project Title (Event Name):** Paint Barrel Racing Incentive Program (PBRIP) Sweepstakes

**Event Date(s) or Approximate Date(s):** September 25, 2020

**Total Amount Requested For this Event:** \$25,000.00

**When Are Funds Needed?** *If funding can be provided in multiple phases, please explain.*  
September

**Project Background**

**Project Summary**

*Please provide a summary of the event for which funding is sought and the project(s) that will be achieved as a result of this funding.*

PBRIP Sweepstakes - a barrel race for PBRIP enrolled horses to be held at the APHA World Show in the fall of 2020. A \$5,000 Texas-bred incentive will also be included and paid to the top 10 fastest times of any horse foaled in Texas.

**Project Description**

*Provide a detailed description of the project including activities to be supported with funds from the Account, timelines of each activity, and key milestones.*

PBRIP Sweepstakes - \$20,000 added to the Sweepstakes purse. Paid out in 4D format according to National Barrel Horse Association rules and guidelines.

\$5,000 – Texas-bred incentive paid to the top 10 fastest times of PBRIP horses foaled in Texas  
Paid as follows: 1<sup>st</sup> - \$1,250, 2<sup>nd</sup> - \$1,000, 3<sup>rd</sup> - \$750, 4<sup>th</sup> - \$550, 5<sup>th</sup> - \$400, 6<sup>th</sup> - \$250, 7<sup>th</sup> - \$200, 8<sup>th</sup> - \$200, 9<sup>th</sup> - \$200, 10<sup>th</sup> - \$200

**Anticipated Project Results/Economic Impact on the Horse Industry**

*Provide a detailed explanation of the anticipated economic impact on the horse industry and any other expected results and how they will be measured.*

The impact of being able to offer this amount of added money to one barrel racing event in Texas will be monumental. This opportunity would enable the PBRIP Sweepstakes to be the highest paying Paint Barrel Race in the World. We anticipate at least 100 more horses in our PBRIP Sweepstakes which would be approximately \$432,000 more in direct expenditures subject to eligible Texas taxes. This will be measured through the City of Fort Worth Economic Impact study done each year at our APHA World Show.

### **Project Oversight**

*Who will oversee the project activities? Include name and title of the person. How will oversight be performed? What steps will take place to ensure the project is achieved as outlined?*

Karen Utecht, Treasurer TPHBA will be attending the PBRIP Sweepstakes event and will be available in the Judges booth to verify the tabulation process.

### **Project Budget**

*This section should reflect the total budget. Provide a general description of all costs along with a justification for each item. The explanations should focus on how each budget item is required to achieve the project. Be sure to itemize the request with quantities and individual estimated costs.*

*Pursuant to 16 T.A.C. Section 303.322(b), the following types of costs may not be paid with funds allocated from the account:*

- (1) capital improvements;*
- (2) donations or contributions made to any individual or organization without express approval from the Commission for such contribution or donation;*
- (3) costs of entertainment, amusements, social activities, and incidental costs relating thereto, including tickets to shows or sports events, meals, alcoholic beverages, lodging, rentals, transportation, tips, and gratuities;*
- (4) fines, penalties, or other costs resulting from violations of or failure to comply with federal, state, or local laws and regulations;*
- (5) liability insurance coverage not specific to a particular event or series of events for which the Commission has allocated funds from the account;*
- (6) expenses related to litigation;*
- (7) professional association fees or dues for the breed registry or an individual;*
- (8) legislative expenses such as salaries and other expenses associated with lobbying the state or federal legislature or similar local governmental bodies, whether incurred for purposes of legislation or executive direction; or*
- (9) fundraising.*

*Pursuant to 16 T.A.C. Section 303.322(c), the following types of costs may only be paid with funds allocated from the account, in an amount not to exceed five percent of the total allocated to the*

breed registry or of the approved allocation for any event, if specifically approved by the Commission:

- (1) operating expenses, including the salaries of breed registry staff, interest and other financial costs related to borrowing and the cost of financing, contributions to a contingency reserve or any similar provision for unforeseen events, and audits or other accounting services; and
- (2) the purchase of capital assets.

EXPENSE CATEGORIES	AMOUNT
<b>Event Production Costs</b>	\$
<b>Purse Supplements/Prizes</b>	\$25,000.00
<b>Advertising</b>	\$
<b>Donations (include most recent IRS Form 990 for any non-profit)</b>	\$
<b>Other Direct Expenses (itemize below):</b>	\$
	\$
	\$
	\$
	\$
<b>Total Direct Costs</b>	\$
<b>Administrative Expenses/Capital Assets (may not exceed 5% of project total)</b>	\$
<b>Total</b>	<b><u>\$25,000.00</u></b>

**Event Production Costs (\$ total)** For events to be produced or sponsored by the breed registry, provide a breakdown of the event production expenses.

**Purse Supplements/Prizes (\$25000 total)** Provide a breakdown of purses/purse supplements, prizes, and Texas-bred supplements from HIEA funding.

PBRIP Sweepstakes - \$20,000 supplemental purse. Paid in 4D format according to National Barrel Horse Association(NBHA) rules and guidelines. NBHA payout worksheets attached.  
 \$5,000 – Texas-bred incentive paid to the top 10 fastest times of PBRIP horses foaled in Texas  
 Paid as follows: 1st - \$1,250, 2nd - \$1,000, 3rd - \$750, 4th - \$550, 5th - \$400, 6th - \$250, 7th - \$200, 8th - \$200, 9th - \$200, 10th - \$200

**Advertising (\$ total)** Provide an explanation of advertising costs.

**Donations (\$ total)** For any donation, state the recipient(s), amount for each recipient, and an explanation of the purpose of the donation. For any 501(c)(3), provide the organization’s most recent IRS Form 990.

**Other direct expenses – first category** \_\_\_\_\_ (\$ \_\_\_\_\_ **total**) *Provide a detailed description of any other category of direct expenses.*

**Other direct expenses – second category** \_\_\_\_\_ (\$ \_\_\_\_\_ **total**) *Provide a detailed description of any other category of direct expenses.*

**Other direct expenses – third category** \_\_\_\_\_ (\$ \_\_\_\_\_ **total**) *Provide a detailed description of any other category of direct expenses.*

**Administrative Expenses/Capital Assets** (\$ \_\_\_\_\_ **total; may not exceed 5% of total**) *Provide a detailed description of administrative expenses such as personnel costs or other direct budgeted costs associated with the project. For each employee receiving a portion of this funding as a wage or stipend, indicate their title, estimated time budgeted to the event, and the amount.*



APPLICATION FOR BREED REGISTRY FUNDING  
FROM THE HORSE INDUSTRY ESCROW ACCOUNT

PROJECT NARRATIVE (USE A SEPARATE FORM FOR EACH EVENT)  
(Must be accompanied by Form HIEA-2, Project Narrative)

**APPLICANT NAME: TEXAS PAINT HORSE BREEDERS ASSOCIATION**

*This form was developed to be completed electronically. Handwritten applications and/or narratives will not be accepted. Click the grey text boxes to type responses. A maximum of 6 pages may be used to fully respond.*

**Project Title (Event Name):** APHA World Championship Show

**Event Date(s) or Approximate Date(s):** September 21 - October 4, 2020

**Total Amount Requested For this Event:** \$200,000.00

**When Are Funds Needed?** *If funding can be provided in multiple phases, please explain.*  
September

**Project Background**

**Project Summary**

*Please provide a summary of the event for which funding is sought and the project(s) that will be achieved as a result of this funding.*

The OAWCS is the title event for the American Paint Horse. In 2019, 210 World Championship titles were handed out to both Amateur and Open exhibitors riding 1,032 horses. We anticipate at least 100 more horses for 2020.

**Project Description**

*Provide a detailed description of the project including activities to be supported with funds from the Account, timelines of each activity, and key milestones.*

\$126,000 - to be used as prizes/awards in 210 World Championship Classes

\$11,500 - Roping Classes and Timed Team Roping Sweepstakes added purse money with Texas-Bred incentive

\$19,000 - Reining challenge added purse money with Texas-Bred incentive

\$7,500 - Cutting Challenge added purse money including Texas-Bred incentive

\$7,500 - Working Cow Horse Sweepstakes added purse money with Texas-Bred incentive

\$4,000 - Ranch Rail Pleasure Challenge classes added purse money

\$4,000 - Cowboy Mounted Shooting added purse money

\$13,500 - Ranch Work Championship added purse money  
\$7,000 - ACHA Cowtown Cutting added purse money

### **Anticipated Project Results/Economic Impact on the Horse Industry**

*Provide a detailed explanation of the anticipated economic impact on the horse industry and any other expected results and how they will be measured.*

With over 1,032 horses attending the 2019 APHA Open/Amateur World Show the economic impact was \$4,466,788 direct expenditures subject to eligible Texas Taxes in 2019. We anticipate at least 100 more horses in our OAWCS which would be approximately \$432,000 more in direct expenditures subject to eligible Texas taxes.

### **Project Oversight**

*Who will oversee the project activities? Include name and title of the person. How will oversight be performed? What steps will take place to ensure the project is achieved as outlined?*

Holly Slaughter - Senior Director of APHA Events/Dave Dellin - Sr Director of Judges, Shows & Education

Both Holly & Dave will be on-site managing the show daily.

### **Project Budget**

*This section should reflect the total budget. Provide a general description of all costs along with a justification for each item. The explanations should focus on how each budget item is required to achieve the project. Be sure to itemize the request with quantities and individual estimated costs.*

*Pursuant to 16 T.A.C. Section 303.322(b), the following types of costs may not be paid with funds allocated from the account:*

- (1) capital improvements;*
- (2) donations or contributions made to any individual or organization without express approval from the Commission for such contribution or donation;*
- (3) costs of entertainment, amusements, social activities, and incidental costs relating thereto, including tickets to shows or sports events, meals, alcoholic beverages, lodging, rentals, transportation, tips, and gratuities;*
- (4) fines, penalties, or other costs resulting from violations of or failure to comply with federal, state, or local laws and regulations;*
- (5) liability insurance coverage not specific to a particular event or series of events for which the Commission has allocated funds from the account;*
- (6) expenses related to litigation;*
- (7) professional association fees or dues for the breed registry or an individual;*
- (8) legislative expenses such as salaries and other expenses associated with lobbying the state or federal legislature or similar local governmental bodies, whether incurred for purposes of legislation or executive direction; or*
- (9) fundraising.*

Pursuant to 16 T.A.C. Section 303.322(c), the following types of costs may only be paid with funds allocated from the account, in an amount not to exceed five percent of the total allocated to the breed registry or of the approved allocation for any event, if specifically approved by the Commission:

- (1) operating expenses, including the salaries of breed registry staff, interest and other financial costs related to borrowing and the cost of financing, contributions to a contingency reserve or any similar provision for unforeseen events, and audits or other accounting services; and
- (2) the purchase of capital assets.

EXPENSE CATEGORIES	AMOUNT
<b>Event Production Costs</b>	\$
<b>Purse Supplements/Prizes</b>	\$200,000.00
<b>Advertising</b>	\$
<b>Donations (include most recent IRS Form 990 for any non-profit)</b>	\$
<b>Other Direct Expenses (itemize below):</b>	\$
	\$
	\$
	\$
	\$
<b>Total Direct Costs</b>	\$
<b>Administrative Expenses/Capital Assets (may not exceed 5% of project total)</b>	\$
<b>Total</b>	<b><u>\$200,000.00</u></b>

**Event Production Costs (\$            total)** For events to be produced or sponsored by the breed registry, provide a breakdown of the event production expenses.

**Purse Supplements/Prizes (\$200000 total)** Provide a breakdown of purses/purse supplements, prizes, and Texas-bred supplements from HIEA funding.

1. \$126,000 - to be used as prizes/awards in 210 World Championship Classes  
Each of the 210 World Championship classes will receive \$600 of HEIA funding towards awards that include but not limited to saddles, medallions, jackets, vests and ribbons. These prizes and more will be given to the top 15 finalists in each of the 210 World Championship classes.
2. \$11,500 - \$1,000 added purse money to 9 roping classes; \$1,500 added to Timed Team Roping Sweepstakes including a \$1,000 Texas-Bred incentive to be paid \$500 - \$300 - \$200
3. \$19,000 - added purse money to reining challenge purses including \$4,000 Texas-Bred incentive (\$1,000 per challenge class x 4 to be paid \$500 - \$300 - \$200)

4. \$7,500 added purse money to Cutting Challenge purses including \$3,000 Texas-Bred incentive to be paid to \$1,000 per challenge class x 3 to be paid \$500 - \$300 - \$200
5. \$7,500 added purse money to Working Cow Horse Sweepstakes with \$3,000 Texas-Bred incentive to be paid to \$1,000 per challenge class x 3 to be paid \$500 - \$300 - \$200
6. \$4,000 added purse money to Ranch Rail Pleasure per challenge class x 4 to be paid \$1,000 per class
7. \$4,000 added purse money to Cowboy Mounted Shooting
8. \$13,500 added purse money to Ranch Work Championship
9. \$7,000 added purse money to ACHA Cowtown Cutting

All money to be paid in accordance with the 2020 APHA OAWCS Premium Book.

**Advertising** (\$ \_\_\_\_\_ **total**) *Provide an explanation of advertising costs.*

**Donations** (\$ \_\_\_\_\_ **total**) *For any donation, state the recipient(s), amount for each recipient, and an explanation of the purpose of the donation. For any 501(c)(3), provide the organization's most recent IRS Form 990.*

**Other direct expenses – first category** \_\_\_\_\_ (\$ \_\_\_\_\_ **total**) *Provide a detailed description of any other category of direct expenses.*

**Other direct expenses – second category** \_\_\_\_\_ (\$ \_\_\_\_\_ **total**) *Provide a detailed description of any other category of direct expenses.*

**Other direct expenses – third category** \_\_\_\_\_ (\$ \_\_\_\_\_ **total**) *Provide a detailed description of any other category of direct expenses.*

**Administrative Expenses/Capital Assets** (\$ \_\_\_\_\_ **total; may not exceed 5% of total**) *Provide a detailed description of administrative expenses such as personnel costs or other direct budgeted costs associated with the project. For each employee receiving a portion of this funding as a wage or stipend, indicate their title, estimated time budgeted to the event, and the amount.*



# TEXAS RACING COMMISSION

FORM HIEA-1

## APPLICATION FOR BREED REGISTRY FUNDING FROM THE HORSE INDUSTRY ESCROW ACCOUNT

### GENERAL INFORMATION

(Must be accompanied by at least one completed Form HIEA-2, Project Narrative)

#### Section A. Organization Information

Breed Registry Name: **Texas Arabian Breeders Association**

Mailing Address: **PO Box 215**  
*Street Address*

**Forney** **Texas** **75126** **kaufman**  
*City State Zip Code County*

Physical Address: **10051 Wilson Lane**  
*Street Address*

**Forney** **Texas** **75126** **kaufman**  
*City State Zip Code County*

#### Section B. Contact Personnel

**(1) Name of Primary Program Contact** *(This person can answer day-to-day questions about the organization and the project.)*

Full Name: **Ed** **Wilson**  Mr.  Dr.  
*First Last*  Ms.  Other \_\_\_\_\_

Position Title: **President**

Email Address: \_\_\_\_\_

Phone: **(972) 564 - 9430** Ext. \_\_\_\_\_ Alt #: **(972) 523 - 7870**

**(2) Secondary Program Contact** *(This person can answer day-to-day questions about the organization and the project.)*

Full Name: **Jon** **Henningsgard**  Mr.  Dr.  
*First Last*  Ms.  Other \_\_\_\_\_

Position Title: **Vice President**

Email Address: \_\_\_\_\_

Phone: **(713) 624 - 6306** Ext. \_\_\_\_\_ Alt #: **(505) 367 - 6890**

**(3) Name of Authorized Official** *(This person is authorized to enter into legal agreements on behalf of the organization. This person's name will appear on the funding agreement for signature.)*

Full Name: Ed Wilson  Mr.  Dr.  
*First Last*  Ms.  Other \_\_\_\_\_

Position Title: President

Email Address: \_\_\_\_\_

Phone: (972) 564 - 9430 Ext. \_\_\_\_\_ Alt #: (972) 523 - 7870

**Section C. Certifications**

**By signing below, applicant and its authorized official (the person listed in Section B.3):**

- (1) certify that all information provided in connection with this application is true and correct;
- (2) acknowledge that any misrepresentation or false statement made by applicant or an authorized agent of applicant in connection with this application, whether intentional or not, will constitute grounds for denial of this application and may be the subject of substantial civil and/or criminal liability and sanctions;
- (3) acknowledge that acceptance of funds in connection with this application acts as acceptance of the authority of the Texas Racing Commission (TxRC) or any successor agency and the State Auditor's Office (SAO) or any successor agency to conduct an investigation in connection with those funds, and applicant further agrees to cooperate fully with TxRC or its successors and SAO or its successor in the conduct of the audit or investigation, including allowing TxRC and/or SAO to inspect applicant's premises and providing all records requested during the funding period and for at least five years after the funding is expended; and
- (4) certify that the authorized official is authorized to submit this application and to make the preceding certifications and acknowledgements on behalf of applicant.

**Notice of Penalties: The penalty for knowingly making false statements or false entries, or attempts to secure money through fraudulent means, may include fines, incarceration, and/or forfeiture of funds.**

**Authorized Official:** *(Person listed in Section B.3)*

x \_\_\_\_\_ / /

**Signature**

**Date**

*This application becomes public record and is subject to disclosure. With few exceptions, you have the right to request and be informed about the information that the State of Texas collects about you. You are entitled to receive and review the information upon request. You also have the right to ask the state agency to correct any information that is determined to be incorrect. (Reference: Texas Government Code, Sections 552.021, 552.023, and 559.004.)*



APPLICATION FOR BREED REGISTRY FUNDING  
FROM THE HORSE INDUSTRY ESCROW ACCOUNT

PROJECT NARRATIVE (USE A SEPARATE FORM FOR EACH EVENT)  
(Must be accompanied by Form HIEA-2, Project Narrative)

**APPLICANT NAME: TEXAS ARABIAN BREEDERS ASSOCIATION**

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*This form was developed to be completed electronically. Handwritten applications and/or narratives will not be accepted. Click the grey text boxes to type responses. A maximum of 6 pages may be used to fully respond.*

**Project Title (Event Name):** Darley,s

**Event Date(s) or Approximate Date(s):** March 20,2020

**Total Amount Requested For this Event:** \$28,305.00

**When Are Funds Needed?** *If funding can be provided in multiple phases, please explain.*  
March, 20,2020

**Project Background**

**Project Summary**

*Please provide a summary of the event for which funding is sought and the project(s) that will be achieved as a result of this funding.*

TABA will joining the Arabian Racing Cup in hosting the prestigious Darley Awards night at the races. The Darley Awards brings the largest number of Arabian racing enthusiasts together of any event each year. TABA will be able to promote Racing and breeding in Texas to this large gathering.

**Project Description**

*Provide a detailed description of the project including activities to be supported with funds from the Account, timelines of each activity, and key milestones.*

There are two Stakes races scheduled that night. SHRP's largest Suite has been reserved for gathering and refreshments (nonalcoholic) will be provided. Information about Breeding and Racing in Texas will be on displace. The Darley Awards will be presented on Saturday evening along with a Banquet and will give Texas another operetunity to continue their promotion.

**Anticipated Project Results/Economic Impact on the Horse Industry**

*Provide a detailed explanation of the anticipated economic impact on the horse industry and any other expected results and how they will be measured.*

With the growth in Purses and extra money available for the Texas-bred program breeders from across the US should consider moving some of their breeding stock to Texas as well as race their current runners in Texas.

### **Project Oversight**

*Who will oversee the project activities? Include name and title of the person. How will oversight be performed? What steps will take place to ensure the project is achieved as outlined?*

Jon Henningsgard TABA vice president is president of the Arabian Racing Cup and is overseeing this activity.

### **Project Budget**

*This section should reflect the total budget. Provide a general description of all costs along with a justification for each item. The explanations should focus on how each budget item is required to achieve the project. Be sure to itemize the request with quantities and individual estimated costs.*

*Pursuant to 16 T.A.C. Section 303.322(b), the following types of costs may not be paid with funds allocated from the account:*

- (1) capital improvements;*
- (2) donations or contributions made to any individual or organization without express approval from the Commission for such contribution or donation;*
- (3) costs of entertainment, amusements, social activities, and incidental costs relating thereto, including tickets to shows or sports events, meals, alcoholic beverages, lodging, rentals, transportation, tips, and gratuities;*
- (4) fines, penalties, or other costs resulting from violations of or failure to comply with federal, state, or local laws and regulations;*
- (5) liability insurance coverage not specific to a particular event or series of events for which the Commission has allocated funds from the account;*
- (6) expenses related to litigation;*
- (7) professional association fees or dues for the breed registry or an individual;*
- (8) legislative expenses such as salaries and other expenses associated with lobbying the state or federal legislature or similar local governmental bodies, whether incurred for purposes of legislation or executive direction; or*
- (9) fundraising.*

*Pursuant to 16 T.A.C. Section 303.322(c), the following types of costs may only be paid with funds allocated from the account, in an amount not to exceed five percent of the total allocated to the breed registry or of the approved allocation for any event, if specifically approved by the Commission:*

- (1) operating expenses, including the salaries of breed registry staff, interest and other financial costs related to*

borrowing and the cost of financing, contributions to a contingency reserve or any similar provision for unforeseen events, and audits or other accounting services; and  
 (2) the purchase of capital assets.

EXPENSE CATEGORIES	AMOUNT
<b>Event Production Costs</b>	\$5,000.00
<b>Purse Supplements/Prizes</b>	\$20,000.00
<b>Advertising</b>	\$2,500.00
<b>Donations (include most recent IRS Form 990 for any non-profit)</b>	\$0.00
<b>Other Direct Expenses (itemize below):</b>	\$0.00
	\$
	\$
	\$
	\$
<b>Total Direct Costs</b>	\$
<b>Administrative Expenses/Capital Assets (may not exceed 5% of project total)</b>	\$805.00
<b>Total</b>	<b>\$28,305.00</b>

**Event Production Costs (\$5000 total)** For events to be produced or sponsored by the breed registry, provide a breakdown of the event production expenses.

This expense includes TABA's share of the cost of suite, refreshments, and the cost of live streaming the Stakes races to Arabian enthusiasts across US.

**Purse Supplements/Prizes (\$20,000 total)** Provide a breakdown of purses/purse supplements, prizes, and Texas-bred supplements from HIEA funding.

\$10,000 purse supplement in each of two stakes.

**Advertising (\$2500 total)** Provide an explanation of advertising costs.

Cost for promotional manager, advertising, E-blast, other media outlets, Promotions will continue under this agreement thru the meet at SHRP.

**Donations (\$0 total)** For any donation, state the recipient(s), amount for each recipient, and an explanation of the purpose of the donation. For any 501(c)(3), provide the organization's most recent IRS Form 990.

**Other direct expenses – first category \_\_\_\_\_ (\$0 total)** Provide a detailed description of any other category of direct expenses.

**Other direct expenses – second category \_\_\_\_\_ (\$0 total)** Provide a detailed description of any other category of direct expenses.

**Other direct expenses – third category \_\_\_\_\_ (\$0 total)** *Provide a detailed description of any other category of direct expenses.*

**Administrative Expenses/Capital Assets (\$805 total; may not exceed 5% of total)** *Provide a detailed description of administrative expenses such as personnel costs or other direct budgeted costs associated with the project. For each employee receiving a portion of this funding as a wage or stipend, indicate their title, estimated time budgeted to the event, and the amount.*

Executive Secretary: Trip tp Elgin to meet with SHRP racing representatives to discuss purse structure and activities planned at SHRP. 6 hrs	\$150.00	
Two trips to TRC committee meetings in Austin 8hrs each	\$400.00	
one half of above expenses ( events at SHRP)		\$275.00
Planning , making arrangments, preparing application 8hrs		200.00
Share of Audit expense 1/6		300.00
Secretary 2hrs @ 15.00 per hr		30.00



APPLICATION FOR BREED REGISTRY FUNDING  
FROM THE HORSE INDUSTRY ESCROW ACCOUNT

PROJECT NARRATIVE (USE A SEPARATE FORM FOR EACH EVENT)  
(Must be accompanied by Form HIEA-2, Project Narrative)

**APPLICANT NAME: TEXAS ARABIAN BREEDERS ASSOCIATION**

*This form was developed to be completed electronically. Handwritten applications and/or narratives will not be accepted. Click the grey text boxes to type responses. A maximum of 6 pages may be used to fully respond.*

**Project Title (Event Name):** Region 9 Arabian Horse Association

**Event Date(s) or Approximate Date(s):** May 26 thru 30, 2020

**Total Amount Requested For this Event:** \$25,500

**When Are Funds Needed?** *If funding can be provided in multiple phases, please explain.*  
May 1, 2020

**Project Background**

**Project Summary**

*Please provide a summary of the event for which funding is sought and the project(s) that will be achieved as a result of this funding.*

**Project Description**

*Provide a detailed description of the project including activities to be supported with funds from the Account, timelines of each activity, and key milestones.*

Region 9 Arabian Horse Association is the largest, most active region of the Arabian Horse Associations in North America. It is comprised primarily of breeders, show horse enthusiasts, endurance riders, and recreational riders who call the Arabian horse their breed of choice. TABA will be partnering with the leadership of Region 9 (board of directors, club leaders, and the show commission of Region 9 Championship Horse Show to promote Arabian racing, and why it pays to get involved in Texas racing now.

**Anticipated Project Results/Economic Impact on the Horse Industry**

*Provide a detailed explanation of the anticipated economic impact on the horse industry and any other expected results and how they will be measured.*

The Region 9 Show brings the largest number of Arabian owners and enthusiasts together of any event in Texas. Racing interest will be expanded, new owners of race horses, expanded breeding in Texas. Will be evaluated by number of new members in TABA, Stallions and mares coming to Texas, increase in number of new race owners and horses.

### **Project Oversight**

*Who will oversee the project activities? Include name and title of the person. How will oversight be performed? What steps will take place to ensure the project is achieved as outlined?*

Promotional Manager, Jon Henningsgard TABA Vice President

### **Project Budget**

*This section should reflect the total budget. Provide a general description of all costs along with a justification for each item. The explanations should focus on how each budget item is required to achieve the project. Be sure to itemize the request with quantities and individual estimated costs.*

*Pursuant to 16 T.A.C. Section 303.322(b), the following types of costs may not be paid with funds allocated from the account:*

- (1) capital improvements;*
- (2) donations or contributions made to any individual or organization without express approval from the Commission for such contribution or donation;*
- (3) costs of entertainment, amusements, social activities, and incidental costs relating thereto, including tickets to shows or sports events, meals, alcoholic beverages, lodging, rentals, transportation, tips, and gratuities;*
- (4) fines, penalties, or other costs resulting from violations of or failure to comply with federal, state, or local laws and regulations;*
- (5) liability insurance coverage not specific to a particular event or series of events for which the Commission has allocated funds from the account;*
- (6) expenses related to litigation;*
- (7) professional association fees or dues for the breed registry or an individual;*
- (8) legislative expenses such as salaries and other expenses associated with lobbying the state or federal legislature or similar local governmental bodies, whether incurred for purposes of legislation or executive direction; or*
- (9) fundraising.*

*Pursuant to 16 T.A.C. Section 303.322(c), the following types of costs may only be paid with funds allocated from the account, in an amount not to exceed five percent of the total allocated to the breed registry or of the approved allocation for any event, if specifically approved by the Commission:*

- (1) operating expenses, including the salaries of breed registry staff, interest and other financial costs related to borrowing and the cost of financing, contributions to a contingency reserve or any similar provision for unforeseen events, and audits or other accounting services; and*

(2) the purchase of capital assets.

EXPENSE CATEGORIES	AMOUNT
<b>Event Production Costs</b>	\$6,000.00
<b>Purse Supplements/Prizes</b>	\$0.00
<b>Advertising</b>	\$7,500.00
<b>Donations (include most recent IRS Form 990 for any non-profit)</b>	\$0.00
<b>Other Direct Expenses (itemize below):</b>	\$9,500.00
	\$
	\$
	\$
	\$
<b>Total Direct Costs</b>	<b>\$25,000.00</b>
<b>Administrative Expenses/Capital Assets (may not exceed 5% of project total)</b>	<b>\$500.00</b>
<b>Total</b>	<b>\$25,500.00</b>

**Event Production Costs (\$6000 total)** For events to be produced or sponsored by the breed registry, provide a breakdown of the event production expenses.

Produce a Texas Arabian Racing promotional video	\$3000.00
Arabian Jockey Club TV Episode -- Why it pays to Race in Tewxas	3,000.00

**Purse Supplements/Prizes (\$0 total)** Provide a breakdown of purses/purse supplements, prizes, and Texas-bred supplements from HIEA funding.

**Advertising (\$7500 total)** Provide an explanation of advertising costs.

Region 9 show program ad (full page, inside front cover)	\$ 500.00
Region 9 prize list program ad	750.00
Region 9 website advertising for 2020	1,250.00
Region 9 bi-weekly email advertising for 9 months	2,000.00
Region 9 social media ad campaigns: open house advertising, Why it pays to Race in Texas advertising, How to join a racing partnership advertising.	3,000.00

**Donations (\$0 total)** For any donation, state the recipient(s), amount for each recipient, and an explanation of the purpose of the donation. For any 501(c)(3), provide the organization's most recent IRS Form 990.

**Other direct expenses – first category \_\_\_\_\_ (\$9500 total)** Provide a detailed description of any other category of direct expenses.

Region 9 Horse Show Sponsorship, which includes:  
 Class sponsorships: will promote web site: [www.TexasArabianBreeders.com](http://www.TexasArabianBreeders.com)

Center Ring Award Presentation

Multipal showings of the Texas Arabian racing promotional video on the center ring jumbotron

2 Arabianracehorse presentations in center ring

Open House promotionalpostcard in exhibitors bags

Enhanced locationbooth presence

Meet and Greet Reception

Travel expenses for racing representatives

Live streaming of the demonstrations

**Other direct expenses – second category** \_\_\_\_\_ (**\$1000 total**) *Provide a detailed description of any other category of direct expenses.*

Photography package of open houses and Region 9 presence to utilize for ongoing promotion

**Other direct expenses – third category** \_\_\_\_\_ (\$ \_\_\_\_\_ total) *Provide a detailed description of any other category of direct expenses.*

**Administrative Expenses/Capital Assets (\$500.00 total; may not exceed 5% of total)** *Provide a detailed description of administrative expenses such as personnel costs or other direct budgeted costs associated with the project. For each employee receiving a portion of this funding as a wage or stipend, indicate their title, estimated time budgeted to the event, and the amount.*

Reimbursement of TABA representatives to attend show as resourse for information and to evaluate the affectiveness of the event.



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PROJECT NARRATIVE (USE A SEPARATE FORM FOR EACH EVENT)  
(Must be accompanied by Form HIEA-2, Project Narrative)

**APPLICANT NAME: TEXAS ARABIAN BREEDERS ASSOCIATION**

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**Project Title (Event Name):** Arabian Stakes Night SHRP

**Event Date(s) or Approximate Date(s):** February 15, 2020

**Total Amount Requested For this Event:** \$25,805.00

**When Are Funds Needed?** *If funding can be provided in multiple phases, please explain.*  
As soon as possible

**Project Background**

**Project Summary**

*Please provide a summary of the event for which funding is sought and the project(s) that will be achieved as a result of this funding.*

Arabian owners in the Houston area will be invited to the races at SHRP to meet and enjoy the races and learn about the Arabian Racing opportunities that are now available.

**Project Description**

*Provide a detailed description of the project including activities to be supported with funds from the Account, timelines of each activity, and key milestones.*

The Texas Arabian Breeders Association has hired an experienced Promotional Manager to manage the social media blast, advertisement, e-mail blast, etc to get Arabian Owners or racing enthusiasts to the Races.

**Anticipated Project Results/Economic Impact on the Horse Industry**

*Provide a detailed explanation of the anticipated economic impact on the horse industry and any other expected results and how they will be measured.*

We expect to introduce Arabian racing to some that are not familiar with it. To make Arabian owner realize the enjoyment of having their horse race, The fellowship from meeting with other arabian owners. Atract new Arabian race Horsae owners and develop new race fans.

### **Project Oversight**

*Who will oversee the project activities? Include name and title of the person. How will oversight be performed? What steps will take place to ensure the project is achieved as outlined?*

Ed Wilson Will personally be at the event to supervise activities.

### **Project Budget**

*This section should reflect the total budget. Provide a general description of all costs along with a justification for each item. The explanations should focus on how each budget item is required to achieve the project. Be sure to itemize the request with quantities and individual estimated costs.*

*Pursuant to 16 T.A.C. Section 303.322(b), the following types of costs may not be paid with funds allocated from the account:*

- (1) capital improvements;*
- (2) donations or contributions made to any individual or organization without express approval from the Commission for such contribution or donation;*
- (3) costs of entertainment, amusements, social activities, and incidental costs relating thereto, including tickets to shows or sports events, meals, alcoholic beverages, lodging, rentals, transportation, tips, and gratuities;*
- (4) fines, penalties, or other costs resulting from violations of or failure to comply with federal, state, or local laws and regulations;*
- (5) liability insurance coverage not specific to a particular event or series of events for which the Commission has allocated funds from the account;*
- (6) expenses related to litigation;*
- (7) professional association fees or dues for the breed registry or an individual;*
- (8) legislative expenses such as salaries and other expenses associated with lobbying the state or federal legislature or similar local governmental bodies, whether incurred for purposes of legislation or executive direction; or*
- (9) fundraising.*

*Pursuant to 16 T.A.C. Section 303.322(c), the following types of costs may only be paid with funds allocated from the account, in an amount not to exceed five percent of the total allocated to the breed registry or of the approved allocation for any event, if specifically approved by the Commission:*

- (1) operating expenses, including the salaries of breed registry staff, interest and other financial costs related to borrowing and the cost of financing, contributions to a contingency reserve or any similar provision for unforeseen events, and audits or other accounting services; and*
- (2) the purchase of capital assets.*

EXPENSE CATEGORIES	AMOUNT
<b>Event Production Costs</b>	\$2,500.00
<b>Purse Supplements/Prizes</b>	\$20,000.00
<b>Advertising</b>	\$2,500.00
<b>Donations (include most recent IRS Form 990 for any non-profit)</b>	\$
<b>Other Direct Expenses (itemize below):</b>	\$
	\$
	\$
	\$
	\$
<b>Total Direct Costs</b>	<b>\$25,000.00</b>
<b>Administrative Expenses/Capital Assets (may not exceed 5% of project total)</b>	<b>\$805.00</b>
<b>Total</b>	<b><u>\$25,805.00</u></b>

**Event Production Costs (\$2500 total)** For events to be produced or sponsored by the breed registry, provide a breakdown of the event production expenses.

This is to provide a suite with refreshments to meet and enjoy the races. Arabian racing information will be available.

**Purse Supplements/Prizes (\$20000 total)** Provide a breakdown of purses/purse supplements, prizes, and Texas-bred supplements from HIEA funding.

\$10,000 is being added to the track purse for each of the two stakes races. Texas-bred funds will be paid those eligible at the end of the meet at SHRP.

**Advertising (\$2500 total)** Provide an explanation of advertising costs.

We will be paying our Promotional Manager for providing publicity and promotion.

**Donations (\$0 total)** For any donation, state the recipient(s), amount for each recipient, and an explanation of the purpose of the donation. For any 501(c)(3), provide the organization's most recent IRS Form 990.

**Other direct expenses – first category \_\_\_\_\_ (\$0 total)** Provide a detailed description of any other category of direct expenses.

**Other direct expenses – second category \_\_\_\_\_ (\$0 total)** Provide a detailed description of any other category of direct expenses.

**Other direct expenses – third category \_\_\_\_\_ (\$0 total) Provide a detailed description of any other category of direct expenses.**

**Administrative Expenses/Capital Assets (\$805 total; may not exceed 5% of total) Provide a detailed description of administrative expenses such as personnel costs or other direct budgeted costs associated with the project. For each employee receiving a portion of this funding as a wage or stipend, indicate their title, estimated time budgeted to the event, and the amount.**

Executive Secretary: Trip to Elgin to meet with SHRP Racing Representatives to discuss purse supplement and discuss activities we were planning at SHRP.	6hrs.	\$150.00	
Two trips to TRC committee meetings in Austin.	8hrs each at \$200.		400.00
One /half of above to be charged to this event			\$275.00
Planning, making arrangements, preparing application	8 hrs	\$200.00	200.00
Share of Audit	1/6 of projected audit cost		300.00
Secretary	2hrs @ \$15.00		30.00
Administrative expenses for this event			\$805.00



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**APPLICANT NAME: TEXAS ARABIAN BREEDERS ASSOCIATION**

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**Project Title (Event Name):**

Texas Bred Awards SHRP

**Event Date(s) or Approximate Date(s):** January 10, 2020 thru March 28, 2020

**Total Amount Requested For this Event:** \$30,000

**When Are Funds Needed?** *If funding can be provided in multiple phases, please explain.*

April 10, 2020

**Project Background**

**Project Summary**

*Please provide a summary of the event for which funding is sought and the project(s) that will be achieved as a result of this funding.*

To encourage Owners to bring their Mares and Stallions to Texas for Breeding. And encourage those in Texas to participate in the Accredited Texas Bred Program. These awards will be added to those earned at SHRP and paid in conjunction with them.

**Project Description**

*Provide a detailed description of the project including activities to be supported with funds from the Account, timelines of each activity, and key milestones.*

Media blast , e-mail blast , Advertisement, information made available at other events through the year.

**Anticipated Project Results/Economic Impact on the Horse Industry**

*Provide a detailed explanation of the anticipated economic impact on the horse industry and any other expected results and how they will be measured.*

More Mares and Stallions being brought to Texas and Accredited. Increase in the number of Accredited Horse and more Horses on the track racing.

### **Project Oversight**

*Who will oversee the project activities? Include name and title of the person. How will oversight be performed? What steps will take place to ensure the project is achieved as outlined?*

Ed Wilson

### **Project Budget**

*This section should reflect the total budget. Provide a general description of all costs along with a justification for each item. The explanations should focus on how each budget item is required to achieve the project. Be sure to itemize the request with quantities and individual estimated costs.*

*Pursuant to 16 T.A.C. Section 303.322(b), the following types of costs may not be paid with funds allocated from the account:*

- (1) capital improvements;*
- (2) donations or contributions made to any individual or organization without express approval from the Commission for such contribution or donation;*
- (3) costs of entertainment, amusements, social activities, and incidental costs relating thereto, including tickets to shows or sports events, meals, alcoholic beverages, lodging, rentals, transportation, tips, and gratuities;*
- (4) fines, penalties, or other costs resulting from violations of or failure to comply with federal, state, or local laws and regulations;*
- (5) liability insurance coverage not specific to a particular event or series of events for which the Commission has allocated funds from the account;*
- (6) expenses related to litigation;*
- (7) professional association fees or dues for the breed registry or an individual;*
- (8) legislative expenses such as salaries and other expenses associated with lobbying the state or federal legislature or similar local governmental bodies, whether incurred for purposes of legislation or executive direction; or*
- (9) fundraising.*

*Pursuant to 16 T.A.C. Section 303.322(c), the following types of costs may only be paid with funds allocated from the account, in an amount not to exceed five percent of the total allocated to the breed registry or of the approved allocation for any event, if specifically approved by the Commission:*

- (1) operating expenses, including the salaries of breed registry staff, interest and other financial costs related to borrowing and the cost of financing, contributions to a contingency reserve or any similar provision for unforeseen events, and audits or other accounting services; and*
- (2) the purchase of capital assets.*

EXPENSE CATEGORIES	AMOUNT
<b>Event Production Costs</b>	<b>\$30,000.00</b>
<b>Purse Supplements/Prizes</b>	<b>\$0.00</b>
<b>Advertising</b>	<b>\$0.00</b>
<b>Donations (include most recent IRS Form 990 for any non-profit)</b>	<b>\$0.00</b>
<b>Other Direct Expenses (itemize below):</b>	<b>\$0.00</b>
	\$
	\$
	\$
	\$
<b>Total Direct Costs</b>	<b>\$30,000.00</b>
<b>Administrative Expenses/Capital Assets (may not exceed 5% of project total)</b>	<b>\$450.00</b>
<b>Total</b>	<b>\$30,450.00</b>

**Event Production Costs (\$30000 total)** For events to be produced or sponsored by the breed registry, provide a breakdown of the event production expenses.  
 \$30,000 Data keeping to determin the amount to be paid each Owner , Breeder, and Stallion owner.

**Purse Supplements/Prizes (\$0 total)** Provide a breakdown of purses/purse supplements, prizes, and Texas-bred supplements from HIEA funding.

**Advertising (\$0 total)** Provide an explanation of advertising costs.  
 Advertising expenses are included in the expense of a media manager.

**Donations (\$0 total)** For any donation, state the recipient(s), amount for each recipient, and an explanation of the purpose of the donation. For any 501(c)(3), provide the organization’s most recent IRS Form 990.

**Other direct expenses – first category \_\_\_\_\_ (\$0 total)** Provide a detailed description of any other category of direct expenses.

**Other direct expenses – second category \_\_\_\_\_ (\$0 total)** Provide a detailed description of any other category of direct expenses.

**Other direct expenses – third category \_\_\_\_\_ (\$0 total)** Provide a detailed description of any other category of direct expenses.

**Administrative Expenses/Capital Assets (\$450 total; may not exceed 5% of total)** *Provide a detailed description of administrative expenses such as personnel costs or other direct budgeted costs associated with the project. For each employee receiving a portion of this funding as a wage or stipend, indicate their title, estimated time budgeted to the event, and the amount.*

office help 30hours @ \$15.00 pr hr.



TEXAS RACING COMMISSION

FORM HIEA-1

APPLICATION FOR BREED REGISTRY FUNDING FROM THE HORSE INDUSTRY ESCROW ACCOUNT

GENERAL INFORMATION

(Must be accompanied by at least one completed Form HIEA-2, Project Narrative)

Section A. Organization Information

Breed Registry Name: Texas Quarter Horse Association (TQHA)

Mailing Address: 14 N Main St - suite B Street Address

Elgin Texas 78261 Bastrop City State Zip Code County

Physical Address: 14 N Main St suite - B Street Address

Elgin Texas 78261 Bastrop City State Zip Code County

Section B. Contact Personnel

(1) Name of Primary Program Contact (This person can answer day-to-day questions about the organization and the project.)

Full Name: Val Clark Mr. Dr. Ms. Other

Position Title: Executive Director

Email Address:

Phone: (512) 458 - 5202 Ext. Alt #: (512) 731 - 4637

(2) Secondary Program Contact (This person can answer day-to-day questions about the organization and the project.)

Full Name: Rob Werstler Mr. Dr. Ms. Other

Position Title: Director of Race

Email Address:

(512) 458 - 5202 Ext. Alt #: ( ) -

**(3) Name of Authorized Official** *(This person is authorized to enter into legal agreements on behalf of the organization. This person's name will appear on the funding agreement for signature.)*

Full Name: Val Clark  Mr.  Dr.  
*First Last*  Ms.  Other \_\_\_\_\_

Position Title: Executive Director

Email Address: \_\_\_\_\_

Phone: (512) 458 - 5202 Ext. \_\_\_\_\_ Alt #: (512) 731 - 4637

**Section C. Certifications**

**By signing below, applicant and its authorized official (the person listed in Section B.3):**

- (1) certify that all information provided in connection with this application is true and correct;
- (2) acknowledge that any misrepresentation or false statement made by applicant or an authorized agent of applicant in connection with this application, whether intentional or not, will constitute grounds for denial of this application and may be the subject of substantial civil and/or criminal liability and sanctions;
- (3) acknowledge that acceptance of funds in connection with this application acts as acceptance of the authority of the Texas Racing Commission (TxRC) or any successor agency and the State Auditor's Office (SAO) or any successor agency to conduct an investigation in connection with those funds, and applicant further agrees to cooperate fully with TxRC or its successors and SAO or its successor in the conduct of the audit or investigation, including allowing TxRC and/or SAO to inspect applicant's premises and providing all records requested during the funding period and for at least five years after the funding is expended; and
- (4) certify that the authorized official is authorized to submit this application and to make the preceding certifications and acknowledgements on behalf of applicant.

**Notice of Penalties: The penalty for knowingly making false statements or false entries, or attempts to secure money through fraudulent means, may include fines, incarceration, and/or forfeiture of funds.**

**Authorized Official:** *(Person listed in Section B.3)*

x \_\_\_\_\_ / /

**Signature**

**Date**

*This application becomes public record and is subject to disclosure. With few exceptions, you have the right to request and be informed about the information that the State of Texas collects about you. You are entitled to receive and review the information upon request. You also have the right to ask the state agency to correct any information that is determined to be incorrect. (Reference: Texas Government Code, Sections 552.021, 552.023, and 559.004.)*



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PROJECT NARRATIVE (USE A SEPARATE FORM FOR EACH EVENT)  
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**APPLICANT NAME: TEXAS QUARTER HORSE ASSOCIATION (TQHA)**

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**Project Title (Event Name):** National Cutting Horse Association (NCHA) Super Stakes & Super Stakes Classic

**Event Date(s) or Approximate Date(s):** March 24 - April 18, 2020

**Total Amount Requested For this Event:** \$100,000

**When Are Funds Needed?** *If funding can be provided in multiple phases, please explain.*  
No later than April 18, 2020.

**Project Background**

**Project Summary**

*Please provide a summary of the event for which funding is sought and the project(s) that will be achieved as a result of this funding.*

The National Cutting Horse Association (NCHA) is one of the largest single-discipline equine organizations in the world. Boasting over 13,000 members, the NCHA has been proudly promoting the sport of cutting since its inception in 1946.

In addition to serving as the governing body and official record keeper of all member and horse earnings, the NCHA itself produces three shows annually that together comprise the Triple Crown of Cutting. Each leg of the Triple Crown is approximately 25 days long and is hosted at the prestigious Will Rogers Memorial Center. All three shows within the Triple Crown are designed to promote the breeding, owning, and showing of some of the best young equine athletes in the world.

The second leg of the Triple Crown is the Super Stakes & Super Stakes Classic. In 2020, the Super Stakes will be held in Fort Worth, Texas from March 24 – April 18. The Super Stakes is the showcase for stallion owners and breeders. All horses competing in the Super Stakes must be

eligible to compete by being nominated through the NCHA Stallion Foal Program ([www.nchacutting.com/events/superstakes/stallion-foal](http://www.nchacutting.com/events/superstakes/stallion-foal)). Visitors to the Super Stakes come from all over the world and generate approximately \$4.8 million dollars in direct economic impact to the State of Texas.

### **Project Description**

*Provide a detailed description of the project including activities to be supported with funds from the Account, timelines of each activity, and key milestones.*

Through discussions with TQHA, the NCHA requests \$100,000 in added money to highlight and promote Texas-bred cutting horses competing in the 2020 Super Stakes & Super Stakes Classic. All administrative work necessary for enrollments as well as payouts will be managed in-house by NCHA staff, resulting in maximum promotion of additional funds. Additionally, all marketing and promotion of program will be funded by NCHA. Owners and riders will be required to be current TQHA members to be eligible to participate in the program.

Highest placing Texas-bred horses in the Super Stakes Classic Open, Non-Pro, and Amateur divisions will be eligible to receive an additional purse.

### **Anticipated Project Results/Economic Impact on the Horse Industry**

*Provide a detailed explanation of the anticipated economic impact on the horse industry and any other expected results and how they will be measured.*

As this project was approved in concept during the January 21, 2020 Texas Racing Commission meeting, the National Cutting Horse Association (in conjunction with the Texas Quarter Horse Association) have been advertising the added prize money for inclusion in the 2020 NCHA Super Stakes & Super Stakes Classic.

Since the time of the announcement, overall entries for the 2020 event are up 30%. In addition, the number of Texas-bred horses entered in the Super Stakes Classic for the 2020 show are up 6.5% over 2019, and the number of Texas breeders reprinted in the Super Stakes Classic is up 4.6% over 2019.

The anticipated goal of this project on the horse industry is twofold: (1) increase the number of cutting horses bred within the State of Texas; and (2) increase the interest of cutting horse owners to continue to show their horses as they advance in years. With a conservative average of \$6,500 - \$20,000 to breed a cutting horse, incentive programs like this one are vital to encouraging Quarter Horse owners to continue to breed and show cutting horses.

### **Project Oversight**

*Who will oversee the project activities? Include name and title of the person. How will oversight be performed? What steps will take place to ensure the project is achieved as outlined?*

Project activities will be overseen by the National Cutting Horse Association. At the conclusion of the event, proof of payment and a project summary will be provided to the Texas Quarter Horse Association to validate that the project was delivered as outlined above.

**Project Budget**

*This section should reflect the total budget. Provide a general description of all costs along with a justification for each item. The explanations should focus on how each budget item is required to achieve the project. Be sure to itemize the request with quantities and individual estimated costs.*

*Pursuant to 16 T.A.C. Section 303.322(b), the following types of costs may not be paid with funds allocated from the account:*

- (1) capital improvements;*
- (2) donations or contributions made to any individual or organization without express approval from the Commission for such contribution or donation;*
- (3) costs of entertainment, amusements, social activities, and incidental costs relating thereto, including tickets to shows or sports events, meals, alcoholic beverages, lodging, rentals, transportation, tips, and gratuities;*
- (4) fines, penalties, or other costs resulting from violations of or failure to comply with federal, state, or local laws and regulations;*
- (5) liability insurance coverage not specific to a particular event or series of events for which the Commission has allocated funds from the account;*
- (6) expenses related to litigation;*
- (7) professional association fees or dues for the breed registry or an individual;*
- (8) legislative expenses such as salaries and other expenses associated with lobbying the state or federal legislature or similar local governmental bodies, whether incurred for purposes of legislation or executive direction; or*
- (9) fundraising.*

*Pursuant to 16 T.A.C. Section 303.322(c), the following types of costs may only be paid with funds allocated from the account, in an amount not to exceed five percent of the total allocated to the breed registry or of the approved allocation for any event, if specifically approved by the Commission:*

- (1) operating expenses, including the salaries of breed registry staff, interest and other financial costs related to borrowing and the cost of financing, contributions to a contingency reserve or any similar provision for unforeseen events, and audits or other accounting services; and*
- (2) the purchase of capital assets.*

EXPENSE CATEGORIES	AMOUNT
<b>Event Production Costs</b>	\$0.00
<b>Purse Supplements/Prizes</b>	\$100,000.00
<b>Advertising</b>	\$0.00
<b>Donations (include most recent IRS Form 990 for any non-profit)</b>	\$0.00
<b>Other Direct Expenses (itemize below):</b>	\$0.00
	<b>\$</b>

	\$
	\$
	\$
<b>Total Direct Costs</b>	<b>\$100,000.00</b>
<b>Administrative Expenses/Capital Assets (may not exceed 5% of project total)</b>	<b>\$0.00</b>
<b>Total</b>	<b><u>\$100,000.00</u></b>

**Event Production Costs (\$0 total)** For events to be produced or sponsored by the breed registry, provide a breakdown of the event production expenses.

**Purse Supplements/Prizes (\$100,000 total)** Provide a breakdown of purses/purse supplements, prizes, and Texas-bred supplements from HIEA funding.

The incentive will be for the highest placing horses in the Super Stakes Classic (five and six-year-olds) in the Open, Non-Pro and Amateur divisions. To be eligible, both owners and riders must be a current TQHA member, horses must be registered with the American Quarter Horse Association (AQHA) and foaled in the State of Texas.

\$100,000 Incentive Breakdown:

Open Division – \$50,000 Total Prize Money

- Highest Placing – \$25,000
- Second Highest Placing – \$15,000
- Third Highest Placing – \$10,000

Non-Pro Division – \$25,000 Total Prize Money

- Highest Placing – \$12,500
- Second Highest Placing – \$7,500
- Third Highest Placing – \$5,000

Amateur Division – \$25,000 Total Prize Money

- Highest Placing – \$12,500
- Second Highest Placing – \$7,500
- Third Highest Placing – \$5,000

**Advertising (\$0 total)** Provide an explanation of advertising costs.

**Donations (\$0 total)** For any donation, state the recipient(s), amount for each recipient, and an explanation of the purpose of the donation. For any 501(c)(3), provide the organization’s most recent IRS Form 990.

**Other direct expenses – first category \_\_\_\_\_ (\$0 total)** *Provide a detailed description of any other category of direct expenses.*

**Other direct expenses – second category \_\_\_\_\_ (\$0 total)** *Provide a detailed description of any other category of direct expenses.*

**Other direct expenses – third category \_\_\_\_\_ (\$0 total)** *Provide a detailed description of any other category of direct expenses.*

**Administrative Expenses/Capital Assets (\$0 total; may not exceed 5% of total)** *Provide a detailed description of administrative expenses such as personnel costs or other direct budgeted costs associated with the project. For each employee receiving a portion of this funding as a wage or stipend, indicate their title, estimated time budgeted to the event, and the amount.*



APPLICATION FOR BREED REGISTRY FUNDING  
FROM THE HORSE INDUSTRY ESCROW ACCOUNT

PROJECT NARRATIVE (USE A SEPARATE FORM FOR EACH EVENT)  
(Must be accompanied by Form HIEA-2, Project Narrative)

**APPLICANT NAME: TEXAS QUARTER HORSE ASSOCIATION (TQHA)**

*This form was developed to be completed electronically. Handwritten applications and/or narratives will not be accepted. Click the grey text boxes to type responses. A maximum of 6 pages may be used to fully respond.*

**Project Title (Event Name):** Accredited Texas Bred (ATB) Owners, Breeders & Stallion Owner Awards

**Event Date(s) or Approximate Date(s):** 2020 Texas pari-mutual races

**Total Amount Requested For this Event:** 1,890,000

**When Are Funds Needed?** *If funding can be provided in multiple phases, please explain.*

Due to the need to enhance existing software, build the financial structure and advertise the program, TQHA respectfully requests immediate funding.

### **Project Background**

#### **Project Summary**

*Please provide a summary of the event for which funding is sought and the project(s) that will be achieved as a result of this funding.*

TQHA proposes increasing incentive money to the owners, breeders and stallion owners of accredited Texas-bred horses that finish first, second or third in a Texas pari-mutuel race during the 2020 racing season (April 10 – November 28). These funds will supplement the current accredited Texas-bred incentive award payouts, mandated by the Texas Racing Act.

#### **Project Description**

*Provide a detailed description of the project including activities to be supported with funds from the Account, timelines of each activity, and key milestones.*

Texas- bred horses finishing within the top 3 places in a Texas pari-mutual race from January 1 - December 31, 2020 will be eligible for the following enrollment incentive breakdown:

40% Owner Award

40% Breeder Award  
20% Stallion Owner Award

### **Anticipated Project Results/Economic Impact on the Horse Industry**

*Provide a detailed explanation of the anticipated economic impact on the horse industry and any other expected results and how they will be measured.*

By increasing the award system to owners, breeders, and stallions of Accredited Texas Bred horses through the Texas Racing Act, Texas will be in a much better position to be able to compete with surrounding states that have similar awards and incentives.

The addition of the Accredited Texas Bred Owner, Breeder and Stallion Owner Awards will incentivize the increase of ATB horses over the next breeding cycle and beyond. The increased ATB awards will attract new breeders to Texas as well as see the return of many breeders who left the state for larger purses

### **Project Oversight**

*Who will oversee the project activities? Include name and title of the person. How will oversight be performed? What steps will take place to ensure the project is achieved as outlined?*

Project oversight will be provided by Val Clark, Executive Director of the Texas Quarter Horse Association. Through software enhancements, a thorough reporting of the project will be available for review.

### **Project Budget**

*This section should reflect the total budget. Provide a general description of all costs along with a justification for each item. The explanations should focus on how each budget item is required to achieve the project. Be sure to itemize the request with quantities and individual estimated costs.*

*Pursuant to 16 T.A.C. Section 303.322(b), the following types of costs may not be paid with funds allocated from the account:*

- (1) capital improvements;*
- (2) donations or contributions made to any individual or organization without express approval from the Commission for such contribution or donation;*
- (3) costs of entertainment, amusements, social activities, and incidental costs relating thereto, including tickets to shows or sports events, meals, alcoholic beverages, lodging, rentals, transportation, tips, and gratuities;*
- (4) fines, penalties, or other costs resulting from violations of or failure to comply with federal, state, or local laws and regulations;*
- (5) liability insurance coverage not specific to a particular event or series of events for which the Commission has allocated funds from the account;*
- (6) expenses related to litigation;*
- (7) professional association fees or dues for the breed registry or an individual;*

- (8) legislative expenses such as salaries and other expenses associated with lobbying the state or federal legislature or similar local governmental bodies, whether incurred for purposes of legislation or executive direction; or
- (9) fundraising.

Pursuant to 16 T.A.C. Section 303.322(c), the following types of costs may only be paid with funds allocated from the account, in an amount not to exceed five percent of the total allocated to the breed registry or of the approved allocation for any event, if specifically approved by the Commission:

- (1) operating expenses, including the salaries of breed registry staff, interest and other financial costs related to borrowing and the cost of financing, contributions to a contingency reserve or any similar provision for unforeseen events, and audits or other accounting services; and
- (2) the purchase of capital assets.

EXPENSE CATEGORIES	AMOUNT
<b>Event Production Costs</b>	\$5,000.00
<b>Purse Supplements/Prizes</b>	\$1,770,000.00
<b>Advertising</b>	\$15,000.00
<b>Donations (include most recent IRS Form 990 for any non-profit)</b>	\$0.00
<b>Other Direct Expenses (itemize below):</b>	\$10,000.00
	\$
	\$
	\$
	\$
<b>Total Direct Costs</b>	<b>\$1,800,000.00</b>
<b>Administrative Expenses/Capital Assets (may not exceed 5% of project total)</b>	<b>\$90,000.00</b>
<b>Total</b>	<b>\$1,890,000.00</b>

**Event Production Costs (\$5,000 total)** For events to be produced or sponsored by the breed registry, provide a breakdown of the event production expenses.

Checks, envelopes, IRS Reporting, copier paper, postage for checks; postage for letters to ATB recipients who need additional paperwork to complete transaction such as SS#, etc

**Purse Supplements/Prizes (\$1770000 total)** Provide a breakdown of purses/purse supplements, prizes, and Texas-bred supplements from HIEA funding.

40% Owner Award - \$708,000

40% Breeder Award - \$708,000

20% Stallion Owner Award - \$354,000

**Advertising (\$15000 total)** *Provide an explanation of advertising costs.*

Advertisements - magazines - TRACK, Speedhorse, Stallionsearch.com (\$7,500)

Online - Constant Contact, use of advertising platforms on FaceBook

Update the Website to be a more effective communication tool to inform members and improve their user experience

Update will include gathering analytics and intelligence of the users and optimize performance and integrate with other channels

**Donations (\$0 total)** *For any donation, state the recipient(s), amount for each recipient, and an explanation of the purpose of the donation. For any 501(c)(3), provide the organization's most recent IRS Form 990.*

**Other direct expenses – first category \_\_\_\_\_ (\$10000 total)** *Provide a detailed description of any other category of direct expenses.*

Data Analysis

Collect and store data on past and new numbers

Process, present, design reporting to ensure quality and accuracy

Monitor performance to identify improvements

**Other direct expenses – second category \_\_\_\_\_ (\$0 total)** *Provide a detailed description of any other category of direct expenses.*

**Other direct expenses – third category \_\_\_\_\_ (\$0 total)** *Provide a detailed description of any other category of direct expenses.*

**Administrative Expenses/Capital Assets (\$90,000 total; may not exceed 5% of total)** *Provide a detailed description of administrative expenses such as personnel costs or other direct budgeted costs associated with the project. For each employee receiving a portion of this funding as a wage or stipend, indicate their title, estimated time budgeted to the event, and the amount.*

Personnel - \$50,000

- Data entry/ (includes membership)
- Data entry – award results
- Calculating checks
- Pay-out
- Reporting

Software Upgrade - \$40,000

- Create software to accommodate calculating new funds separate from current simulcast funds
- Create software for the TRC reporting that reflects this money as separate from current pay-out.
- Improve performance to adapt the current product to a modified environment
- Upgrade software of hardware capabilities beyond original specification. The enhancements will allow software and hardware product performance scalability.



APPLICATION FOR BREED REGISTRY FUNDING  
FROM THE HORSE INDUSTRY ESCROW ACCOUNT

PROJECT NARRATIVE (USE A SEPARATE FORM FOR EACH EVENT)  
(Must be accompanied by Form HIEA-2, Project Narrative)

**APPLICANT NAME: TEXAS QUARTER HORSE ASSOCIATION (TQHA)**

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*This form was developed to be completed electronically. Handwritten applications and/or narratives will not be accepted. Click the grey text boxes to type responses. A maximum of 6 pages may be used to fully respond.*

**Project Title (Event Name):** ROCK Therapeutic Riding Veterans Program

**Event Date(s) or Approximate Date(s):** March 1 - June 30, 2010

**Total Amount Requested For this Event:** \$50,000

**When Are Funds Needed?** *If funding can be provided in multiple phases, please explain.*  
Funding could be divided equally between the four funding months.

**Project Background**

**Project Summary**

*Please provide a summary of the event for which funding is sought and the project(s) that will be achieved as a result of this funding.*

ROCK is requesting \$50,000. This will pay for 28 veterans and their families to attend the Introduction to Horsemanship ROCK On Veterans Program. This will provide 560 service hours to veterans in need. Additional veterans participate as they volunteer and give back to their comrade. This funding will cover the fee for horse care for this program to save lives. This includes best practices for veterinarian care, farrier, feed, hay, equine professionals and training for all who come in contact with the ROCK horses. Horses are considered stakeholders in our organization and documentation is kept regarding everytime they partner with veteran, child or adult, as well as results of goals met for that individual. The industry of Equine Assisted Activities and Therapy is exploding because of the results, as TQHA and ROCK are leaders in the equine industry, best practices are standard for all endeavors.

**Project Description**

*Provide a detailed description of the project including activities to be supported with funds from the Account, timelines of each activity, and key milestones.*

Veterans are referred by physicians to ROCK for ROCK On Veterans programming. Each veteran receives an individual intake by a licensed mental health professional and a Professional Association of Therapeutic Horsemanship International (PATH Intl.) certified instructor. Professional Therapeutic Equine-Assisted Activities are offered to Veterans. Coed classes are offered on Tuesday nights for 8-week sessions. A veteran comes at 5:00 pm and partners with his horse and another veteran volunteer and a professional staff instructor or therapist until the fellowship meal at 6:30 pm. Spouses and children are encouraged to attend the fellowship meal. Community is created.

A women's only veteran group is offered on Friday evenings with fellow veterans, a licensed mental health provider and professional PATH Intl. instructors. In addition, private sessions are available versus the group session.

Veterans attend once a week for their Equine-Assisted Activities (EAA) program.

### **Anticipated Project Results/Economic Impact on the Horse Industry**

*Provide a detailed explanation of the anticipated economic impact on the horse industry and any other expected results and how they will be measured.*

Outputs: Tangible products capabilities or deliverables that result from ROCK ON Veterans.

ROCK On Veterans becomes a new community for veteran families. 32 veterans will receive 8 sessions of EAA partnering with a horse, and fellow veteran volunteer and professional staff. Veterans are taught horsemanship to include riding if applicable for the individual's veteran condition. Veteran families are encouraged to come and meet other veterans and their families and participate in the fellowship meal. Community is formed as friendships are developed.

The horses are met by veterans who are looking to be the leaders of their life again. After partnering with the horse, most veterans relearn leadership and effective communication skills, the ability to have positive relationships and connections, and the desire for continued partnership with the horse. A portion of all veterans and their families go through volunteer training so they have the opportunity to connect with the horse for a longer duration of time. Some of the veterans have become horse owners and are able to provide a loving home and continue their relationship with their own horse.

The horse is the center of all things we do at ROCK. Just as the horse is the motivation for healing with the veterans, the care and concern for the horse is at the highest standard at our facility. We monitor how many times a horse can be partnered with participants and use best practices to ensure high quality care.

Outcomes: Changes that occur in the veterans due to the activities and outputs are mental, physical and spiritual creating resilience for transition into civilian life.

The physical benefits of caring for and riding a horse manifests in multiple ways, retraining the body for improved balance and coordination. Emotionally and spiritually, learning to lead the horse teaches individuals to lead themselves, helping return the reins of life back to the rider. Guided by principles of good horsemanship and leadership, veterans can reclaim their status as

CEO of their lives. Caregivers of veterans meet other caregivers and gain support and fellowship. Children of veterans meet other children of veterans and form friendships and often attend CAMP Courage together at ROCK during the summer.

Research of this 8 week program has demonstrated 86.8% improvement in mental health\*\* and 74.2% decrease in PTSD symptoms\*\*. Weekly assessments demonstrated a decrease in anxiety, and an increase in quality of life.

Impacts: Long term results of ROCK On Veterans.  
Lives are saved, family and community are restored.

As anxiety is decreased and new life skills are learned which veterans are able to apply to themselves and their relationships, connection with family and other veterans are made, community is formed and lives are saved. Many veterans come to ROCK suicidal and are referred by their physicians. Many have already tried to commit suicide and ROCK is a last stop. Working with horses and fellow veterans and professionals in community provide a safe environment for connection and lives are saved.

ROCK has completed research published in peer review journals showing this program works and includes testimonies of men and women veterans who say the horse and ROCK community saved their lives.

ROCK requests \$50,000 to support a portion of the program which will provide for 28 individual veterans.

\*\* Beth A. Lanning, Amelia L. Wilson, Nancy Krenek & A. Alexander Beaujean; Using Therapeutic Riding as an Intervention for Combat Veterans: An International Classification of Functioning, Di

### **Project Oversight**

*Who will oversee the project activities? Include name and title of the person. How will oversight be performed? What steps will take place to ensure the project is achieved as outlined?*

This will be completed and overseen by the CEO, Nancy Krenek, PT, DPT< HPCS, CTRI instructor based on all PATH INTL standards and accreditation for best practices in the industry. As ROCK is an accredited program, all equine initiatives are followed for care and insight into horses. Weekly 1,000 individuals come through the ROCK gates, and are influences for this high standard with our equine partners.

### **Project Budget**

*This section should reflect the total budget. Provide a general description of all costs along with a justification for each item. The explanations should focus on how each budget item is required to achieve the project. Be sure to itemize the request with quantities and individual estimated costs.*

Pursuant to 16 T.A.C. Section 303.322(b), the following types of costs may not be paid with funds allocated from the account:

- (1) capital improvements;
- (2) donations or contributions made to any individual or organization without express approval from the Commission for such contribution or donation;
- (3) costs of entertainment, amusements, social activities, and incidental costs relating thereto, including tickets to shows or sports events, meals, alcoholic beverages, lodging, rentals, transportation, tips, and gratuities;
- (4) fines, penalties, or other costs resulting from violations of or failure to comply with federal, state, or local laws and regulations;
- (5) liability insurance coverage not specific to a particular event or series of events for which the Commission has allocated funds from the account;
- (6) expenses related to litigation;
- (7) professional association fees or dues for the breed registry or an individual;
- (8) legislative expenses such as salaries and other expenses associated with lobbying the state or federal legislature or similar local governmental bodies, whether incurred for purposes of legislation or executive direction; or
- (9) fundraising.

Pursuant to 16 T.A.C. Section 303.322(c), the following types of costs may only be paid with funds allocated from the account, in an amount not to exceed five percent of the total allocated to the breed registry or of the approved allocation for any event, if specifically approved by the Commission:

- (1) operating expenses, including the salaries of breed registry staff, interest and other financial costs related to borrowing and the cost of financing, contributions to a contingency reserve or any similar provision for unforeseen events, and audits or other accounting services; and
- (2) the purchase of capital assets.

EXPENSE CATEGORIES	AMOUNT
<b>Event Production Costs</b>	\$0.00
<b>Purse Supplements/Prizes</b>	\$0.00
<b>Advertising</b>	\$0.00
<b>Donations (include most recent IRS Form 990 for any non-profit)</b>	\$50,000.00
<b>Other Direct Expenses (itemize below):</b>	\$0.00
	\$
	\$
	\$
	\$
<b>Total Direct Costs</b>	<b>\$50,000.00</b>
<b>Administrative Expenses/Capital Assets (may not exceed 5% of project total)</b>	<b>\$0.00</b>

<b>Total</b>	<b>\$50,000.00</b>
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**Event Production Costs** (\$ \_\_\_\_\_ **total**) *For events to be produced or sponsored by the breed registry, provide a breakdown of the event production expenses.*

**Purse Supplements/Prizes** (\$ \_\_\_\_\_ **total**) *Provide a breakdown of purses/purse supplements, prizes, and Texas-bred supplements from HIEA funding.*

**Advertising** (\$0 **total**) *Provide an explanation of advertising costs.*

**Donations** (\$50000 **total**) *For any donation, state the recipient(s), amount for each recipient, and an explanation of the purpose of the donation. For any 501(c)(3), provide the organization's most recent IRS Form 990.*

**Other direct expenses – first category** \_\_\_\_\_ (\$ \_\_\_\_\_ **total**) *Provide a detailed description of any other category of direct expenses.*

**Other direct expenses – second category** \_\_\_\_\_ (\$ \_\_\_\_\_ **total**) *Provide a detailed description of any other category of direct expenses.*

**Other direct expenses – third category** \_\_\_\_\_ (\$ \_\_\_\_\_ **total**) *Provide a detailed description of any other category of direct expenses.*

**Administrative Expenses/Capital Assets** (\$ \_\_\_\_\_ **total; may not exceed 5% of total**) *Provide a detailed description of administrative expenses such as personnel costs or other direct budgeted costs associated with the project. For each employee receiving a portion of this funding as a wage or stipend, indicate their title, estimated time budgeted to the event, and the amount.*



APPLICATION FOR BREED REGISTRY FUNDING  
FROM THE HORSE INDUSTRY ESCROW ACCOUNT

PROJECT NARRATIVE (USE A SEPARATE FORM FOR EACH EVENT)  
(Must be accompanied by Form HIEA-2, Project Narrative)

**APPLICANT NAME: TEXAS QUARTER HORSE ASSOCIATION (TQHA)**

*This form was developed to be completed electronically. Handwritten applications and/or narratives will not be accepted. Click the grey text boxes to type responses. A maximum of 6 pages may be used to fully respond.*

**Project Title (Event Name):** The Refuge Ranch

**Event Date(s) or Approximate Date(s):** Through the end of the 2020 fiscal year

**Total Amount Requested For this Event:** \$50,000

**When Are Funds Needed?** *If funding can be provided in multiple phases, please explain.*  
Quarterly

### **Project Background**

#### **Project Summary**

*Please provide a summary of the event for which funding is sought and the project(s) that will be achieved as a result of this funding.*

The Refuge for DMST™ (Domestic Minor Sex Trafficking) is a registered 501(c)(3) nonprofit organization that has developed The Refuge Ranch, a long-term, residential, therapeutic community for 48 girls, minors through age 19, who have been rescued out of sex trafficking. Built from the ground up on 50 acres in a beautiful and restorative setting outside of Austin, TX, The Refuge Ranch provides trauma-informed, holistic care for the girls which includes various therapeutic programs uniquely designed for the development of a child survivor including a horse therapy program. The Refuge Ranch is the largest long-term, live-in rehabilitation facility for child survivors of sex trafficking in the United States. The Refuge Ranch opened in August of 2018 and we are adding girls and staff to reach a capacity of 48 girls served.

#### **Project Description**

*Provide a detailed description of the project including activities to be supported with funds from the Account, timelines of each activity, and key milestones.*

The Refuge has implemented The Colors of Hope Equine Therapy Program into our holistic Circle of Care restoration program for young survivors of sex trafficking. We need operational

funding for daily care for the therapy horses. Equine therapy empowers survivors of complex trauma to take their own path from trauma to restoration, using the horse as a tool. Because the program was written by a survivor of sex trafficking for survivors, it applies effective, educational and redemptive equestrian experiences for the healing journey. Equine therapy is an excellent option for trauma victims who have a hard time opening about their experiences or who feel overwhelming anxiety or panic. Trauma victims form a trusting relationship with the horse, learning new reactions to triggers.

### **Anticipated Project Results/Economic Impact on the Horse Industry**

*Provide a detailed explanation of the anticipated economic impact on the horse industry and any other expected results and how they will be measured.*

Why The Refuge Ranch is Needed: • Child sex trafficking is the fastest growing crime in the world. • In the U.S. there was an 846% increase in reported child sex trafficking cases from 2010 to 2015. • Texas has the second most reported number of child sex trafficking cases in the U.S. •

Each young victim of sex trafficking is traumatized by daily rapes and horrific living conditions. After rescue, she needs a full array of restorative services to recover from her physical injuries, anxiety, depression, and Post-Traumatic Stress Disorder (PTSD).

Equine therapy is an enhancement of our Circle of Care restorative program for the young girls who come to us for recovery from the traumas of sex trafficking. Due to their time being trafficked they have a hard time opening about their experiences and may feel overwhelming anxiety or panic. Forging a relationship with horses is empowering and can bring miraculous results for these girls. Each girl will meet with Equine Therapy Coordinator weekly for an equine therapy session. She interacts with the horse under the guidance of the coordinator. This is followed up by a session with her therapist who helps her to incorporate what she learned and gained through the equine sessions into her daily life. Equine therapy provides an innovative milieu in which therapists and the girls can identify and address a range of emotional and behavioral challenges. These realizations provide an excellent basis for discussion between the therapist and the survivor to process both during and after the equine therapy experience. In the sessions, the girls work with the horse learning bonding, trust, and communication. These are skills they lost during their time in sex trafficking, due to the lack of interaction with others and the outside world.

A complete Annual Impact Report for Refuge Ranch can be found at <https://therefugeaustin.org/impact-report-2019>

### **Project Oversight**

*Who will oversee the project activities? Include name and title of the person. How will oversight be performed? What steps will take place to ensure the project is achieved as outlined?*

Project oversight will be provided by Monica Hinkle, Director of Community Engagement for The Refuge for DMST.

### **Project Budget**

*This section should reflect the total budget. Provide a general description of all costs along with a justification for each item. The explanations should focus on how each budget item is required to achieve the project. Be sure to itemize the request with quantities and individual estimated costs.*

*Pursuant to 16 T.A.C. Section 303.322(b), the following types of costs may not be paid with funds allocated from the account:*

- (1) capital improvements;*
- (2) donations or contributions made to any individual or organization without express approval from the Commission for such contribution or donation;*
- (3) costs of entertainment, amusements, social activities, and incidental costs relating thereto, including tickets to shows or sports events, meals, alcoholic beverages, lodging, rentals, transportation, tips, and gratuities;*
- (4) fines, penalties, or other costs resulting from violations of or failure to comply with federal, state, or local laws and regulations;*
- (5) liability insurance coverage not specific to a particular event or series of events for which the Commission has allocated funds from the account;*
- (6) expenses related to litigation;*
- (7) professional association fees or dues for the breed registry or an individual;*
- (8) legislative expenses such as salaries and other expenses associated with lobbying the state or federal legislature or similar local governmental bodies, whether incurred for purposes of legislation or executive direction; or*
- (9) fundraising.*

*Pursuant to 16 T.A.C. Section 303.322(c), the following types of costs may only be paid with funds allocated from the account, in an amount not to exceed five percent of the total allocated to the breed registry or of the approved allocation for any event, if specifically approved by the Commission:*

- (1) operating expenses, including the salaries of breed registry staff, interest and other financial costs related to borrowing and the cost of financing, contributions to a contingency reserve or any similar provision for unforeseen events, and audits or other accounting services; and*
- (2) the purchase of capital assets.*

<b>EXPENSE CATEGORIES</b>	<b>AMOUNT</b>
<b>Event Production Costs</b>	\$0.00
<b>Purse Supplements/Prizes</b>	\$0.00
<b>Advertising</b>	\$0.00
<b>Donations (include most recent IRS Form 990 for any non-profit)</b>	\$50,000.00
<b>Other Direct Expenses (itemize below):</b>	\$0.00
	\$
	\$
	\$

	<b>\$</b>
<b>Total Direct Costs</b>	<b>\$50,000.00</b>
<b>Administrative Expenses/Capital Assets (may not exceed 5% of project total)</b>	<b>\$0.00</b>
<b>Total</b>	<b><u>\$50000</u></b>

**Event Production Costs** (\$ \_\_\_\_\_ total) *For events to be produced or sponsored by the breed registry, provide a breakdown of the event production expenses.*

**Purse Supplements/Prizes** (\$ \_\_\_\_\_ total) *Provide a breakdown of purses/purse supplements, prizes, and Texas-bred supplements from HIEA funding.*

**Advertising** (\$ \_\_\_\_\_ total) *Provide an explanation of advertising costs.*

**Donations** (\$50000 total) *For any donation, state the recipient(s), amount for each recipient, and an explanation of the purpose of the donation. For any 501(c)(3), provide the organization’s most recent IRS Form 990.*

**Other direct expenses – first category** \_\_\_\_\_ (\$ \_\_\_\_\_ total) *Provide a detailed description of any other category of direct expenses.*

**Other direct expenses – second category** \_\_\_\_\_ (\$ \_\_\_\_\_ total) *Provide a detailed description of any other category of direct expenses.*

**Other direct expenses – third category** \_\_\_\_\_ (\$ \_\_\_\_\_ total) *Provide a detailed description of any other category of direct expenses.*

**Administrative Expenses/Capital Assets** (\$ \_\_\_\_\_ total; may not exceed 5% of total) *Provide a detailed description of administrative expenses such as personnel costs or other direct budgeted costs associated with the project. For each employee receiving a portion of this funding as a wage or stipend, indicate their title, estimated time budgeted to the event, and the amount.*



APPLICATION FOR BREED REGISTRY FUNDING  
FROM THE HORSE INDUSTRY ESCROW ACCOUNT

PROJECT NARRATIVE (USE A SEPARATE FORM FOR EACH EVENT)  
(Must be accompanied by Form HIEA-2, Project Narrative)

**APPLICANT NAME: TEXAS QUARTER HORSE ASSOCIATION (TQHA)**

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*This form was developed to be completed electronically. Handwritten applications and/or narratives will not be accepted. Click the grey text boxes to type responses. A maximum of 6 pages may be used to fully respond.*

**Project Title (Event Name):** Stock Horse Association of Texas - Triple Threat Incentive

**Event Date(s) or Approximate Date(s):** October 27-31, 2020

**Total Amount Requested For this Event:** \$6,300

**When Are Funds Needed?** *If funding can be provided in multiple phases, please explain.*  
October 1, 2020

### **Project Background**

#### **Project Summary**

*Please provide a summary of the event for which funding is sought and the project(s) that will be achieved as a result of this funding.*

The Texas Triple Threat Incentive is a "class within a class" at the Stock Horse World Championship Show. Exhibitors must meet the following criteria to enter: Rider must be a Texas resident and member of TQHA; Owner must be a Texas resident and member of TQHA; horse must be Texas-bred. The top overall score earners from both go-rounds of competition will win Cash and/or Prizes through the Texas Triple Threat Incentive.

#### **Project Description**

*Provide a detailed description of the project including activities to be supported with funds from the Account, timelines of each activity, and key milestones.*

The Texas Triple Threat Incentive will be part of the larger event, the Stock Horse World Championship Show held in Abilene, Texas. The Stock Horse World Show spans 5 days of competition. In 2019, it included 1,958 entries and saw an economic impact of \$954,000 to the city of Abilene. Through show fees alone, more than \$100,000 were pumped into Stock Horse of Texas to support this show and other equine events within the state. HIEA funds would be

used entirely as a purse/prize incentive for additional Texas horse owners to join the competition.

### **Anticipated Project Results/Economic Impact on the Horse Industry**

*Provide a detailed explanation of the anticipated economic impact on the horse industry and any other expected results and how they will be measured.*

The Texas Triple Threat Incentive will act as an incentive for other Texas horse owners to compete at the Stock Horse World Show and be recognized directly with other Texas owners/exhibitors with Texas-bred horses. The Stock Horse World Show offers 9 levels of competition, including entry level riders. The Stock Horse World Show also offers a trade show that sells tack and other items that contribute directly to the Horse Industry Escrow Account. It is expected that the Texas Triple Threat Incentive will lead to growth in entry numbers, specifically with Texas horse owners. Entry numbers can be compared year-to-year for exact growth. Advertising sponsored by Stock Horse of Texas will grow interest in the Texas Triple Threat. Those looking to purchase horses and join the organization will be encouraged to look for Texas-bred horses in order to be eligible for the event. The fact all Texas horse owners/exhibitors will also be required to have a Texas Quarter Horse Association membership will direct growth to TQHA. Membership in TQHA will also support the Texas horse industry, and will give these new TQHA members more insight into the work TQHA does for the horse industry in Texas.

All exhibitors will also be required to have a Stock Horse of Texas membership (1,800 members in 2019) and a Texas Quarter Horse Association membership to be eligible for the incentive, and that will direct growth to TQHA. Membership in TQHA will also support the Texas horse industry, and will give these new TQHA members more insight into the work TQHA does for the horse industry in Texas. Growth in membership in both SHTX and TQHA is predicted and can be measured comparing 2019 and 2020 numbers. SHTX predicts a 50% increase in TQHA memberships sold through Stock Horse of Texas.

### **Project Oversight**

*Who will oversee the project activities? Include name and title of the person. How will oversight be performed? What steps will take place to ensure the project is achieved as outlined?*

Jill Dunkel, Executive Director of Stock Horse of Texas will manage the event. Jill is a Certified Show Manager through the American Quarter Horse Association. All entries must select the Texas Triple Threat Incentive on the entry form and provide proof of Texas owner/rider and Texas breeder per the breed association registration certificate. All tabulation will be conducted by Kelsey Coon, a Certified Show Secretary through the American Quarter Horse Association.

### **Project Budget**

*This section should reflect the total budget. Provide a general description of all costs along with a justification for each item. The explanations should focus on how each budget item is required to achieve the project. Be sure to itemize the request with quantities and individual estimated costs.*

Pursuant to 16 T.A.C. Section 303.322(b), the following types of costs may not be paid with funds allocated from the account:

- (1) capital improvements;
- (2) donations or contributions made to any individual or organization without express approval from the Commission for such contribution or donation;
- (3) costs of entertainment, amusements, social activities, and incidental costs relating thereto, including tickets to shows or sports events, meals, alcoholic beverages, lodging, rentals, transportation, tips, and gratuities;
- (4) fines, penalties, or other costs resulting from violations of or failure to comply with federal, state, or local laws and regulations;
- (5) liability insurance coverage not specific to a particular event or series of events for which the Commission has allocated funds from the account;
- (6) expenses related to litigation;
- (7) professional association fees or dues for the breed registry or an individual;
- (8) legislative expenses such as salaries and other expenses associated with lobbying the state or federal legislature or similar local governmental bodies, whether incurred for purposes of legislation or executive direction; or
- (9) fundraising.

Pursuant to 16 T.A.C. Section 303.322(c), the following types of costs may only be paid with funds allocated from the account, in an amount not to exceed five percent of the total allocated to the breed registry or of the approved allocation for any event, if specifically approved by the Commission:

- (1) operating expenses, including the salaries of breed registry staff, interest and other financial costs related to borrowing and the cost of financing, contributions to a contingency reserve or any similar provision for unforeseen events, and audits or other accounting services; and
- (2) the purchase of capital assets.

EXPENSE CATEGORIES	AMOUNT
<b>Event Production Costs</b>	<b>\$0.00</b>
<b>Purse Supplements/Prizes</b>	<b>\$6,000.00</b>
<b>Advertising</b>	<b>\$0.00</b>
<b>Donations (include most recent IRS Form 990 for any non-profit)</b>	<b>\$0.00</b>
<b>Other Direct Expenses (itemize below):</b>	<b>\$0.00</b>
	\$
	\$
	\$
	\$
<b>Total Direct Costs</b>	<b>\$6,000.00</b>
<b>Administrative Expenses/Capital Assets (may not exceed 5% of project total)</b>	<b>\$300.00</b>

<b>Total</b>	<b>\$6,300.00</b>
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**Event Production Costs** (\$ \_\_\_\_\_ **total**) *For events to be produced or sponsored by the breed registry, provide a breakdown of the event production expenses.*

All additional event production costs will be paid by Stock Horse of Texas.

**Purse Supplements/Prizes** (\$6000 **total**) *Provide a breakdown of purses/purse supplements, prizes, and Texas-bred supplements from HIEA funding.*

Money/Prizes awarded directly to the Top 3 winners of the Texas Triple Threat

**Advertising** (\$ \_\_\_\_\_ **total**) *Provide an explanation of advertising costs.*

All additional advertising costs will be paid by Stock Horse of Texas.

**Donations** (\$ \_\_\_\_\_ **total**) *For any donation, state the recipient(s), amount for each recipient, and an explanation of the purpose of the donation. For any 501(c)(3), provide the organization's most recent IRS Form 990.*

**Other direct expenses – first category** \_\_\_\_\_ (\$ \_\_\_\_\_ **total**) *Provide a detailed description of any other category of direct expenses.*

All additional event production costs will be paid by Stock Horse of Texas.

**Other direct expenses – second category** \_\_\_\_\_ (\$ \_\_\_\_\_ **total**) *Provide a detailed description of any other category of direct expenses.*

**Other direct expenses – third category** \_\_\_\_\_ (\$ \_\_\_\_\_ **total**) *Provide a detailed description of any other category of direct expenses.*

**Administrative Expenses/Capital Assets** (\$300 **total**; **may not exceed 5% of total**) *Provide a detailed description of administrative expenses such as personnel costs or other direct budgeted costs associated with the project. For each employee receiving a portion of this funding as a wage or stipend, indicate their title, estimated time budgeted to the event, and the amount.*

Processing TQHA memberships and eligible participants for prize \$; planning event with SHTX; processing payments to SHTX



APPLICATION FOR BREED REGISTRY FUNDING  
FROM THE HORSE INDUSTRY ESCROW ACCOUNT

PROJECT NARRATIVE (USE A SEPARATE FORM FOR EACH EVENT)  
(Must be accompanied by Form HIEA-2, Project Narrative)

**APPLICANT NAME: TEXAS QUARTER HORSE ASSOCIATION (TQHA)**

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*This form was developed to be completed electronically. Handwritten applications and/or narratives will not be accepted. Click the grey text boxes to type responses. A maximum of 6 pages may be used to fully respond.*

**Project Title (Event Name):** Stock Horse Association of Texas - Ride for the Cash

**Event Date(s) or Approximate Date(s):** February - October, 2020

**Total Amount Requested For this Event:** \$9,450

**When Are Funds Needed?** *If funding can be provided in multiple phases, please explain.*  
November 1, 2020

**Project Background**

**Project Summary**

*Please provide a summary of the event for which funding is sought and the project(s) that will be achieved as a result of this funding.*

The "SHTX Ride for the Cash" is an incentive program to reward exhibitors in Stock Horse of Texas (SHTX) who compete at a large number of horse events throughout 2020. The SHTX Ride for the Cash incentive will be awarded to 9 Stock Horse of Texas members who a certain number of Stock Horse of Texas events in 2020.

**Project Description**

*Provide a detailed description of the project including activities to be supported with funds from the Account, timelines of each activity, and key milestones.*

The SHTX Ride for the Cash Program will award nine \$1,000 prizes to Stock Horse of Texas members who attend a specified number of SHTX events throughout 2020. Eleven events hosted by SHTX begin in February and will continue through October. All Stock Horse of Texas events last 2-4 days and include educational clinics and horse shows. Events are geared to all levels of riders, offering an entry-level avenue for horse owners who might not be prepared, or feel intimidated to join other equine events. The basis for all Stock Horse of Texas events are educational, focusing on how riders can improve with their horses. All judging opens the door

for an educational discussion on credit or penalty earning areas of competition. Participants are supported with additional educational opportunities and contacts for further education on a private basis. Due to this educational focus, new participants have a higher level of retention and attend additional equine events.

Stock Horse of Texas is an equine non-profit with an annual budget of \$700,000, and approximately 1,800 members from 25 different states who travel to Texas to compete, or have horses in training in Texas and compete at SHTX events.

### **Anticipated Project Results/Economic Impact on the Horse Industry**

*Provide a detailed explanation of the anticipated economic impact on the horse industry and any other expected results and how they will be measured.*

The Ride for the Cash will incentivize Texas horse owners to go to Stock Horse of Texas events in order to be eligible for the Ride for the Cash incentive. SHTX events are spread far and wide across the state, with many exhibitors traveling hundreds of miles to attend. The Ride for the Cash will incentivize Texas horse owners to attend as many shows as possible in 2020. In 2019, SHTX hosted 11 competitions and 17 educational clinics. Economic impact for the communities that hosted SHTX events in 2019 totaled \$5.6 Million (calculated from the AQHA and Fort Worth, Texas, Chamber of Commerce calculator utilizing a multiplier effect). In 2019, a total of 1,947 horses competed at SHTX events, contributing to a total of 11,038 entries. The Ride for the Cash incentive is expected to create a 5% growth to these participation numbers.

All exhibitors will also be required to have a Stock Horse of Texas membership (1,800 members in 2019) and a Texas Quarter Horse Association membership to be eligible for the incentive, and that will direct growth to TQHA. Membership in TQHA will also support the Texas horse industry, and will give these new TQHA members more insight into the work TQHA does for the horse industry in Texas. Growth in membership in both SHTX and TQHA is predicted and can be measured comparing 2019 and 2020 numbers. SHTX predicts a 50% increase in TQHA memberships sold through Stock Horse of Texas.

Stock Horse of Texas has a reputation for creating a demand for horses with skills in cutting, reining, ranching and working cow horse. Where other associations focus on "aged events" that horses compete in through their 6-year-old year, Stock Horse of Texas creates a market for these horses who are too old for these "aged events" in other associations. Horses are widely sought after with these skills. Cow horse, reining and cutting trainers alike all say the "ranch and stock horse revolution" has given their older horses a home at a legitimate value. Thus, Stock Horse of Texas events creates a market for horses in Texas. The value of these horses ranges from \$7,500-100,000. It is estimated 100-200 horses in this price range trade hands through Stock Horse of Texas members each year.

The popularity of Stock Horse of Texas events has also created a demand for vendors. Vendors sell thousands of dollars in horse-related products at SHTX events to support the growing base of Stock Horse of Texas members. On average, a single tack vendor sells between \$7,500 to \$20,000 of horse-related products at each of the 11 Stock Horse of Texas events.

### **Project Oversight**

*Who will oversee the project activities? Include name and title of the person. How will oversight be performed? What steps will take place to ensure the project is achieved as outlined?*

Jill Dunkel, Executive Director of Stock Horse of Texas will manage all of the events. Jill is a Certified Show Manager through the American Quarter Horse Association. All tabulation will be conducted by Kelsey Coon, a Certified Show Secretary through the American Quarter Horse Association. Verification of Texas Quarter Horse Association membership will be conducted with Val Clark at TQHA. The Stock Horse of Texas Board of Directors will also offer oversight of the Ride for the Cash incentive.

### **Project Budget**

*This section should reflect the total budget. Provide a general description of all costs along with a justification for each item. The explanations should focus on how each budget item is required to achieve the project. Be sure to itemize the request with quantities and individual estimated costs.*

*Pursuant to 16 T.A.C. Section 303.322(b), the following types of costs may not be paid with funds allocated from the account:*

- (1) capital improvements;*
- (2) donations or contributions made to any individual or organization without express approval from the Commission for such contribution or donation;*
- (3) costs of entertainment, amusements, social activities, and incidental costs relating thereto, including tickets to shows or sports events, meals, alcoholic beverages, lodging, rentals, transportation, tips, and gratuities;*
- (4) fines, penalties, or other costs resulting from violations of or failure to comply with federal, state, or local laws and regulations;*
- (5) liability insurance coverage not specific to a particular event or series of events for which the Commission has allocated funds from the account;*
- (6) expenses related to litigation;*
- (7) professional association fees or dues for the breed registry or an individual;*
- (8) legislative expenses such as salaries and other expenses associated with lobbying the state or federal legislature or similar local governmental bodies, whether incurred for purposes of legislation or executive direction; or*
- (9) fundraising.*

*Pursuant to 16 T.A.C. Section 303.322(c), the following types of costs may only be paid with funds allocated from the account, in an amount not to exceed five percent of the total allocated to the breed registry or of the approved allocation for any event, if specifically approved by the Commission:*

- (1) operating expenses, including the salaries of breed registry staff, interest and other financial costs related to*

*borrowing and the cost of financing, contributions to a contingency reserve or any similar provision for unforeseen events, and audits or other accounting services; and  
(2) the purchase of capital assets.*

EXPENSE CATEGORIES	AMOUNT
<b>Event Production Costs</b>	\$0.00
<b>Purse Supplements/Prizes</b>	\$9,000.00
<b>Advertising</b>	\$0.00
<b>Donations (include most recent IRS Form 990 for any non-profit)</b>	\$0.00
<b>Other Direct Expenses (itemize below):</b>	\$0.00
	\$
	\$
	\$
	\$
<b>Total Direct Costs</b>	<b>\$9,000.00</b>
<b>Administrative Expenses/Capital Assets (may not exceed 5% of project total)</b>	<b>\$450.00</b>
<b>Total</b>	<b><u>\$9,450.00</u></b>

**Event Production Costs** (\$ \_\_\_\_\_ **total**) *For events to be produced or sponsored by the breed registry, provide a breakdown of the event production expenses.  
All additional event production costs will be paid by Stock Horse of Texas.*

**Purse Supplements/Prizes** (\$6000 **total**) *Provide a breakdown of purses/purse supplements, prizes, and Texas-bred supplements from HIEA funding.  
Money/Prizes awarded directly to the 9 Ride for the Cash winners.*

**Advertising** (\$ \_\_\_\_\_ **total**) *Provide an explanation of advertising costs.  
All additional advertising costs will be paid by Stock Horse of Texas.*

**Donations** (\$ \_\_\_\_\_ **total**) *For any donation, state the recipient(s), amount for each recipient, and an explanation of the purpose of the donation. For any 501(c)(3), provide the organization's most recent IRS Form 990.*

**Other direct expenses – first category** \_\_\_\_\_ (\$ \_\_\_\_\_ **total**) *Provide a detailed description of any other category of direct expenses.  
All additional event production costs will be paid by Stock Horse of Texas.*

**Other direct expenses – second category** \_\_\_\_\_ (\$ \_\_\_\_\_ **total**) *Provide a detailed description of any other category of direct expenses.*

**Other direct expenses – third category \_\_\_\_\_ (\$ \_\_\_\_\_ total) Provide a detailed description of any other category of direct expenses.**

**Administrative Expenses/Capital Assets (\$ \_\_\_\_\_ total; may not exceed 5% of total) Provide a detailed description of administrative expenses such as personnel costs or other direct budgeted costs associated with the project. For each employee receiving a portion of this funding as a wage or stipend, indicate their title, estimated time budgeted to the event, and the amount.**

Processing TQHA memberships and eligible participants for prize \$; planning event with SHTX; processing payments to SHTX



APPLICATION FOR BREED REGISTRY FUNDING  
FROM THE HORSE INDUSTRY ESCROW ACCOUNT

PROJECT NARRATIVE (USE A SEPARATE FORM FOR EACH EVENT)  
(Must be accompanied by Form HIEA-2, Project Narrative)

**APPLICANT NAME: TEXAS QUARTER HORSE ASSOCIATION (TQHA)**

*This form was developed to be completed electronically. Handwritten applications and/or narratives will not be accepted. Click the grey text boxes to type responses. A maximum of 6 pages may be used to fully respond.*

**Project Title (Event Name):** 4-H Judging Team

**Event Date(s) or Approximate Date(s):** Texas State 4-H Horse Show (July 2020); AQHA Youth World Show (August 2020), and AQHA Quarter Horse Congress (October 2020)

**Total Amount Requested For this Event:** \$9,450

**When Are Funds Needed?** *If funding can be provided in multiple phases, please explain.*  
Funding can not be provided in multiple phases due to the up-front cost of ordering the prizes.

**Project Background**

**Project Summary**

*Please provide a summary of the event for which funding is sought and the project(s) that will be achieved as a result of this funding.*

4-H is a vital youth program and partnering with 4-H would encourage ongoing participation and exposure to quarter horse related activities. In addition, this partnership would potentially increase TQHA memberships and future participants in TQHA shows and activities.

**Project Description**

*Provide a detailed description of the project including activities to be supported with funds from the Account, timelines of each activity, and key milestones.*

Funding under this request would incorporate three (3) events:

1. AQHA Youth World Show in Oklahoma City, Oklahoma – August 2020
2. AQHA Congress in Columbus, Ohio – October 2020
3. Texas State 4-H Horse Show in Bryan/College Station, Texas – July 2020

In order to be eligible, all 4-H members would also be required to be a current TQHA member if not already.

For the judging contests at the AQHA World Show and AQHA Congress, scholarship money would be awarded to each team member as well as an award jacket.

For the State 4-H Horse Show, scholarships would be awarded to the highest placing TQHA member riding a registered AQHA horse in each of the six major divisions (judged western, speed, roping, hunter flat, hunter over fences and stock horse).

### **Anticipated Project Results/Economic Impact on the Horse Industry**

*Provide a detailed explanation of the anticipated economic impact on the horse industry and any other expected results and how they will be measured.*

### **Project Oversight**

*Who will oversee the project activities? Include name and title of the person. How will oversight be performed? What steps will take place to ensure the project is achieved as outlined?*

Project oversight will be provided by Val Clark, Executive Director of the TQHA.

### **Project Budget**

*This section should reflect the total budget. Provide a general description of all costs along with a justification for each item. The explanations should focus on how each budget item is required to achieve the project. Be sure to itemize the request with quantities and individual estimated costs.*

*Pursuant to 16 T.A.C. Section 303.322(b), the following types of costs may not be paid with funds allocated from the account:*

- (1) capital improvements;*
- (2) donations or contributions made to any individual or organization without express approval from the Commission for such contribution or donation;*
- (3) costs of entertainment, amusements, social activities, and incidental costs relating thereto, including tickets to shows or sports events, meals, alcoholic beverages, lodging, rentals, transportation, tips, and gratuities;*
- (4) fines, penalties, or other costs resulting from violations of or failure to comply with federal, state, or local laws and regulations;*
- (5) liability insurance coverage not specific to a particular event or series of events for which the Commission has allocated funds from the account;*
- (6) expenses related to litigation;*
- (7) professional association fees or dues for the breed registry or an individual;*
- (8) legislative expenses such as salaries and other expenses associated with lobbying the state or federal legislature or similar local governmental bodies, whether incurred for purposes of legislation or executive direction; or*
- (9) fundraising.*

Pursuant to 16 T.A.C. Section 303.322(c), the following types of costs may only be paid with funds allocated from the account, in an amount not to exceed five percent of the total allocated to the breed registry or of the approved allocation for any event, if specifically approved by the Commission:

- (1) operating expenses, including the salaries of breed registry staff, interest and other financial costs related to borrowing and the cost of financing, contributions to a contingency reserve or any similar provision for unforeseen events, and audits or other accounting services; and
- (2) the purchase of capital assets.

EXPENSE CATEGORIES	AMOUNT
<b>Event Production Costs</b>	\$0.00
<b>Purse Supplements/Prizes</b>	\$0.00
<b>Advertising</b>	\$0.00
<b>Donations (include most recent IRS Form 990 for any non-profit)</b>	\$9,000.00
<b>Other Direct Expenses (itemize below):</b>	\$0.00
	\$
	\$
	\$
	\$
<b>Total Direct Costs</b>	<b>\$450.00</b>
<b>Administrative Expenses/Capital Assets (may not exceed 5% of project total)</b>	<b>\$9,450.00</b>
<b>Total</b>	<b>\$9450</b>

**Event Production Costs (\$0 total)** For events to be produced or sponsored by the breed registry, provide a breakdown of the event production expenses.

**Purse Supplements/Prizes (\$0 total)** Provide a breakdown of purses/purse supplements, prizes, and Texas-bred supplements from HIEA funding.

**Advertising (\$0 total)** Provide an explanation of advertising costs.

**Donations (\$9000 total)** For any donation, state the recipient(s), amount for each recipient, and an explanation of the purpose of the donation. For any 501(c)(3), provide the organization’s most recent IRS Form 990.

Judging Team:

TQHA Scholarship for each team member - \$500 x 4 members = \$2,000

Award TQHA logoed jackets for the team attending AQHA World Show and Congress = \$1,000 to market the Texas Quarter Horse Association

State 4-H Horse Show:

\$1,000 scholarship to the winner of each division = \$6,000

**Other direct expenses – first category \_\_\_\_\_ (\$0 total) Provide a detailed description of any other category of direct expenses.**

**Other direct expenses – second category \_\_\_\_\_ (\$0 total) Provide a detailed description of any other category of direct expenses.**

**Other direct expenses – third category \_\_\_\_\_ (\$0 total) Provide a detailed description of any other category of direct expenses.**

**Administrative Expenses/Capital Assets (\$450 total; may not exceed 5% of total) Provide a detailed description of administrative expenses such as personnel costs or other direct budgeted costs associated with the project. For each employee receiving a portion of this funding as a wage or stipend, indicate their title, estimated time budgeted to the event, and the amount.**

Administrative costs would include processing and communicating with the 4-H Club & winning team members after initial results from the Agrilife Extension office; identifying and paying scholarship recipients; ordering custom jackets per Congress team member.



APPLICATION FOR BREED REGISTRY FUNDING  
FROM THE HORSE INDUSTRY ESCROW ACCOUNT

PROJECT NARRATIVE (USE A SEPARATE FORM FOR EACH EVENT)  
(Must be accompanied by Form HIEA-2, Project Narrative)

**APPLICANT NAME: TEXAS QUARTER HORSE ASSOCIATION (TQHA)**

*This form was developed to be completed electronically. Handwritten applications and/or narratives will not be accepted. Click the grey text boxes to type responses. A maximum of 6 pages may be used to fully respond.*

**Project Title (Event Name):** SRCHA Wild Rag Cattle Classic TQHA Incentive

**Event Date(s) or Approximate Date(s):** May 4-10, 2020

**Total Amount Requested For this Event:** \$21,000

**When Are Funds Needed?** *If funding can be provided in multiple phases, please explain.*  
No later than March 15, 2020 to allow for advertising of program.

**Project Background**

**Project Summary**

*Please provide a summary of the event for which funding is sought and the project(s) that will be achieved as a result of this funding.*

The SRCHA Wild Rag Cattle Classic Texas-bred Incentive will be paid to those horses that are Texas bred and will be paid according to the show management results. The events that will receive the incentives will be the Roping classes and the Cow Horse Derby. The Wild Rag Show consists of Roping, Cow Horse, Reining, Cutting, Versatility and Ranch Riding, it is a very popular show with lots of different horse enthusiasts.

**Project Description**

*Provide a detailed description of the project including activities to be supported with funds from the Account, timelines of each activity, and key milestones.*

The program would consist of horses that are Texas-bred and the exhibitor and owners of those horses would be required to be current members of TQHA to participate. The horses will be shown throughout the week. Multiple divisions will be paid with the funds to encourage more people to participate.

**Anticipated Project Results/Economic Impact on the Horse Industry**

*Provide a detailed explanation of the anticipated economic impact on the horse industry and any other expected results and how they will be measured.*

The Wild Rag Cattle Classic (WRCC) is a very anticipated event each year with an increase in entries most years, last year having a 10% growth in entries. With implementing this project of added money and prizes we would anticipate at least that much growth in 2020. The diversity of this event draws in a variety of the horse enthusiasts from Texas giving them multiple events to compete in unlike many specialized shows. We hope to increase the TQHA membership and introduce more people to the Texas horse industry and encourage the breeding and showing of Texas bred horses. The estimated increase in economic impact of a 10% growth in entries would be approximately \$100,000.

### **Project Oversight**

*Who will oversee the project activities? Include name and title of the person. How will oversight be performed? What steps will take place to ensure the project is achieved as outlined?*

Gay Lenz, Executive Director for Southwest Reined Cow Horse Association (SRCHA). She will gather and maintain the records of horses to determine the Texas bred horses along with collecting and verifying memberships of the owner and riders at the event. All of the entries to the event will go through the SRCHA office with Mrs. Lenz being the recipient of those entries which will enable her to maintain the proper records.

### **Project Budget**

*This section should reflect the total budget. Provide a general description of all costs along with a justification for each item. The explanations should focus on how each budget item is required to achieve the project. Be sure to itemize the request with quantities and individual estimated costs.*

*Pursuant to 16 T.A.C. Section 303.322(b), the following types of costs may not be paid with funds allocated from the account:*

- (1) capital improvements;*
- (2) donations or contributions made to any individual or organization without express approval from the Commission for such contribution or donation;*
- (3) costs of entertainment, amusements, social activities, and incidental costs relating thereto, including tickets to shows or sports events, meals, alcoholic beverages, lodging, rentals, transportation, tips, and gratuities;*
- (4) fines, penalties, or other costs resulting from violations of or failure to comply with federal, state, or local laws and regulations;*
- (5) liability insurance coverage not specific to a particular event or series of events for which the Commission has allocated funds from the account;*
- (6) expenses related to litigation;*
- (7) professional association fees or dues for the breed registry or an individual;*
- (8) legislative expenses such as salaries and other expenses associated with lobbying the state or federal legislature or similar local governmental bodies, whether incurred for purposes of legislation or executive direction; or*

(9) fundraising.

Pursuant to 16 T.A.C. Section 303.322(c), the following types of costs may only be paid with funds allocated from the account, in an amount not to exceed five percent of the total allocated to the breed registry or of the approved allocation for any event, if specifically approved by the Commission:

- (1) operating expenses, including the salaries of breed registry staff, interest and other financial costs related to borrowing and the cost of financing, contributions to a contingency reserve or any similar provision for unforeseen events, and audits or other accounting services; and
- (2) the purchase of capital assets.

EXPENSE CATEGORIES	AMOUNT
<b>Event Production Costs</b>	\$0.00
<b>Purse Supplements/Prizes</b>	\$20,000.00
<b>Advertising</b>	\$0.00
<b>Donations (include most recent IRS Form 990 for any non-profit)</b>	\$0.00
<b>Other Direct Expenses (itemize below):</b>	\$0.00
	\$
	\$
	\$
	\$
<b>Total Direct Costs</b>	<b>\$20,000.00</b>
<b>Administrative Expenses/Capital Assets (may not exceed 5% of project total)</b>	<b>\$1,000.00</b>
<b>Total</b>	<b><u>\$21,000.00</u></b>

**Event Production Costs** (\$            **total**) For events to be produced or sponsored by the breed registry, provide a breakdown of the event production expenses.

**Purse Supplements/Prizes** (\$20000 **total**) Provide a breakdown of purses/purse supplements, prizes, and Texas-bred supplements from HIEA funding.

**Advertising** (\$            **total**) Provide an explanation of advertising costs.

**Donations** (\$            **total**) For any donation, state the recipient(s), amount for each recipient, and an explanation of the purpose of the donation. For any 501(c)(3), provide the organization’s most recent IRS Form 990.

**Other direct expenses – first category** \_\_\_\_\_ (\$ \_\_\_\_\_ **total**) *Provide a detailed description of any other category of direct expenses.*

**Other direct expenses – second category** \_\_\_\_\_ (\$ \_\_\_\_\_ **total**) *Provide a detailed description of any other category of direct expenses.*

**Other direct expenses – third category** \_\_\_\_\_ (\$ \_\_\_\_\_ **total**) *Provide a detailed description of any other category of direct expenses.*

**Administrative Expenses/Capital Assets (\$1000 total; may not exceed 5% of total)** *Provide a detailed description of administrative expenses such as personnel costs or other direct budgeted costs associated with the project. For each employee receiving a portion of this funding as a wage or stipend, indicate their title, estimated time budgeted to the event, and the amount.*

Processing TQHA memberships for award pay-out

TQHA marketing for event



APPLICATION FOR BREED REGISTRY FUNDING  
FROM THE HORSE INDUSTRY ESCROW ACCOUNT

PROJECT NARRATIVE (USE A SEPARATE FORM FOR EACH EVENT)  
(Must be accompanied by Form HIEA-2, Project Narrative)

**APPLICANT NAME: TEXAS QUARTER HORSE ASSOCIATION (TQHA)**

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*This form was developed to be completed electronically. Handwritten applications and/or narratives will not be accepted. Click the grey text boxes to type responses. A maximum of 6 pages may be used to fully respond.*

**Project Title (Event Name):** SRCHA Pre Futurity & Horse Show Texas Bred Incentive

**Event Date(s) or Approximate Date(s):** August 10-16, 2020

**Total Amount Requested For this Event:** \$52,500

**When Are Funds Needed?** *If funding can be provided in multiple phases, please explain.*  
No later than April 1, 2020 to allow for advertising of program.

**Project Background**

**Project Summary**

*Please provide a summary of the event for which funding is sought and the project(s) that will be achieved as a result of this funding.*

The SRCHA Pre Futurity & Horse Show Texas Bred Incentive will be paid to those horses that are Texas-bred and will be paid according to the Pre Futurity results.

**Project Description**

*Provide a detailed description of the project including activities to be supported with funds from the Account, timelines of each activity, and key milestones.*

The program would consist of horses that are Texas bred and the exhibitor and owners of those horses would be required to be current members of TQHA to participate. The horses will be shown through out the week with the final results coming on Saturday, August 15. Multiple divisions will be paid with the funds to encourage more people to participate. (Open, Intermediate Open, Limited Open, Level One Open, Non Pro, Intermediate Non Pro, Novice Non Pro, Amateur and Non Pro Limited divisions)

**Anticipated Project Results/Economic Impact on the Horse Industry**

*Provide a detailed explanation of the anticipated economic impact on the horse industry and any other expected results and how they will be measured.*

This project's goal would be to encourage Texas horse owners to be a part of the cow horse event. With 62% of the people participating in last year's futurity being from Texas we feel this will gain even a greater exposure for those Texas bred horses and owners. Bringing in new people to one of the most exciting events in the horse industry is one of SRCHA's missions. Welcoming new trainers, non pros and owners is a must to all the horse industry of Texas. It is anticipated that the addition of this prize money would generate a conservative 6% increase in entries over 2019. The estimated economic impact of that increase would be approximately \$60,000.

### **Project Oversight**

*Who will oversee the project activities? Include name and title of the person. How will oversight be performed? What steps will take place to ensure the project is achieved as outlined?*

Gay Lenz, Executive Director for Southwest Reined Cow Horse Association (SRCHA). She will gather and maintain the records of horses to determine the Texas bred horses along with collecting and verifying memberships of the owner and riders at the event. All of the entries to the event will go through the SRCHA office with Mrs. Lenz being the recipient of those entries which will enable her to maintain the proper records.

### **Project Budget**

*This section should reflect the total budget. Provide a general description of all costs along with a justification for each item. The explanations should focus on how each budget item is required to achieve the project. Be sure to itemize the request with quantities and individual estimated costs.*

*Pursuant to 16 T.A.C. Section 303.322(b), the following types of costs may not be paid with funds allocated from the account:*

- (1) capital improvements;*
- (2) donations or contributions made to any individual or organization without express approval from the Commission for such contribution or donation;*
- (3) costs of entertainment, amusements, social activities, and incidental costs relating thereto, including tickets to shows or sports events, meals, alcoholic beverages, lodging, rentals, transportation, tips, and gratuities;*
- (4) fines, penalties, or other costs resulting from violations of or failure to comply with federal, state, or local laws and regulations;*
- (5) liability insurance coverage not specific to a particular event or series of events for which the Commission has allocated funds from the account;*
- (6) expenses related to litigation;*
- (7) professional association fees or dues for the breed registry or an individual;*
- (8) legislative expenses such as salaries and other expenses associated with lobbying the state or federal legislature or similar local governmental bodies, whether incurred for purposes of legislation or executive direction; or*

(9) fundraising.

Pursuant to 16 T.A.C. Section 303.322(c), the following types of costs may only be paid with funds allocated from the account, in an amount not to exceed five percent of the total allocated to the breed registry or of the approved allocation for any event, if specifically approved by the Commission:

- (1) operating expenses, including the salaries of breed registry staff, interest and other financial costs related to borrowing and the cost of financing, contributions to a contingency reserve or any similar provision for unforeseen events, and audits or other accounting services; and
- (2) the purchase of capital assets.

EXPENSE CATEGORIES	AMOUNT
<b>Event Production Costs</b>	\$0.00
<b>Purse Supplements/Prizes</b>	\$50,000.00
<b>Advertising</b>	\$
<b>Donations (include most recent IRS Form 990 for any non-profit)</b>	\$0.00
<b>Other Direct Expenses (itemize below):</b>	\$0.00
	\$
	\$
	\$
	\$
<b>Total Direct Costs</b>	<b>\$50,000.00</b>
<b>Administrative Expenses/Capital Assets (may not exceed 5% of project total)</b>	<b>\$2,500.00</b>
<b>Total</b>	<b><u>\$52,500.00</u></b>

**Event Production Costs** (\$            **total**) For events to be produced or sponsored by the breed registry, provide a breakdown of the event production expenses.

**Purse Supplements/Prizes** (\$50,000 **total**) Provide a breakdown of purses/purse supplements, prizes, and Texas-bred supplements from HIEA funding.

**Advertising** (\$            **total**) Provide an explanation of advertising costs.

**Donations** (\$            **total**) For any donation, state the recipient(s), amount for each recipient, and an explanation of the purpose of the donation. For any 501(c)(3), provide the organization’s most recent IRS Form 990.

**Other direct expenses – first category** \_\_\_\_\_ (\$ \_\_\_\_\_ **total**) *Provide a detailed description of any other category of direct expenses.*

**Other direct expenses – second category** \_\_\_\_\_ (\$ \_\_\_\_\_ **total**) *Provide a detailed description of any other category of direct expenses.*

**Other direct expenses – third category** \_\_\_\_\_ (\$ \_\_\_\_\_ **total**) *Provide a detailed description of any other category of direct expenses.*

**Administrative Expenses/Capital Assets (\$2500 total; may not exceed 5% of total)** *Provide a detailed description of administrative expenses such as personnel costs or other direct budgeted costs associated with the project. For each employee receiving a portion of this funding as a wage or stipend, indicate their title, estimated time budgeted to the event, and the amount.*

Process TQHA memberships for pay-out

TQHA Affililate Show application



APPLICATION FOR BREED REGISTRY FUNDING  
FROM THE HORSE INDUSTRY ESCROW ACCOUNT

PROJECT NARRATIVE (USE A SEPARATE FORM FOR EACH EVENT)  
(Must be accompanied by Form HIEA-2, Project Narrative)

**APPLICANT NAME: TEXAS QUARTER HORSE ASSOCIATION (TQHA)**

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*This form was developed to be completed electronically. Handwritten applications and/or narratives will not be accepted. Click the grey text boxes to type responses. A maximum of 6 pages may be used to fully respond.*

**Project Title (Event Name):** TQHA State Championship Year-End Awards

**Event Date(s) or Approximate Date(s):** 2020 Point-Year (December 1 - November 30)

**Total Amount Requested For this Event:** \$525,000

**When Are Funds Needed?** *If funding can be provided in multiple phases, please explain.*  
Funding can not be provided in multiple phases due to the up-front cost of ordering the prizes and awards.

**Project Background**

**Project Summary**

*Please provide a summary of the event for which funding is sought and the project(s) that will be achieved as a result of this funding.*

The Texas Quarter Horse Association currently has a limited budget and program to recognize year-end high point winners that show at the TQHA Horse Show Series Approved Shows.

In order to be eligible, owners and riders must be TQHA members to accumulate points. Points are accumulated when exhibitors show and place in their respective classes and divisions throughout the showing calendar year (December 1 – November 30) at approved shows in Texas. A list of eligible shows can be found at [www.tqha.com](http://www.tqha.com). On average, over 400 TQHA members actively participate in this program with division awards being given to 1st and 2nd place. Due to the existing budget constraints, the value of the awards has been limited to a dollar value of \$40 - \$60.

### **Project Description**

*Provide a detailed description of the project including activities to be supported with funds from the Account, timelines of each activity, and key milestones.*

The leadership of TQHA recognizes the substantial financial commitment of owners and riders who wish to show Quarter Horses. It can be estimated that an average participant spends approximately \$141 per day of their horse show between food, lodging, and other taxable purchases (Highland Market Research, LLC 2019). To that end, TQHA wishes to expand its existing program to recognize and encourage the members that are committed to showing their Quarter Horses on the TQHA circuit. It is anticipated that the expansion of the program would increase the number of participants and TQHA members and incentivize people to keep their dollars recirculating in the Texas economy, as opposed to driving to other States for their horse show experience.

It is envisioned that these funds would allow the association to spread awards down through five (5) placings with more valuable and coveted items like monogrammed championship jackets. Winners of the youth divisions would be eligible to receive scholarships valued at \$500.

### **Anticipated Project Results/Economic Impact on the Horse Industry**

*Provide a detailed explanation of the anticipated economic impact on the horse industry and any other expected results and how they will be measured.*

To be eligible, exhibitors must be current TQHA members. Based on initial feedback, it is anticipated that TQHA memberships may increase 20 – 30%. In addition, TQHA will benefit from increased entries within all divisions at the approved shows. The ripple effect of this increase will flow into the local economies through increased purchases on items eligible for sales, hotel/motel and mixed beverage taxes.

### **Project Oversight**

*Who will oversee the project activities? Include name and title of the person. How will oversight be performed? What steps will take place to ensure the project is achieved as outlined?*

Project oversight will be provided by Val Clark, Executive Director of the TQHA. It is anticipated that a year-end review regarding the overall entry numbers will be conducted by TQHA.

### **Project Budget**

*This section should reflect the total budget. Provide a general description of all costs along with a justification for each item. The explanations should focus on how each budget item is required to achieve the project. Be sure to itemize the request with quantities and individual estimated costs.*

*Pursuant to 16 T.A.C. Section 303.322(b), the following types of costs may not be paid with funds allocated from the account:*

- (1) capital improvements;*

- (2) donations or contributions made to any individual or organization without express approval from the Commission for such contribution or donation;
- (3) costs of entertainment, amusements, social activities, and incidental costs relating thereto, including tickets to shows or sports events, meals, alcoholic beverages, lodging, rentals, transportation, tips, and gratuities;
- (4) fines, penalties, or other costs resulting from violations of or failure to comply with federal, state, or local laws and regulations;
- (5) liability insurance coverage not specific to a particular event or series of events for which the Commission has allocated funds from the account;
- (6) expenses related to litigation;
- (7) professional association fees or dues for the breed registry or an individual;
- (8) legislative expenses such as salaries and other expenses associated with lobbying the state or federal legislature or similar local governmental bodies, whether incurred for purposes of legislation or executive direction; or
- (9) fundraising.

Pursuant to 16 T.A.C. Section 303.322(c), the following types of costs may only be paid with funds allocated from the account, in an amount not to exceed five percent of the total allocated to the breed registry or of the approved allocation for any event, if specifically approved by the Commission:

- (1) operating expenses, including the salaries of breed registry staff, interest and other financial costs related to borrowing and the cost of financing, contributions to a contingency reserve or any similar provision for unforeseen events, and audits or other accounting services; and
- (2) the purchase of capital assets.

EXPENSE CATEGORIES	AMOUNT
<b>Event Production Costs</b>	\$0.00
<b>Purse Supplements/Prizes</b>	\$50,000.00
<b>Advertising</b>	\$0.00
<b>Donations (include most recent IRS Form 990 for any non-profit)</b>	\$0.00
<b>Other Direct Expenses (itemize below):</b>	\$0.00
	\$
	\$
	\$
	\$
<b>Total Direct Costs</b>	<b>\$50,000.00</b>
<b>Administrative Expenses/Capital Assets (may not exceed 5% of project total)</b>	<b>\$2,500</b>
<b>Total</b>	<b><u>\$52,500.00</u></b>

**Event Production Costs (\$0 total)** For events to be produced or sponsored by the breed registry, provide a breakdown of the event production expenses.

**Purse Supplements/Prizes (\$50000 total)** *Provide a breakdown of purses/purse supplements, prizes, and Texas-bred supplements from HIEA funding.*

May included, but not limited to, monogrammed championship jackets, trophies, buckles, other championship memorabilia to be determined by the Texas Quarter Horse Association in the event of funding approval.

**Advertising (\$0 total)** *Provide an explanation of advertising costs.*

**Donations (\$0 total)** *For any donation, state the recipient(s), amount for each recipient, and an explanation of the purpose of the donation. For any 501(c)(3), provide the organization's most recent IRS Form 990.*

**Other direct expenses – first category \_\_\_\_\_ (\$0 total)** *Provide a detailed description of any other category of direct expenses.*

**Other direct expenses – second category \_\_\_\_\_ (\$0 total)** *Provide a detailed description of any other category of direct expenses.*

**Other direct expenses – third category \_\_\_\_\_ (\$0 total)** *Provide a detailed description of any other category of direct expenses.*

**Administrative Expenses/Capital Assets (\$2500 total; may not exceed 5% of total)** *Provide a detailed description of administrative expenses such as personnel costs or other direct budgeted costs associated with the project. For each employee receiving a portion of this funding as a wage or stipend, indicate their title, estimated time budgeted to the event, and the amount.*

Getting bids on product per each category; choosing most suitable awards for budget & discipline; purchasing process until delivery; notifying award winners; organizing awards for recipients for Award Banquet; organizing Banquet.



APPLICATION FOR BREED REGISTRY FUNDING  
FROM THE HORSE INDUSTRY ESCROW ACCOUNT

PROJECT NARRATIVE (USE A SEPARATE FORM FOR EACH EVENT)  
(Must be accompanied by Form HIEA-2, Project Narrative)

**APPLICANT NAME: TEXAS QUARTER HORSE ASSOCIATION (TQHA)**

*This form was developed to be completed electronically. Handwritten applications and/or narratives will not be accepted. Click the grey text boxes to type responses. A maximum of 6 pages may be used to fully respond.*

**Project Title (Event Name):** TQHA Novice Saddle Show Series \*\* APPROVED ON 1-21-2020

**Event Date(s) or Approximate Date(s):** Aggie Super Circuit (March), Athens Summer Jubilee (July), Hunt County Horseman's Association (September), TQHA Introductory Show (December)

**Total Amount Requested For this Event:** \$26,019

**When Are Funds Needed?** *If funding can be provided in multiple phases, please explain.*  
Due to the need to order championship buckles and saddles, TQHA respectfully requests immediate funding.

### **Project Background**

#### **Project Summary**

*Please provide a summary of the event for which funding is sought and the project(s) that will be achieved as a result of this funding.*

An individual new to showing a horse at a TQHA approved show is called a novice. Novice classes are offered at all TQHA approved shows to allow people new to showing, or new to showing a different event, a place to feel competitive and safe. The primary goal of the novice level classes is to encourage people to become comfortable and continue to move up through higher level divisions and expand their showing experience.

#### **Project Description**

*Provide a detailed description of the project including activities to be supported with funds from the Account, timelines of each activity, and key milestones.*

TQHA would like to build an incentive to recognize and encourage novice riders for their achievements and commitment. For 2020, TQHA would like to highlight novice exhibitors participating at four (4) approved shows:

Aggie Super Circuit – March  
Athens Summer Jubilee – July  
Hunt County Horseman’s Association – September  
TQHA Introductory Show - December

To be eligible, riders must be current TQHA members and must show at 3 out-of-the 4 shows, with the TQHA Introductory Show in December being mandatory. Riders would be accumulating points in seven (7) youth and amateur divisions: ranch riding, hunter under saddle, hunt seat equitation, horsemanship, western pleasure, trail and showmanship. In addition to individual class buckles being awarded at each show, overall points will be used to determine the winner of a trophy saddle to be awarded during the TQHA Annual Meeting Awards Banquet in January of 2021.

### **Anticipated Project Results/Economic Impact on the Horse Industry**

*Provide a detailed explanation of the anticipated economic impact on the horse industry and any other expected results and how they will be measured.*

It is important to note that many associations, including the parent organization of TQHA, the American Quarter Horse Association (AQHA) have taken an active role in promoting and encouraging novice riders. Associations have recognized the long-term benefits of supporting new participants in their early experiences. The more associations can continue to foster and encourage participation of these beginners, the greater chance of these individuals going on to increase their annual dollars spent on breeding and showing.

### **Project Oversight**

*Who will oversee the project activities? Include name and title of the person. How will oversight be performed? What steps will take place to ensure the project is achieved as outlined?*

Project oversight will be provided by Val Clark, Executive Director of the TQHA. It is anticipated that a year-end review regarding the overall novice entry numbers will be conducted by TQHA.

### **Project Budget**

*This section should reflect the total budget. Provide a general description of all costs along with a justification for each item. The explanations should focus on how each budget item is required to achieve the project. Be sure to itemize the request with quantities and individual estimated costs.*

*Pursuant to 16 T.A.C. Section 303.322(b), the following types of costs may not be paid with funds allocated from the account:*

- (1) capital improvements;*
- (2) donations or contributions made to any individual or organization without express approval from the Commission for such contribution or donation;*

- (3) costs of entertainment, amusements, social activities, and incidental costs relating thereto, including tickets to shows or sports events, meals, alcoholic beverages, lodging, rentals, transportation, tips, and gratuities;
- (4) fines, penalties, or other costs resulting from violations of or failure to comply with federal, state, or local laws and regulations;
- (5) liability insurance coverage not specific to a particular event or series of events for which the Commission has allocated funds from the account;
- (6) expenses related to litigation;
- (7) professional association fees or dues for the breed registry or an individual;
- (8) legislative expenses such as salaries and other expenses associated with lobbying the state or federal legislature or similar local governmental bodies, whether incurred for purposes of legislation or executive direction; or
- (9) fundraising.

Pursuant to 16 T.A.C. Section 303.322(c), the following types of costs may only be paid with funds allocated from the account, in an amount not to exceed five percent of the total allocated to the breed registry or of the approved allocation for any event, if specifically approved by the Commission:

- (1) operating expenses, including the salaries of breed registry staff, interest and other financial costs related to borrowing and the cost of financing, contributions to a contingency reserve or any similar provision for unforeseen events, and audits or other accounting services; and
- (2) the purchase of capital assets.

EXPENSE CATEGORIES	AMOUNT
<b>Event Production Costs</b>	<b>\$</b>
<b>Purse Supplements/Prizes</b>	<b>\$24,780.00</b>
<b>Advertising</b>	<b>\$</b>
<b>Donations (include most recent IRS Form 990 for any non-profit)</b>	<b>\$</b>
<b>Other Direct Expenses (itemize below):</b>	<b>\$</b>
	<b>\$</b>
	<b>\$</b>
	<b>\$</b>
	<b>\$</b>
<b>Total Direct Costs</b>	<b>\$24,780.00</b>
<b>Administrative Expenses/Capital Assets (may not exceed 5% of project total)</b>	<b>\$1,239.00</b>
<b>Total</b>	<b><u>\$26,019.00</u></b>

**Event Production Costs (\$0 total)** For events to be produced or sponsored by the breed registry, provide a breakdown of the event production expenses.

**Purse Supplements/Prizes (\$24780 total)** *Provide a breakdown of purses/purse supplements, prizes, and Texas-bred supplements from HIEA funding.*

Show Buckles - \$7,280 (4 shows, 56 buckles @ \$130)

Year-End Saddles - \$17,500 (14 saddles @ \$1,250)

**Advertising (\$0 total)** *Provide an explanation of advertising costs.*

**Donations (\$0 total)** *For any donation, state the recipient(s), amount for each recipient, and an explanation of the purpose of the donation. For any 501(c)(3), provide the organization's most recent IRS Form 990.*

**Other direct expenses – first category \_\_\_\_\_ (\$0 total)** *Provide a detailed description of any other category of direct expenses.*

**Other direct expenses – second category \_\_\_\_\_ (\$0 total)** *Provide a detailed description of any other category of direct expenses.*

**Other direct expenses – third category \_\_\_\_\_ (\$0 total)** *Provide a detailed description of any other category of direct expenses.*

**Administrative Expenses/Capital Assets (\$1,239.00 total; may not exceed 5% of total)** *Provide a detailed description of administrative expenses such as personnel costs or other direct budgeted costs associated with the project. For each employee receiving a portion of this funding as a wage or stipend, indicate their title, estimated time budgeted to the event, and the amount.*

Personnel will seek design and bids when choosing buckles and saddles per discipline. Securing items for each event; attending and presenting at the events; marketing and promoting to current and new membership; organizing awards and award presentation for TQHA Banquet.



APPLICATION FOR BREED REGISTRY FUNDING  
FROM THE HORSE INDUSTRY ESCROW ACCOUNT

PROJECT NARRATIVE (USE A SEPARATE FORM FOR EACH EVENT)  
(Must be accompanied by Form HIEA-2, Project Narrative)

**APPLICANT NAME: TEXAS QUARTER HORSE ASSOCIATION (TQHA)**

*This form was developed to be completed electronically. Handwritten applications and/or narratives will not be accepted. Click the grey text boxes to type responses. A maximum of 6 pages may be used to fully respond.*

**Project Title (Event Name):** TQHA Barrel Stallion Incentive \* APPROVED ON 1-21-2020

**Event Date(s) or Approximate Date(s):** Elite Extravaganza Futurity, March 12 - 15, 2020

**Total Amount Requested For this Event:** \$5,250

**When Are Funds Needed?** *If funding can be provided in multiple phases, please explain.*  
March 2020

**Project Background**

**Project Summary**

*Please provide a summary of the event for which funding is sought and the project(s) that will be achieved as a result of this funding.*

Like Quarter Horse racing, barrel racing is a spectator sport. Winners are determined by the fastest time completing a cloverleaf pattern designed to test the speed and maneuverability of the horse.

The Texas Quarter Horse Association will add \$5,000 incentive to eligible offspring that have gone through the 2020 TQHA Barrel Stallion auction as part of the Elite Extravaganza Futurity. The incentive helps encourage the breeding of mares to, and the value of, offspring by barrel stallions.

**Project Description**

*Provide a detailed description of the project including activities to be supported with funds from the Account, timelines of each activity, and key milestones.*

TQHA Stallion Select Incentive \$5,000 added

- \* To enter the TQHA Stallion incentive your horse must be offspring from an eligible 2020 TQHA Stallion.
- \* Incentive will be on the first go of the HHA Futurity.
- \* 2D format with 1 second split
- \* \$50 EF
- \*80% payback on EF, 100% payback on added money.
- \* It is not a judged event (no points only money).
- \* Money will be paid through the TQHA office.

TQHA Stallion Select Incentive Payout

\$5,000 Added

1D 60% | 2D 40% (3 places each)

Owner 60% | Breeder 40% (each place)

### **Anticipated Project Results/Economic Impact on the Horse Industry**

*Provide a detailed explanation of the anticipated economic impact on the horse industry and any other expected results and how they will be measured.*

Adding an incentive to competing offspring will increase the desire to breed to TQHA Barrel stallions over the next breeding cycle and beyond. Increased prize monies will attract new breeders to the program and Texas barrel horses as well as competitors buying and racing older eligible offspring to compete on which will increase entries at the event resulting in increased economic components tied to it.

### **Project Oversight**

*Who will oversee the project activities? Include name and title of the person. How will oversight be performed? What steps will take place to ensure the project is achieved as outlined?*

Project oversight will be provided by Val Clark, Executive Director of the TQHA. It is anticipated that a year-end review regarding the overall entry numbers will be conducted by TQHA.

### **Project Budget**

*This section should reflect the total budget. Provide a general description of all costs along with a justification for each item. The explanations should focus on how each budget item is required to achieve the project. Be sure to itemize the request with quantities and individual estimated costs.*

*Pursuant to 16 T.A.C. Section 303.322(b), the following types of costs may not be paid with funds allocated from the account:*

- (1) capital improvements;*
- (2) donations or contributions made to any individual or organization without express approval from the Commission for such contribution or donation;*
- (3) costs of entertainment, amusements, social activities, and incidental costs relating thereto, including tickets to shows or sports events, meals, alcoholic beverages, lodging, rentals, transportation, tips, and gratuities;*

- (4) fines, penalties, or other costs resulting from violations of or failure to comply with federal, state, or local laws and regulations;
- (5) liability insurance coverage not specific to a particular event or series of events for which the Commission has allocated funds from the account;
- (6) expenses related to litigation;
- (7) professional association fees or dues for the breed registry or an individual;
- (8) legislative expenses such as salaries and other expenses associated with lobbying the state or federal legislature or similar local governmental bodies, whether incurred for purposes of legislation or executive direction; or
- (9) fundraising.

Pursuant to 16 T.A.C. Section 303.322(c), the following types of costs may only be paid with funds allocated from the account, in an amount not to exceed five percent of the total allocated to the breed registry or of the approved allocation for any event, if specifically approved by the Commission:

- (1) operating expenses, including the salaries of breed registry staff, interest and other financial costs related to borrowing and the cost of financing, contributions to a contingency reserve or any similar provision for unforeseen events, and audits or other accounting services; and
- (2) the purchase of capital assets.

EXPENSE CATEGORIES	AMOUNT
<b>Event Production Costs</b>	\$
<b>Purse Supplements/Prizes</b>	\$5,000.00
<b>Advertising</b>	\$
<b>Donations (include most recent IRS Form 990 for any non-profit)</b>	\$
<b>Other Direct Expenses (itemize below):</b>	\$
	\$
	\$
	\$
	\$
<b>Total Direct Costs</b>	<b>\$5,000.00</b>
<b>Administrative Expenses/Capital Assets (may not exceed 5% of project total)</b>	<b>\$250.00</b>
<b>Total</b>	<b><u>\$5,250.00</u></b>

**Event Production Costs (\$0 total)** For events to be produced or sponsored by the breed registry, provide a breakdown of the event production expenses.

**Purse Supplements/Prizes (\$5000 total)** Provide a breakdown of purses/purse supplements, prizes, and Texas-bred supplements from HIEA funding.

Futurity / March- \$5,000

**Advertising (\$0 total)** *Provide an explanation of advertising costs.*

**Donations (\$0 total)** *For any donation, state the recipient(s), amount for each recipient, and an explanation of the purpose of the donation. For any 501(c)(3), provide the organization's most recent IRS Form 990.*

**Other direct expenses – first category \_\_\_\_\_ (\$0 total)** *Provide a detailed description of any other category of direct expenses.*

**Other direct expenses – second category \_\_\_\_\_ (\$0 total)** *Provide a detailed description of any other category of direct expenses.*

**Other direct expenses – third category \_\_\_\_\_ (\$0 total)** *Provide a detailed description of any other category of direct expenses.*

**Administrative Expenses/Capital Assets (\$250 total; may not exceed 5% of total)** *Provide a detailed description of administrative expenses such as personnel costs or other direct budgeted costs associated with the project. For each employee receiving a portion of this funding as a wage or stipend, indicate their title, estimated time budgeted to the event, and the amount.*

Organizing and coordinating with event producers in running the event; advertising on social media; managing the barrel stallion program prior to the event; doing pay-out to stallion owners and offspring.



APPLICATION FOR BREED REGISTRY FUNDING  
FROM THE HORSE INDUSTRY ESCROW ACCOUNT

PROJECT NARRATIVE (USE A SEPARATE FORM FOR EACH EVENT)  
(Must be accompanied by Form HIEA-2, Project Narrative)

**APPLICANT NAME: TEXAS QUARTER HORSE ASSOCIATION (TQHA)**

*This form was developed to be completed electronically. Handwritten applications and/or narratives will not be accepted. Click the grey text boxes to type responses. A maximum of 6 pages may be used to fully respond.*

**Project Title (Event Name):** TQHA Barrel Stallion Incentive \* APPROVED ON 1-21-2020

**Event Date(s) or Approximate Date(s):** Elite Hot Summer Sizzle, July 17-18, 2020

**Total Amount Requested For this Event:** \$10,000

**When Are Funds Needed?** *If funding can be provided in multiple phases, please explain.*

Due to the need to market and plan the event, TQHA respectfully requests immediate funding for maximum event promotion and participation.

**Project Background**

**Project Summary**

*Please provide a summary of the event for which funding is sought and the project(s) that will be achieved as a result of this funding.*

The American Quarter Horse Association (AQHA) serves as the parent organization of TQHA. In addition to timed barrel racing patterns, AQHA offers another format called “judged” barrel races. Riders and owners compete for points instead of money that accumulate towards their ability to qualify for the International World Championship Show held in Oklahoma City each year.

As an affiliate of AQHA, TQHA hosts two AQHA approved barrel races per year, one in July and one in November. Entries have been declining as of late due to an increased interest in being able to compete for money in addition to accruing AQHA points.

TQHA would also pay out bonus \$ to TQHA Stallion offspring during the Elite Open class (running concurrent with the AQHA judged class).

## **Project Description**

*Provide a detailed description of the project including activities to be supported with funds from the Account, timelines of each activity, and key milestones.*

July: \$10,000 – Approved in January meeting

\$4,000:

AQHA Double Judge/ Friday (youth) & Saturday July 17-18<sup>th</sup>- which includes :

Prize Money -\$2,000 (\$500/class)

Event Expenses – \$2,000 - Judge, judge travel, AQHA application; drug fee testing, secretary

\$5,000:

Sidepot Bonus \$ for TQHA Stallion offspring Elite Open Race/ July 18th

Pay 5 places – 60/40 split owner/stallion owner

\$1000:

Event Advertising: \$500

Admin: \$500

## **Anticipated Project Results/Economic Impact on the Horse Industry**

*Provide a detailed explanation of the anticipated economic impact on the horse industry and any other expected results and how they will be measured.*

TQHA postulates that by adding \$500 per class, entries could double within the first year. To be eligible, participants would need to be a current AQHA and TQHA member. Increased entries would benefit TQHA through additional memberships, revenue related to show and stalling fees as well as increased awareness of other barrel race formats available to participants.

Adding an incentive to competing offspring will increase the desire to breed to TQHA Barrel stallions over the next breeding cycle and beyond. Increased prize monies will attract new breeders to the program and Texas barrel horses as well as competitors buying and racing older eligible offspring to compete on which will increase entries at the event resulting in increased economic components tied to it.

## **Project Oversight**

*Who will oversee the project activities? Include name and title of the person. How will oversight be performed? What steps will take place to ensure the project is achieved as outlined?*

Project oversight will be provided by Val Clark, Executive Director of the TQHA. It is anticipated that a year-end review regarding the overall entry numbers will be conducted by TQHA.

## **Project Budget**

*This section should reflect the total budget. Provide a general description of all costs along with a justification for each item. The explanations should focus on how each budget item is required to achieve the project. Be sure to itemize the request with quantities and individual estimated costs.*

Pursuant to 16 T.A.C. Section 303.322(b), the following types of costs may not be paid with funds allocated from the account:

- (1) capital improvements;
- (2) donations or contributions made to any individual or organization without express approval from the Commission for such contribution or donation;
- (3) costs of entertainment, amusements, social activities, and incidental costs relating thereto, including tickets to shows or sports events, meals, alcoholic beverages, lodging, rentals, transportation, tips, and gratuities;
- (4) fines, penalties, or other costs resulting from violations of or failure to comply with federal, state, or local laws and regulations;
- (5) liability insurance coverage not specific to a particular event or series of events for which the Commission has allocated funds from the account;
- (6) expenses related to litigation;
- (7) professional association fees or dues for the breed registry or an individual;
- (8) legislative expenses such as salaries and other expenses associated with lobbying the state or federal legislature or similar local governmental bodies, whether incurred for purposes of legislation or executive direction; or
- (9) fundraising.

Pursuant to 16 T.A.C. Section 303.322(c), the following types of costs may only be paid with funds allocated from the account, in an amount not to exceed five percent of the total allocated to the breed registry or of the approved allocation for any event, if specifically approved by the Commission:

- (1) operating expenses, including the salaries of breed registry staff, interest and other financial costs related to borrowing and the cost of financing, contributions to a contingency reserve or any similar provision for unforeseen events, and audits or other accounting services; and
- (2) the purchase of capital assets.

EXPENSE CATEGORIES	AMOUNT
<b>Event Production Costs</b>	\$2,000.00
<b>Purse Supplements/Prizes</b>	\$7,000.00
<b>Advertising</b>	\$500.00
<b>Donations (include most recent IRS Form 990 for any non-profit)</b>	\$
<b>Other Direct Expenses (itemize below):</b>	\$
	\$
	\$
	\$
	\$
<b>Total Direct Costs</b>	<b>\$</b>

<b>Administrative Expenses/Capital Assets (may not exceed 5% of project total)</b>	<b>\$500.00</b>
<b>Total</b>	<b><u>\$10,000.00</u></b>

**Event Production Costs (\$2000 total)** *For events to be produced or sponsored by the breed registry, provide a breakdown of the event production expenses.*

Event Expenses – judge, judge travel, AQHA application; drug fee testing, secretary; TQHA staff travel to event

**Purse Supplements/Prizes (\$7000 total)** *Provide a breakdown of purses/purse supplements, prizes, and Texas-bred supplements from HIEA funding.*

AQHA Double Judge/ Friday (youth) & Saturday - Prize \$ - \$2,000 (\$500/class)

Bonus \$ for TQHA Stallion offspring Elite Open Race - \$5,000

Pay 5 places – 60/40 split owner/stallion owner

**Advertising (\$500 total)** *Provide an explanation of advertising costs.*

Wildwest Productions; flyer to advertise Stallions; pop-up banner for event;

Barrel Horse News - advertisements

Facebook paid ads and Constant Contact Enews

**Donations (\$0 total)** *For any donation, state the recipient(s), amount for each recipient, and an explanation of the purpose of the donation. For any 501(c)(3), provide the organization’s most recent IRS Form 990.*

**Other direct expenses – first category \_\_\_\_\_ (\$0 total)** *Provide a detailed description of any other category of direct expenses.*

**Other direct expenses – second category \_\_\_\_\_ (\$0 total)** *Provide a detailed description of any other category of direct expenses.*

**Other direct expenses – third category \_\_\_\_\_ (\$0 total)** *Provide a detailed description of any other category of direct expenses.*

**Administrative Expenses/Capital Assets (\$500 total; may not exceed 5% of total)** *Provide a detailed description of administrative expenses such as personnel costs or other direct budgeted costs associated with the project. For each employee receiving a portion of this funding as a wage or stipend, indicate their title, estimated time budgeted to the event, and the amount.*

Organizing and coordinating with event producers in running the event

AQHA application process for approval  
Hiring judge and securing details for travel, lodging  
Arranging and marketing all advertising for event  
Managing the barrel stallion program prior to the event  
Attending the event - two days  
Calculating and processing pay-out to stallion owners and offspring.



APPLICATION FOR BREED REGISTRY FUNDING  
FROM THE HORSE INDUSTRY ESCROW ACCOUNT

PROJECT NARRATIVE (USE A SEPARATE FORM FOR EACH EVENT)  
(Must be accompanied by Form HIEA-2, Project Narrative)

**APPLICANT NAME: TEXAS QUARTER HORSE ASSOCIATION (TQHA)**

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*This form was developed to be completed electronically. Handwritten applications and/or narratives will not be accepted. Click the grey text boxes to type responses. A maximum of 6 pages may be used to fully respond.*

**Project Title (Event Name):** TQHA Barrel Stallion Incentive

**Event Date(s) or Approximate Date(s):** November 12-15, 2020

**Total Amount Requested For this Event:** \$40,000

**When Are Funds Needed?** *If funding can be provided in multiple phases, please explain.*

Due to the need to market and plan the event, TQHA respectfully requests \$6,000 in immediate funding for maximum event promotion with the remaining funds being made available no later than October 1, 2020.

**Project Background**

**Project Summary**

*Please provide a summary of the event for which funding is sought and the project(s) that will be achieved as a result of this funding.*

It is widely known that Texas is far from the number one state when referring to barrel racing incentives and breeding programs. The TQHA Barrel Stallion auction currently auctions under thirty (30) stallions a year due to the low financial incentives for Texas stallion owners and offspring. The development of a stand-alone race highlighting Texas bred horses and offspring by TQHA Barrel Stallions would have a major impact on interest and participation.

TQHA proposes two things during this one event. One - a TQHA Texas foaled event creating an incentive for competing on horses of any age that have been foaled in Texas.

Two: a bonus incentive for the offspring of barrel stallions that have gone through the annual TQHA Stallion Auction.

As the excitement and growth of the barrel racing industry continues to climb, TQHA feels it is vital to promote Texas breeding programs to encourage these substantial dollars to stay within

the Texas economy. Other states are currently offering similar incentives that play into the decisions people make when deciding which stallion they would like to breed their mares to each year and which horse they would like to purchase to compete on.

### **Project Description**

*Provide a detailed description of the project including activities to be supported with funds from the Account, timelines of each activity, and key milestones.*

November 12 -15 Elite Barrel Race Fall Event / Waco

TQHA Barrel Texas Bred Race: \$35,000 total prize money

\$25,000 added 4D Barrel Race

- Horses must be foaled in Texas.
- Horse must have AQHA papers
- Owner/ Rider must be current TQHA member/ Memberships available on Site

Bonus Sidepot - 10K added Stallion incentive for offspring of TQHA Barrel Stallions. Pay-out to offspring owners and stallion owners.

### **Anticipated Project Results/Economic Impact on the Horse Industry**

*Provide a detailed explanation of the anticipated economic impact on the horse industry and any other expected results and how they will be measured.*

This event does not currently exist in Texas, but barrel event producers anticipate at least 300 entries in this initial event.

The anticipated goal of this event on the Texas horse industry has several aspects: (1) Increase the desire to own a barrel horse that is born in Texas which in turn increases the value of such horses; (2) Increase the interest of barrel horse owners to continue to compete on their Texas foaled horses as they advance in years since this is event open to all ages (i.e. not Futurity limited). (3) Encourage barrel owners to compete in Texas rather than out of state.

To be eligible, participants (owners & riders) would need to be a current TQHA member. Increased entries would benefit TQHA through additional memberships as well as increased awareness of other barrel race formats available to participants.

Adding an incentive to competing offspring will increase the desire to breed to TQHA Barrel stallions over the next breeding cycle and beyond. Increased prize monies will attract new breeders to the program and Texas barrel horses as well as competitors buying and racing older eligible offspring to compete on which will increase entries at the event resulting in increased economic components tied to it.

### **Project Oversight**

*Who will oversee the project activities? Include name and title of the person. How will oversight be performed? What steps will take place to ensure the project is achieved as outlined?*

Project oversight will be provided by Val Clark, Executive Director of the TQHA. It is anticipated that a year-end review regarding the overall entry numbers will be conducted by TQHA.

**Project Budget**

*This section should reflect the total budget. Provide a general description of all costs along with a justification for each item. The explanations should focus on how each budget item is required to achieve the project. Be sure to itemize the request with quantities and individual estimated costs.*

*Pursuant to 16 T.A.C. Section 303.322(b), the following types of costs may not be paid with funds allocated from the account:*

- (1) capital improvements;*
- (2) donations or contributions made to any individual or organization without express approval from the Commission for such contribution or donation;*
- (3) costs of entertainment, amusements, social activities, and incidental costs relating thereto, including tickets to shows or sports events, meals, alcoholic beverages, lodging, rentals, transportation, tips, and gratuities;*
- (4) fines, penalties, or other costs resulting from violations of or failure to comply with federal, state, or local laws and regulations;*
- (5) liability insurance coverage not specific to a particular event or series of events for which the Commission has allocated funds from the account;*
- (6) expenses related to litigation;*
- (7) professional association fees or dues for the breed registry or an individual;*
- (8) legislative expenses such as salaries and other expenses associated with lobbying the state or federal legislature or similar local governmental bodies, whether incurred for purposes of legislation or executive direction; or*
- (9) fundraising.*

*Pursuant to 16 T.A.C. Section 303.322(c), the following types of costs may only be paid with funds allocated from the account, in an amount not to exceed five percent of the total allocated to the breed registry or of the approved allocation for any event, if specifically approved by the Commission:*

- (1) operating expenses, including the salaries of breed registry staff, interest and other financial costs related to borrowing and the cost of financing, contributions to a contingency reserve or any similar provision for unforeseen events, and audits or other accounting services; and*
- (2) the purchase of capital assets.*

<b>EXPENSE CATEGORIES</b>	<b>AMOUNT</b>
<b>Event Production Costs</b>	<b>\$500.00</b>
<b>Purse Supplements/Prizes</b>	<b>\$35,000.00</b>
<b>Advertising</b>	<b>\$4,000.00</b>
<b>Donations (include most recent IRS Form 990 for any non-profit)</b>	<b>\$</b>

<b>Other Direct Expenses (itemize below):</b>	<b>\$500.00</b>
	\$
	\$
	\$
	\$
<b>Total Direct Costs</b>	<b>\$</b>
<b>Administrative Expenses/Capital Assets (may not exceed 5% of project total)</b>	<b>\$2,000.00</b>
<b>Total</b>	<b><u>\$42,000.00</u></b>

**Event Production Costs (\$500 total)** For events to be produced or sponsored by the breed registry, provide a breakdown of the event production expenses.

Producing and planning event with Elite Productions who takes % per entry for Secretary and their production costs

**Purse Supplements/Prizes (\$35000 total)** Provide a breakdown of purses/purse supplements, prizes, and Texas-bred supplements from HIEA funding.

TQHA Barrel Texas Bred Race: \$35,000 Prize \$

\$25,000 added 4D Barrel Race

10K added Stallion incentive.

- Horses must be foaled in Texas.
- Horse must have AQHA papers
- Owner/ Rider must be current TQHA member/ Memberships available on Site.

**Advertising (\$4000 total)** Provide an explanation of advertising costs.

Barrel related magazine ads

Elite Advertising

Wildwest Productions; advertise Stallions; pop-up banner for event;

Barrel Horse News - advertisements

Facebook paid ads and Constant Contact Enews

**Donations (\$0 total)** For any donation, state the recipient(s), amount for each recipient, and an explanation of the purpose of the donation. For any 501(c)(3), provide the organization's most recent IRS Form 990.

**Other direct expenses – first category \_\_\_\_\_ (\$500 total)** Provide a detailed description of any other category of direct expenses.

TQHA hotel, mileage, food

**Other direct expenses – second category \_\_\_\_\_ (\$0 total)** Provide a detailed description of any other category of direct expenses.

**Other direct expenses – third category \_\_\_\_\_ (\$0 total)** *Provide a detailed description of any other category of direct expenses.*

**Administrative Expenses/Capital Assets (\$2000 total; may not exceed 5% of total)** *Provide a detailed description of administrative expenses such as personnel costs or other direct budgeted costs associated with the project. For each employee receiving a portion of this funding as a wage or stipend, indicate their title, estimated time budgeted to the event, and the amount.*

Organizing and coordinating with event producers in running the event

Arranging and marketing all advertising for event

Managing the barrel stallion program prior and during the event

Attending the event

Calculating and processing pay-out to stallion owners and offspring.



APPLICATION FOR BREED REGISTRY FUNDING  
FROM THE HORSE INDUSTRY ESCROW ACCOUNT

PROJECT NARRATIVE (USE A SEPARATE FORM FOR EACH EVENT)  
(Must be accompanied by Form HIEA-2, Project Narrative)

**APPLICANT NAME: TEXAS QUARTER HORSE ASSOCIATION (TQHA)**

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*This form was developed to be completed electronically. Handwritten applications and/or narratives will not be accepted. Click the grey text boxes to type responses. A maximum of 6 pages may be used to fully respond.*

**Project Title (Event Name):** Accredited Texas Bred (ATB) Enrollment Incentive

**Event Date(s) or Approximate Date(s):** 2020 ATB Registrations

**Total Amount Requested For this Event:** \$913,500

**When Are Funds Needed?** *If funding can be provided in multiple phases, please explain.*

Due to the need to enhance existing software, build the financial structure and advertise the program, TQHA respectfully requests immediate funding.

### **Project Background**

#### **Project Summary**

*Please provide a summary of the event for which funding is sought and the project(s) that will be achieved as a result of this funding.*

A principal objective of the Texas Racing Act is to encourage agriculture and the horse breeding industry in the state. To achieve this objective, the Texas Racing Act provides various incentives for Texas horse breeders and owners - the Accredited Texas Bred program being one of them.

#### **Project Description**

*Provide a detailed description of the project including activities to be supported with funds from the Account, timelines of each activity, and key milestones.*

The Accredited Texas-bred Enrollment Incentive is a program that will reward horse breeders for producing Accredited Texas-bred horses. It will also reward stallion owners that have stayed in Texas as well as stallion owners who return their stallions to Texas and attract new stallions.

For many years it has not been economically feasible to produce horses in Texas. Louisiana and Oklahoma have breeding programs that offer much more lucrative incentives. Texas has lost

stallions and broodmares to these states resulting in a reduction in the number of foals produced. Referencing the Texas Racing Commission Performance Measures, there has been a 49% decline of ATB enrollments over the past 10 years (2008 -1,584 ATB; 2018 -802 ATB). This has had a negative impact on field size in races at Texas racetracks. It also had a negative effect on many agricultural businesses such as grain and hay producers, etc.

As part of the enrollment process, a horse is “accredited,” or deemed eligible, for the ATB enrollment Incentive program. Depending on the age of the horse when it receives its accreditation, prices can range between \$50 - \$500. The incentive will award up to \$500 for a foal or yearling, and up to \$250 for a mare or stallion, if accreditation requirements are met.

The incentive payment will be pro-rated based on the number of ATB registrations received between January 1 – December 31, 2020 (weanlings of 2020, yearlings of 2019):

50% for foal/yearling  
25% ATB mare of the foal/yearling accredited  
25% ATB stallion of the foal/yearling accredited  
ATB Race Age of 2+ years are not eligible for an incentive

For example, the owner of an Accredited Texas Bred racing Quarter Horse would be eligible to apply to TQHA for funding for any 2020 weanlings and 2019 yearlings. The incentive for the owner would be \$500. Once accredited, the mare owner and stallion owner would also be able to apply for funding be eligible to receive \$250 each.

### **Anticipated Project Results/Economic Impact on the Horse Industry**

*Provide a detailed explanation of the anticipated economic impact on the horse industry and any other expected results and how they will be measured.*

If implemented, TQHA estimates that this program will increase Accredited Texas Bred enrollments by at least 50% over current enrollments. In 2018, TQHA enrolled approx. 650 foals. A 50% increase would raise that number by 325 to 975 foals. This does not include the enrollment of mares and stallions that will also need to be accredited for the eligibility of the foal.

This incentive will attract new stallions as well as stallions that left Texas for more lucrative programs and give Texas breeders more options which will result in more Accredited Texas Bred foals produced in Texas. This will have a positive economic impact on Texas agriculture and will also increase the number of horses available for Texas-bred races. This will also have a direct impact on the number of horses eligible for the TQHA Yearling Sale which is currently limited to Texas-bred horses.

### **Project Oversight**

*Who will oversee the project activities? Include name and title of the person. How will oversight be performed? What steps will take place to ensure the project is achieved as outlined?*

Project oversight will be provided by Val Clark, Executive Director of the Texas Quarter Horse Association. Through software enhancements, a thorough reporting of the project will be available for review.

**Project Budget**

*This section should reflect the total budget. Provide a general description of all costs along with a justification for each item. The explanations should focus on how each budget item is required to achieve the project. Be sure to itemize the request with quantities and individual estimated costs.*

*Pursuant to 16 T.A.C. Section 303.322(b), the following types of costs may not be paid with funds allocated from the account:*

- (1) capital improvements;*
- (2) donations or contributions made to any individual or organization without express approval from the Commission for such contribution or donation;*
- (3) costs of entertainment, amusements, social activities, and incidental costs relating thereto, including tickets to shows or sports events, meals, alcoholic beverages, lodging, rentals, transportation, tips, and gratuities;*
- (4) fines, penalties, or other costs resulting from violations of or failure to comply with federal, state, or local laws and regulations;*
- (5) liability insurance coverage not specific to a particular event or series of events for which the Commission has allocated funds from the account;*
- (6) expenses related to litigation;*
- (7) professional association fees or dues for the breed registry or an individual;*
- (8) legislative expenses such as salaries and other expenses associated with lobbying the state or federal legislature or similar local governmental bodies, whether incurred for purposes of legislation or executive direction; or*
- (9) fundraising.*

*Pursuant to 16 T.A.C. Section 303.322(c), the following types of costs may only be paid with funds allocated from the account, in an amount not to exceed five percent of the total allocated to the breed registry or of the approved allocation for any event, if specifically approved by the Commission:*

- (1) operating expenses, including the salaries of breed registry staff, interest and other financial costs related to borrowing and the cost of financing, contributions to a contingency reserve or any similar provision for unforeseen events, and audits or other accounting services; and*
- (2) the purchase of capital assets.*

EXPENSE CATEGORIES	AMOUNT
<b>Event Production Costs</b>	\$5,000.00
<b>Purse Supplements/Prizes</b>	\$850,000.00
<b>Advertising</b>	\$10,000.00

<b>Donations (include most recent IRS Form 990 for any non-profit)</b>	<b>\$0.00</b>
<b>Other Direct Expenses (itemize below):</b>	<b>\$5,000.00</b>
	<b>\$</b>
	<b>\$</b>
	<b>\$</b>
	<b>\$</b>
<b>Total Direct Costs</b>	<b>\$</b>
<b>Administrative Expenses/Capital Assets (may not exceed 5% of project total)</b>	<b>\$43,500.00</b>
<b>Total</b>	<b><u>\$913,500.00</u></b>

**Event Production Costs (\$5000 total)** For events to be produced or sponsored by the breed registry, provide a breakdown of the event production expenses.

Office Supplies - IRC Reporting Software, checks, envelopes, copier paper, printer ink

**Purse Supplements/Prizes (\$850000 total)** Provide a breakdown of purses/purse supplements, prizes, and Texas-bred supplements from HIEA funding.

Performance Foal - \$480,000 (55% increase over 2019)

Performance Mare - \$250,000 (55% increase over 2019)

Performance Stallion - \$250,000 (55% increase over 2019)

**Advertising (\$10000 total)** Provide an explanation of advertising costs.

Advertising in race related magazines; TRACK, SPEEDHORSE, STALLIONESEARCH.COM  
 Advertising through current TQHA venues - Constant Contact, paid ads in FaceBook  
 Web upgrade to included - Check to see if horse is ATB eligible which improves customer service

**Donations (\$0 total)** For any donation, state the recipient(s), amount for each recipient, and an explanation of the purpose of the donation. For any 501(c)(3), provide the organization's most recent IRS Form 990.

**Other direct expenses – first category \_\_\_\_\_ (\$5000 total)** Provide a detailed description of any other category of direct expenses.

DATA ANALYSIS: Collect and store data; process, present, design of findings;  
 Report data, quality accuracy & monitor performance

**Other direct expenses – second category \_\_\_\_\_ (\$0 total)** Provide a detailed description of any other category of direct expenses.

**Other direct expenses – third category \_\_\_\_\_ (\$0 total) Provide a detailed description of any other category of direct expenses.**

**Administrative Expenses/Capital Assets (\$43500 total; may not exceed 5% of total) Provide a detailed description of administrative expenses such as personnel costs or other direct budgeted costs associated with the project. For each employee receiving a portion of this funding as a wage or stipend, indicate their title, estimated time budgeted to the event, and the amount.**

Personnel - \$23,500

- Data entry of ATB eligible/ (includes membership)
- Public relations – answering questions, mailing forms
- Financial – data entry, issuing checks, balancing
- Register ATB according to Texas Racing Act

Software - \$20,000

- Upgrade and enhance current Accredited Texas Bred software to calculate, produce manage and report Enrollment Incentive Funds

**(3) Name of Authorized Official** *(This person is authorized to enter into legal agreements on behalf of the organization. This person's name will appear on the funding agreement for signature.)*

Full Name: Mary Ruyle  Mr.  Dr.  
First Last  Ms.  Other \_\_\_\_\_

Position Title: Texas Thoroughbred Association Executive Director

Email Address: maryr@texasthoroughbred.com

Phone: (512) 458 - 6133 Ext. \_\_\_\_\_ Alt #: (512) 695 - 4542

**Section C. Certifications**

**By signing below, applicant and its authorized official (the person listed in Section B.3):**

- (1) certify that all information provided in connection with this application is true and correct;
- (2) acknowledge that any misrepresentation or false statement made by applicant or an authorized agent of applicant in connection with this application, whether intentional or not, will constitute grounds for denial of this application and may be the subject of substantial civil and/or criminal liability and sanctions;
- (3) acknowledge that acceptance of funds in connection with this application acts as acceptance of the authority of the Texas Racing Commission (TxRC) or any successor agency and the State Auditor's Office (SAO) or any successor agency to conduct an investigation in connection with those funds, and applicant further agrees to cooperate fully with TxRC or its successors and SAO or its successor in the conduct of the audit or investigation, including allowing TxRC and/or SAO to inspect applicant's premises and providing all records requested during the funding period and for at least five years after the funding is expended; and
- (4) certify that the authorized official is authorized to submit this application and to make the preceding certifications and acknowledgements on behalf of applicant.

**Notice of Penalties: The penalty for knowingly making false statements or false entries, or attempts to secure money through fraudulent means, may include fines, incarceration, and/or forfeiture of funds.**

**Authorized Official:** *(Person listed in Section B.3)*

x Mary Ruyle

2/25/2020

**Signature**

**Date**

*This application becomes public record and is subject to disclosure. With few exceptions, you have the right to request and be informed about the information that the State of Texas collects about you. You are entitled to receive and review the information upon request. You also have the right to ask the state agency to correct any information that is determined to be incorrect. (Reference: Texas Government Code, Sections 552.021, 552.023, and 559.004.)*



APPLICATION FOR BREED REGISTRY FUNDING  
FROM THE HORSE INDUSTRY ESCROW ACCOUNT

PROJECT NARRATIVE (USE A SEPARATE FORM FOR EACH EVENT)  
(Must be accompanied by Form HIEA-2, Project Narrative)

**APPLICANT NAME: TEXAS THOROUGHBRED ASSOCIATION**

*This form was developed to be completed electronically. Handwritten applications and/or narratives will not be accepted. Click the grey text boxes to type responses. A maximum of 6 pages may be used to fully respond.*

**Project Title (Event Name):** Consignor Incentive for Texas 2-Year-Old In Training Sale

**Event Date(s) or Approximate Date(s):** 4/1/2020 - 4/3/2020

**Total Amount Requested For this Event:** \$45,937

**When Are Funds Needed?** *If funding can be provided in multiple phases, please explain.*  
April 15, 2020

### **Project Background**

#### **Project Summary**

*Please provide a summary of the event for which funding is sought and the project(s) that will be achieved as a result of this funding.*

The Texas 2-Year-Olds In Training and Horses of Racing Age Sale will be conducted April 3, 2020 in the Texas Thoroughbred Sales Pavilion at Lone Star Park with horses, consignors and buyers from Texas and many other states. A rebate of a portion of the consignment fee encourages participation while providing a price break for consignors.

#### **Project Description**

*Provide a detailed description of the project including activities to be supported with funds from the Account, timelines of each activity, and key milestones.*

A rebate of 1/2 of the \$500 consignment fee will be provided for each horse that actually goes through the sales ring on April 3, whether sold to a new owner or returning to the consigning owner.

#### **Anticipated Project Results/Economic Impact on the Horse Industry**

*Provide a detailed explanation of the anticipated economic impact on the horse industry and any other expected results and how they will be measured.*

Increased participation will increase associated business in the state such as transportation, accommodations and restaurants, fuel, feed, bedding, equipment, grooming products, labor, etc.

Last year 135 horses were catalogued for this Sale; the 2020 Sale currently has 182 horses catalogued. As 2-year-olds, many of these horses will initially race in Texas, further contributing to the state's economy.

### **Project Oversight**

*Who will oversee the project activities? Include name and title of the person. How will oversight be performed? What steps will take place to ensure the project is achieved as outlined?*

TTA Executive Director Mary Ruyle, Accountant Cheri Grant and Director of Sales Tim Boyce will oversee all activities. TTA staff records all information and handles all financial transactions for the Sale. Both Ruyle and Boyce along with other TTA staff actually work at the Sale. Upon the conclusion of the Sale, TTA staff will verify which horses passed through the sales ring and whose consignors are eligible for a rebate of 1/2 of the consignment fee. The proper consignment fee amount will be used when processing sales proceeds to be issued to consignors. For those consignors whose horse(s) did not sell and will not have net proceeds, the proper consignment fee will be entered into their itemized statement of amounts due to the sale company.

Reports will be provided to the TTA Board of Directors. The firm of Alexander and Lievens, PC will include this initiative in their annual financial audit of TTA. Documentation will also be included as part of the TTA's quarterly and annual Performance Measures Report to the Texas Racing Commission.

### **Project Budget**

*This section should reflect the total budget. Provide a general description of all costs along with a justification for each item. The explanations should focus on how each budget item is required to achieve the project. Be sure to itemize the request with quantities and individual estimated costs.*

*Pursuant to 16 T.A.C. Section 303.322(b), the following types of costs may not be paid with funds allocated from the account:*

- (1) capital improvements;*
- (2) donations or contributions made to any individual or organization without express approval from the Commission for such contribution or donation;*
- (3) costs of entertainment, amusements, social activities, and incidental costs relating thereto, including tickets to shows or sports events, meals, alcoholic beverages, lodging, rentals, transportation, tips, and gratuities;*
- (4) fines, penalties, or other costs resulting from violations of or failure to comply with federal, state, or local laws and regulations;*
- (5) liability insurance coverage not specific to a particular event or series of events for which the Commission has allocated funds from the account;*

- (6) expenses related to litigation;
- (7) professional association fees or dues for the breed registry or an individual;
- (8) legislative expenses such as salaries and other expenses associated with lobbying the state or federal legislature or similar local governmental bodies, whether incurred for purposes of legislation or executive direction; or
- (9) fundraising.

Pursuant to 16 T.A.C. Section 303.322(c), the following types of costs may only be paid with funds allocated from the account, in an amount not to exceed five percent of the total allocated to the breed registry or of the approved allocation for any event, if specifically approved by the Commission:

- (1) operating expenses, including the salaries of breed registry staff, interest and other financial costs related to borrowing and the cost of financing, contributions to a contingency reserve or any similar provision for unforeseen events, and audits or other accounting services; and
- (2) the purchase of capital assets.

EXPENSE CATEGORIES	AMOUNT
<b>Event Production Costs</b>	\$
<b>Purse Supplements/Prizes</b>	\$
<b>Advertising</b>	\$
<b>Donations (include most recent IRS Form 990 for any non-profit)</b>	\$
<b>Other Direct Expenses (itemize below):</b>	\$
	\$43,750.00
	\$
	\$
	\$
<b>Total Direct Costs</b>	<b>\$43,750.00</b>
<b>Administrative Expenses/Capital Assets (may not exceed 5% of project total)</b>	<b>\$2,187.00</b>
<b>Total</b>	<b>\$45,937.00</b>

**Event Production Costs (\$ total)** For events to be produced or sponsored by the breed registry, provide a breakdown of the event production expenses.

**Purse Supplements/Prizes (\$ total)** Provide a breakdown of purses/purse supplements, prizes, and Texas-bred supplements from HIEA funding.

**Advertising (\$ total)** Provide an explanation of advertising costs.

**Donations** (\$ \_\_\_\_\_ **total**) *For any donation, state the recipient(s), amount for each recipient, and an explanation of the purpose of the donation. For any 501(c)(3), provide the organization's most recent IRS Form 990.*

**Other direct expenses – first category** \_\_\_\_\_ (**\$43750 total**) *Provide a detailed description of any other category of direct expenses.*

Historically, not every horse consigned to the sale actually goes through the sales ring, due to being scratched from the sale by a veterinarian, etc. The amount of \$43,750 was based on an estimate of 175 horses actually going through the ring at the Texas 2-Year-Olds and Horses of Racing Age Sale on April 3, 2020 and receiving a rebate of \$250 each.

**Other direct expenses – second category** \_\_\_\_\_ (\$ \_\_\_\_\_ **total**) *Provide a detailed description of any other category of direct expenses.*

**Other direct expenses – third category** \_\_\_\_\_ (\$ \_\_\_\_\_ **total**) *Provide a detailed description of any other category of direct expenses.*

**Administrative Expenses/Capital Assets** (**\$2187 total; may not exceed 5% of total**) *Provide a detailed description of administrative expenses such as personnel costs or other direct budgeted costs associated with the project. For each employee receiving a portion of this funding as a wage or stipend, indicate their title, estimated time budgeted to the event, and the amount.*

In total, to cover TTA staff time (Executive Director and Accountant), and a portion of overhead items to include, but not limited to, office space, utilities, computer hardware and software systems, office equipment, certified audits, digital storage of all records, etc.



APPLICATION FOR BREED REGISTRY FUNDING  
FROM THE HORSE INDUSTRY ESCROW ACCOUNT

PROJECT NARRATIVE (USE A SEPARATE FORM FOR EACH EVENT)  
(Must be accompanied by Form HIEA-2, Project Narrative)

**APPLICANT NAME: TEXAS THOROUGHBRED ASSOCIATION**

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*This form was developed to be completed electronically. Handwritten applications and/or narratives will not be accepted. Click the grey text boxes to type responses. A maximum of 6 pages may be used to fully respond.*

**Project Title (Event Name):** Purse Bonus for 2020 Texas 2-Year-Old In Training and Horses of Racing Age Sale Graduates for Racing in Texas Through December 2020.

**Event Date(s) or Approximate Date(s):** 4/16/2020 - 12/31/2020

**Total Amount Requested For this Event:** \$108,400

**When Are Funds Needed?** *If funding can be provided in multiple phases, please explain.*  
January 15, 2021

**Project Background**

**Project Summary**

*Please provide a summary of the event for which funding is sought and the project(s) that will be achieved as a result of this funding.*

The Texas 2-Year-Olds In Training and Horses of Racing Age Sale will be conducted April 3, 2020 in the Texas Thoroughbred Sales Pavilion at Lone Star Park with horses, consignors and buyers from Texas and many other states. Providing a purse bonus to sale graduates who place first, second or third in any race in Texas through December 31, 2020 will encourage many of those horses to remain in Texas and race here, positively impacting the Texas economy.

**Project Description**

*Provide a detailed description of the project including activities to be supported with funds from the Account, timelines of each activity, and key milestones.*

For graduates of the 2020 Texas 2-Year-Olds In Training and Horses of Racing Age Sale who remain in Texas and compete in Texas races through the end of December 2020, a purse bonus will be paid to the owner of that horse if it places first, second or third in any race in Texas during that time period. The amount of the bonus will be based on a percentage of purse money earned by the horse, and calculated in the same way Accredited Texas-bred Incentive

Awards are currently calculated. These bonuses are targeted to be paid in January of 2021 to allow for collection of any needed documentation, including the pending/clearance status of races and subsequent calculation of funds

### **Anticipated Project Results/Economic Impact on the Horse Industry**

*Provide a detailed explanation of the anticipated economic impact on the horse industry and any other expected results and how they will be measured.*

This initiative will not only increase consignments to the 2020 Texas 2-Year-Olds In Training and Horses of Racing Age Sale, but will result in more horses racing in Texas through December 31, 2020.

Increased participation will increase associated business in the state such as transportation, accommodations and restaurants, fuel, feed, bedding, equipment, grooming products, labor, etc.

### **Project Oversight**

*Who will oversee the project activities? Include name and title of the person. How will oversight be performed? What steps will take place to ensure the project is achieved as outlined?*

TTA Executive Director Mary Ruyle, Accreditation and Racing Manager Amber Doege will oversee all activities. Those TTA staff members, along with Accountant Cheri Grant and Director of Sales Tim Boyce, record all information and handle all financial transactions for the Sale. Upon conclusion of the Sale, TTA staff will verify and document which horses passed through the sales ring and may be eligible for a purse bonus. Ruyle and Grant will work with custom software programmer to develop all necessary database records and functions. Through information obtained from The Jockey Club, staff will document all sales graduates that place first, second or third in Texas racing through December 31, along with owner information at the time of each race. After collection of any other needed documentation, including the pending/clearance status of races, purse bonuses will be calculated as a percentage of purse money earned for each horse and distributed to the appropriate owners.

Reports will be provided to the TTA Board of Directors. The firm of Alexander and Lievens, PC will include this initiative in their annual financial audit of TTA. Documentation will also be included as part of the TTA's quarterly and annual Performance Measures Report to the Texas Racing Commission.

### **Project Budget**

*This section should reflect the total budget. Provide a general description of all costs along with a justification for each item. The explanations should focus on how each budget item is required to achieve the project. Be sure to itemize the request with quantities and individual estimated costs.*

*Pursuant to 16 T.A.C. Section 303.322(b), the following types of costs may not be paid with funds allocated from the account:*

- (1) capital improvements;*

- (2) donations or contributions made to any individual or organization without express approval from the Commission for such contribution or donation;
- (3) costs of entertainment, amusements, social activities, and incidental costs relating thereto, including tickets to shows or sports events, meals, alcoholic beverages, lodging, rentals, transportation, tips, and gratuities;
- (4) fines, penalties, or other costs resulting from violations of or failure to comply with federal, state, or local laws and regulations;
- (5) liability insurance coverage not specific to a particular event or series of events for which the Commission has allocated funds from the account;
- (6) expenses related to litigation;
- (7) professional association fees or dues for the breed registry or an individual;
- (8) legislative expenses such as salaries and other expenses associated with lobbying the state or federal legislature or similar local governmental bodies, whether incurred for purposes of legislation or executive direction; or
- (9) fundraising.

Pursuant to 16 T.A.C. Section 303.322(c), the following types of costs may only be paid with funds allocated from the account, in an amount not to exceed five percent of the total allocated to the breed registry or of the approved allocation for any event, if specifically approved by the Commission:

- (1) operating expenses, including the salaries of breed registry staff, interest and other financial costs related to borrowing and the cost of financing, contributions to a contingency reserve or any similar provision for unforeseen events, and audits or other accounting services; and
- (2) the purchase of capital assets.

EXPENSE CATEGORIES	AMOUNT
<b>Event Production Costs</b>	\$
<b>Purse Supplements/Prizes</b>	\$100,000.00
<b>Advertising</b>	\$3,000.00
<b>Donations (include most recent IRS Form 990 for any non-profit)</b>	\$
<b>Other Direct Expenses (itemize below):</b>	\$
	\$
	\$
	\$
	\$
<b>Total Direct Costs</b>	<b>\$100,000.00</b>
<b>Administrative Expenses/Capital Assets (may not exceed 5% of project total)</b>	<b>\$5,400.00</b>
<b>Total</b>	<b>\$108,400.00</b>

**Event Production Costs (\$ total)** For events to be produced or sponsored by the breed registry, provide a breakdown of the event production expenses.

**Purse Supplements/Prizes (\$100000 total)** Provide a breakdown of purses/purse supplements, prizes, and Texas-bred supplements from HIEA funding.

**Advertising (\$3000 total)** Provide an explanation of advertising costs.

Advertising via social media, email blasts, industry websites, print publications, Texas racing programs and overnights.

**Donations (\$ \_\_\_\_\_ total)** For any donation, state the recipient(s), amount for each recipient, and an explanation of the purpose of the donation. For any 501(c)(3), provide the organization's most recent IRS Form 990.

**Other direct expenses – first category \_\_\_\_\_ (\$ \_\_\_\_\_ total)** Provide a detailed description of any other category of direct expenses.

**Other direct expenses – second category \_\_\_\_\_ (\$ \_\_\_\_\_ total)** Provide a detailed description of any other category of direct expenses.

**Other direct expenses – third category \_\_\_\_\_ (\$ \_\_\_\_\_ total)** Provide a detailed description of any other category of direct expenses.

**Administrative Expenses/Capital Assets (\$5400 total; may not exceed 5% of total)** Provide a detailed description of administrative expenses such as personnel costs or other direct budgeted costs associated with the project. For each employee receiving a portion of this funding as a wage or stipend, indicate their title, estimated time budgeted to the event, and the amount.

\$5,400 in total, to cover TTA staff time (Executive Director and Accountant), and a portion of overhead items to include, but not limited to, office space, utilities, computer hardware and software systems, office equipment, certified audits, digital storage of all records, etc.



APPLICATION FOR BREED REGISTRY FUNDING  
FROM THE HORSE INDUSTRY ESCROW ACCOUNT

PROJECT NARRATIVE (USE A SEPARATE FORM FOR EACH EVENT)  
(Must be accompanied by Form HIEA-2, Project Narrative)

**APPLICANT NAME: TEXAS THOROUGHBRED ASSOCIATION**

*This form was developed to be completed electronically. Handwritten applications and/or narratives will not be accepted. Click the grey text boxes to type responses. A maximum of 6 pages may be used to fully respond.*

**Project Title (Event Name):** ATB Breeder Bonus for Success in Open Company Races in Texas in 2020

**Event Date(s) or Approximate Date(s):** January - September 2020

**Total Amount Requested For this Event:** \$315,000

**When Are Funds Needed?** *If funding can be provided in multiple phases, please explain.*  
\$120,000 needed in April 2020 in connection with the Thoroughbred meet at Sam Houston Race Park; \$120,000 needed in August 2020 in connection with the Thoroughbred meet at Lone Star Park; \$2,000 needed in September 2020 in connection with Thoroughbred racing at Gillespie County Fair; and \$58,000 needed in October 2020 in connection with Thoroughbred racing at Retama Park.

**Project Background**

**Project Summary**

*Please provide a summary of the event for which funding is sought and the project(s) that will be achieved as a result of this funding.*

Pursuant to Texas Racing Act Sec. 2030.004, Purse Supplements for Texas-Bred Races (2001), "An accredited Texas-bred Thoroughbred horse that finishes first, second, or third in a race other than a Texas-bred race is entitled to receive an owner's bonus award as a purse supplement."

This bonus is in addition to the regular ATB owner's award. Bonus awards for success in open company races were implemented in 2002 to encourage ATB horses to compete in open company, which is generally regarded as being more competitive.

The TTA proposes implementing an ATB breeder's bonus for eligible breeders of Accredited Texas-bred racehorses placing first, second or third in any open company race in Texas, beginning with the 2020 Thoroughbred meet at Sam Houston Race Park.

Breeders expend significant funds in purchasing and caring for broodmares, purchasing stallion breedings, and caring for resulting foals. They see no return on investment until a foal is sold or achieves success at the racetrack. Implementing a breeder's bonus encourages mare owners to breed with the goal of producing more competitive racehorses in order to reap the rewards of additional ATB awards. These additional funds will enable the breeder to sustain and grow his breeding business.

### **Project Description**

*Provide a detailed description of the project including activities to be supported with funds from the Account, timelines of each activity, and key milestones.*

Implementing an ATB breeder's bonus beginning with the 2020 Thoroughbred meet at Sam Houston Race Park will provide breeders with additional funds to put into their breeding programs for 2020 and beyond.

As with all ATB awards, breeder bonus awards will be calculated as a percentage of purse money earned by eligible horses placing first, second or third in open company races, and paid out during the month following the month in which live racing concludes at each Texas racetrack.

TTA will promote through online and print magazine ads as well as direct mail pieces and email blasts, and notices provided to Texas racetracks.

### **Anticipated Project Results/Economic Impact on the Horse Industry**

*Provide a detailed explanation of the anticipated economic impact on the horse industry and any other expected results and how they will be measured.*

This initiative will provide \$300,000 in 2020 to be put back into the Texas economy through purchases of fuel, feed, bedding, equipment, grooming products, insurance, facility expenses, veterinary services, farrier services, and labor.

The Texas Comptroller's office will be able to provide comparative statistics for these expenditures and associated taxes.

### **Project Oversight**

*Who will oversee the project activities? Include name and title of the person. How will oversight be performed? What steps will take place to ensure the project is achieved as outlined?*

TTA Executive Director Mary Ruyle and Accountant Cheri Grant will work with the custom software programmer for the Association to develop all necessary database records and functions. Reports will be provided to the TTA Board of Directors. The firm of Alexander and

Lievens, PC will include this initiative in their annual financial audit of TTA. Documentation will also be included as part of the TTA's quarterly and annual Performance Measures Report to the Texas Racing Commission.

**Project Budget**

*This section should reflect the total budget. Provide a general description of all costs along with a justification for each item. The explanations should focus on how each budget item is required to achieve the project. Be sure to itemize the request with quantities and individual estimated costs.*

*Pursuant to 16 T.A.C. Section 303.322(b), the following types of costs may not be paid with funds allocated from the account:*

- (1) capital improvements;*
- (2) donations or contributions made to any individual or organization without express approval from the Commission for such contribution or donation;*
- (3) costs of entertainment, amusements, social activities, and incidental costs relating thereto, including tickets to shows or sports events, meals, alcoholic beverages, lodging, rentals, transportation, tips, and gratuities;*
- (4) fines, penalties, or other costs resulting from violations of or failure to comply with federal, state, or local laws and regulations;*
- (5) liability insurance coverage not specific to a particular event or series of events for which the Commission has allocated funds from the account;*
- (6) expenses related to litigation;*
- (7) professional association fees or dues for the breed registry or an individual;*
- (8) legislative expenses such as salaries and other expenses associated with lobbying the state or federal legislature or similar local governmental bodies, whether incurred for purposes of legislation or executive direction; or*
- (9) fundraising.*

*Pursuant to 16 T.A.C. Section 303.322(c), the following types of costs may only be paid with funds allocated from the account, in an amount not to exceed five percent of the total allocated to the breed registry or of the approved allocation for any event, if specifically approved by the Commission:*

- (1) operating expenses, including the salaries of breed registry staff, interest and other financial costs related to borrowing and the cost of financing, contributions to a contingency reserve or any similar provision for unforeseen events, and audits or other accounting services; and*
- (2) the purchase of capital assets.*

EXPENSE CATEGORIES	AMOUNT
<b>Event Production Costs</b>	\$
<b>Purse Supplements/Prizes</b>	\$
<b>Advertising</b>	\$

Donations (include most recent IRS Form 990 for any non-profit)	\$
Other Direct Expenses (itemize below):	\$300,000.00
	\$
	\$
	\$
	\$
<b>Total Direct Costs</b>	<b>\$300,000.00</b>
<b>Administrative Expenses/Capital Assets (may not exceed 5% of project total)</b>	<b>\$15,000.00</b>
<b>Total</b>	<b>\$315,000.00</b>

**Event Production Costs** (\$ \_\_\_\_\_ total) *For events to be produced or sponsored by the breed registry, provide a breakdown of the event production expenses.*

**Purse Supplements/Prizes** (\$ \_\_\_\_\_ total) *Provide a breakdown of purses/purse supplements, prizes, and Texas-bred supplements from HIEA funding.*

**Advertising** (\$ \_\_\_\_\_ total) *Provide an explanation of advertising costs.*

**Donations** (\$ \_\_\_\_\_ total) *For any donation, state the recipient(s), amount for each recipient, and an explanation of the purpose of the donation. For any 501(c)(3), provide the organization's most recent IRS Form 990.*

**Other direct expenses – first category** \_\_\_\_\_ (\$300,000 total) *Provide a detailed description of any other category of direct expenses. \$300,000 is the total amount to be paid in ATB Breeder Bonuses for racing in calendar year 2020.*

**Other direct expenses – second category** \_\_\_\_\_ (\$ \_\_\_\_\_ total) *Provide a detailed description of any other category of direct expenses.*

**Other direct expenses – third category** \_\_\_\_\_ (\$ \_\_\_\_\_ total) *Provide a detailed description of any other category of direct expenses.*

**Administrative Expenses/Capital Assets** (\$15000 total; may not exceed 5% of total) *Provide a detailed description of administrative expenses such as personnel costs or other direct budgeted costs associated with the project. For each employee receiving a portion of this funding as a wage or stipend, indicate their title, estimated time budgeted to the event, and the amount.*

\$15,000 in total, to cover TTA staff time (Executive Director and Accountant), and a portion of overhead items to include, but not limited to, office space, utilities, computer hardware and software systems, office equipment, certified audits, digital storage of all records, etc.



APPLICATION FOR BREED REGISTRY FUNDING  
FROM THE HORSE INDUSTRY ESCROW ACCOUNT

PROJECT NARRATIVE (USE A SEPARATE FORM FOR EACH EVENT)  
(Must be accompanied by Form HIEA-2, Project Narrative)

**APPLICANT NAME: TEXAS THOROUGHBRED ASSOCIATION**

*This form was developed to be completed electronically. Handwritten applications and/or narratives will not be accepted. Click the grey text boxes to type responses. A maximum of 6 pages may be used to fully respond.*

**Project Title (Event Name):** Incentives Only for Broodmares Newly Texas Accredited for the 2020 Breeding Season

**Event Date(s) or Approximate Date(s):** February 2020 - August 2021

**Total Amount Requested For this Event:** \$375,000

**When Are Funds Needed?** *If funding can be provided in multiple phases, please explain.*

\$75,000 needed in September 2020 for previously open mares bred to a Texas stallion in 2020 and appearing on the stallion's Report of Mares Bred filed with The Jockey Club; \$100,000 needed in September 2020 for mares with a 2020 foal that are bred to a Texas stallion in 2020 and appearing on the stallion's Report of Mares Bred filed with The Jockey Club; \$100,000 needed in August 2020 for mares having a 2020 foal in Texas as evidenced by the 2020 Live Foal/No Foal Report filed with The Jockey Club; \$100,000 needed in August 2021 for mares having a 2021 foal in Texas as evidenced by the 2021 Live Foal/No Foal Report filed with The Jockey Club.

**Project Background**

**Project Summary**

*Please provide a summary of the event for which funding is sought and the project(s) that will be achieved as a result of this funding.*

Moving a mare to Texas and maintaining her care can be costly, with only long-term return on investment. At the earliest, it is a 3-year prospect - if the mare gets in foal, sustains the pregnancy, delivers a healthy foal and that foal begins racing successfully as a 2-year-old, or is sold.

According to The Jockey Club, Texas currently ranks 11<sup>th</sup> in the nation for the number of registered foals and the number of mares bred annually. From 2010 to 2017, there was a 54%

decline in the number of stallions breeding in Texas, a 58% decline in the number of mares bred, and a 53% decline in the number of registered foals. This incentive should increase those numbers and move Texas up in the ranking.

The TTA proposes an incentive to attract new mares to reside, breed and foal out in Texas with funds to enable the breeder to sustain and grow his breeding business.

### **Project Description**

*Provide a detailed description of the project including activities to be supported with funds from the Account, timelines of each activity, and key milestones.*

There are two levels of potential incentives – a \$1,000 incentive for open mares and a \$3,000 incentive for in-foal mares.

#### **ELIGIBILITY REQUIREMENTS FOR OPEN MARES:**

- The mare has not been previously accredited with the TTA as ATB Breeding Stock.
- The mare must become accredited as Breeding Stock between September 1, 2019, and May 15, 2020.
- If the mare is not currently in foal, she must be bred to an Accredited Texas Thoroughbred Stallion in 2020, as verified on the ATB stallion's 2020 Report of Mares Bred filed with The Jockey Club.
- The mare must be continuously domiciled in Texas from time of breeding until after the 2021 foal is born.
  - If good faith efforts are made by the mare owner and the mare does not get in foal or otherwise does not produce a live foal, the mare owner will still be eligible for the incentive provided that TTA receives a veterinarian's notarized statement affirming the mare's breeding status.

#### **PAYMENT OF INCENTIVE:**

- The \$1,000 incentive payment will be issued to the mare owner upon verification that the mare is listed on the ATB stallion's 2020 Report of Mares Bred filed with The Jockey Club.

#### **ELIGIBILITY REQUIREMENTS FOR IN-FOAL MARES:**

- The mare has not been previously accredited with the TTA as ATB Breeding Stock.
- The mare must become accredited as Breeding Stock between September 1, 2019, and May 15, 2020.
- If the mare is currently in foal, she must foal out in Texas in 2020 and be bred back to an Accredited Texas Thoroughbred Stallion in 2020.
  - If good faith efforts are made by the mare owner and the mare does not produce a live foal for 2020 or get in foal in 2020, the mare owner will still be eligible for the incentive provided that TTA receives a veterinarian's notarized statement affirming that no live foal was produced.
- The mare must be continuously domiciled in Texas from time of 2020 breeding until after the 2021 foal is born.
- If a live Texas foal is produced in 2020, said foal must be Accredited with the TTA by May 31, 2021.

o If good faith efforts are made by the mare and foal owner, and said foal dies before May 31, 2021, the mare owner will still be eligible for the incentive provided that TTA receives a veterinarian's notarized statement affirming the foal's death.

- If a live Texas foal is produced in 2021, said foal must be Accredited with the TTA by May 31, 2022.

o If good faith efforts are made by the mare and foal owner, and said foal dies before May 31, 2022, the mare owner will still be eligible for the incentive provided that TTA receives a veterinarian's notarized statement affirming the foal's death.

#### PAYMENT OF INCENTIVE:

- \$1,000 of the incentive payment will be issued to the mare owner only after the birth of a 2020 live foal as evidenced by the 2020 Live Foal Report filed with The Jockey Club.

- \$1,000 of the incentive payment will be issued to the mare owner upon verification that the mare is listed on the ATB stallion's 2020 Report of Mares Bred filed with The Jockey Club.

- An additional \$1,000 incentive payment will be issued to the mare owner only after the birth of a 2021 live foal as evidenced by the 2021 Live Foal Report filed with The Jockey Club.

Implementing this initiative will be another step in encouraging mare owners to breed in Texas and participate in the Accredited Texas-bred Program, while providing funds to put back into their breeding programs.

TTA will promote this initiative through online and print magazine ads as well as direct mail pieces and email blasts, and notices provided to racetracks in Texas and across the US.

#### **Anticipated Project Results/Economic Impact on the Horse Industry**

*Provide a detailed explanation of the anticipated economic impact on the horse industry and any other expected results and how they will be measured.*

This program will be another step in encouraging mare owners to breed in Texas and participate in the Accredited Texas-bred Program, while providing funds to put back into their breeding programs. Funds will be put back into the Texas economy through such purchases as fuel, feed, bedding, equipment, grooming products, insurance, facility expenses, veterinary services, farrier services, and labor.

The Texas Comptroller's office will be able to provide comparative statistics for these expenditures and associated taxes.

According to The Jockey Club, Texas currently ranks 11th in the nation for the number of registered foals and the number of mares bred annually. From 2010 to 2017, there was a 54% decline in the number of stallions breeding in Texas, a 58% decline in the number of mares bred, and a 53% decline in the number of registered foals. This incentive should increase those numbers and move Texas up in the ranking. Measurable statistics will be available through The Jockey Club.

As the time period from time of initial foaling, to breeding, to foaling again is at least 2 years, achieving the desired results of increasing the number of Texas stallions, mares and foals will not happen quickly.

### **Project Oversight**

*Who will oversee the project activities? Include name and title of the person. How will oversight be performed? What steps will take place to ensure the project is achieved as outlined?*

TTA Executive Director Mary Ruyle and Accountant Cheri Grant will work with the custom software programmer for the Association to develop all necessary database records and functions. Pertinent data will be obtained via The Jockey Club.

TTA will promote this initiative through online and print magazine ads as well as direct mail pieces and email blasts.

Reports will be provided to the TTA Board of Directors. The firm of Alexander and Lievens, PC will include this initiative in their annual financial audit of TTA. Documentation will also be included as part of the TTA's quarterly and annual Performance Measures Report to the Texas Racing Commission.

### **Project Budget**

*This section should reflect the total budget. Provide a general description of all costs along with a justification for each item. The explanations should focus on how each budget item is required to achieve the project. Be sure to itemize the request with quantities and individual estimated costs.*

*Pursuant to 16 T.A.C. Section 303.322(b), the following types of costs may not be paid with funds allocated from the account:*

- (1) capital improvements;*
- (2) donations or contributions made to any individual or organization without express approval from the Commission for such contribution or donation;*
- (3) costs of entertainment, amusements, social activities, and incidental costs relating thereto, including tickets to shows or sports events, meals, alcoholic beverages, lodging, rentals, transportation, tips, and gratuities;*
- (4) fines, penalties, or other costs resulting from violations of or failure to comply with federal, state, or local laws and regulations;*
- (5) liability insurance coverage not specific to a particular event or series of events for which the Commission has allocated funds from the account;*
- (6) expenses related to litigation;*
- (7) professional association fees or dues for the breed registry or an individual;*

- (8) legislative expenses such as salaries and other expenses associated with lobbying the state or federal legislature or similar local governmental bodies, whether incurred for purposes of legislation or executive direction; or
- (9) fundraising.

Pursuant to 16 T.A.C. Section 303.322(c), the following types of costs may only be paid with funds allocated from the account, in an amount not to exceed five percent of the total allocated to the breed registry or of the approved allocation for any event, if specifically approved by the Commission:

- (1) operating expenses, including the salaries of breed registry staff, interest and other financial costs related to borrowing and the cost of financing, contributions to a contingency reserve or any similar provision for unforeseen events, and audits or other accounting services; and
- (2) the purchase of capital assets.

EXPENSE CATEGORIES	AMOUNT
Event Production Costs	\$
Purse Supplements/Prizes	\$
Advertising	\$5,000.00
Donations (include most recent IRS Form 990 for any non-profit)	\$
Other Direct Expenses (itemize below): Breed show Incentives	\$375,000.00
	\$
	\$
	\$
	\$
<b>Total Direct Costs</b>	<b>\$380,000.00</b>
<b>Administrative Expenses/Capital Assets (may not exceed 5% of project total)</b>	<b>\$19,000.00</b>
<b>Total</b>	<b>\$399,000.00</b>

**Event Production Costs (\$ total)** For events to be produced or sponsored by the breed registry, provide a breakdown of the event production expenses.

**Purse Supplements/Prizes (\$ total)** Provide a breakdown of purses/purse supplements, prizes, and Texas-bred supplements from HIEA funding.

**Advertising (\$5000 total)** Provide an explanation of advertising costs.

In order to achieve maximum exposure and opportunity for best results, TTA will immediately promote this initiative through online and print magazine ads as well as direct mail pieces and email blasts.

**Donations** (\$ \_\_\_\_\_ total) For any donation, state the recipient(s), amount for each recipient, and an explanation of the purpose of the donation. For any 501(c)(3), provide the organization's most recent IRS Form 990.

**Other direct expenses – first category** Broodmare Incentive (\$375000 total) Provide a detailed description of any other category of direct expenses.

\$375,000 is the anticipated total amount to be paid in Broodmare Incentives, based on 75 open mares qualifying for a \$1,000 incentive and 100 in-foal mares qualifying for a \$3,000 incentive.

**Other direct expenses – second category** \_\_\_\_\_ (\$ \_\_\_\_\_ total) Provide a detailed description of any other category of direct expenses.

**Other direct expenses – third category** \_\_\_\_\_ (\$ \_\_\_\_\_ total) Provide a detailed description of any other category of direct expenses.

**Administrative Expenses/Capital Assets** (\$19000 total; may not exceed 5% of total) Provide a detailed description of administrative expenses such as personnel costs or other direct budgeted costs associated with the project. For each employee receiving a portion of this funding as a wage or stipend, indicate their title, estimated time budgeted to the event, and the amount.

\$19,000 in total, to cover TTA staff time (Executive Director and Accountant) for working with custom software programmer to develop all necessary database records and functions with pertinent data obtained via customized reports from The Jockey Club, and a portion of overhead items to include, but not limited to, office space, utilities, computer hardware and software systems, office equipment, certified audits, digital storage of all records, etc.



APPLICATION FOR BREED REGISTRY FUNDING  
FROM THE HORSE INDUSTRY ESCROW ACCOUNT

PROJECT NARRATIVE (USE A SEPARATE FORM FOR EACH EVENT)  
(Must be accompanied by Form HIEA-2, Project Narrative)

**APPLICANT NAME: TEXAS THOROUGHBRED ASSOCIATION**

*This form was developed to be completed electronically. Handwritten applications and/or narratives will not be accepted. Click the grey text boxes to type responses. A maximum of 6 pages may be used to fully respond.*

**Project Title (Event Name):** 2020 Thoroughbred Meet at Sam Houston Race Park

**Event Date(s) or Approximate Date(s):** 1/10/2020 - 3/28/2020

**Total Amount Requested For this Event:** \$719,250

**When Are Funds Needed?** *If funding can be provided in multiple phases, please explain.*  
March 1, 2020

**Project Background**

**Project Summary**

*Please provide a summary of the event for which funding is sought and the project(s) that will be achieved as a result of this funding.*

The 2020 Thoroughbred meet at Sam Houston Race Park is the first race meet of the year, providing opportunities to attract more horsemen and horses to the state by providing additional race days with increased purses with focus on the stakes program and an emphasis on Texas-bred horses. Handle will benefit from new wagering promotions. Increased media exposure and grassroots marketing will attract patrons and will benefit Texas breeding as interest in the Accredited Texas-bred Program increases.

**Project Description**

*Provide a detailed description of the project including activities to be supported with funds from the Account, timelines of each activity, and key milestones.*

1. Costs associated with opening the racetrack stable area 16 days early, on December 3, 2019.
2. Costs associated with beginning training 20 days early, on December 6, 2019.
3. Costs associated with beginning gate works 3 days early, on December 23, 2019.
4. Increase media promotions (radio, print and social media), December 2019 - March 2020.
5. Wagering promotions, December 2019 - March 2020.

6. Grass roots marketing, December 2019 - March 2020.

7. Improving stakes program with an emphasis on Texas-bred races through signature race days to include Houston Racing Festival on January 26, 2020; Texas Preview Day on February 22, 2020; Texas Champions Day on March 21, 2020

### **Anticipated Project Results/Economic Impact on the Horse Industry**

*Provide a detailed explanation of the anticipated economic impact on the horse industry and any other expected results and how they will be measured.*

The primary driver of all events is to bring national exposure to Texas racing starting with the 2020 Thoroughbred meet at Sam Houston Race Park. Fiscal measurements for all proposed elements will be demonstrated in the racing product via entries and handle increases compared to 2019.

1. Financial benefits from season-long advertising will provide national exposure through a variety of media platforms for the Texas-bred program, attracting more owners and breeders to participate.

2. Wagering incentives are expected to significantly increase handle. The TVG Pick 4 Promo alone is expected to increase Wednesday TVG handle by \$50,000 per day.

3. Texas Preview Day and Texas Champions Day will provide national exposure through proposed platforms for the Texas-bred program, attracting more owners and breeders to participate.

4. Texas Preview Day is expected to increase Saturday TVG handle by \$75,000 and increase national handle by 10% via DRF marketing.

5. Texas Champions Day is expected to increase TVG handle versus the previous year by \$100,000 and increase national handle by 10% via DRF marketing.

### **Project Oversight**

*Who will oversee the project activities? Include name and title of the person. How will oversight be performed? What steps will take place to ensure the project is achieved as outlined?*

TTA Executive Director Mary Ruyle will work directly with Sam Houston Race Park President Dwight Berube and Racing Director Frank Hopf to oversee all activities. Berube and Hopf will provide reports to Ruyle as funds are expended and interim reports on the number of races conducted, field sizes and handle.

Reports will be provided to the TTA Board of Directors. The firm of Alexander and Lievens, PC will include this initiative in their annual financial audit of TTA. Documentation will also be included as part of the TTA's quarterly and annual Performance Measures Report to the Texas Racing Commission.

### **Project Budget**

*This section should reflect the total budget. Provide a general description of all costs along with a justification for each item. The explanations should focus on how each budget item is required*

to achieve the project. Be sure to itemize the request with quantities and individual estimated costs.

Pursuant to 16 T.A.C. Section 303.322(b), the following types of costs may not be paid with funds allocated from the account:

- (1) capital improvements;
- (2) donations or contributions made to any individual or organization without express approval from the Commission for such contribution or donation;
- (3) costs of entertainment, amusements, social activities, and incidental costs relating thereto, including tickets to shows or sports events, meals, alcoholic beverages, lodging, rentals, transportation, tips, and gratuities;
- (4) fines, penalties, or other costs resulting from violations of or failure to comply with federal, state, or local laws and regulations;
- (5) liability insurance coverage not specific to a particular event or series of events for which the Commission has allocated funds from the account;
- (6) expenses related to litigation;
- (7) professional association fees or dues for the breed registry or an individual;
- (8) legislative expenses such as salaries and other expenses associated with lobbying the state or federal legislature or similar local governmental bodies, whether incurred for purposes of legislation or executive direction; or
- (9) fundraising.

Pursuant to 16 T.A.C. Section 303.322(c), the following types of costs may only be paid with funds allocated from the account, in an amount not to exceed five percent of the total allocated to the breed registry or of the approved allocation for any event, if specifically approved by the Commission:

- (1) operating expenses, including the salaries of breed registry staff, interest and other financial costs related to borrowing and the cost of financing, contributions to a contingency reserve or any similar provision for unforeseen events, and audits or other accounting services; and
- (2) the purchase of capital assets.

EXPENSE CATEGORIES	AMOUNT
<b>Event Production Costs</b>	\$74,582.00
<b>Purse Supplements/Prizes</b>	\$510,000.00
<b>Advertising</b>	\$27,300.00
<b>Donations (include most recent IRS Form 990 for any non-profit)</b>	\$
<b>Other Direct Expenses (itemize below):</b>	\$
	\$52,500.00
	\$20,200.00
	\$418.00
	\$

<b>Total Direct Costs</b>	<b>\$685,000.00</b>
<b>Administrative Expenses/Capital Assets (may not exceed 5% of project total)</b>	<b>\$34,250.00</b>
<b>Total</b>	<b>\$719,250.00</b>

**Event Production Costs (\$74582 total)** *For events to be produced or sponsored by the breed registry, provide a breakdown of the event production expenses.*

Day labor associated with Stable Area (Equipment Operators, Maintenance Workers, Stable Gate Operator, Walk-in Gate Operator, Fingerprinting Clerk, Stall Manager, Outriders, Clockers, Gap Attendant, Assistant Starters, Ambulance with Medics, Utilities, Dumpster, Fuel, Propane, Supplies, etc.) totaling \$74,581.95.

**Purse Supplements/Prizes (\$510000 total)** *Provide a breakdown of purses/purse supplements, prizes, and Texas-bred supplements from HIEA funding.*

\$200,000 for Texas Turf Mile; \$10,000 for Houston Turf S.; \$75,000 for Miss Houston Turf S.; \$25,000 each for Bara Lass S.; Groovy S.; Richard King S., San Jacinto S.; Spirit of Texas S.; and Yellow Rose S.; \$75,000 for Star of Texas S.

**Advertising (\$27300 total)** *Provide an explanation of advertising costs.*

\$19,000 for Daily Racing Form; \$4,200 for Paulick Report; \$4,100 for "At the Races" with Steve Byk.

**Donations (\$ \_\_\_\_\_ total)** *For any donation, state the recipient(s), amount for each recipient, and an explanation of the purpose of the donation. For any 501(c)(3), provide the organization's most recent IRS Form 990.*

**Other direct expenses – first category \_\_\_\_\_ (\$52500 total)** *Provide a detailed description of any other category of direct expenses.*

Wagering Promotions: \$10,000 to TwinSpires; \$16,500 to TVG for Weekly Pick 4 Insurance Promo; \$13,000 to TVG for expanded coverage on Texas Preview Day; \$13,000 to TVG for expanded coverage on Texas Champions Day.

**Other direct expenses – second category \_\_\_\_\_ (\$20200 total)** *Provide a detailed description of any other category of direct expenses.*

Grass Roots Marketing: \$5,000 for Texas Themed Giveaways (T-shirts, stuffed animals); \$10,000 for 4 Social Media Influencers to push Texas racing throughout season; \$5,200 for Texas Sire/Breeding Promos.

**Other direct expenses – third category \_\_\_\_\_ (\$418 total)** *Provide a detailed description of any other category of direct expenses.*

Allowance for Miscellaneous Expenses

**Administrative Expenses/Capital Assets (\$34250 total; may not exceed 5% of total)** *Provide a detailed description of administrative expenses such as personnel costs or other direct budgeted costs associated with the project. For each employee receiving a portion of this funding as a wage or stipend, indicate their title, estimated time budgeted to the event, and the amount.*

\$34,250 in total, to cover TTA staff time (Executive Director and Accountant), and a portion of overhead items to include, but not limited to, office space, utilities, computer hardware and software systems, office equipment, certified audits, digital storage of all records, etc.



APPLICATION FOR BREED REGISTRY FUNDING  
FROM THE HORSE INDUSTRY ESCROW ACCOUNT

PROJECT NARRATIVE (USE A SEPARATE FORM FOR EACH EVENT)  
(Must be accompanied by Form HIEA-2, Project Narrative)

**APPLICANT NAME: TEXAS THOROUGHBRED ASSOCIATION**

*This form was developed to be completed electronically. Handwritten applications and/or narratives will not be accepted. Click the grey text boxes to type responses. A maximum of 6 pages may be used to fully respond.*

**Project Title (Event Name):** 2020 Thoroughbred Meet at Lone Star Park

**Event Date(s) or Approximate Date(s):** 4/16/2020 - 7/19/2020

**Total Amount Requested For this Event:** \$703,500

**When Are Funds Needed?** *If funding can be provided in multiple phases, please explain.*  
April 1, 2020

**Project Background**

**Project Summary**

*Please provide a summary of the event for which funding is sought and the project(s) that will be achieved as a result of this funding.*

The 2020 Thoroughbred meet at Lone Star Park is an opportunity to build upon the success of the Thoroughbred meet at Sam Houston Race Park. This meet will provide opportunities to attract more horsemen and horses to the state in the late spring/early summer by providing increased purses with focus on the stakes program and an emphasis on Texas-bred horses. A Texas Derby will be conducted for the first time in May, with a bonus available to participating ATB horses. Signature event days include Texas Derby Day on May 25, Lone Star Showcase Day on June 14 and Stars of Texas Day on July 12. Handle will benefit from new wagering promotions. Increased media exposure and grassroots marketing will attract patrons and will benefit Texas breeding as interest in the Accredited Texas-bred Program increases.

**Project Description**

*Provide a detailed description of the project including activities to be supported with funds from the Account, timelines of each activity, and key milestones.*

Increase media promotions (radio, print and social media), April - July 2020.

Wagering promotions, April - July 2020.

Grass roots marketing, April 2020 - July 2020.

Improving stakes program with an emphasis on Texas-bred races through signature race days to include Texas Derby Day on May 25, Lone Star Showcase Day on June 14 and Stars of Texas Day on July 12.

### **Anticipated Project Results/Economic Impact on the Horse Industry**

*Provide a detailed explanation of the anticipated economic impact on the horse industry and any other expected results and how they will be measured.*

The primary driver of all events is to bring national exposure to Texas racing. Fiscal measurements for all proposed elements will be demonstrated in the racing product via entries and handle increases compared to 2019.

Financial benefits from season-long advertising will provide national exposure through a variety of media platforms for the Texas-bred program, attracting more owners and breeders to participate.

Wagering incentives are expected to significantly increase handle.

Signature race days will provide national exposure through proposed platforms for the Texas-bred program, attracting more owners and breeders to participate.

### **Project Oversight**

*Who will oversee the project activities? Include name and title of the person. How will oversight be performed? What steps will take place to ensure the project is achieved as outlined?*

TTA Executive Director Mary Ruyle will work directly with Lone Star Park President Scott Wells, Racing Secretary Bart Lang and Promotions Manager Brandon Leigh to oversee all activities. Lone Star staff will provide reports to Ruyle as funds are expended and interim reports on the number of races conducted, field sizes and handle.

Reports will be provided to the TTA Board of Directors. The firm of Alexander and Lievens, PC will include this initiative in their annual financial audit of TTA. Documentation will also be included as part of the TTA's quarterly and annual Performance Measures Report to the Texas Racing Commission.

### **Project Budget**

*This section should reflect the total budget. Provide a general description of all costs along with a justification for each item. The explanations should focus on how each budget item is required to achieve the project. Be sure to itemize the request with quantities and individual estimated costs.*

Pursuant to 16 T.A.C. Section 303.322(b), the following types of costs may not be paid with funds allocated from the account:

- (1) capital improvements;
- (2) donations or contributions made to any individual or organization without express approval from the Commission for such contribution or donation;
- (3) costs of entertainment, amusements, social activities, and incidental costs relating thereto, including tickets to shows or sports events, meals, alcoholic beverages, lodging, rentals, transportation, tips, and gratuities;
- (4) fines, penalties, or other costs resulting from violations of or failure to comply with federal, state, or local laws and regulations;
- (5) liability insurance coverage not specific to a particular event or series of events for which the Commission has allocated funds from the account;
- (6) expenses related to litigation;
- (7) professional association fees or dues for the breed registry or an individual;
- (8) legislative expenses such as salaries and other expenses associated with lobbying the state or federal legislature or similar local governmental bodies, whether incurred for purposes of legislation or executive direction; or
- (9) fundraising.

Pursuant to 16 T.A.C. Section 303.322(c), the following types of costs may only be paid with funds allocated from the account, in an amount not to exceed five percent of the total allocated to the breed registry or of the approved allocation for any event, if specifically approved by the Commission:

- (1) operating expenses, including the salaries of breed registry staff, interest and other financial costs related to borrowing and the cost of financing, contributions to a contingency reserve or any similar provision for unforeseen events, and audits or other accounting services; and
- (2) the purchase of capital assets.

EXPENSE CATEGORIES	AMOUNT
<b>Event Production Costs</b>	\$
<b>Purse Supplements/Prizes</b>	\$520,000.00
<b>Advertising</b>	\$55,000.00
<b>Donations (include most recent IRS Form 990 for any non-profit)</b>	\$
<b>Other Direct Expenses (itemize below):</b>	\$
	\$42,500.00
	\$52,500.00
	\$
	\$
<b>Total Direct Costs</b>	<b>\$670,000.00</b>
<b>Administrative Expenses/Capital Assets (may not exceed 5% of project total)</b>	<b>\$33,500.00</b>

<b>Total</b>	<b>\$703,500.00</b>
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**Event Production Costs (\$ total)** *For events to be produced or sponsored by the breed registry, provide a breakdown of the event production expenses.*

**Purse Supplements/Prizes (\$520000 total)** *Provide a breakdown of purses/purse supplements, prizes, and Texas-bred supplements from HIEA funding.*

\$300,000 for Texas Derby; \$100,000 for Texas Derby ATB Incentive.; \$25,000 each for Lane's End Danny Shifflett Scholarship S., Wayne Hanks Memorial S.; Highlander Training Center Assault S.; and Valor Farm S.; \$10,000 each Texas Stallion Stakes Pan Zareta Division and Texas Stallion Stakes Staunch Avenger Division.

**Advertising (\$55000 total)** *Provide an explanation of advertising costs.*

\$29,000 for TVG; \$20,000 for Daily Racing Form; \$6,000 for NYRA Handle Driver Promotions

**Donations (\$ total)** *For any donation, state the recipient(s), amount for each recipient, and an explanation of the purpose of the donation. For any 501(c)(3), provide the organization's most recent IRS Form 990.*

**Other direct expenses – first category \_\_\_\_\_ (\$42500 total)** *Provide a detailed description of any other category of direct expenses.*

Direct Mail Promotions

**Other direct expenses – second category \_\_\_\_\_ (\$52500 total)** *Provide a detailed description of any other category of direct expenses.*

Attendance Driver Promotions: \$40,000 for Vehicle Giveaway; \$7,500 for Live Music; \$5,000 for Family Fun Activities

**Other direct expenses – third category \_\_\_\_\_ (\$ total)** *Provide a detailed description of any other category of direct expenses.*

**Administrative Expenses/Capital Assets (\$33500 total; may not exceed 5% of total)** *Provide a detailed description of administrative expenses such as personnel costs or other direct budgeted costs associated with the project. For each employee receiving a portion of this funding as a wage or stipend, indicate their title, estimated time budgeted to the event, and the amount.*

\$33,500 in total, to cover TTA staff time (Executive Director and Accountant), and a portion of overhead items to include, but not limited to, office space, utilities, computer hardware and software systems, office equipment, certified audits, digital storage of all records, etc.



## TEXAS RACING COMMISSION

FORM HIEA-2

### APPLICATION FOR BREED REGISTRY FUNDING FROM THE HORSE INDUSTRY ESCROW ACCOUNT

PROJECT NARRATIVE (USE A SEPARATE FORM FOR EACH EVENT)  
(Must be accompanied by Form HIEA-2, Project Narrative)

**APPLICANT NAME: TEXAS THOROUGHBRED ASSOCIATION**

*This form was developed to be completed electronically. Handwritten applications and/or narratives will not be accepted. Click the grey text boxes to type responses. A maximum of 6 pages may be used to fully respond.*

**Project Title (Event Name):** American Racehorse Stallion Register, Texas Advertiser Incentives

**Event Date(s) or Approximate Date(s):** December 2019

**Total Amount Requested For this Event:** \$12,862

**When Are Funds Needed?** *If funding can be provided in multiple phases, please explain.*  
January 31, 2020

#### **Project Background**

##### **Project Summary**

*Please provide a summary of the event for which funding is sought and the project(s) that will be achieved as a result of this funding.*

To grow the Texas breeding industry, it is vital to promote Texas stallions, encourage current Texas mare owners to breed to Texas stallions rather than to a stallion in another state, and to attract more mares (open or in-foal) to the state to participate in the Accredited Texas-bred Program.

As many Texas stallions are owned by those without a large advertising budget, discounts offered to advertise Texas farms and stallions in the 2020 American Racehorse Stallion Register resulted in a 23% increase in the number of Texas advertisements over the previous year. Also, as a direct result of these discounts, the Stallion Register contained multiple advertisements for stallions who had been standing in Texas for several years but had never advertised before, as well as expanded advertising for many Texas stallions.

The Stallion Register contains ads for stallions from around the region, and in years past Oklahoma had the highest number of advertised stallions. In 2020, Texas had the highest number of advertised stallions by far with 31.

Advertisors benefit from exposure to over 4,600 direct recipients of the publication as well as online readers. It is mailed to approximately 1,000 Texas residents with the remainder being residents of other states in the region.

The Stallion Register also contains advertisements detailing the benefits of new funding to the Texas Horse Industry.

It is important to note that Thoroughbred stallions may be bred to Quarter Horse mares and other breeds to produce show or sports horses.

### **Project Description**

*Provide a detailed description of the project including activities to be supported with funds from the Account, timelines of each activity, and key milestones.*

In an effort to grow the Texas breeding industry, the Texas Thoroughbred Association worked with the editor and publisher of the 2020 American Racehorse Stallion Register to provide discounts for advertising Texas farms and stallions, prior to the 2020 breeding season.

### **Anticipated Project Results/Economic Impact on the Horse Industry**

*Provide a detailed explanation of the anticipated economic impact on the horse industry and any other expected results and how they will be measured.*

This initiative resulted in a 23% increase in the number of Texas advertisements over the previous year.

### **Project Oversight**

*Who will oversee the project activities? Include name and title of the person. How will oversight be performed? What steps will take place to ensure the project is achieved as outlined?*

TTA Executive Director Mary Ruyle worked with American Racehorse editor and publisher Denis Blake on this initiative. Mr. Blake provided information detailing available advertising discounts to potential Texas advertisers, produced the magazine and provided TTA a detailed list of advertisements and discounts, as well as comparative statistics with the prior year. TTA has a copy of the actual 2019 and 2020 magazines on file.

### **Project Budget**

*This section should reflect the total budget. Provide a general description of all costs along with a justification for each item. The explanations should focus on how each budget item is required to achieve the project. Be sure to itemize the request with quantities and individual estimated costs.*

*Pursuant to 16 T.A.C. Section 303.322(b), the following types of costs may not be paid with funds allocated from the account:*

- (1) capital improvements;*
- (2) donations or contributions made to any individual or organization without express approval from the Commission for such contribution or donation;*

- (3) costs of entertainment, amusements, social activities, and incidental costs relating thereto, including tickets to shows or sports events, meals, alcoholic beverages, lodging, rentals, transportation, tips, and gratuities;
- (4) fines, penalties, or other costs resulting from violations of or failure to comply with federal, state, or local laws and regulations;
- (5) liability insurance coverage not specific to a particular event or series of events for which the Commission has allocated funds from the account;
- (6) expenses related to litigation;
- (7) professional association fees or dues for the breed registry or an individual;
- (8) legislative expenses such as salaries and other expenses associated with lobbying the state or federal legislature or similar local governmental bodies, whether incurred for purposes of legislation or executive direction; or
- (9) fundraising.

Pursuant to 16 T.A.C. Section 303.322(c), the following types of costs may only be paid with funds allocated from the account, in an amount not to exceed five percent of the total allocated to the breed registry or of the approved allocation for any event, if specifically approved by the Commission:

- (1) operating expenses, including the salaries of breed registry staff, interest and other financial costs related to borrowing and the cost of financing, contributions to a contingency reserve or any similar provision for unforeseen events, and audits or other accounting services; and
- (2) the purchase of capital assets.

EXPENSE CATEGORIES	AMOUNT
<b>Event Production Costs</b>	\$
<b>Purse Supplements/Prizes</b>	\$
<b>Advertising</b>	\$
<b>Donations (include most recent IRS Form 990 for any non-profit)</b>	\$
<b>Other Direct Expenses (itemize below):</b>	\$12,250.00
	\$
	\$
	\$
	\$
<b>Total Direct Costs</b>	<b>\$12,250.00</b>
<b>Administrative Expenses/Capital Assets (may not exceed 5% of project total)</b>	<b>\$612.00</b>
<b>Total</b>	<b><u>\$12,862.00</u></b>

**Event Production Costs (\$ total)** For events to be produced or sponsored by the breed registry, provide a breakdown of the event production expenses.

**Purse Supplements/Prizes** (\$ \_\_\_\_\_ total) *Provide a breakdown of purses/purse supplements, prizes, and Texas-bred supplements from HIEA funding.*

**Advertising** (\$ \_\_\_\_\_ total) *Provide an explanation of advertising costs.*

**Donations** (\$ \_\_\_\_\_ total) *For any donation, state the recipient(s), amount for each recipient, and an explanation of the purpose of the donation. For any 501(c)(3), provide the organization's most recent IRS Form 990.*

**Other direct expenses – first category** \_\_\_\_\_ (\$12250 total) *Provide a detailed description of any other category of direct expenses.*

One advertisement qualified for a \$1,000 discount, one qualified for a \$250 discount, and 22 qualified for a discount of \$500 each, totaling \$12,250.

**Other direct expenses – second category** \_\_\_\_\_ (\$ \_\_\_\_\_ total) *Provide a detailed description of any other category of direct expenses.*

**Other direct expenses – third category** \_\_\_\_\_ (\$ \_\_\_\_\_ total) *Provide a detailed description of any other category of direct expenses.*

**Administrative Expenses/Capital Assets** (\$612 total; may not exceed 5% of total) *Provide a detailed description of administrative expenses such as personnel costs or other direct budgeted costs associated with the project. For each employee receiving a portion of this funding as a wage or stipend, indicate their title, estimated time budgeted to the event, and the amount.*

\$612 in total, to cover TTA staff time (Executive Director and Accountant), and a portion of overhead items to include, but not limited to, office space, utilities, computer hardware and software systems, office equipment, certified audits, digital storage of all records, etc.



## TEXAS RACING COMMISSION

FORM HIEA-2

### APPLICATION FOR BREED REGISTRY FUNDING FROM THE HORSE INDUSTRY ESCROW ACCOUNT

PROJECT NARRATIVE (USE A SEPARATE FORM FOR EACH EVENT)  
(Must be accompanied by Form HIEA-2, Project Narrative)

**APPLICANT NAME: TEXAS THOROUGHBRED ASSOCIATION**

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*This form was developed to be completed electronically. Handwritten applications and/or narratives will not be accepted. Click the grey text boxes to type responses. A maximum of 6 pages may be used to fully respond.*

**Project Title (Event Name):** Texas Equine Industry Online Directory

**Event Date(s) or Approximate Date(s):** April 2020

**Total Amount Requested For this Event:** \$18,690

**When Are Funds Needed?** *If funding can be provided in multiple phases, please explain.*  
April 2020

#### **Project Background**

##### **Project Summary**

*Please provide a summary of the event for which funding is sought and the project(s) that will be achieved as a result of this funding.*

The Texas Thoroughbred Association is developing an online all-equine-related service directory to be launched in April 2020. It will be similar in format to the old printed "Yellow Pages" but will be in an easy to use, searchable digital format. The online directory will include numerous categories (breeding and boarding farms, trainers, veterinarians, feed, tack and equipment suppliers, equine transport, farriers, competition facilities, equine organizations, etc.) for all breeds and disciplines. Listings will be limited to equine businesses, groups and individuals that operate in or are based in the state of Texas. The goal is to highlight those Texas-based businesses and encourage participants in the Texas equine industry (as well as those from out of state) to patronize the listed businesses and keep their equine spending within the state of Texas.

##### **Project Description**

*Provide a detailed description of the project including activities to be supported with funds from the Account, timelines of each activity, and key milestones.*

The Texas Thoroughbred Association is developing an online all-equine-related service directory in an easy to use, searchable digital format to be launched in April 2020. The directory will be open to all breeds and equine disciplines (racing and non-racing), and will be the first of its kind in Texas.

The online directory will include numerous categories (breeding and boarding farms, trainers, veterinarians, feed, tack and equipment suppliers, equine transport, farriers, riding and competition facilities, equine organizations, etc.) for all breeds and disciplines. Listings will be limited to equine businesses, groups and individuals that operate in or are based in the state of Texas in order to encourage people to keep their equine spending with the state.

It will be free to submit a listing, with paid options available for those desiring enhanced listings with additional information such as photos or videos. Enhanced listings will be made available at no cost to non-profit organizations involved in racehorse aftercare or other similar programs such as equine therapy.

TTA will promote the directory through social media, online and print magazine ads and at various equine events.

The directory will provide Texas equine businesses another way to promote their services at low cost or no cost and will serve as a showcase for the wide variety of businesses in the state.

### **Anticipated Project Results/Economic Impact on the Horse Industry**

*Provide a detailed explanation of the anticipated economic impact on the horse industry and any other expected results and how they will be measured.*

The directory is expected to increase exposure for Texas businesses and thereby increase sales and tax revenue over a period of time. Currently, we are unable to anticipate the percentage of increase. The Texas Comptroller's office should be able to accurately measure these increases from April 2020 - March 2021.

### **Project Oversight**

*Who will oversee the project activities? Include name and title of the person. How will oversight be performed? What steps will take place to ensure the project is achieved as outlined?*

TTA Executive Director Mary Ruyle is working with American Racehorse editor and publisher Denis Blake on this initiative. Mr. Blake has researched and procured the best interactive online template to contain all listings, and will work with anyone desiring enhanced listings. Once the online directory is debuted, listings will be added continually.

Reports will be provided to the TTA Board of Directors. The firm of Alexander and Lievens, PC will include this initiative in their annual financial audit of TTA. Documentation will also be included as part of the TTA's quarterly and annual Performance Measures Report to the Texas Racing Commission.

## **Project Budget**

*This section should reflect the total budget. Provide a general description of all costs along with a justification for each item. The explanations should focus on how each budget item is required to achieve the project. Be sure to itemize the request with quantities and individual estimated costs.*

*Pursuant to 16 T.A.C. Section 303.322(b), the following types of costs may not be paid with funds allocated from the account:*

- (1) capital improvements;*
- (2) donations or contributions made to any individual or organization without express approval from the Commission for such contribution or donation;*
- (3) costs of entertainment, amusements, social activities, and incidental costs relating thereto, including tickets to shows or sports events, meals, alcoholic beverages, lodging, rentals, transportation, tips, and gratuities;*
- (4) fines, penalties, or other costs resulting from violations of or failure to comply with federal, state, or local laws and regulations;*
- (5) liability insurance coverage not specific to a particular event or series of events for which the Commission has allocated funds from the account;*
- (6) expenses related to litigation;*
- (7) professional association fees or dues for the breed registry or an individual;*
- (8) legislative expenses such as salaries and other expenses associated with lobbying the state or federal legislature or similar local governmental bodies, whether incurred for purposes of legislation or executive direction; or*
- (9) fundraising.*

*Pursuant to 16 T.A.C. Section 303.322(c), the following types of costs may only be paid with funds allocated from the account, in an amount not to exceed five percent of the total allocated to the breed registry or of the approved allocation for any event, if specifically approved by the Commission:*

- (1) operating expenses, including the salaries of breed registry staff, interest and other financial costs related to borrowing and the cost of financing, contributions to a contingency reserve or any similar provision for unforeseen events, and audits or other accounting services; and*
- (2) the purchase of capital assets.*

<b>EXPENSE CATEGORIES</b>	<b>AMOUNT</b>
<b>Event Production Costs</b>	<b>\$7,600.00</b>
<b>Purse Supplements/Prizes</b>	<b>\$</b>
<b>Advertising</b>	<b>\$10,000.00</b>
<b>Donations (include most recent IRS Form 990 for any non-profit)</b>	<b>\$</b>
<b>Other Direct Expenses (itemize below):</b>	<b>\$275.00</b>
	<b>\$2,000.00</b>

	\$
	\$
	\$
<b>Total Direct Costs</b>	<b>\$17875.00</b>
<b>Administrative Expenses/Capital Assets (may not exceed 5% of project total)</b>	<b>\$893.00</b>
<b>Total</b>	<b>\$18,768.00</b>

**Event Production Costs (\$7600 total)** For events to be produced or sponsored by the breed registry, provide a breakdown of the event production expenses.

\$7,600 per year for labor: \$4,000 for initial setup and design of the Directory website, which includes customization of Directory software, creation of custom graphics and logos, and all programming related to launching the Directory. Thereafter, \$300 per month for updates, site maintenance, and user interaction.

**Purse Supplements/Prizes (\$ total)** Provide a breakdown of purses/purse supplements, prizes, and Texas-bred supplements from HIEA funding.

**Advertising (\$10000 total)** Provide an explanation of advertising costs.

Advertising and promotion of the Directory will be split into three segments with approximately equal spending for each.

Social media advertising, primarily on FaceBook and Twitter, to promote the Directory as a primary source of information about the Texas equine industry and to also encourage Texas-based businesses and services to submit a listing.

Digital advertising (websites, email blasts, email newsletters, etc.) with Texas-based organizations that have a significant number of members/contacts in the equine world, such as Texas 4-H, breed associations, Texas Farm Bureau, etc. As with social media advertising, this effort will encourage people to use the Directory and to add a listing for their own Texas equine businesses and services.

Print advertising, to included printed magazines and newsletters of Texas-based equine-related organizations and printed materials such as brochures or flyers that can be used to promote the Directory at horse shows, sales, competitions, racetracks, tack stores and other equine-related businesses or events.

**Donations (\$ total)** For any donation, state the recipient(s), amount for each recipient, and an explanation of the purpose of the donation. For any 501(c)(3), provide the organization's most recent IRS Form 990.

**Other direct expenses – first category** \_\_\_\_\_ (**\$275 total**) *Provide a detailed description of any other category of direct expenses.*  
\$275 per year for domain name registration, hosting and online software.

**Other direct expenses – second category** \_\_\_\_\_ (\$ \_\_\_\_\_ **total**) *Provide a detailed description of any other category of direct expenses.*

**Other direct expenses – third category** \_\_\_\_\_ (\$ \_\_\_\_\_ **total**) *Provide a detailed description of any other category of direct expenses.*

**Administrative Expenses/Capital Assets (\$893 total; may not exceed 5% of total)** *Provide a detailed description of administrative expenses such as personnel costs or other direct budgeted costs associated with the project. For each employee receiving a portion of this funding as a wage or stipend, indicate their title, estimated time budgeted to the event, and the amount.*  
\$893 in total, to cover TTA staff time (Executive Director and Accountant), and a portion of overhead items to include, but not limited to, office space, utilities, computer hardware and software systems, office equipment, certified audits, digital storage of all records, etc.



**TEXAS RACING COMMISSION  
APPLICATION FOR BREED REGISTRY FUNDING  
FROM THE HORSE INDUSTRY ESCROW ACCOUNT (HIEA)**

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**Please read all materials before preparing and submitting the application.** Failure to follow the instructions and requirements described in these materials may result in denial of funding.

## **NOTICE REGARDING THE INCLUSION OF CONFIDENTIAL, PROPRIETARY, TRADE SECRET, OR PRIVILEGED INFORMATION IN AN APPLICATION**

**Please take notice of the following:**

**If it is necessary for Applicant to include proprietary or otherwise confidential information in its application or other submitted information, Applicant must clearly mark and label all confidential, proprietary, trade secret, or privileged material in 14 point or higher bold font on each page as it appears, and identify the specific exception to disclosure in the Texas Public Information Act (PIA) for each specific piece of confidential, proprietary, trade secret, or privileged information. Additionally, all confidential, proprietary, trade secret, or privileged information must be segregated in a separate and discrete section of the application, which must be able to be conveniently separated and detached from the other sections of the application. Failure to properly label, identify, and segregate any confidential, proprietary, trade secret, or other privileged information in the application may result in all such information or material being disclosed as public information. Merely making a blanket claim that the entire application is protected from disclosure because it contains any amount of confidential, proprietary, trade secret, or privileged information is not acceptable and shall make the entire application subject to release under the PIA. In order to initiate the process of seeking an Attorney General opinion on the release of confidential, proprietary, trade secret, or privileged information, the specific provisions of the application that are considered by Applicant to be confidential, proprietary, trade secret, or privileged must be clearly labeled and segregated as described above. Any information which is not clearly identified as confidential, proprietary, trade secret or privileged shall be deemed to be subject to disclosure pursuant to the PIA.**

## STATEMENT OF PURPOSE

Pursuant to Section 2028.204(b) of the Texas Occupations Code, the Texas Racing Commission (TxRC) invites breed registries recognized in Section 2030.002(a) to apply for funding from the Horse Industry Escrow Account (Account) for events that further the horse industry.

## GRANTEE RESPONSIBILITIES AND ACCOUNTABILITY

Grantees (breed registries receiving funding) will be responsible for the conduct of the project(s) identified in the proposal(s) for which funding was granted. Each grantee shall monitor the day-to-day conduct of the project to assure adherence to statutes, regulations, and funding terms and conditions. The grantee must carry out the activities described in the approved scope of work.

The grantee will be accountable for documenting the use of funds from the Horse Industry Escrow Account (HIEA) and must ensure that funds are used solely for authorized purposes. The grantee must ensure:

- Funds are used only for activities covered by the approved project.
- Funds are not used in violation of the restrictions and prohibitions of applicable rules and statutes.
- All reports are completed in a timely manner.

Each grantee must ensure it has an adequate accounting system in place and sufficient internal controls to ensure expenditures are reported and records maintained for five (5) years after the conclusion of the project, or longer if required by TxRC.

## FUNDING PARAMETERS

Awards are subject to the availability of funds. If anticipated funds are reduced or become unavailable before the full amount approved is disbursed, the amount to be paid to grantees may be reduced or eliminated.

## APPLICATION REQUIREMENTS

### *Form Requirements:*

To be considered, applications must be complete and include all of the requested information:

1. **Form HIEA-1, General Information.** Include ONE copy of this form regardless of the number of proposals submitted.
  - a. *Breed registry information.* This is the organization that will be the recipient of funds and will be held accountable for reporting and project performance.
  - b. *Program contacts.* These are the individuals who can answer questions about the project's activities and performance.
  - c. *Certifications and signature of authorized official.* This is the person legally able to bind the organization in contracts or agreements and may be the same person as the program contact.
2. **Form HIEA-2, Project Narrative.** This section provides a comprehensive framework and description of all aspects of the proposed project(s). *Use one form HIEA-2 per event for which funding is requested.* Each proposal may not exceed six (6) pages (not including supporting documents). Proposals must address the following information:
  - a. **Project Title (Event Name)**
  - b. **Event Date(s) or Approximate Date(s)**
  - c. **Total Amount Requested for the Event**

- d. **Timeline of Need for Funds**
- e. **Project Summary**
- f. **Project Description**
- g. **Anticipated Project Results/Economic Impact on the Horse Industry**
- h. **Project Oversight**
- i. **Project Budget**

## BUDGET INFORMATION

**1. Advanced Funding Payments:** This program may advance an amount in working capital for the grantee to ensure the necessary resources to carry out the project. These funds will require reporting to substantiate the advanced funds have been expended in compliance with eligibility requirements. Ineligible expenses must be personally reimbursed within 30 days of notice of ineligibility from TxRC. Expenditures shall include sufficient documentation detailing each expense to make a determination of eligibility.

The application must state when funds are needed for a particular event. If some funds are needed by a certain date for one part of the event but the rest are not needed until later, the application must state what portion of the funds are needed by what date.

**2. Eligible Expenses.** Generally, expenses that are necessary and reasonable for proper and efficient performance and administration of a project are eligible. Account funds may not be used to supplant normal business costs but instead must be used to cover the costs incurred for the approved proposed activities. To be eligible for payment with funds from the Account, an expense must be reasonable and adequately documented in accordance with 16 TAC Section 303.322(d).

Examples of eligible expenditures include:

- a. Event production costs;
- b. Purse supplements, Texas-bred supplements, and prizes for approved events
- c. Advertising expenses
- d. Operating expenses (not to exceed five percent of the amount allocated for a given event)

**3. Ineligible Expenses.** Expenses may be prohibited by state or federal law or determined to be ineligible by program guidelines. Examples of ineligible expenses include, but are not limited to the following:

- a. capital improvements;
- b. donations or contributions made to any individual or organization without express approval from the Commission for such contribution or donation;
- c. costs of entertainment, amusements, social activities, and incidental costs relating thereto, including tickets to shows or sports events, meals, alcoholic beverages, lodging, rentals, transportation, tips, and gratuities;
- d. fines, penalties, or other costs resulting from violations of or failure to comply with federal, state, or local laws and regulations;
- e. liability insurance coverage not specific to a particular event or series of events for which the Commission has allocated funds from the account;
- f. expenses related to litigation;
- g. professional association fees or dues for the breed registry or an individual;
- h. legislative expenses such as salaries and other expenses associated with lobbying the state or federal legislature or similar local governmental bodies, whether incurred for purposes of legislation or executive direction; or

i. fundraising.

## EVALUATION AND SELECTION INFORMATION

After all proposals have been received, TxRC program staff will conduct an administrative review to determine whether an application complies with all requirements of Tex. Occ. Code Section 2028.204(b) and 16 TAC Chapter 303, Subchapter G, and to evaluate the relevance and effectiveness of the proposed project based on the following factors:

- **Anticipated impact on the state's horse racing industry**
- **Anticipated impact on live racing at the state's racetracks**
- **Anticipated impact on the horse breeding industry**
- **Anticipated impact on the state of Texas**
- **Anticipated impact on non-racing horse industry activities**

Assessments of anticipated economic impact for an existing event must be based on only the effect of the additional funding provided from the Account. For example, if funds are requested from the Account for purse supplements for an existing horseracing event, the evaluation of the economic impact must be based only on the effect of the increased purses, not on the economic impact of the entire race.

## REPORTING REQUIREMENTS

Grantees will be required to submit periodic performance reports. Reporting timelines will be incorporated into the funding agreement. As part of TxRC's ongoing monitoring of the use of funds from the Account, grantees must demonstrate progress toward achieving project goals. Failure to comply with reporting requirements may result in the withholding of further payments and/or termination of the award.

Grantees shall submit to the Commission a report every quarter detailing the accomplishments of the project objectives for the previous calendar quarter. Quarterly reports shall be submitted to the Commission no later than November 30, February 28, May 31, and August 31 of each year. Each report must include:

1. the amount of funds expended toward each event for which funds have been allocated;
2. for each completed event, the total amount of funds expended toward the event from the Account and a breakdown of the funds expended for that event; and
3. the following certification: "By my signature below, I certify that (1) all of the information in this report is correct, (2) all funds expended from the horse industry escrow account were used in accordance with Section 2028.204 of the Texas Racing Act and the Rules of the Texas Racing Commission, and (3) the breed registry has all documentation required by 16 TAC § 303.324."

The funds received and/or expended by the breed registry from the Account must be included in the breed registry's annual audit of financial statements required to be submitted by June 15 of each year. An auditor's statement must be included as part of the annual audit attesting to the proper use of the funds received by the breed registry from the Account.

## SUBMISSION OF APPLICATIONS

Applicants must submit one complete, signed application. Do NOT include the instruction pages, and only include ONE copy of form HIEA-1 regardless of the number of proposals submitted. Applications must be submitted by email to BreedFunds@txrc.texas.gov or by mail or hand delivery to:

Texas Racing Commission  
Attn: HIEA Administrator  
P.O. Box 12080  
Austin TX 78711

## GENERAL INFORMATION

Selected applicants will be notified of the Commission's approval of their proposal(s) and will receive an official funding agreement from TxRC. Payment will not issue until the funding agreement is fully executed.

TxRC reserves the right to fund projects partially or fully. TxRC reserves the right to negotiate individual elements of any application and to reject any and all applications. Where more than one application is acceptable for funding, TxRC may request cooperation between grantees or revisions/adjustments to an application in order to avoid duplication and to realize the maximum benefit.

### **Proprietary Information/Public Information**

The applicant is responsible for clearly designating any portion of the application that contains proprietary or trade secret information and must state the reason(s) the information is designated as such. Merely making a blanket claim that the entire application is protected from disclosure because it contains proprietary or trade secret information is not acceptable and may subject the entire application to release under the PIA.

In the event that a public information request for the application is received, TxRC shall process such request in accordance with §552.305 of the Texas Government Code. Applicants are advised to consult with their legal counsel regarding disclosure issues and to take appropriate precautions to safeguard trade secrets or any other proprietary information.

All applications submitted under this program are subject to release as public information, unless the application or specific parts of any such application can be shown to be exempt from disclosure under the Texas Public Information Act, Chapter 552 of the Government Code.

## GENERAL COMPLIANCE INFORMATION

1. Grantees (breed registries receiving funding from the Horse Industry Escrow Account) must comply with TxRC's reporting requirements and financial procedures outlined in 16 TAC Chapter 303, Subchapter G, and the funding agreement. Any delegation by the grantee to a subcontractor regarding any duties and responsibilities imposed by the funding award must be approved in advance by TxRC and shall not relieve the grantee of its responsibilities to TxRC for performance of those duties.
2. Grantees must remain in full compliance with state and federal laws and regulations. Non-compliance may result in termination of the funding and/or ineligibility for further funding.
3. Grantees must maintain records related to the project for a minimum of five (5) years after the completion of the project, or as otherwise agreed upon with TxRC. If any litigation, claim, negotiation, audit

or other action is initiated prior to the expiration of the five-year retention period, then all records and accounts must be retained until their destruction is authorized in writing by TxRC. TxRC and the Texas State Auditor's Office (SAO) reserve the right to examine all books, documents, records, and accounts relating to the project, including all electronic records, at any time throughout the duration of the agreement until all litigation, claims, negotiations, audits or other action pertaining to funding for a particular project is resolved, or until the expiration of the five-year retention period or a final judgment in litigation, whichever is longer. TxRC and the SAO shall have access to: all electronic data or records pertaining to the project; paper or other tangible documents or records, including the physical location where records are stored; and all locations related to project activities.

4. Grantees must comply with Texas Government Code, Chapter 783, Uniform Grant and Contract Management, and the Texas Uniform Grant Management Standards (UGMS).



# TEXAS RACING COMMISSION

FORM HIEA-1

## APPLICATION FOR BREED REGISTRY FUNDING FROM THE HORSE INDUSTRY ESCROW ACCOUNT

### GENERAL INFORMATION

(Must be accompanied by at least one completed Form HIEA-2, Project Narrative)

#### Section A. Organization Information

Breed Registry Name: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

*Street Address*

*City*

*State*

*Zip Code*

*County*

Physical Address: \_\_\_\_\_

*Street Address*

*City*

*State*

*Zip Code*

*County*

#### Section B. Contact Personnel

**(1) Name of Primary Program Contact** *(This person can answer day-to-day questions about the organization and the project.)*

Full Name: \_\_\_\_\_  Mr.  Dr.  
*First Last*  Ms.  Other \_\_\_\_\_

Position Title: \_\_\_\_\_

Email Address: \_\_\_\_\_

Phone: ( ) - Ext. Alt #:( ) -

**(2) Secondary Program Contact** *(This person can answer day-to-day questions about the organization and the project.)*

Full Name: \_\_\_\_\_  Mr.  Dr.  
*First Last*  Ms.  Other \_\_\_\_\_

Position Title: \_\_\_\_\_

Email Address: \_\_\_\_\_

Phone: ( ) - Ext. Alt #:( ) -

**(3) Name of Authorized Official** *(This person is authorized to enter into legal agreements on behalf of the organization. This person's name will appear on the funding agreement for signature.)*

Full Name: \_\_\_\_\_  Mr.  Dr.  
*First Last*  Ms.  Other \_\_\_\_\_

Position Title: \_\_\_\_\_

Email Address: \_\_\_\_\_

Phone: ( ) - Ext. Alt #:( ) -

**Section C. Certifications**

**By signing below, applicant and its authorized official (the person listed in Section B.3):**

- (1) certify that all information provided in connection with this application is true and correct;
- (2) acknowledge that any misrepresentation or false statement made by applicant or an authorized agent of applicant in connection with this application, whether intentional or not, will constitute grounds for denial of this application and may be the subject of substantial civil and/or criminal liability and sanctions;
- (3) acknowledge that acceptance of funds in connection with this application acts as acceptance of the authority of the Texas Racing Commission (TxRC) or any successor agency and the State Auditor's Office (SAO) or any successor agency to conduct an investigation in connection with those funds, and applicant further agrees to cooperate fully with TxRC or its successors and SAO or its successor in the conduct of the audit or investigation, including allowing TxRC and/or SAO to inspect applicant's premises and providing all records requested during the funding period and for at least five years after the funding is expended; and
- (4) certify that the authorized official is authorized to submit this application and to make the preceding certifications and acknowledgements on behalf of applicant.

**Notice of Penalties: The penalty for knowingly making false statements or false entries, or attempts to secure money through fraudulent means, may include fines, incarceration, and/or forfeiture of funds.**

**Authorized Official:** *(Person listed in Section B.3)*

X

**Signature**

**Date**

*This application becomes public record and is subject to disclosure. With few exceptions, you have the right to request and be informed about the information that the State of Texas collects about you. You are entitled to receive and review the information upon request. You also have the right to ask the state agency to correct any information that is determined to be incorrect. (Reference: Texas Government Code, Sections 552.021, 552.023, and 559.004.)*



## TEXAS RACING COMMISSION

FORM HIEA-2

### APPLICATION FOR BREED REGISTRY FUNDING FROM THE HORSE INDUSTRY ESCROW ACCOUNT

PROJECT NARRATIVE (USE A SEPARATE FORM FOR EACH EVENT)  
(Must be accompanied by Form HIEA-1, General Information)

**APPLICANT NAME:**

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*This form was developed to be completed electronically. Handwritten applications and/or narratives will not be accepted. Click the grey text boxes to type responses. A maximum of 6 pages may be used to fully respond.*

**Project Title (Event Name):**

**Event Date(s) or Approximate Date(s):**

**Total Amount Requested For this Event:**

**When Are Funds Needed?** *If funding can be provided in multiple phases, please explain.*

### **Project Background**

#### **Project Summary**

*Please provide a summary of the event for which funding is sought and the project(s) that will be achieved as a result of this funding.*

#### **Project Description**

*Provide a detailed description of the project including activities to be supported with funds from the Account, timelines of each activity, and key milestones.*

#### **Anticipated Project Results/Economic Impact on the Horse Industry**

*Provide a detailed explanation of the anticipated economic impact on the horse industry and any other expected results and how they will be measured.*

#### **Project Oversight**

*Who will oversee the project activities? Include name and title of the person. How will oversight be performed? What steps will take place to ensure the project is achieved as outlined?*

**Project Budget**

*This section should reflect the total budget. Provide a general description of all costs along with a justification for each item. The explanations should focus on how each budget item is required to achieve the project. Be sure to itemize the request with quantities and individual estimated costs.*

*Pursuant to 16 T.A.C. Section 303.322(b), the following types of costs may not be paid with funds allocated from the account:*

- (1) capital improvements;*
- (2) donations or contributions made to any individual or organization without express approval from the Commission for such contribution or donation;*
- (3) costs of entertainment, amusements, social activities, and incidental costs relating thereto, including tickets to shows or sports events, meals, alcoholic beverages, lodging, rentals, transportation, tips, and gratuities;*
- (4) fines, penalties, or other costs resulting from violations of or failure to comply with federal, state, or local laws and regulations;*
- (5) liability insurance coverage not specific to a particular event or series of events for which the Commission has allocated funds from the account;*
- (6) expenses related to litigation;*
- (7) professional association fees or dues for the breed registry or an individual;*
- (8) legislative expenses such as salaries and other expenses associated with lobbying the state or federal legislature or similar local governmental bodies, whether incurred for purposes of legislation or executive direction; or*
- (9) fundraising.*

*Pursuant to 16 T.A.C. Section 303.322(c), the following types of costs may only be paid with funds allocated from the account, in an amount not to exceed five percent of the total allocated to the breed registry or of the approved allocation for any event, if specifically approved by the Commission:*

- (1) operating expenses, including the salaries of breed registry staff, interest and other financial costs related to borrowing and the cost of financing, contributions to a contingency reserve or any similar provision for unforeseen events, and audits or other accounting services; and*
- (2) the purchase of capital assets.*

EXPENSE CATEGORIES	AMOUNT
<b>Event Production Costs</b>	<b>\$</b>
<b>Purse Supplements/Prizes</b>	<b>\$</b>
<b>Advertising</b>	<b>\$</b>
<b>Donations (include most recent IRS Form 990 for any non-profit)</b>	<b>\$</b>
<b>Other Direct Expenses (itemize below):</b>	<b>\$</b>

	\$
	\$
	\$
	\$
<b>Total Direct Costs</b>	\$
<b>Administrative Expenses/Capital Assets (may not exceed 5% of project total)</b>	\$
<b>Total</b>	<b>\$_____</b>

**Event Production Costs** (\$ \_\_\_\_\_ **total**) *For events to be produced or sponsored by the breed registry, provide a breakdown of the event production expenses.*

**Purse Supplements/Prizes** (\$ \_\_\_\_\_ **total**) *Provide a breakdown of purses/purse supplements, prizes, and Texas-bred supplements from HIEA funding.*

**Advertising** (\$ \_\_\_\_\_ **total**) *Provide an explanation of advertising costs.*

**Donations** (\$ \_\_\_\_\_ **total**) *For any donation, state the recipient(s), amount for each recipient, and an explanation of the purpose of the donation. For any 501(c)(3), provide the organization’s most recent IRS Form 990.*

**Other direct expenses – first category** \_\_\_\_\_ (\$ \_\_\_\_\_ **total**) *Provide a detailed description of any other category of direct expenses.*

**Other direct expenses – second category** \_\_\_\_\_ (\$ \_\_\_\_\_ **total**) *Provide a detailed description of any other category of direct expenses.*

**Other direct expenses – third category** \_\_\_\_\_ (\$ \_\_\_\_\_ **total**) *Provide a detailed description of any other category of direct expenses.*

**Administrative Expenses/Capital Assets** (\$ \_\_\_\_\_ **total; may not exceed 5% of total**) *Provide a detailed description of administrative expenses such as personnel costs or other direct budgeted costs associated with the project. For each employee receiving a portion of this funding as a wage or stipend, indicate their title, estimated time budgeted to the event, and the amount.*



**TEXAS RACING COMMISSION  
HORSE INDUSTRY ESCROW ACCOUNT  
BREED REGISTRY FUNDING AGREEMENT**

Funding Agreement Number <b>BR-2020-</b>		Amount of Approved Funds \$	
Funded Event(s):			
<b>GRANTEE</b>		<b>GRANTOR</b>	
Breed Registry Name		Name <b>Texas Racing Commission</b>	
Physical Street Address		Physical Street Address <b>8505 Cross Park Drive, Suite 110</b>	
City/State/Zip		City/State/Zip <b>Austin, Texas 78754</b>	
Responsible Representative		Horse Industry Escrow Account Administrator	
Phone	Email	Phone <b>(512)833-6699</b>	E-mail <b>BreedFunds@txrc.texas.gov</b>

**Authority and Purpose**

Section 2028.204(b) of the Texas Occupations Code provides that any state horse breed registry listed in Section 2030.002(a) may apply for receipt of money in the Horse Industry Escrow Account (Account) for any event that furthers the horse industry.

This Horse Industry Escrow Account Breed Registry Funding Agreement (Agreement) is for the payment of funds under Section 2028.204(b) of the Texas Occupations Code and 16 T.A.C. Chapter 303, Subchapter G, and is made by and between the Grantor and the Grantee.

The funding identified above is to be used for the event(s) identified in Attachment B to this Agreement.

**Funding Availability**

This Agreement is subject to the availability of allocable funds in the Horse Industry Escrow Account. If such funds are reduced or become unavailable before the full approved amount is disbursed, the amount to be paid to Grantee may be reduced or eliminated. Funds shall be disbursed to Grantee as soon as possible but may be paid in installments as necessary based on the Account balance and the total approved allocations to breed registries.

Grantee has articulated a need for advance funds in order to meet cash flow requirements. Grantor has determined that Grantee is qualified for working capital advances because reimbursement is not a feasible option, at least initially, for Grantee. At the current time, Grantee lacks sufficient working



## ATTACHMENT A

### TERMS AND CONDITIONS

1. **Application.** Grantor and Grantee (the Parties) agree to the following terms and conditions.

#### 2. Definitions

- 2.1 **“Account”** – The Horse Industry Escrow Account established under Section 2028.204(b) of the Texas Occupations Code
- 2.2 **“Act”** – The Texas Public Information Act, Chapter 552 of the Texas Government Code.
- 2.3 **“Agreement”** – The funding agreement and all attachments thereto.
- 2.4 **“Authorized Official”** – Grantee’s representative authorized to bind the Grantee and take action on its behalf.
- 2.5 **“Executive Director”** – The Executive Director of the Texas Racing Commission.
- 2.6 **“Fiscal Officer”** – Grantee’s designated representative responsible for all financial and budget reporting functions related to the administration of the funds, as required by the Agreement.
- 2.7 **“Funded Project”** – Specific event, series of events, or activities related to an event or series of events that have been approved by Grantor to be completed by Grantee with funding from the Horse Industry Escrow Account
- 2.8 **“Government”** – the State of Texas and/or the Texas Racing Commission, singularly or in any combination.
- 2.9 **“Grantor”** – The Texas Racing Commission
- 2.10 **“Horse Industry Escrow Account Administrator”** – Grantor’s designee responsible for and authorized to coordinate the funding program.
- 2.11 **“Project Manager”** – Grantee’s designated representative responsible for day-to-day project management and coordination.

#### 3 Reporting Requirements

- 3.1 **Quarterly Reports Required.** Quarterly reports shall be in a narrative format and detail the accomplishments of the project objectives and the use of Account funds for the previous calendar quarter, submitted in accordance with 16 T.A.C. Chapter 303, Subchapter G
- 3.2 **Failure to Comply with Reporting Requirements.** Failure of Grantee to comply with any of the reporting requirements in this Agreement may result in: (i) the revocation or discontinuation of funding; (ii) requiring repayment of funds previously disbursed to Grantee; and/or (iii) a determination that Grantee is ineligible for future Program funds.

## 4 Agreement Modifications

**4.1 Agreement Modifications.** The Agreement cannot be changed, terminated or modified in any manner other than as provided for herein. Grantor is not obligated to approve requests for modification.

**4.2 Requested Agreement Changes by Grantee.** Grantee may request changes to the Agreement, budget or objectives and deliverables by submitting the requested change to Grantor in writing. Except as otherwise provided in the Agreement, requested changes shall only become effective upon written approval of Grantor. Written notice of approval or denial of Grantee's request will be sent to the requestor. A breed registry seeking to make a modification to the date, description, or budget for an event for which funds have been allocated from the horse industry escrow account shall submit a request to:

(1) the executive director for changes to one or more of the following:

(A) the date, if the proposed new date is within six months of the original date;

(B) the description, if the change does not materially change the nature or scope of the event; or

(C) the budget, if the proposed new budget is within ten percent of the original budget for the event; or

(2) the Commission, for all other changes.

The request must explain the proposed change, the reason for the change, and the anticipated economic impact of the event as modified on the horse industry. The executive director may approve or deny a change properly submitted to him or may forward the request to the Commission for consideration.

**4.3 Amendment.** The parties may alter, amend, change, modify, revise or supplement the terms of the Agreement via a written amendment signed by the parties.

**4.4 Approved Changes Become Part of Agreement.** Once approved in accordance with this Attachment A, approved changes become a part of the Agreement, superseding all provisions that are inconsistent herein.

**4.5 Grantee Project Manager Change.** Grantee shall notify Grantor in writing within seven days of Grantee's Project Manager's separation from, or notice of intent to separate from, the Project during the Term of the Agreement. Such notice shall include the date of termination of the Project Manager's affiliation.

**4.6 Grantor's Approval of Proposed Project Manager Change.** Grantor shall review Grantee's request and provide written approval or denial of the proposed change within 10 business days after receiving such notice from Grantee. Provided, however, approval of proposed change shall not be unreasonably withheld. If Grantor does not approve such substitution, then the Agreement shall be temporarily suspended until an alternative Project Manager is approved or the Agreement is terminated in accordance with Section 8.1 of this Attachment A.

**4.7 Payments After Project Manager Separation.** Unless Grantor has approved the Project Manager change under Section 4.4 above, Grantor will not remit or approve funding to Grantee for any expenditure directly associated with the Project Manager under the Agreement that is incurred after the effective date of termination provided in the written notice under Section 4.5 of this Attachment A. Such expenditures include, but are not limited to, the Project Manager's salary, incidentals, and/or travel. In the event of any conflict between Sections 4.7 and 8.5 of this Attachment A, Section 8.5 will prevail.

## **5 Compliance**

**5.1 Access to Records.** During the Term of Agreement and for at least five years after termination of the Agreement, Grantee shall allow representatives of Grantor and/or the State Auditor's Office upon request by such, access to and the right to examine the premises, books, accounts, records, files and other papers or property belonging to or in use by Grantee and pertaining to the Agreement. Such records shall be maintained by Grantee at a location that is readily accessible to Grantor and/or the State Auditor's Office.

**5.2 Authority to Audit and Investigate.** Grantee understands that acceptance of funding under the Agreement acts as acceptance of the authority of the State Auditor's Office, its successor agency, and any representative of Grantor to conduct an audit or investigation in connection with such funds. Grantee further agrees to cooperate fully with the State Auditor's Office, its successor or any representative of Grantor in the conduct of the audit or investigation, including providing all records requested and providing the State Auditor or any representative of Grantor with access to any information they consider relevant to the investigation or audit. Grantee shall ensure that the clause concerning the authority to audit funds received indirectly by any subcontractors used by Grantee and their requirement to cooperate is included in any subcontracted awards.

**5.3 Records Retention.** All records under the Agreement are required to be maintained by Grantee for five years after the expiration or termination of the Agreement, or any litigation or audit is completed, whichever is longer.

**5.4 Financial Audit.** Funds received and/or expended by the breed registry from the horse industry escrow account must be included in the breed registry's annual audit of the financial statements required to be submitted to Grantor by June 15 of each year. An auditor's statement must be included as part of the annual audit attesting to the proper use of the funds received from the horse industry escrow account by the breed registry.

**5.5 Notification Regarding Grantee's Fiscal Officer or Authorized Individual Changes.** Grantee shall immediately notify Grantor if Grantee's Fiscal Officer or Authorized Individual leaves or otherwise changes during the Term of Agreement. Grantor shall not process payments during any period of time for which Grantee has failed to designate a Fiscal Officer or Authorized Individual.

**5.6 Notification of Subcontract/Assignment.** Any delegation by Grantee to a third party of any of the duties and responsibilities under the Agreement shall not relieve Grantee of its responsibility to Grantor for its proper performance under the Agreement.

## **6 Intellectual Property**

**6.1 Grantee's Responsibilities.** In performing work under the Agreement, Grantee shall comply with all laws, rules, and regulations relating to intellectual property, and shall not infringe on any third party's intellectual property rights. It shall hold Grantor harmless from, and to the extent permitted by the laws and Constitution of the State of Texas, defend and indemnify Grantor against, any claims for infringement related to its work under the Agreement.

**6.2 Subcontract Provisions.** Grantee shall include provisions adequate to effectuate the purposes of Section 6 of this Attachment A in all subcontracts under the Agreement.

## **7 Payments**

**7.1 Grantee in Good Standing.** Grantee understands that in order to be eligible for payment from Grantor, Grantee must be in good standing with the Texas Comptroller of Public Accounts.

**7.2 Documentation.** Upon request, Grantee shall submit to Grantor all documentation of expenses, including copies of vendor invoices and payment records for payments not subject to invoice. All backup documentation, including original copies of records for which copies were provided, must be made available to Grantor upon request during any audit conducted at Grantee's premises under the Agreement.

Documentation of indirect costs that include pay to staff must include documentation of salary/wages, fringe benefits, and personnel time attributed to the project.

**7.3 Payment Classification.** Funds provided to Grantee under the Agreement must be classified as "grants" for financial reporting purposes.

**7.4 Non-expended Funds.** Grantee understands and acknowledges that funds that are not expended by Grantee within twelve months of the date of receipt shall be returned to Grantor.

### **7.5 Required Repayment of Grant Funds**

**A.** Grantor will deny any requests for reimbursement and/or require repayment of Grant funds disbursed to Grantee if:

- 1)** Grant funds are misused;
- 2)** Grantee violates any term, condition or provision of this Agreement; or
- 3)** Grantee made any misrepresentations to Grantor in obtaining this Grant.

**B.** This provision is not exclusive of other grounds for withholding or requiring repayment of grant funds or any other remedy, civil or criminal, which may be available to Grantor.

## 8 Termination of Agreement

- 8.1 Agreement Termination.** The Agreement may be terminated at any time by mutual consent. In addition, either party may terminate the Agreement, without cause, upon thirty days' written notice via registered or certified mail, return receipt requested, to the other party. Early termination of the Agreement shall not relieve Grantee from the obligation of providing final performance and budget reports regarding the expenditure of funds received prior to termination. If one party terminates the Agreement, pursuant to this section, then the effective date of termination is thirty days from the date that the non-terminating party receives the notice of termination.
- 8.2 Immediate Termination.** Any default or breach of the Agreement, including but not limited to, Grantee's failure to meet reporting requirements for more than one quarter (does not have to be consecutive) or to fulfill any other obligation under the Agreement shall constitute cause for immediate termination of the Agreement. Such termination is effective upon written notification by Grantor by mailing written notice via registered or certified mail, return receipt requested, to Grantee. The effective date of termination is three days after Grantor mails Grantee notice of termination.
- 8.3 Curable Breach.** If Grantor determines that a breach by Grantee is curable, Grantor may send written notice to Grantee stating the nature of the breach. Should the breach not be cured by Grantee within thirty days from the date of the notice, the Agreement will be immediately terminated. Forbearance of this section or any other termination provision by Grantor shall not constitute a waiver of the breach.
- 8.4 Termination for Lack of Appropriate License/Permits.** Grantee's failure to obtain and maintain applicable federal, state, and local licenses and permits shall constitute cause for immediate termination of the Agreement.
- 8.5 Eligibility for Funds upon Termination.** In the event of termination of the Agreement, Grantee shall reimburse Grantor for all amounts paid to Grantee beyond eligible, documented expenses incurred before termination, as determined by Grantor.
- 8.6 Effect of Expiration or Termination.** Sections 3.1, 3.2, 5.1, 5.2, 5.3, 5.4, 6.1, 7.5, 8.1, and 8.2 of this Attachment A shall survive the expiration or termination of the Agreement. Notwithstanding anything to the contrary contained in the Agreement, termination of the Agreement shall not release or relieve either Grantor or Grantee from any liabilities or damages arising out of any breach of the representations and warranties made by it, or its failure to perform any of the covenants, agreements, duties or obligation arising under the Agreement.

## 9 General Terms and Conditions

- 9.1 Delegation to Third-Party.** Grantee is not relieved of its duties and obligations imposed by the Agreement through delegation by Grantee to a third-party.
- 9.2 Agreement Binding.** The Agreement shall be binding on and inure to the benefit of the parties and their officers, executives, administrators, legal representatives, and

successors except as otherwise specified herein. Neither party may assign or transfer the Agreement without the written consent of the other party. The parties intend to be legally bound and have executed the Agreement as evidenced by their signatures on the date indicated below. The Agreement is not effective unless and until it has been signed by both parties.

- 9.3 Grantee Responsible for Compliance.** Grantee shall be solely responsible for compliance with all federal, state, and municipal laws, ordinances, regulations, and purchasing or contracting guidelines in the accomplishment of the Project funded by the Agreement, and failure to comply with such shall constitute cause for immediate termination of the Agreement in accordance with Section 7.1 of this Attachment A.
- 9.4 Agreement does not Create Debt.** The Agreement shall not be construed as creating any debt on behalf of the State of Texas, and/or Grantor in violation of Article III, Section 49, of the Texas Constitution. In compliance with Article VIII, Section 6, of the Texas Constitution, all obligations of the State of Texas or Grantor hereunder are subject to the availability of appropriations and authorization to pay by the Texas Legislature.
- 9.5 Delivery Methods.** Unless specifically provided herein, any required notice to be given by either party to the other party must be affected by personal delivery in writing or by mailing same via registered or certified mail, return receipt requested. All notices shall be addressed to the parties at the address stated in the Agreement unless a change of address has been given in the manner provided for in this section.
- 9.6 Inspection by Grantor.** During the Term of Agreement, Grantor may inspect Grantee's premises, accounting records, property records, and other records, to monitor Grantee's performance of the work and expenditures of funds from the Account. Grantor further has the right to make a visual inspection of any assets purchased or constructed with Account funds.
- 9.7 Indemnification.** Grantee shall indemnify and hold harmless, to the extent allowed by the laws and Constitution of the State of Texas, Grantor, its executives, officers, agents and employees, from any and all claims, demands, and causes of action arising from or related to Grantee's performance under the Agreement, including reasonable attorney's fees and settlement costs incurred in defending or settling any such claims.
- 9.8 Grantee Not Employee of Grantor.** Grantee, its employees, contractors, and/or subcontractors shall not present themselves as or be construed as employees or agents of Grantor. Neither Grantee nor its employees have an employer-employee relationship with Grantor.
- 9.9 Representations and Warranties of Grantee.** Grantee represents and warrants that: it has the full right and authority to enter into the Agreement and to bestow on Grantor the rights and privileges set forth in the Agreement; it has obtained all necessary approvals prior to execution of the Agreement; it is in good standing with the Texas Comptroller of Public Accounts, and in all other jurisdictions in which it is required to be so qualified for performance of the Agreement; and it has paid all necessary fees, and it has obtained all

necessary certifications, registrations, approvals and licenses necessary to perform the Agreement.

- 9.10 Applicable Law.** The Agreement shall be governed by and construed in accordance with the laws of the State of Texas. Exclusive venue shall lie in the District Courts of Travis County, Texas.
- 9.11 Dispute Resolution.** The Agreement is subject to the dispute resolution procedures set forth in Chapter 2260 of the Texas Government Code.
- 9.12 Uniform Grant Management Standards.** The Agreement shall comply in all respects with the Uniform Grant Management Standards (UGMS), Texas Government Code, §783.007. In the case of any conflicts between UGMS and the Agreement, UGMS shall control.
- 9.13 Texas Public Information Act.** Grantee acknowledges that all information provided by Grantee pursuant to the Agreement, attachments or amendments, including intellectual property, is subject to the Act and may be subject to disclosure to the public. Section 9.20 of this Attachment shall apply to Confidential Information as it is identified in the Agreement.
- 9.14 Headings.** Captions and headings of the sections or paragraphs of the Agreement are for convenience and reference only and shall not affect, modify or amplify the provisions of the Agreement, nor shall they be employed to interpret or aid in the construction of the Agreement.
- 9.15 Severability.** If any part of the Agreement is declared by a court of competent jurisdiction to be invalid or unenforceable, such portion shall be deemed severed from the Agreement and the remaining part shall remain in full force and effect, and the parties shall promptly negotiate to replace invalid or unenforceable provisions that are essential parts of the Agreement.
- 9.16 Waiver.** A waiver by Grantor of any provision hereunder shall not operate as a waiver of any other provision, or a continuing waiver of the same provision in the future.
- 9.17 Antitrust.** Grantee represents and warrants that neither Grantee nor any firm, corporation, partnership, or institution represented by Grantee, or anyone acting for such firm, corporation or institution has (1) violated the antitrust laws of the State of Texas under Tex. Bus. & Com. Code, Chapter 15, or the federal antitrust laws; or (2) communicated directly or indirectly the Grantee's proposal to any competitor or any other person engaged in such activities or projects during the procurement process for this award.
- 9.18 Force Majeure.** Neither Grantee nor Grantor shall be liable to the other for any delay in, or failure of performance, of any requirement caused by force majeure. The existence of such causes of delay or failure shall extend the period of performance until after the causes of delay or failure have been removed provided the non-performing party exercises all reasonable due diligence to perform. Force majeure is defined as acts of God, war, fires, explosions, hurricanes, floods, failure of transportation, or other causes that

are beyond the reasonable control of either party and that by exercise of due foresight such party could not reasonably have been expected to avoid, and which, by the exercise of all reasonable due diligence, such party is unable to overcome. Each party must inform the other in writing, with proof of receipt, within three (3) business days of the existence of such force majeure, or otherwise waive this right as a defense.

**9.19 Buy Texas.** Grantee shall purchase products and materials produced in the State of Texas when available at a price and time comparable to products and materials produced outside the state.

**9.20 Confidential Information.**

- A.** If it is necessary for Grantee to include confidential, proprietary, trade secret or privileged information (the “Proprietary Information”) in its proposal or other submitted information, Grantee must clearly mark and label all Proprietary Information in 14 point or higher bold font on each page as it appears, and identify the specific exception to disclosure in the Act for each specific piece of Proprietary Information. Additionally, all Proprietary Information must be segregated in a separate and discrete section of the proposal or other submitted information, which must be able to be conveniently separated and detached from the other sections of the proposal. Failure to properly label, identify and segregate any Proprietary Information in the proposal or other submitted information may result in all such information or material being disclosed as public information. Merely making a blanket claim that the entire proposal or other submitted information is protected from disclosure because it contains any amount of confidential, proprietary, trade secret or privileged information is not acceptable.
- B.** In the event Grantor receives a request for Proprietary Information under this Agreement, Grantor shall submit a request for opinion from the Office of the Attorney General to withhold the responsive information. Grantor shall provide notice of such requests to Grantee in accordance with Section 552.305 of the Texas Government Code. In order to initiate the process of seeking an Attorney General opinion on the release of Proprietary Information, the specific provisions of the proposal or other submitted information that are considered by Grantee to be confidential, proprietary, trade secret or privileged and confidential must be clearly labeled and segregated as described above. Any information which is not clearly identified as Proprietary Information shall be deemed to be subject to disclosure pursuant to the PIA. Grantee must comply with requirements of Section 552.305 of the Texas Government Code in submitting a response to the Office of the Attorney General and shall be responsible for citing judicial or statutory authority for exception to disclosure. Grantor shall work with Grantee during the process of seeking an Attorney General opinion on the release of the Proprietary Information.

## ATTACHMENT C CERTIFICATIONS AND ASSURANCES

The certifications made herein are material representations of fact upon which the Texas Racing Commission (Grantor) relies in making an award under this funding program. If it is later determined that Grantee knowingly rendered an erroneous certification, Grantor, in addition to any other remedies, may immediately terminate the award and take other appropriate action, including referral of the matter to the Office of the Attorney General for the State of Texas, the State Auditor's Office, and other appropriate law enforcement authorities.

Grantee must complete this form as a prerequisite to receipt of state funds. Grantee must fully understand and comply with the assurances, certifications and requirements contained herein. Failure to comply may result in the withholding of funds, termination of the award, or other sanctions.

Grantee hereby assures and certifies compliance with all applicable federal and state law along with the Texas Uniform Grant Management Standards (UGMS), which govern the application, acceptance and use of funds for this project. Also, by signature hereon, Grantee assures and certifies as follows:

1. **Legal Authority.** It possesses legal authority to enter into the agreement and make all assurances contained therein, and the person identified as the official representative of the Grantee is duly authorized by the Grantee to act in connection with the agreement, to provide such additional information as may be required, to sign and execute the agreement on behalf of the Grantee, and to validly and legally bind the Grantee to all of its terms, performances, and provisions.
2. **Contract/Agreement Administration.** It will maintain an appropriate grant management or administration system to ensure that all terms, conditions and specifications of the agreement, including these standard assurances, are met.
3. **Relatives.** It will comply with Texas Government Code, Chapter 573, by ensuring that no officer, employee, or member of the Grantee's governing body or of the Grantee's contractor shall vote or confirm the employment of any person related within the second degree of affinity or the third degree of consanguinity to any member of the governing body or to any other officer or employee authorized to employ or supervise such person. This prohibition shall not prohibit the employment of a person who shall have been continuously employed for a period of two years, or such other period stipulated by local law, prior to the election or appointment of the officer, employee, or governing body member related to such person in the prohibited degree.
4. **Public Information.** It will comply with the Public Information Act (Act), Texas Government Code, Chapter 552, and ensure that all information collected, assembled or maintained by the Grantee relative to a project assisted by this award will be provided to the public as required by the Act, unless otherwise expressly prohibited by law.
5. **Child Support Payments.** Under Section 231.006, Texas Family Code, relating to child support obligations, the Grantee and any other individual or business entity named in this agreement,

contract or application is not ineligible to receive the specified agreement, loan, grant award or payment and acknowledges that this agreement may be terminated and payment withheld if this certification is inaccurate.

6. **Suspected Child Abuse.** It will comply with the Texas Family Code, Section 261.101, which requires reporting of all suspected cases of child abuse to local law enforcement authorities and to the Texas Department of Child Protective and Regulatory Services. Grantee shall also ensure that all program personnel are properly trained and aware of this requirement.  
**Nondiscrimination.** It will comply with all State and Federal statutes relating to nondiscrimination, including the following:
  - ◆ The Civil Rights Act of 1964, as amended (42 U.S.C. 2000d *et seq.*)
  - ◆ Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794)
  - ◆ The Americans with Disabilities Act of 1990 (42 U.S.C. 12101 *et seq.*)
  - ◆ The Age Discrimination Act of 1975 (42 U.S.C. 6101 *et seq.*)
7. **Taxes.** It will comply with all State and Federal tax laws and is solely responsible for filing all required State and Federal tax forms. Grantee also certifies that it is not delinquent in the payment of any franchise taxes owed the State of Texas.
8. **Good Standing.** It will comply with its obligations related to Franchise Tax. Grantee understands that in order to be eligible for payment from Grantor, grantees must be “in good standing” with the Texas Comptroller’s Office. If Grantee becomes “not in good standing” during the Agreement period, payments will be suspended until Grantee returns to “in good standing” status with the Comptroller.
9. **Eligibility; Financial Participation.** Under Texas Government Code, Section 2155.004, no person who received compensation for participating in preparing the specifications or request for proposals on which this agreement is based has any financial interest in this agreement. Grantee certifies that the individual or business entity named in this agreement, contract or application is not ineligible to receive the specified agreement, loan, grant award or payment and acknowledges that this agreement may be terminated and payment withheld if this certification is inaccurate.
10. **Compliance with Requirements.** It will comply, and assure the compliance of all its sub grantees and contractors, with all applicable requirements imposed by federal and state laws, executive orders, regulations, policies, program requirements and other administrative requirements governing this program.
11. **Workplace Guidelines.** It will adopt and implement applicable provisions of the model HIV/AIDS workplace guidelines of the Texas Department of Health, as required by the Texas Health and Safety Code, Sec. 85.001 *et seq.*
12. **Conflict of Interest.** It will establish safeguards to prohibit employees from using their positions for a purpose that is, or gives the appearance of, being motivated by a desire for private gain for themselves or others, particularly those with whom they have family, business or other ties.



**CHAPTER 303**  
**SUBCHAPTER G**  
**DIVISION 1**

**GENERAL PROVISIONS**  
**HORSE INDUSTRY ESCROW ACCOUNT**  
**GENERAL PROVISIONS**

1 303.301, Definitions

2 The following words and terms, when used in this subchapter, shall have the following  
3 meanings:

4 (1) Account – the horse industry escrow account.

5 (2) Association – a horse racetrack association.

6 (3) Event -- a planned occasion or activity, such as a competition or other public gathering.

7

8 303.302 General Provisions

9 (a) At least once each year, the Commission shall make an allocation of funds from the  
10 horse industry escrow account in accordance with §§2028.204-.205 of the Act.

11 (b) The Commission may make allocations of funds from the account at different times to  
12 horse racetrack associations and to breed registries, provided that not more than 70% of  
13 the amount deposited into the account is allocated to racetrack associations each year.

14 (c) At least 30 days before a deadline for submitting requests for allocation from the  
15 account, the executive director shall notify all entities eligible to request funds from the  
16 account at that time.

17

18 **DIVISION 2** **HORSE RACETRACK ASSOCIATIONS**

19 303.311 Allocations to Horse Racetrack Associations

20 (a) When requesting allocation from the account for purses, each association shall also  
21 recommend the percentages by which it will divide its share of the horse industry escrow  
22 account funds among the various breeds of horses.

23 (b) The Commission shall determine the amount of the allocation to each racetrack in  
24 accordance with the standards set forth in the Act, §§2028.204-.205.

25 (c) The percentages by which an association will divide the horse industry escrow account  
26 revenue among the various breeds of horses is subject to the approval of the Commission.  
27 When requesting Commission approval of the percentages, the association shall present  
28 in writing studies, statistics, or other documentation to support its proposed division of

29 horse industry escrow account revenue. The Commission may consider the following  
30 criteria when evaluating the association's studies, statistics, or other documentation  
31 submitted to support its proposed division of horse industry escrow account revenue  
32 before granting its approval:

33 (1) local public interest in each breed as demonstrated by, but not limited to, the  
34 following factors:

35 (A) simulcast import handle by breed;

36 (B) live handle by breed; and

37 (C) live attendance.

38 (2) earnings generated by the association from each breed;

39 (3) racetrack race date request and opportunities given to each breed;

40 (4) statewide need by breed; and

41 (5) national public interest in each breed as determined by the live simulcast export  
42 handle of each Texas meet.

43 (d) If the Commission determines that the association's proposed division of the horse  
44 industry escrow account revenue is inconsistent with the association's obligation to accord  
45 reasonable access to races for all breeds of horses, the Commission may:

46 (1) require the association to submit additional information supporting its  
47 recommendation for consideration at the next Commission meeting;

48 (2) reject the association's recommendation and require the association to submit a  
49 new recommendation for consideration at the next Commission meeting; or

50 (3) reject the association's recommendation and approve an alternate division of the  
51 horse industry escrow account revenue as determined by the Commission.

52 (e) In lieu of the process outlined in subsections (c) and (d) of this section, a signed  
53 agreement between the association and the organizations recognized by the Commission  
54 or in the Act as representatives of horse owners, trainers, and/or breeders may be  
55 submitted to the Commission for consideration and approval. For the Commission to  
56 approve the agreement, the agreement must:

57 (1) delineate the percentages by which the horse industry escrow account revenue  
58 received by the association will be divided amongst the various breeds of horses; and

59 (2) be signed by all organizations recognized by the Commission or in the Act as  
60 representatives of horse owners, trainers, and/or breeders.



- 93 (1) the state's horse racing industry;
- 94 (2) live racing at the state's racetracks;
- 95 (3) the horse breeding industry;
- 96 (4) the state of Texas as a whole; and
- 97 (5) non-racing horse industry activities.

98 ~~[(e) Notwithstanding subsections (c) and (d) of this section, prior to January 1, 2020, the~~  
99 ~~executive director may act on behalf of the Commission to approve requests for allocation~~  
100 ~~from the account.]~~

101

### 102 303.322 Limitations on Use of Funds by Breed Registries

103 (a) A breed registry may use horse industry escrow account funds only for events that  
104 further the horse industry. The Commission may require a breed registry to repay funds if  
105 the breed registry fails to expend the funds in accordance with Section 2028.204 of the Act  
106 and this section within twelve months of the date it receives the funds.

107 (b) The following types of costs may not be paid with funds allocated from the account:

108 (1) capital improvements;

109 (2) donations or contributions made to any individual or organization without express  
110 approval from the Commission for such contribution or donation;

111 (3) costs of entertainment, amusements, social activities, and incidental costs relating  
112 thereto, including tickets to shows or sports events, meals, alcoholic beverages, lodging,  
113 rentals, transportation, tips, and gratuities;

114 (4) fines, penalties, or other costs resulting from violations of or failure to comply with  
115 federal, state, or local laws and regulations;

116 (5) liability insurance coverage not specific to a particular event or series of events for  
117 which the Commission has allocated funds from the account;

118 (6) expenses related to litigation;

119 (7) professional association fees or dues for the breed registry or an individual;

120 (8) legislative expenses such as salaries and other expenses associated with lobbying  
121 the state or federal legislature or similar local governmental bodies, whether incurred for  
122 purposes of legislation or executive direction; or

123 (9) fundraising.

124 (c) The following types of costs may only be paid with funds allocated from the account, in  
125 an amount not to exceed five percent of the amount [total] allocated for the event for which  
126 it is allocated [~~to the breed registry or of the approved allocation for any event~~], if  
127 specifically approved by the Commission:

128 (1) operating expenses, including the salaries of breed registry staff, interest and other  
129 financial costs related to borrowing and the cost of financing, contributions to a  
130 contingency reserve or any similar provision for unforeseen events, and audits or other  
131 accounting services; and

132 (2) the purchase of capital assets.

133 (d) A breed registry may pay a cost out of funds awarded from the horse industry escrow  
134 account if it satisfies subsections (a) through (c) of this section and is reasonable and  
135 adequately documented.

136 (1) A cost is reasonable if the cost does not exceed that which would be incurred by a  
137 prudent individual or organization under the circumstances prevailing at the time the  
138 decision was made to incur the cost and it is necessary to achieve the purpose for which  
139 the funds were sought.

140 (2) A cost is adequately documented if the cost is supported by Generally Accepted  
141 Accounting Principles, the breed registry's accounting records, and documented in  
142 accordance with §303.325 of this subchapter (relating to Quarterly Reports).

143 (e) Use of funds allocated to a breed registry from the account shall comply with the Texas  
144 Uniform Grant Management Standards.

145

### 146 303.323 Modifications to Approved Events

147 (a) A breed registry seeking to make a modification to the date, description, or budget for  
148 an event for which funds have been allocated from the horse industry escrow account shall  
149 submit a request to:

150 (1) the executive director for changes to one or more of the following:

151 (A) the date, if the proposed new date is within six months of the original date;

152 (B) the description, if the change does not materially change the nature or scope of  
153 the event; or

154 (C) the budget, if the proposed new budget is within ten percent of the original  
155 budget for the event; or

156 (2) the Commission, for all other changes.

157 (b) The request must explain the proposed change, the reason for the change, and the  
158 anticipated economic impact of the event as modified on the horse industry.

159 (c) The executive director may approve or deny a change requested under subsection  
160 (a)(1) of this section or may forward the request to the Commission for consideration.

161

### 162 303.324 Recordkeeping and Audits

163 (a) Subject to audit by the Commission or auditors or investigators working on behalf of the  
164 Commission, including the State Auditor and/or the Comptroller of Public Accounts for the  
165 State of Texas, a breed registry receiving funds from the horse industry escrow account  
166 shall maintain all records of expenses paid out of funds from the account for a minimum of  
167 five years following the event. Records may be maintained in electronic or paper format.

168 (b) The Commission may request, and the breed registry must provide, any such record as  
169 part of a review or audit.

170 (c) The funds received and/or expended by the breed registry from the horse industry  
171 escrow account must be included in the breed registry's annual audit of the financial  
172 statements required to be submitted by June 15 of each year. An auditor's statement must  
173 be included as part of the annual audit attesting to the proper use of the funds received  
174 from the horse industry escrow account by the breed registry.

175

### 176 303.325 Quarterly Reports

177 (a) A breed registry receiving funds from the horse industry escrow account shall submit to  
178 the Commission a report every quarter. The report must include:

179 (1) the amount of funds expended toward each event for which funds have been  
180 allocated;

181 (2) for each [~~completed~~] event completed during the previous calendar quarter, the total  
182 amount of funds expended toward the event, ~~and~~ a breakdown of the funds expended for  
183 that event, and copies of documentation of all amounts expended; and

184 (3) the following certification: "By my signature below, I certify that (1) all of the  
185 information in this report is correct, (2) all funds expended from the horse industry escrow  
186 account were used in accordance with Section 2028.204 of the Texas Racing Act and the

187 Rules of the Texas Racing Commission, and (3) the breed registry has all documentation  
188 required by 16 TAC § 303.324.

189 (b) Quarterly reports shall be submitted to the Commission no later than November 30,  
190 February 28, May 31, and August 31 of each year for the previous calendar quarter.