



**TEXAS RACING COMMISSION**

**P. O. Box 12080  
Austin, TX 78711-2080  
(512) 833-6699  
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Texas Racing Commission  
Tuesday, June 12, 2018  
10:30 a.m.  
John H. Reagan Building, Room 140  
105 West 15<sup>th</sup> Street  
Austin, TX 78701

**AGENDA**

**I. CALL TO ORDER**

Roll Call

**II. PUBLIC COMMENT**

**III. GENERAL BUSINESS**

- A. Discussion and consideration of reports by the Executive Director and staff regarding administrative matters:
  - 1. Budget and finance
  - 2. Wagering statistics
  - 3. Enforcement
- B. Discussion and possible action to approve the Strategic Plan for Fiscal Years 2019-2024

**IV. PROCEEDINGS ON MATTERS RELATED TO AGENCY FUNDING**

- A. Discussion and possible action regarding third-party economy, efficiency, and effectiveness audit
- B. Discussion and possible action to propose amendments to 16 TAC § 309.8, Racetrack License Fees

## **V. OTHER PROCEEDINGS ON RULES**

Discussion and possible action to propose amendments to:

- A. 16 TAC §311.5, License Fees
- B. 16 TAC § 311.104, Trainers
- C. 16 TAC § 313.168 Scale of Weights for Age
- D. 16 TAC § 313.405, Whips and Other Equipment
- E. 16 TAC § 319.3, Medication Restricted

## **VI. PROCEEDINGS ON RACETRACKS**

- A. Update and discussion regarding Gulf Coast Racing's 2018-19 race meet

## **VII. EXECUTIVE SESSION**

The following items may be discussed and considered in executive session or open meeting, with any action taken in the open meeting:

- A. Under Texas Government Code § 551.071(1), the Commission may enter an executive session to seek the advice of its attorney regarding pending or contemplated litigation, or regarding a settlement offer.
- B. Under Texas Government Code § 551.071(2), the Commission may enter an executive session to discuss all matters identified in this agenda where the commission seeks the advice of its attorney as privileged communications under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas. This may include, but is not limited to, legal advice regarding the Open Meetings Act, the Administrative Procedures Act, and the Texas Racing Act.
- C. Under Texas Government Code § 551.074(a)(1), the Commission may enter an executive session to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of the executive director.

## **VIII. SCHEDULING OF NEXT COMMISSION MEETING**

## **IX. ADJOURN**

### **III. GENERAL BUSINESS**

A. Discussion and consideration of reports by the Executive Director and staff regarding administrative matters:

1. Budget and finance
2. Wagering statistics
3. Enforcement

# Texas Racing Commission

FYE 08/31/2018

OBS-1

Operating Budget Status  
by LBB Expenditure Object/Codes

Strategy	Program Description	FY 2018 Annual Budget	FY 2018 Expended Thru 04/30/2018	FY 2018 Unexpended Bal 8/31/2018	With 66.6% of Year Lapsed % of Budget Expended
<i>Appropriated</i> A.1.1.	- FTE's = 4.00 <u>Regulate Racetrack Owners</u>				
Base Appr =	1001 Salaries and Wages	315,108.48	181,169.08	133,939.40	57.49%
\$ 385,941.00	1002 Other Personnel Cost	27,892.54	24,566.48	3,326.06	88.08%
Sup Appr =	2001 Prof Fees and Services	-	-	-	
\$ -	2003 Consumables	-	-	-	
Total Appr =	2004 Utilities	-	-	-	
\$ 385,941.00	2005 Travel	3,000.00	1,388.82	1,611.18	46.29%
Budgeted =	2006 Rent Building	-	-	-	
\$ 351,472.11	2007 Rent Machine	-	-	-	
Difference	2009 Other Operating Cost	5,471.08	3,152.38	2,318.70	57.62%
(34,468.89)	CB Computer Equipment	-	-	-	
-8.93%	<b>Total Strategy A.1.1.</b>	<b>351,472.11</b>	<b>210,276.76</b>	<b>141,195.35</b>	<b>59.83%</b>
<i>Appropriated</i> A.2.1.	0 FTE's = 0 <u>Texas Bred Incentive</u>				
	ATB Money Expended	2,918,433.48	1,872,595.64	1,045,837.84	64.16%
2,918,433.00	<b>Total Strategy A.2.1.</b>	<b>2,918,433.48</b>	<b>1,872,595.64</b>	<b>1,045,837.84</b>	<b>64.16%</b>
<i>Appropriated</i> A.3.1.	- FTE's = 5.62 <u>Supervise Racing and Licensees</u>				
Base Appr =	1001 Salaries and Wages	380,006.65	246,669.87	133,336.78	64.91%
\$ 545,741.00	1002 Other Personnel Cost	21,491.01	9,966.73	11,524.28	46.38%
Sup Appr =	2001 Prof Fees and Services	11,125.00	5,632.50	5,492.50	50.63%
\$ -	2003 Consumables	-	-	-	
Total Appr =	2004 Utilities	-	-	-	
\$ 545,741.00	2005 Travel	68,320.00	31,480.25	36,839.75	46.08%
Budgeted =	2006 Rent Building	-	-	-	
\$ 485,148.94	2007 Rent Machine	-	-	-	
Difference	2009 Other Operating Cost	4,206.28	2,233.92	1,972.36	53.11%
(60,592.06)	CB Computer Equipment	-	-	-	
-11.10%	<b>Total Strategy A.3.1.</b>	<b>485,148.94</b>	<b>295,983.27</b>	<b>189,165.67</b>	<b>61.01%</b>
<i>Appropriated</i> A.3.2.	- FTE's = 3.75 <u>Monitor Occupational Licensee Act.</u>				
Base Appr =	1001 Salaries and Wages	207,290.18	146,810.50	60,479.68	70.82%
\$ 235,247.00	1002 Other Personnel Cost	11,199.22	8,327.92	2,871.30	74.36%
Sup Appr =	2001 Prof Fees and Services	1,000.00	220.00	780.00	22.00%
\$ -	2003 Consumables	500.00	148.64	351.36	29.73%
Total Appr =	2004 Utilities	-	-	-	
\$ 235,247.00	2005 Travel	42,400.00	13,448.56	28,951.44	31.72%
Budgeted =	2006 Rent Building	-	-	-	
\$ 266,317.80	2007 Rent Machine	-	-	-	
Difference	2009 Other Operating Cost	3,928.40	1,863.92	2,064.48	47.45%
\$ 31,070.80	CB Computer Equipment	-	-	-	
13.21%	<b>Total Strategy A.3.2.</b>	<b>266,317.80</b>	<b>170,819.54</b>	<b>95,498.26</b>	<b>64.14%</b>
<i>Appropriated</i> A.4.1.	- FTE's = 3.00 <u>Inspect and Provide Emerg. Care</u>				
Base Appr =	1001 Salaries and Wages	212,985.36	141,990.24	70,995.12	66.67%
\$ 364,152.00	1002 Other Personnel Cost	9,024.93	2,629.92	6,395.01	29.14%
Sup Appr =	2001 Prof Fees and Services	88,000.00	65,210.00	22,790.00	74.10%
\$ -	2003 Consumables	150.00	27.98	122.02	18.65%
Total Appr =	2004 Utilities	-	-	-	
\$ 364,152.00	2005 Travel	21,350.00	7,277.11	14,072.89	34.08%
Budgeted =	2006 Rent Building	-	-	-	
\$ 335,490.14	2007 Rent Machine	-	-	-	
Difference	2009 Other Operating Cost	3,979.85	2,660.69	1,319.16	66.85%
\$ (28,661.86)	CB Computer Equipment	-	-	-	
-7.87%	<b>Total Strategy A.4.1.</b>	<b>335,490.14</b>	<b>219,795.94</b>	<b>115,694.20</b>	<b>65.51%</b>

# Texas Racing Commission

FYE 08/31/2018

OBS-2

Operating Budget Status  
by LBB Expenditure Object/Codes

Strategy	Program Description	FY 2018 Annual Budget	FY 2018 Expended Thru 04/30/2018	FY 2018 Unexpended Bal 8/31/2018	With 66.6% of Year Lapsed % of Budget Expended
<i>Appropriated</i> A.4.2.	- FTE's = 2.80				
	<u>Administer Drug Testing</u>				
Base Appr =	1001 Salaries and Wages	160,006.30	103,852.82	56,153.48	64.91%
\$ 215,181.00	1002 Other Personnel Cost	1,120.03	679.33	440.70	60.65%
Sup Appr =	2001 Prof Fees and Services	500.00	500.00	-	100.00%
\$ -	2003 Consumables	500.00	105.20	394.80	21.04%
Total Appr =	2004 Utilities	-	-	-	
\$ 215,181.00	2005 Travel	16,425.00	8,644.09	7,780.91	52.63%
Budgeted =	2006 Rent Building	-	-	-	
\$ 182,001.39	2007 Rent Machine	-	-	-	
Difference	2009 Other Operating Cost	3,450.06	1,338.76	2,111.30	38.80%
\$ (33,179.61)	CB Computer Equipment	-	-	-	
-15.42%	<b>Total Strategy A.4.2.</b>	<b>182,001.39</b>	<b>115,120.20</b>	<b>66,881.19</b>	<b>63.25%</b>
<i>Appropriated</i> B.1.1.	- FTE's = 4.85				
	<u>Occupational Licensing</u>				
Base Appr =	1001 Salaries and Wages	197,981.42	126,854.70	71,126.72	64.07%
\$ 412,016.00	1002 Other Personnel Cost	9,588.91	7,568.32	2,020.59	78.93%
Sup Appr =	2001 Prof Fees and Services	-	-	-	
\$ -	2003 Consumables	1,300.00	309.25	990.75	23.79%
Total Appr =	2004 Utilities	-	-	-	
\$ 412,016.00	2005 Travel	22,700.00	12,240.82	10,459.18	53.92%
Budgeted =	2006 Rent Building	-	-	-	
\$ 343,562.14	2007 Rent Machine	-	-	-	
Difference	2009 Other Operating Cost	1,600.00	1,439.99	160.01	90.00%
\$ (68,453.86)	CB Computer Equipment	110,391.81	45,949.27	64,442.54	41.62%
-16.61%	<b>Total Strategy B.1.1.</b>	<b>343,562.14</b>	<b>194,362.35</b>	<b>149,199.79</b>	<b>56.57%</b>
<i>Appropriated</i> B.1.2.	- FTE's = 0				
	<u>Texas OnLine</u>				
Base Appr =	1001 Salaries and Wages	-	-	-	
\$ 19,185.00	1002 Other Personnel Cost	-	-	-	
Sup Appr =	2001 Prof Fees and Services	-	-	-	
\$ -	2003 Consumables	-	-	-	
Total Appr =	2004 Utilities	-	-	-	
\$ 19,185.00	2005 Travel	-	-	-	
Budgeted =	2006 Rent Building	-	-	-	
\$ 17,000.00	2007 Rent Machine	-	-	-	
Difference	2009 Other Operating Cost	17,000.00	7,597.00	9,403.00	44.69%
\$ (2,185.00)	CB Computer Equipment	-	-	-	
-11.39%	<b>Total Strategy B.1.2.</b>	<b>17,000.00</b>	<b>7,597.00</b>	<b>9,403.00</b>	<b>44.69%</b>
<i>Appropriated</i> C.1.1.	- FTE's = 5.00				
	<u>Monitor Wagering and Audit</u>				
Base Appr =	1001 Salaries and Wages	274,779.60	165,038.80	109,740.80	60.06%
\$ 373,795.00	1002 Other Personnel Cost	28,438.90	16,317.44	12,121.46	57.38%
Sup Appr =	2001 Prof Fees and Services	-	-	-	
\$ -	2003 Consumables	-	7.69	(7.69)	
Total Appr =	2004 Utilities	-	-	-	
\$ 373,795.00	2005 Travel	12,500.00	4,015.10	8,484.90	32.12%
Budgeted =	2006 Rent Building	-	-	-	
\$ 330,466.29	2007 Rent Machine	-	-	-	
Difference	2009 Other Operating Cost	14,747.80	7,391.45	7,356.35	50.12%
\$ (43,328.71)	CB Computer Equipment	-	-	-	
-11.59%	<b>Total Strategy C.1.1.</b>	<b>330,466.29</b>	<b>192,770.48</b>	<b>137,695.81</b>	<b>58.33%</b>

# Texas Racing Commission

FYE 08/31/2018

OBS-3

Operating Budget Status  
by LBB Expenditure Object/Codes

Strategy	Program Description	FY 2018 Annual Budget	FY 2018 Expended Thru 04/30/2018	FY 2018 Unexpended Bal 8/31/2018	With 66.6% of Year Lapsed % of Budget Expended
<i>Appropriated</i> D.1.1.	- FTE's = 5.93 <u>Central Administration</u>				
Base Appr =	1001 Salaries and Wages	387,123.51	246,518.28	140,605.23	63.68%
\$ 753,512.00	1002 Other Personnel Cost	44,861.62	12,025.02	32,836.60	26.80%
Sup Appr =	2001 Prof Fees and Services	20,175.00	17,201.10	2,973.90	85.26%
\$ -	2003 Consumables	7,500.00	2,499.76	5,000.24	33.33%
Total Appr =	2004 Utilities	47,984.29	26,809.25	21,175.04	55.87%
\$ 753,512.00	2005 Travel	10,000.00	2,628.55	7,371.45	26.29%
Budgeted =	2006 Rent Building	103,770.00	77,376.10	26,393.90	74.56%
\$ 666,813.16	2007 Rent Machine	900.00	601.21	298.79	66.80%
Difference	2009 Other Operating Cost	44,498.75	37,747.00	6,751.75	84.83%
\$ (86,698.84)	CB Computer Equipment	-	-	-	0.00%
-11.51%	<b>Total Strategy D.1.1.</b>	<b>666,813.16</b>	<b>423,406.27</b>	<b>243,406.89</b>	<b>63.50%</b>
<i>Appropriated</i> D.1.2.	- FTE's = 3.80 <u>Information Resources</u>				
Base Appr =	1001 Salaries and Wages	249,187.68	166,125.04	83,062.64	66.67%
\$ 509,511.00	1002 Other Personnel Cost	13,173.00	8,579.12	4,593.88	65.13%
Sup Appr =	2001 Prof Fees and Services	154,185.00	12,335.00	141,850.00	8.00%
\$ -	2003 Consumables	1,565.00	879.39	685.61	56.19%
Total Appr =	2004 Utilities	-	-	-	0.00%
\$ 509,511.00	2005 Travel	3,500.00	327.75	3,172.25	9.36%
Budgeted =	2006 Rent Building	476.00	320.00	156.00	67.23%
\$ 505,935.00	2007 Rent Machine	-	-	-	
Difference	2009 Other Operating Cost	83,848.32	56,877.71	26,970.61	67.83%
\$ (3,576.00)	CB Computer Equipment	-	-	-	
-0.70%	<b>Total Strategy D.1.2.</b>	<b>505,935.00</b>	<b>245,444.01</b>	<b>260,490.99</b>	<b>48.51%</b>
<i>Appropriated</i> D.1.3.	- FTE's = 38.75 <u>Other Support Services</u>				
Base Appr =	1001 Salaries and Wages	-	-	-	
\$ 6,732,714.00	1002 Other Personnel Cost	-	-	-	
Sup Appr =	2001 Prof Fees and Services	-	-	-	
\$ -	2003 Consumables	-	-	-	
Total Appr =	2004 Utilities	-	-	-	
\$ 6,732,714.00	2005 Travel	-	-	-	
Budgeted =	2006 Rent Building	-	-	-	
\$ 6,402,639.97	2007 Rent Machine	-	-	-	
Difference	2009 Other Operating Cost	-	-	-	
\$ (330,074.03)	CB Computer Equipment	-	-	-	
-4.90%	<b>Total Strategy D.1.3.</b>	<b>-</b>	<b>-</b>	<b>-</b>	
\$ 3,814,281	Regulatory Program Operating Budget	3,484,206.97	2,075,575.82	1,236,848.70	59.57%
\$ 2,918,433	TX Bred Program Operating Budget	2,918,433.48	1,872,595.64	1,045,837.84	64.16%
\$ 6,732,714	Total M.O.F. (TXRC Acct. 597 & GR)	6,402,640.45	3,948,171.46	2,282,686.54	61.66%
	Total All Programs Operating Budget				

# Texas Racing Commission

FYE 08/31/2018  
Operating Budget Status  
by LBB Expenditure Object/Codes

OBS-4

Strategy	Program Description	FY 2018 Annual Budget	FY 2018 Expended Thru 04/30/2018	FY 2018 Unexpended Bal 8/31/2018	With 66.6% of Year Lapsed % of Budget Expended
\$ -	FTE's = 38.75				
<i>Appropriated</i>	<b>Direct Expense of Regulatory Programs</b>				
	1001 Salaries and Wages	2,384,469.18	1,525,029.33	859,439.85	63.96%
	1002 Other Personnel Cost	166,790.15	90,660.28	76,129.87	54.36%
	2001 Prof Fees and Services	274,985.00	101,098.60	173,886.40	36.77%
	2003 Consumables	11,515.00	3,977.91	7,537.09	34.55%
	2004 Utilities	47,984.29	26,809.25	21,175.04	55.87%
	2005 Travel	200,195.00	81,451.05	118,743.95	40.69%
	2006 Rent Building	104,246.00	77,696.10	26,549.90	74.53%
	2007 Rent Machine	2,500.00	2,041.20	458.80	81.65%
	2009 Other Operating Cost	291,522.35	166,812.10	124,710.25	57.22%
	CB Computer Equipment	-	-	-	0.00%
\$ 3,814,281	<b>Total Direct Expense of Regulatory Program</b>	3,484,206.97	2,075,575.82	1,408,631.15	59.57%
\$ 2,918,433	FTE's = - Direct Expense of TX Bred Program	2,918,433.48	1,872,595.64	1,045,837.84	64.16%
\$ 6,732,714	FTE's = 38.75 Total Direct Expense of All Programs	6,402,640.45	3,948,171.46	2,454,468.99	61.66%
<i>Un-Appropriated</i>	<b>Indirect Expense of All Programs</b>				
	OASI Match	182,411.89	117,246.94	65,164.95	64.28%
	Group Insurance	265,000.00	176,523.25	88,476.75	66.61%
	State Retirement	187,466.08	117,205.68	70,260.40	62.52%
	Benefit Replacement	3,178.86	3,080.58	98.28	96.91%
	ERS Retiree Insurance	390,000.00	262,135.72	127,864.28	67.21%
	SWCAP GR Reimburse	-	-	-	0.00%
	Unemployment Cost	17,000.00	8,368.50	8,631.50	49.23%
	Other	-	-	-	
\$ 1,045,057	<b>Total Indirect Expense of All Programs</b>	1,045,056.83	684,560.67	360,496.16	65.50%
\$ 7,777,771	<b>Total Direct and Indirect Expense of All Programs</b>	7,447,697.29	4,632,732.13	2,814,965.16	62.20%

Source Of Funds	Agency Method Of Finance	FY 2018 Projected Revenue	FY 2018 Actual Revenue Thru 04/30/2018	N/A	With 66.6% of Year Lapsed % of Revenue Collected
	<b>Regulatory Program MOF:</b>				
Acct. 597	Cash Balance Carry Forward	\$ 44,530.00	\$ 44,530.00		n/a
Acct. 597	Live Race Day Fees	\$ -	\$ -		
Acct. 597	Simulcast Race Day Fees	\$ -	\$ -		
Acct. 597	Annual License Fees (Active & Inactive)	\$ 3,837,854.00	\$ 2,480,048.53		64.62%
Acct. 597	Outs	\$ -	\$ -		
Acct. 597	Occupational License Fees and Fines	\$ 690,000.00	\$ 434,036.75		62.90%
Acct. 597	Other Revenue	\$ 23,867.00	\$ 15,307.81		64.14%
Acct. 1	GR Funds	\$ -	\$ -		
	<b>Sub-Total Regulatory Prgm. MOF</b>	\$ 4,596,251.00	\$ 2,973,923.09		64.70%
	<b>Texas Bred Program MOF:</b>				
Acct. 597	Cash Balance Carry Forward	\$ -	\$ -		
Acct. 597	Breakage and 1% Exotic	\$ 2,918,433.48	\$ 1,872,595.64		64.16%
Acct. 597	Other	\$ -	\$ -		
	<b>Sub-Total Texas Bred Prgm. MOF</b>	\$ 2,918,433.48	\$ 1,872,595.64		64.16%
All Sources	<b>Total MOF</b>	\$ 7,514,684.48	\$ 4,846,518.73		64.49%
	<b>MOF Estimated to Exceed or (Fall-Short of Covering) Direct &amp; Indirect Expenses of Operating Budget</b>	\$ 66,987.19	\$ 213,786.60		



## Fiscal Year 2018 Operational Budget

Updated: May 16, 2018  
Thru: April 30, 2018

### Summary of Operating Revenue

By Revenue Type:	Budget	Collected	Suspended	Uncollected Balance	%
<b>Account 597 - Racing Commission - GRD</b>	\$ 7,514,684	\$ 4,846,519	\$ -	\$ 2,668,166	36%
<b>Account 1 - State of Texas - GR</b>	\$ -	\$ -	\$ -	\$ -	
<b>TOTAL - ALL REVENUES</b>	<b>\$ 7,514,684</b>	<b>\$ 4,846,519</b>	<b>\$ -</b>	<b>\$ 2,668,166</b>	<b>36%</b>

### Summary of Appropriated Operating Expenses

	Budget	Expended	Encumbered	Unexpended Balance	%
<b>1001 - Salaries and Wages:</b>	\$ 2,384,469	\$ 1,525,029	\$ -	\$ 859,440	36%
<b>1002 - Other Personnel Cost:</b>	\$ 166,790	\$ 90,660	\$ -	\$ 76,130	46%
<b>2001 - Professional Fees and Services:</b>	\$ 274,985	\$ 101,099	\$ -	\$ 173,886	63%
<b>2003 - Consumable Supplies:</b>	\$ 11,515	\$ 3,978	\$ -	\$ 7,537	65%
<b>2004 - Utilities:</b>	\$ 47,984	\$ 26,809	\$ -	\$ 21,175	44%
<b>2005 - Travel:</b>	\$ 200,195	\$ 81,451	\$ -	\$ 118,744	59%
<b>2006 - Rent Building:</b>	\$ 104,246	\$ 77,696	\$ -	\$ 26,550	25%
<b>2007 - Rent Machine and Other:</b>	\$ 2,500	\$ 2,041	\$ -	\$ 459	18%
<b>2009 - Other Operating Expense:</b>	\$ 291,522	\$ 166,812	\$ -	\$ 124,710	43%
<b>4000 - Grants</b>	\$ 2,918,433	\$ 1,872,596	\$ -	\$ 1,045,838	36%
<b>5000 - Capital Expenditures:</b>	\$ -	\$ -	\$ -	\$ -	0%
<b>TOTAL - ALL APPROPRIATED EXPENDITURES</b>	<b>\$ 6,402,640</b>	<b>\$ 3,948,171</b>	<b>\$ -</b>	<b>\$ 2,454,469</b>	<b>38%</b>

### Unappropriated Operating Expenses

Type:	Budget	Expended	Encumbered	Unexpended Balance	%
<b>TOTAL - ALL UNAPPROPRIATED EXPENDITURES</b>	<b>\$ 1,045,057</b>	<b>\$ 684,561</b>	<b>\$ -</b>	<b>\$ 360,496</b>	<b>34%</b>
<b>TOTAL - ALL EXPENDITURES</b>	<b>\$ 7,447,697</b>	<b>\$ 4,632,732</b>	<b>\$ -</b>	<b>\$ 2,814,965</b>	<b>38%</b>

### OPERATING SURPLUS / (DEFICIT)

	\$ 66,987	\$ 213,787			
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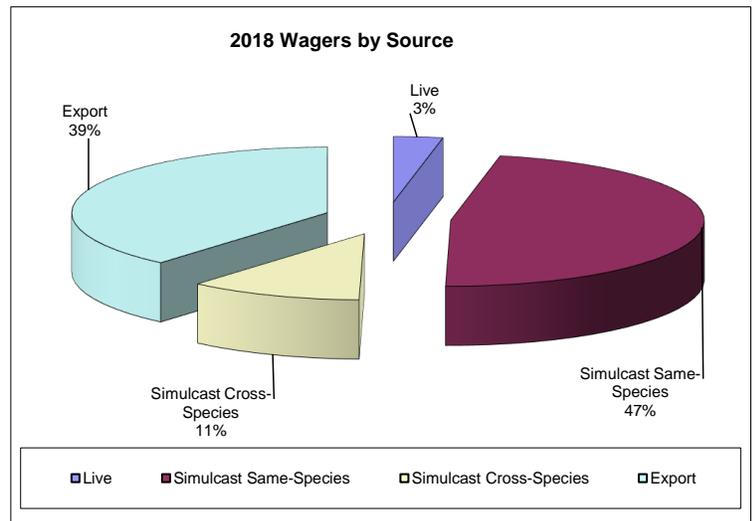
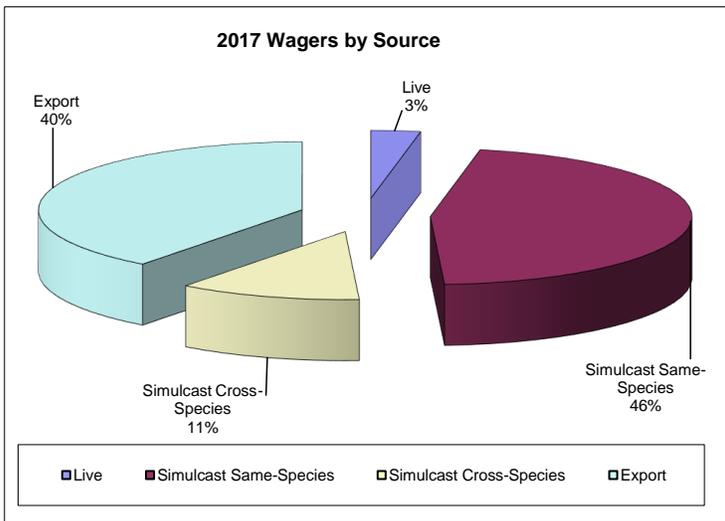
### Summary of FTE's

By Fiscal Quarter:	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Authorized FTE's	46.40	46.40	46.40	46.40
Budgeted FTE's	38.75	38.75	38.75	38.75
Actual FTE's	40.50	34.70	0.00	0.00
<b>Actual FTE's Over / (Under) Budget</b>	<b>1.75</b>	<b>(4.05)</b>	<b>n/a</b>	<b>n/a</b>
<b>Actual FTE's Over / (Under) Authorization</b>	<b>(5.90)</b>	<b>(11.70)</b>	<b>n/a</b>	<b>n/a</b>



## Texas Pari-Mutuel Racetracks Wagering Statistics Comparison Report on Total Wagers Placed in Texas & on Texas Races For the Period of January 1 through March 31

	Year 2017			Year 2018			Percentage Change	
	<u>Wagers (Handle)*</u>			<u>Wagers (Handle)*</u>			<u>Wagers (Handle)</u>	
	# Days	Total	Average per day	# Days	Total	Average per day	Total	Average per day
<b>Greyhound Racetracks</b>								
Live	20	\$ 417,563	\$ 20,878	33	\$ 594,284	\$ 18,009	42.32%	-13.74%
Simulcast Same-Species	232	\$ 5,722,793	\$ 24,667	229	\$ 5,955,269	\$ 26,006	4.06%	5.43%
Simulcast Cross-Species	232	\$ 4,163,663	\$ 17,947	229	\$ 4,138,076	\$ 18,070	-0.61%	0.69%
Export	20	\$ 399,684	\$ 19,984	33	\$ 1,073,319	\$ 32,525	168.54%	62.75%
<b>Total Wagers</b>		<b>\$ 10,703,703</b>			<b>\$ 11,760,948</b>		<b>9.88%</b>	
<b>Horse Racetracks</b>								
Live	33	\$ 2,962,106	\$ 89,761	34	\$ 2,947,033	\$ 86,677	-0.51%	-3.44%
Simulcast Same-Species	321	\$ 45,532,304	\$ 141,845	319	\$ 47,708,036	\$ 149,555	4.78%	5.44%
Simulcast Cross-Species	321	\$ 8,248,938	\$ 25,698	319	\$ 8,307,032	\$ 26,041	0.70%	1.34%
Export	33	\$ 43,717,715	\$ 1,324,779	34	\$ 42,939,495	\$ 1,262,926	-1.78%	-4.67%
<b>Total Wagers</b>		<b>\$ 100,461,062</b>			<b>\$ 101,901,597</b>		<b>1.43%</b>	
<b>All Racetracks</b>								
Live	53	\$ 3,379,669	\$ 63,767	67	\$ 3,541,317	\$ 52,855	4.78%	-17.11%
Simulcast Same-Species	553	\$ 51,255,096	\$ 92,686	548	\$ 53,663,305	\$ 97,926	4.70%	5.65%
Simulcast Cross-Species	553	\$ 12,412,601	\$ 22,446	548	\$ 12,445,108	\$ 22,710	0.26%	1.18%
Export	53	\$ 44,117,399	\$ 832,404	67	\$ 44,012,815	\$ 656,908	-0.24%	-21.08%
<b>Total Wagers</b>		<b>\$ 111,164,765</b>			<b>\$ 113,662,545</b>		<b>2.25%</b>	
<b>Total Wagers Placed in Texas</b>		<b>\$ 67,047,366</b>			<b>\$ 69,649,730</b>		<b>3.88%</b>	
<b>Total Wagers Placed on Texas Races</b>		<b>\$ 47,497,068</b>			<b>\$ 47,554,131</b>		<b>0.12%</b>	



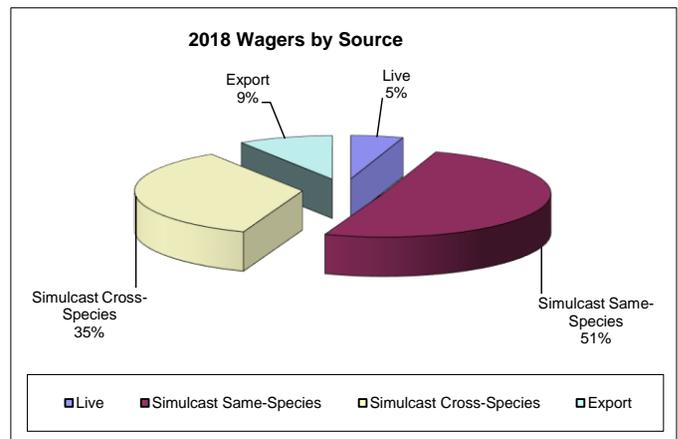
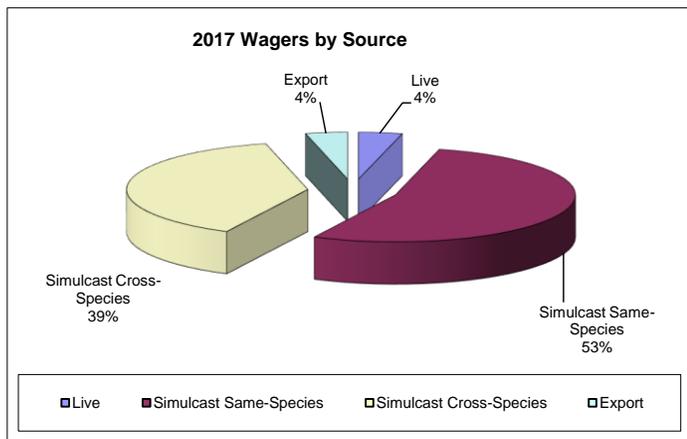
\*NOTE: All figures are based on data available at the time this report was compiled and are subject to being audited and revised.



## Greyhound Racetrack Wagering Statistics Comparison Report on Total Wagers Placed in Texas & on Texas Races

For the Period of January 1 through March 31

	Year 2017			Year 2018			Percentage Change	
	# Days	Wagers (Handle)*		# Days	Wagers (Handle)*		Wagers (Handle)	
		Total	Average per day		Total	Average per day	Total	Average per day
<b><u>Gulf Coast Racing</u></b>								
Live	0	\$ -	\$ -	0	\$ -	\$ -	0.00%	0.00%
Simulcast Same-Species	65	\$ 1,743,443	\$ 26,822	64	\$ 1,850,371	\$ 28,912	6.13%	7.79%
Simulcast Cross-Species	65	\$ 678,243	\$ 10,435	64	\$ 822,242	\$ 12,848	21.23%	23.13%
Export	0	\$ -	\$ -	0	\$ -	\$ -	0.00%	0.00%
<b>Total Wagers</b>		<b>\$ 2,421,686</b>			<b>\$ 2,672,613</b>		<b>10.36%</b>	
<b><u>Gulf Greyhound Park</u></b>								
Live	0	\$ -	\$ -	33	\$ 594,284	\$ 18,009	0.00%	NA
Simulcast Same-Species	90	\$ 2,438,132	\$ 27,090	88	\$ 2,652,830	\$ 30,146	8.81%	11.28%
Simulcast Cross-Species	90	\$ 2,320,901	\$ 25,788	88	\$ 2,175,135	\$ 24,717	-6.28%	-4.15%
Export	0	\$ -	\$ -	33	\$ 1,073,319	\$ 32,525	0.00%	NA
<b>Total Wagers</b>		<b>\$ 4,759,033</b>			<b>\$ 6,495,569</b>		<b>36.49%</b>	
<b><u>Valley Race Park</u></b>								
Live	20	\$ 417,563	\$ 20,878	0	\$ -	\$ -	-100.00%	-100.00%
Simulcast Same-Species	77	\$ 1,541,218	\$ 20,016	77	\$ 1,452,067	\$ 18,858	-5.78%	-5.78%
Simulcast Cross-Species	77	\$ 1,164,519	\$ 15,124	77	\$ 1,140,699	\$ 14,814	-2.05%	-2.05%
Export	20	\$ 399,684	\$ 19,984	0	\$ -	\$ -	-100.00%	-100.00%
<b>Total Wagers</b>		<b>\$ 3,522,984</b>			<b>\$ 2,592,766</b>		<b>-26.40%</b>	
<b><u>All Greyhound Tracks</u></b>								
Live	20	\$ 417,563	\$ 20,878	33	\$ 594,284	\$ 18,009	42.32%	-13.74%
Simulcast Same-Species	232	\$ 5,722,793	\$ 24,667	229	\$ 5,955,269	\$ 26,006	4.06%	5.43%
Simulcast Cross-Species	232	\$ 4,163,663	\$ 17,947	229	\$ 4,138,076	\$ 18,070	-0.61%	0.69%
Export	20	\$ 399,684	\$ 19,984	33	\$ 1,073,319	\$ 32,525	168.54%	62.75%
<b>Total Wagers</b>		<b>\$ 10,703,703</b>			<b>\$ 11,760,948</b>		<b>9.88%</b>	
<b>Total Wagers Placed in Texas</b>		<b>\$ 10,304,019</b>			<b>\$ 10,687,629</b>		<b>3.72%</b>	
<b>Total Wagers Placed on Texas Races</b>		<b>\$ 817,247</b>			<b>\$ 1,667,603</b>		<b>104.05%</b>	

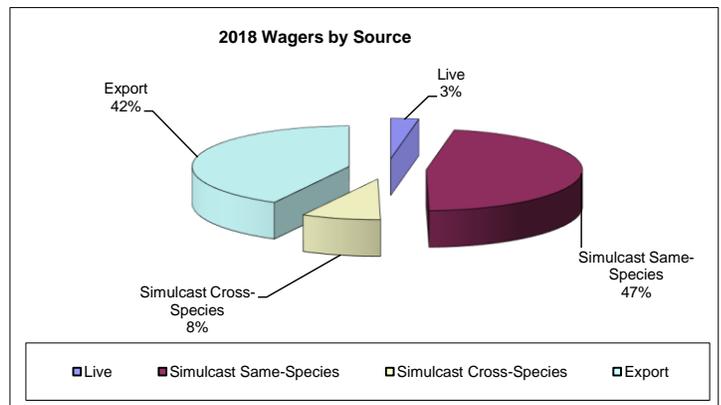
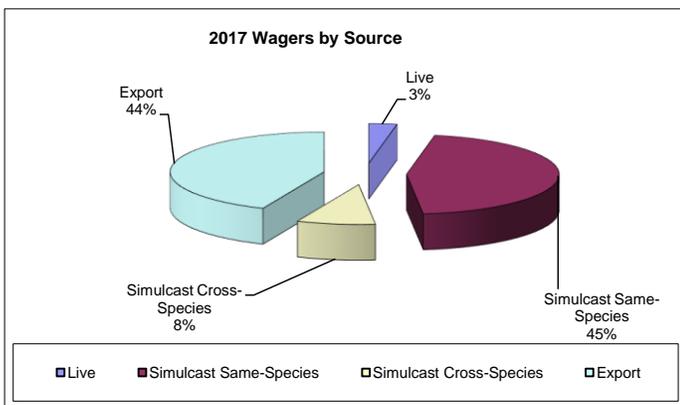


\*NOTE: All figures are based on data available at the time this report was compiled and are subject to being audited and revised.



## Horse Racetrack Wagering Statistics Comparison Report on Total Wagers Placed in Texas & on Texas Races For the Period of January 1 through March 31

	Year 2017			Year 2018			Percentage Change	
	# Days	Wagers (Handle)*		# Days	Wagers (Handle)*		Wagers (Handle)	
		Total	Average per day		Total	Average per day	Total	Average per day
<b>Gillespie County Fair</b>								
Live	0	\$ -	\$ -	0	\$ -	\$ -	0.00%	0.00%
Simulcast Same-Species	51	\$ 635,781	\$ 12,466	51	\$ 1,035,281	\$ 20,300	62.84%	62.84%
Simulcast Cross-Species	51	\$ 125,505	\$ 2,461	51	\$ 103,291	\$ 2,025	-17.70%	-17.70%
Export	0	\$ -	\$ -	0	\$ -	\$ -	0.00%	0.00%
<b>Total Wagers</b>		<b>\$ 761,286</b>			<b>\$ 1,138,572</b>		<b>49.56%</b>	
<b>Lone Star Park</b>								
Live	0	\$ -	\$ -	0	\$ -	\$ -	0.00%	0.00%
Simulcast Same-Species	90	\$ 23,096,978	\$ 256,633	90	\$ 24,626,710	\$ 273,630	6.62%	6.62%
Simulcast Cross-Species	90	\$ 1,756,939	\$ 19,522	90	\$ 2,000,552	\$ 22,228	13.87%	13.87%
Export	0	\$ -	\$ -	0	\$ -	\$ -	0.00%	0.00%
<b>Total Wagers</b>		<b>\$ 24,853,918</b>			<b>\$ 26,627,263</b>		<b>7.14%</b>	
<b>Retama Park</b>								
Live	0	\$ -	\$ -	0	\$ -	\$ -	0.00%	0.00%
Simulcast Same-Species	90	\$ 7,949,511	\$ 88,328	89	\$ 7,659,415	\$ 86,061	-3.65%	-2.57%
Simulcast Cross-Species	90	\$ 1,987,866	\$ 22,087	89	\$ 1,648,813	\$ 18,526	-17.06%	-16.12%
Export	0	\$ -	\$ -	0	\$ -	\$ -	0.00%	0.00%
<b>Total Wagers</b>		<b>\$ 9,937,377</b>			<b>\$ 9,308,229</b>		<b>-6.33%</b>	
<b>Sam Houston Race Park</b>								
Live	33	\$ 2,962,106	\$ 89,761	34	\$ 2,947,033	\$ 86,677	-0.51%	-3.44%
Simulcast Same-Species	90	\$ 13,850,033	\$ 153,889	89	\$ 14,386,629	\$ 161,648	3.87%	5.04%
Simulcast Cross-Species	90	\$ 4,378,627	\$ 48,651	89	\$ 4,554,376	\$ 51,173	4.01%	5.18%
Export	33	\$ 43,717,715	\$ 1,324,779	34	\$ 42,939,495	\$ 1,262,926	-1.78%	-4.67%
<b>Total Wagers</b>		<b>\$ 64,908,481</b>			<b>\$ 64,827,533</b>		<b>-0.12%</b>	
<b>All Horse Tracks</b>								
Live	33	\$ 2,962,106	\$ 89,761	34	\$ 2,947,033	\$ 86,677	-0.51%	-3.44%
Simulcast Same-Species	321	\$ 45,532,304	\$ 141,845	319	\$ 47,708,036	\$ 149,555	4.78%	5.44%
Simulcast Cross-Species	321	\$ 8,248,938	\$ 25,698	319	\$ 8,307,032	\$ 26,041	0.70%	1.34%
Export	33	\$ 43,717,715	\$ 1,324,779	34	\$ 42,939,495	\$ 1,262,926	-1.78%	-4.67%
<b>Total Wagers</b>		<b>\$ 100,461,062</b>			<b>\$ 101,901,597</b>		<b>1.43%</b>	
<b>Total Wagers Placed in Texas</b>		<b>\$ 56,743,348</b>			<b>\$ 58,962,102</b>		<b>3.91%</b>	
<b>Total Wagers Placed on Texas Races</b>		<b>\$ 46,679,821</b>			<b>\$ 45,886,528</b>		<b>-1.70%</b>	



\*NOTE: All figures are based on data available at the time this report was compiled and are subject to being audited and revised.

## ENFORCEMENT ACTIVITY SUMMARY

Sam Houston Race Park concluded its Quarter Horse meet on May 12, 2018.

Lone Star Park's Thoroughbred meet opened on April 19, 2018, and runs through July 22, 2018.

Retama Park, Sam Houston Race Park, the Race Barn in Fredericksburg, Valley Race Park, Gulf Greyhound Park, and Gulf Coast Racing are currently conducting simulcast operations.

### Sam Houston Race Park – Quarter Horse Meet Rulings Activity from 3/30/18 through 5/30/18

Human Drug Violation	4
Jockey – Non-riding Infraction	2
Jockey – Riding Infraction	7
Conduct Violation	1
Medication Violation*	6
<u>Class 3</u>	
Clenbuterol - 4	
<u>Class 4</u>	
Phenylbutazone - 1	
Flunixin - 1	
Trainer Infractions	8
Licensing	4
Failure To Disclose	1
Contraband	25
Reciprocity	2
Failure To Pay Fine	4
<b>TOTAL</b>	<b>64*</b>

\*Does not include any rulings that have not been finalized through the appeals process.

**Lone Star Park – Thoroughbred Meet**  
Rulings Activity from 4/19/18 through 5/30/18

Jockey – Riding Infraction	5
Human Drug Violation	5
Financial Obligation	3
Conduct	1
Contraband	2
Reciprocity	3
<b>TOTAL</b>	<b>19*</b>

\*Does not include any rulings that have not been finalized through the appeals process.

### **III. GENERAL BUSINESS**

B. Discussion and possible action to approve  
Strategic Plan for Fiscal Years 2019-2023

**STRATEGIC PLAN**  
**FOR FISCAL YEARS 2019-2023**

**— TEXAS —**  
**RACING COMMISSION**

**DRAFT**



**Submitted June 8, 2018**



# Agency Strategic Plan

## For the Fiscal Years 2019-2023 Period

Submitted by:  
Texas Racing Commission

<b>Commissioners</b>	<b>Dates of Term</b>	<b>Hometown</b>
John T. Steen III, Chair	10/03/2011 - 2/01/2019	Houston
Ronald F. Ederer, Vice Chair	7/17/2007 - 2/01/2019	Corpus Christi
Gloria Hicks	11/09/2007 - 2/01/2017	Corpus Christi
Robert Schmidt, M.D.	11/09/2007 - 2/01/2017	Ft. Worth
Margaret Martin	11/06/2015 - 2/01/2021	Boerne

### **Ex-Officio Members**

Sid Miller, Commissioner, Texas Department of Agriculture	N/A	Stephenville
Steven P. Mach Chair, Public Safety Commission	N/A	Houston

June 8, 2018

Signed:



\_\_\_\_\_  
Chuck Trout, Executive Director

Approved:

\_\_\_\_\_  
John T. Steen III, Chair



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## **AGENCY MISSION**

### **THE COMMISSION**

The Texas Legislature created the Texas Racing Commission in 1986 to be the state agency responsible for overseeing and regulating pari-mutuel horse and greyhound racing in Texas. The Commission functions pursuant to authority granted in the Texas Racing Act, Vernon's Texas Civil Statutes, Art. 179e.

### **MISSION**

To enforce the Texas Racing Act and the Rules of Racing to ensure the safety, integrity and fairness of Texas pari-mutuel racing.

### **PHILOSOPHY**

The Texas Racing Commission performs its responsibilities in strict compliance with state laws. The agency conducts its regulatory activities fairly, consistently, efficiently and courteously.

## AGENCY GOALS AND ACTION PLAN

### GOAL #1: RACING SAFETY

The Texas Racing Commission (TxRC) is committed to ensuring the safety of racing for all licensees, participants and attendees of all pari-mutuel racing operations in Texas. All of the action items needed to achieve this goal are in place and ongoing as of June 1, 2018; however, the Commission remains vigilant for opportunities to improve and enhance Racing Safety standards as they arise.

#### ACTION ITEMS TO ACHIEVE GOAL:

- 1. Pre-race physical examinations** - Commission veterinarians perform pre-race examinations on each animal entered to race. These comprehensive exams are conducted on the day of the race and assist the commission veterinarians in determining if the animal is healthy and sound to race. On average, at horse tracks two commission veterinarians examine 70-100 animals per race day and the greyhound veterinarian will examine 80 dogs per race day.
- 2. Pre- and post-race drug testing** - On average, two horses and one greyhound from each race are selected for testing. Ordinarily, a blood and urine sample is collected from each horse and a urine sample from each greyhound to be tested for prohibited substances. Additionally, pre-race specimens are collected for TC02 testing from all participants in all stakes races
- 3. Facility/Track inspections** - The Commission helps ensure that pari-mutuel racing is safe for the participants and the public. To accomplish this, the Commission developed a comprehensive program for inspecting licensed racetracks and training facilities. Through this inspection program, the Commission oversees all pari-mutuel racetrack license holders to monitor and ensure compliance with Commission rules.
- 4. Necropsy studies** - The TxRC necropsy program for horses began in the spring of 2015 and is currently limited to the study of lower limbs harvested by commission veterinarians from those horses suffering catastrophic injuries during live-racing competition. The Texas A&M Veterinary Medical Diagnostic Laboratory (TVMDL) performs gross necropsy exams and reports all acute and chronic pathologic findings. The medical director evaluates this data to identify injury patterns and create corresponding profiles for at-risk horses. The program goal is to use the necropsy findings to protect the health, safety and welfare of horse and rider alike by preventing at-risk horses from racing. To achieve this goal, with the assistance of the IT department, the veterinary medical director can track a variety of necropsy study reports can be generated identifying the most common acute and chronic lesions identified in specific anatomical structures. In turn, this information may assist commission

veterinarians in identifying horses that are at risk for suffering race-related catastrophic injuries based on the presence of certain pre-existing pathological lesions.

- 5. Monitor and follow current research studies and conform with national industry standards**
- 6. Education/Awareness**

## **SUPPORTING STATEWIDE OBJECTIVES:**

1. TxRC supports accountability to its fee payers through the strict adherence to well-defined and enforceable safety standards for pari-mutuel racing in Texas.
2. As TxRC is self-funded by the entities and licensees it regulates, no taxpayer funds are used to support the safety goal. The agency continually monitors its policies and procedures to maximize efficiency and cost-effectiveness.
3. Ensuring the safety of all participants is one of TxRC's core functions and the agency maintains focus on the related performance measures, while also striving to identify opportunities for improvement.
4. Achieving the safety in racing goal is essential to helping the TxRC meet its customer service objective for all of the populations it serves, including the wagering public, licensees, race animals, animal breeders and more.
5. TxRC's safety in racing goal and all of the action items developed to help achieve it are fully transparent to all Texans and are in accordance with the Texas Racing Act and/or Rules of Racing.

## **GOAL #2: RACING INTEGRITY**

TxRC is committed to ensuring the integrity of all pari-mutuel racing operations in Texas. All of the action items needed to achieve this goal are in place and ongoing as of June 1, 2018; however, the Commission remains vigilant for opportunities to improve and enhance integrity standards as they arise.

### **ACTION ITEMS TO ACHIEVE GOAL:**

- 1. Pre-race physical examinations** - Commission veterinarians perform pre-race examinations on each animal entered to race. These comprehensive exams are conducted on the day of the race and assist the commission veterinarians in determining if the animal is healthy and sound to race. On average, at horse

# TEXAS RACING COMMISSION

## STRATEGIC PLAN FY 2019-2023

tracks two commission veterinarians examine 70-100 animals per race day and the greyhound veterinarian will examine 80 dogs per race day.

2. **Pre- and post-race drug testing** - On average, two horses and one greyhound from each race are selected for testing. Ordinarily, a blood and urine sample is collected from each horse and a urine sample from each greyhound to be tested for prohibited substances. Additionally, pre-race specimens are collected for TC02 testing from all participants in all graded stakes races
3. **Pari-mutuel systems testing and monitoring** - Pari-mutuel wagering inspections include a review of all aspects of the wagering operations, including the track's mutuel department, the tote company's operations and all related wagering equipment. In calendar year 2017, pari-mutuel auditors reviewed wagering data on 1,947 live races and 642,667 simulcast races to ensure proper reporting, collection, and distribution of funds. Audit staff also reviewed a total of 1,454 import and export simulcast requests for compliance with the Texas Racing Act, the Texas Rules of Racing, and the Interstate Horse Racing Act.
4. **Licensing (qualifications, good standing with the state)** - Agency staff issue occupational licenses to all individuals in positions with the opportunity to influence pari-mutuel wagering or likely to have significant access to the backside or restricted areas of a racetrack. In calendar year 2017, the Commission issued 5,911 occupational licenses. Of the licenses issued, 1,787 were new licenses and 4,124 were renewals.
5. **Facility/Track inspections** - The Commission helps ensure that pari-mutuel racing is safe for the participants and the public. To accomplish this, the Commission developed a comprehensive program for inspecting licensed racetracks and training facilities. Through this inspection program, the Commission oversees all pari-mutuel racetrack license holders to monitor and ensure compliance with Commission rules.

### SUPPORTING STATEWIDE OBJECTIVES:

1. TxRC supports accountability to its fee payers through the strict adherence to well-defined and enforceable integrity standards for pari-mutuel racing in Texas.
2. As TxRC is self-funded by the entities it regulates, no taxpayer funds are used to support the integrity goal. The agency continually monitors its policies and procedures to maximize efficiency and cost-effectiveness.
3. Ensuring integrity in racing is one of TxRC's core functions and the agency maintains focus on the related performance measures, while also striving to identify opportunities for improvement.

4. Achieving the integrity in racing goal is essential to helping the TxRC meet its customer service objective for all of the populations it serves, including the wagering public, licensees, race animals, animal breeders and more.
5. TxRC's integrity in racing goal and all of the action items developed to help achieve it are fully transparent to all Texans and are in accordance with the Texas Racing Act and/or Rules of Racing.

## GOAL #3: OPEN GOVERNMENT

An open government is the cornerstone of a free society. TxRC is committed to ensuring that all of its operations and activities are open and accessible to all citizens. All of the action items needed to achieve this goal are in place and ongoing as of June 1, 2018; however, the Commission remains vigilant for opportunities to improve and enhance open government standards as they arise.

### ACTION ITEMS TO ACHIEVE GOAL:

1. **Public commission meetings, disciplinary hearings, ad hoc committees and working groups** - The Texas Racing Commission holds at least six public meeting annually. The Commission's meetings are open to the public and, in addition to the required postings in the Texas Register, the agendas and agenda materials are posted on the agency's website before meetings. Transcripts of each Commission meeting are also available at [www.txrc.texas.gov](http://www.txrc.texas.gov).
2. **Rulings, financial data and other relevant information posted on website or available by request** - Financial data and most other agency-related information is available online at [www.txrc.texas.gov](http://www.txrc.texas.gov). All rulings issued by the Board of Stewards, the Board of Judges, and the Commission from 2008 to the present are available online through the Texas Open Data Portal located at [data.texas.gov](http://data.texas.gov).
3. **Timely fulfillment of Open Records requests** - In accordance with the Texas Public Information Act, the agency promptly responds to all Open Records requests for information that is not confidential by law or information for which an exception to disclosure has been sought.

### SUPPORTING STATEWIDE OBJECTIVES:

1. TxRC supports accountability to its fee payers through the strict adherence to well-defined and enforceable open government standards.

# TEXAS RACING COMMISSION STRATEGIC PLAN FY 2019-2023

2. As TxRC is self-funded by the entities it regulates, no taxpayer funds are used to support the open government goal. The agency continually monitors its policies and procedures to maximize efficiency and cost-effectiveness.
3. Ensuring open government is one of TxRC's core functions and the agency maintains focus on the related performance measures, while also striving to identify opportunities for improvement.
4. Achieving the open government goal is essential to helping the TxRC meet its customer service objective for all of the populations it serves, including the wagering public, licensees, race animals, animal breeders and more.
5. TxRC's open government goal and all of the action items developed to help achieve it are fully transparent to all Texans and are in accordance with the Texas Racing Act and/or Rules of Racing, and the state's and Public Information Act.

## **GOAL #4: FISCAL RESPONSIBILITY**

TxRC emphasizes fiscal responsibility by ensuring that all expenditures fulfill regulatory requirements, enhance security, improve customer service and/or boost productivity. All of the action items needed to achieve this goal are in place and ongoing as of June 1, 2018; however, the Commission remains vigilant for opportunities to improve and enhance Fiscal Responsibility standards as they arise.

### **ACTION ITEMS TO ACHIEVE GOAL:**

1. Establish and monitor budget for FY2020-21 biennium to maximize efficiency
2. Review performance measures for continued usefulness and ensure accuracy of data collected and reported
3. Monitor cost effectiveness of all travel and purchases
4. Strict oversight of controls over payroll and expenditure processing
5. Pursue continuing education in Budget, Purchasing and Human Resources

### **SUPPORTING STATEWIDE OBJECTIVES:**

1. TxRC supports accountability to its fee payers through the strict adherence to well-defined and enforceable fiscal responsibility standards.

2. As TxRC is self-funded by the entities it regulates, no taxpayer funds are used to support the fiscal responsibility goal. The agency continually monitors its policies and procedures to maximize efficiency and cost-effectiveness.
3. Fiscal responsibility is one of TxRC's core functions and the agency maintains focus on the related performance measures, while also striving to identify opportunities for improvement.
4. Achieving the fiscal responsibility goal is essential to helping the TxRC meet its customer service objective for all of the populations it serves, including the wagering public, licensees, race animals, animal breeders and more.
5. TxRC's fiscal responsibility goal and all of the action items developed to help achieve it are fully transparent to all Texans and are in accordance with the Texas Racing Act and/or Rules of Racing.

## **GOAL #5: CUSTOMER SERVICE**

TxRC is committed to providing high quality customer service to all of its service populations. All of the action items needed to achieve this goal are in place and ongoing as of June 1, 2018; however, the Commission remains vigilant for opportunities to improve and enhance customer service standards as they arise.

### **ACTION ITEMS TO ACHIEVE GOAL:**

1. Streamlining licensing process with improved accessibility
2. Conducting a biannual Customer Service Survey
3. Protecting personal identifying information
4. Responding to customer complaints and concerns

### **SUPPORTING STATEWIDE OBJECTIVES:**

1. TxRC supports accountability to its fee payers by providing high quality customer service to all of its service populations.
2. As TxRC is self-funded by the entities it regulates, no taxpayer funds are used to support the Customer Service goal. The agency continually monitors its policies and procedures to maximize efficiency and cost-effectiveness.

3. Providing high quality Customer Service is one of TxRC's core functions and the agency maintains focus on the related performance measures, while also striving to identify opportunities for improvement.
4. The Customer Service goal provides an essential service to all of the populations TxRC serves, including the wagering public, licensees, race animals, animal breeders and more.
5. TxRC's Customer Service goal and all of the action items developed to help achieve it are fully transparent to all Texans and will be in accordance with the Texas Racing Act and/or Rules of Racing.

## **GOAL #6: COMBAT ORGANIZED CRIME ON RACETRACKS**

TxRC develops working relationships with local, state, and federal law enforcement agencies as well as other stake holders working within the industry to identify, investigate, and disseminate intelligence critical in interdicting and halting organized crime. With the continued illegal activities of Mexican drug cartels and a sustained interest in the sport of horse racing, money laundering, hidden ownership and illegal betting schemes continues to rise. Illegal "brush tracks" operating within the state attract these criminal elements and often times the participating racehorses and individuals migrate to licensed pari-mutuel racetracks in Texas. All of the action items needed to achieve this goal are in place and ongoing as of June 1, 2018; however, the Commission remains vigilant for opportunities to improve and enhance efforts to enhance the fight against organized crime as they occur as they arise.

### **ACTION ITEMS TO ACHIEVE GOAL:**

1. Continue to build multi-jurisdictional networks (in-state and out-of-state) capable of disseminating timely investigative and intelligence information related to organized criminal activities identified within the racing industry.
2. Enhance the state's ability to develop actionable intelligence and conduct complex criminal investigations by:
  - Increasing investigative resources through the hiring, educating, and training of additional law enforcement officers
  - Increasing the agency's IT capabilities to provide stronger data mining, target association, and more efficient electronic sharing with share holders
3. TxRC investigators can help disrupt organized criminal groups through timely

license suspensions and revocations by working closely with the agency's legal staff and the Boards of Stewards.

4. Provide expert investigative resources to conduct or assist in major racing related criminal cases throughout the state

## **SUPPORTING STATEWIDE OBJECTIVES:**

1. TxRC supports accountability to its fee payers by seeking to reduce and/or eliminate organized crime activity at Texas pari-mutuel racetracks..
2. As TxRC is self-funded by the entities it regulates, no taxpayer funds are used to support the Combat Organized Crime on Racetracks goal. The agency continually monitors its policies and procedures to maximize efficiency and cost-effectiveness.
3. TxRC's Combat Organized Crime on Racetracks goal supports several of TxRC's core functions and the agency maintains focus on the related performance measures, while also striving to identify opportunities for improvement.
4. The Combat Organized Crime on Racetracks goal provides an essential service to all of the populations TxRC serves, including the wagering public, licensees, race animals, animal breeders and more.
5. TxRC's Combat Organized Crime on Racetracks goal and all of the action items developed to help achieve it are fully transparent to all Texans and will be in accordance with the Texas Racing Act and/or Rules of Racing, and all of the action items developed to help achieve it are fully transparent to all Texans and will be in accordance with the Texas Racing Act and/or Rules of Racing.

**REDUNDANCIES AND IMPEDIMENTS**

<b>REDUNDANCIES AND IMPEDIMENTS #1</b>	
<b>SERVICE, STATUTE, RULE, OR REGULATION (PROVIDE SPECIFIC CITATION IF APPLICABLE)</b>	Texas Racing Act Sec. 5.01(d). Fees.(codified as Tex. Occ. Code Sec. 2025.001, effective April 1, 2019)
<b>DESCRIBE WHY THE SERVICE, STATUTE, RULE, OR REGULATION IS RESULTING IN INEFFICIENT OR INEFFECTIVE AGENCY OPERATIONS</b>	The agency's revenue stream, based almost entirely on license fees, is not reliable. In 2016, three tracks ceased paying fees totaling \$690,000, creating a funding shortfall that brought the agency perilously close to closing its doors in 2017 due to inadequate revenue.
<b>PROVIDE AGENCY RECOMMENDATION FOR MODIFICATION OR ELIMINATION</b>	Consider alternative funding structures (e.g.: reallocate portion of outstanding ticket revenue, reallocate portion of simulcast tax).
<b>DESCRIBE THE ESTIMATED COST SAVINGS OR OTHER BENEFIT ASSOCIATED WITH RECOMMENDED CHANGE</b>	Certainty of funding to support the agency's mission of ensuring safety, integrity, and fairness or pari-mutuel racing.

<b>REDUNDANCIES AND IMPEDIMENTS #2</b>	
<b>SERVICE, STATUTE, RULE, OR REGULATION (PROVIDE SPECIFIC CITATION IF APPLICABLE)</b>	Texas Government Code Sec. 441.184. Records Management Officers.  Texas Government Code Sec. 2054.136. Designated Information Security Officer.
<b>DESCRIBE WHY THE SERVICE, STATUTE, RULE, OR REGULATION IS RESULTING IN INEFFICIENT OR INEFFECTIVE AGENCY OPERATIONS</b>	The Texas Government Code mandates designation of a Records Management Officer and an Information Security Officer, but provides no additional appropriations to fund these positions.
<b>PROVIDE AGENCY RECOMMENDATION FOR MODIFICATION OR ELIMINATION</b>	Provide appropriate appropriations and FTEs to fund these two positions.
<b>DESCRIBE THE ESTIMATED COST SAVINGS OR OTHER BENEFIT ASSOCIATED WITH RECOMMENDED CHANGE</b>	These two positions would benefit operations and bring the agency into compliance with the two Codes.

# TEXAS RACING COMMISSION STRATEGIC PLAN FY 2019-2023

<b>REDUNDANCIES AND IMPEDIMENTS #3</b>	
<b>SERVICE, STATUTE, RULE, OR REGULATION (PROVIDE SPECIFIC CITATION IF APPLICABLE)</b>	Texas Racing Act Sec. 3.15 (codified as Tex. Occ. Code Sec. 2033.152, effective April 1, 2019).
<b>DESCRIBE WHY THE SERVICE, STATUTE, RULE, OR REGULATION IS RESULTING IN INEFFICIENT OR INEFFECTIVE AGENCY OPERATIONS</b>	TxRC hearings are becoming increasingly complex and costly as more licensees choose to contest penalties, which have increased in an effort to deter violations.
<b>PROVIDE AGENCY RECOMMENDATION FOR MODIFICATION OR ELIMINATION</b>	Grant the Commission authority to recoup costs of litigation from licensees found guilty of violations.
<b>DESCRIBE THE ESTIMATED COST SAVINGS OR OTHER BENEFIT ASSOCIATED WITH RECOMMENDED CHANGE</b>	Approximately \$10,000-30,000/year in savings to the agency.

<b>REDUNDANCIES AND IMPEDIMENTS #4</b>	
<b>SERVICE, STATUTE, RULE, OR REGULATION (PROVIDE SPECIFIC CITATION IF APPLICABLE)</b>	Texas Racing Act Sec. 1.03(72) (codified as Tex. Occ. Code Sec. 2025.001, effective April 1, 2019)
<b>DESCRIBE WHY THE SERVICE, STATUTE, RULE, OR REGULATION IS RESULTING IN INEFFICIENT OR INEFFECTIVE AGENCY OPERATIONS</b>	Statutory definition of “prohibited substance” requires expert testimony to establish that the substance is, in its use or intended use, “reasonably capable of influencing or affecting the outcome of a race in a manner contrary to [the] Act or a Commission rule.” In a recent case, the Commission was unable to find an expert witness until shortly before the hearing, calling into question the ability of the agency to prosecute what was otherwise a well-established, well-documented drug positive.
<b>PROVIDE AGENCY RECOMMENDATION FOR MODIFICATION OR ELIMINATION</b>	Delete subsection (A), leaving “is prohibited by a commission rule regulating the unlawful influence of a race.”
<b>DESCRIBE THE ESTIMATED COST SAVINGS OR OTHER BENEFIT ASSOCIATED WITH RECOMMENDED CHANGE</b>	Some potential cost savings, but more importantly, this change would plug a “loophole” that could jeopardize prosecution of otherwise clear drug cases.

# TEXAS RACING COMMISSION STRATEGIC PLAN FY 2019-2023

<b>REDUNDANCIES AND IMPEDIMENTS #5</b>	
<b>SERVICE, STATUTE, RULE, OR REGULATION (PROVIDE SPECIFIC CITATION IF APPLICABLE)</b>	Texas Racing Act Sec. 5.03. Fingerprints.(codified as Tex. Occ. Code Sec. 2025.003, effective April 1, 2019)
<b>DESCRIBE WHY THE SERVICE, STATUTE, RULE, OR REGULATION IS RESULTING IN INEFFICIENT OR INEFFECTIVE AGENCY OPERATIONS</b>	The Act currently requires the Commission to resubmit fingerprints every three years for occupational license renewals. However, there is no longer a Federal Bureau of Investigations (FBI) requirement for resubmitting fingerprints submitted after June 1, 2015.
<b>PROVIDE AGENCY RECOMMENDATION FOR MODIFICATION OR ELIMINATION</b>	Amend the Act to remove the requirement to resubmit fingerprints every three years for occupational license renewals.
<b>DESCRIBE THE ESTIMATED COST SAVINGS OR OTHER BENEFIT ASSOCIATED WITH RECOMMENDED CHANGE</b>	No savings to the Commission, per se, but will make the Act consistent with current FBI requirements. Will result in a savings of \$27 every three years for occupational license applicants.

<b>REDUNDANCIES AND IMPEDIMENTS #6</b>	
<b>SERVICE, STATUTE, RULE, OR REGULATION (PROVIDE SPECIFIC CITATION IF APPLICABLE)</b>	Texas Racing Act Sec. 6.08. Special Provisions Relating to Horse Racing: Deductions from Pool; Allocations of Shares and Breakage.(codified as Tex. Occ. Code Sec. 2028.103, effective April 1, 2019)
<b>DESCRIBE WHY THE SERVICE, STATUTE, RULE, OR REGULATION IS RESULTING IN INEFFICIENT OR INEFFECTIVE AGENCY OPERATIONS</b>	TxRC is charged with monitoring the Texas-Bred programs. Almost \$3.5 million flows through the agency's budget for this purpose; however, the agency receives no additional allocation for this service.
<b>PROVIDE AGENCY RECOMMENDATION FOR MODIFICATION OR ELIMINATION</b>	Allocate a certain percentage of Texas-Bred funds to agency to fund monitoring activity.
<b>DESCRIBE THE ESTIMATED COST SAVINGS OR OTHER BENEFIT ASSOCIATED WITH RECOMMENDED CHANGE</b>	A 3 percent allocation would represent approximately \$105,000 for the agency.

# TEXAS RACING COMMISSION STRATEGIC PLAN FY 2019-2023

<b>REDUNDANCIES AND IMPEDIMENTS #7</b>	
<b>SERVICE, STATUTE, RULE, OR REGULATION (PROVIDE SPECIFIC CITATION IF APPLICABLE)</b>	GAA, Article IX, Section 6.08, 85 <sup>th</sup> Leg., R.S Benefits Paid Proportional by Method of Finance
<b>DESCRIBE WHY THE SERVICE, STATUTE, RULE, OR REGULATION IS RESULTING IN INEFFICIENT OR INEFFECTIVE AGENCY OPERATIONS</b>	The agency is required to pay for health insurance premiums for employees who retire from the agency and for their dependents. The length of service at the agency is not a consideration, e.g., one employee retired after one month of service at the Racing Commission.
<b>PROVIDE AGENCY RECOMMENDATION FOR MODIFICATION OR ELIMINATION</b>	Recommend agency contribute proportionately for this benefit depending upon the employee's length of service with TxRC.
<b>DESCRIBE THE ESTIMATED COST SAVINGS OR OTHER BENEFIT ASSOCIATED WITH RECOMMENDED CHANGE</b>	This contribution is estimated to be \$395,000 in FY 2018.

## **SCHEDULES**

<b>A. BUDGET STRUCTURE.....</b>	<b>15</b>
<b>B. PERFORMANCE MEASURE DEFINITIONS.....</b>	<b>18</b>
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## SCHEDULE A: BUDGET STRUCTURE

### I. OBJECTIVES AND OUTCOME MEASURES

**Goal A. Enforce Racing Regulation**  
{V.T.C.S. Art. 179e, § 3.02; § 3.021; § 15.03}

**Goal B. Regulate Participation in Racing**  
{V.T.C.S. Art. 179e, § 3.02; § 3.021; § 3.16; Article 7}

**Goal C. Regulate Pari-mutuel Wagering in Texas**  
{V.T.C.S. Art. 179e, § 11.01; § 11.011}

<b>Goal A: Enforce Racing Regulation</b>	
<b>Objective 1: Regulate pari-mutuel racetracks effectively so that each racetrack inspection is 100% compliant.</b>	
Outcome Measures	1.1.1 Percentage of racetracks with an inspection score of 100% 1.1.2 Percentage of deficiency items closed
<b>Objective 2: Provide oversight of Texas-bred Incentive Program funds.</b>	
Outcome Measure	1.2.1 Percentage increase in Texas-bred accredited horses 1.2.2 Percentage increase in Texas-bred accredited greyhounds
<b>Objective 3: Reduce the rate of rulings per occupational licensee to 1:25.</b>	
Outcome Measures	1.3.1 Average number of rulings per occupational licensee 1.3.2 Recidivism rate for those receiving disciplinary action 1.3.3 Percentage of investigations (individual) resulting in disciplinary action 1.3.4 Percentage of licensees with no recent violations
<b>Objective 4: Reduce the percentage of race animals that sustain a catastrophic injury that results in death or euthanasia as a result of participating in pari-mutuel races to less than 0.2% for horses and 0.2% for greyhounds.</b>	
Outcome Measures	1.4.1 Percentage of race horses that sustain a catastrophic injury leading to death or euthanasia as a result of participating in a pari-mutuel race 1.4.2 Percentage of greyhounds that sustain a catastrophic injury leading to death or euthanasia as a result of participating in a pari-mutuel race 1.4.3 Ratio of drug positive tests for prohibited substances or overages of therapeutic medications in horses per 1,000 samples 1.4.4 Ratio of drug positive tests for prohibited substances or overages of therapeutic medications in greyhounds per 1,000 samples

# TEXAS RACING COMMISSION STRATEGIC PLAN FY 2019-2023

<b>Goal B: Regulate Participation in Racing</b>	
<b>Objective 1: Maintain the efficiency of the occupational licensing process to ensure all individuals licensed are qualified.</b>	
Outcome Measures	2.1.1 Percent of new eligible individual licenses issued online 2.1.2 Percent of licensees who renew online
<b>GOAL C: Regulate Pari-Mutuel Wagering</b>	
<b>Objective 1: Increase the pass rate for initial tote tests and compliance audits</b>	
Outcome Measures	3.1.1 Percentage of scenarios within the totalizator (tote) tests passed on the first run 3.1.2 Percentage of compliance audits passed

## II. STRATEGIES AND OUTPUT, EFFICIENCY AND EXPLANATORY MEASURES

<b>Goal A: Enforce Racing Regulation</b>	
<b>Strategy 1.1.1: Provide Regulatory and Enforcement Services to Racetrack Owners.</b>	
Output Measures	1.1.1.1 Number of complaints regarding racetrack operations closed 1.1.1.2 Number of racetrack inspections
Explanatory Measures	1.1.1.1 Number of horse racetracks regulated 1.1.1.2 Number of greyhound racetracks regulated
<b>Strategy 1.2.1: Provide oversight of Texas-bred Incentive Program funds.</b>	
Output Measure	1.2.1.1 Number of Texas-bred awards for horses 1.2.1.2 Number of Texas-bred awards for greyhounds
<b>Strategy 1.3.1: Supervise the conduct of racing through enforcement of regulations and monitoring of races.</b>	
Output Measures	1.3.1.1 Number of live races conducted 1.3.1.2 Number of rulings issued against occupational licensees 1.3.1.3 Number of occupational licenses suspended or revoked
<b>Strategy 1.3.2: Monitor occupational licensee activities.</b>	
Output Measures	1.3.2.1 Number of investigations completed 1.3.2.2 Number of complaints received against licensees
<b>Strategy 1.4.1: Inspect and provide emergency care.</b>	
Output Measure	1.4.1.1 Number of horses inspected pre-race 1.4.1.2 Number of greyhounds inspected pre-race

Explanatory Measures	<p>1.4.1.1 Number of horses that expire or must be euthanized as a result of participating in a pari-mutuel race</p> <p>1.4.1.2 Number of greyhounds that expire or must be euthanized as a result of participating in a pari-mutuel race</p> <p>1.4.1.3 Number of euthanized horses that are necropsied</p>
<b>Strategy 1.4.2: Administer the drug testing program.</b>	
Output Measure	<p>1.4.2.1 Number of horse specimens collected for testing for the presence of prohibited substances or overage of therapeutic medications</p> <p>1.4.2.2 Number of greyhound specimens collected for testing for the presence of prohibited substances or overage of therapeutic medications</p>

<b>Goal B: Regulate the Participation in Racing</b>	
<b>Strategy 2.1.1: Administer the occupational licensing programs through enforcement of regulations.</b>	
Output Measures	<p>2.1.1.1 Number of new occupational licenses issued</p> <p>2.1.1.2 Number of occupational licenses renewed</p>
Efficiency Measure	2.1.1.1 Average regulatory cost of issuing and maintaining an occupational license
Explanatory Measure	2.1.1.1 Total number of individuals licensed
<b>Strategy 2.1.2: Provide for the processing of occupational license, registrations, or permit fees through TexasOnline.</b>	
<b>Goal C: Regulate Pari-mutuel Wagering</b>	
<b>Strategy 3.1.1: Regulate Pari-mutuel wagering to maintain an honest racing industry.</b>	
Output Measures	<p>3.1.1.1 Number of live and simulcast races audited and reviewed</p> <p>3.1.1.2 Number of compliance audits completed</p> <p>3.1.1.3 Number of tote tests completed</p>
Efficiency Measure	3.1.1.1 Average cost to audit and review a live or simulcast race
Explanatory Measures	<p>3.1.1.1 Total pari-mutuel handle (amount wagered, in millions)</p> <p>3.1.1.2 Total take to the State Treasury from pari-mutuel wagering</p> <p>3.1.1.3 Ratio of simulcast handle to live handle</p>

**SCHEDULE B: PERFORMANCE MEASURE  
DEFINITIONS**

**Performance measure definitions are not  
included in this draft.**

**SCHEDULE C. HISTORICALLY UNDERUTILIZED  
BUSINESS (HUB) PLAN**

The Commission remains committed to the state’s program that encourages purchasing from historically underutilized businesses. The Commission will make a good faith effort to utilize HUBs in the procurement process of all goods and services; whenever applicable for any dollar amount. The Commission will always strive to exceed the HUB Statewide goals whenever possible. Although not a significant purchasing power, using less than 5 percent of its operating budget for purchases, the Commission routinely exceeds its goal of 23 percent of total purchases with HUBs.

To establish procurement and contracting good faith efforts the Commission will identify, solicit, and utilize qualified HUBs in all applicable procurement opportunities. The Commission will use the Centralized Master Bidders List (CMBL) to determine the availability of HUBs. The Commission also will utilize statewide contracts generated by the Comptroller of Public Accounts and Department of Information Resources when available.

**HUB Expenditures as a Percentage of Total (HUB Eligible)  
Expenditures by Procurement Category**

	<b>SPECIAL TRADE</b>	<b>PROFESSIONAL SERVICES</b>	<b>OTHER SERVICES</b>	<b>COMMODITIES</b>	<b>TOTAL EXPENDITURES</b>
2013	12.8%	100.0%	33.5%	69.4%	41.7%
2014		100.0%	26.2%	70.4%	41.7%
2015		100.0%	10.3%	59.7%	26.8%
2016		100.0%	24.8%	41.2%	31.4%
2017		100.0%	26.9%	82.0%	34.4%

## SCHEDULE D: WORKFORCE PLAN

### AGENCY OVERVIEW

The Texas Racing Commission (TxRC) regulates all aspects of pari-mutuel horse and greyhound racing through licensing, on-site monitoring and enforcement. Statute and rule require the Commission to:

- License racetracks that offer racing and the people directly involved with pari-mutuel wagering who work at the racetracks or own race animals.
- Allocate race dates, supervise the conduct of all races, monitor the health and safety of the race animals, and conduct drug tests to ensure the animals race without prohibited substances.
- Oversee all pari-mutuel wagering activity, approve simulcasts, test the totalisator systems (complex computer systems that tally and calculate pari-mutuel wagers), and ensure the proper allocation and distribution of revenue generated by pari-mutuel wagering.
- Administer the Texas-bred Incentive Program, which provides economic incentives to support a healthy and vigorous breeding industry in the state.

The General Appropriations Act authorized the agency to have 46.4 full-time equivalent positions (FTEs) in FY 2018 and FY 2019. This is down from the 51.2 authorized FTEs in FY 2016 and FY 2017. While the Racing Act requires the Commission's headquarters to be in Austin, a large number of staff members work at the operating racetracks. Many of the employees outside Austin are seasonal, working only when the racetracks conduct live racing.

TxRC's workforce features a diverse collection of professions that includes auditors, veterinarians, stewards, racing judges, investigators, licensing staff and support personnel.

TxRC maintains field offices at the three operating Class 1 horse tracks. Additionally, staff is always present when any track is conducting live racing.

The agency's structure features an executive group and support staff headed by the executive director, as well as a deputy executive director responsible for regulatory and field staff.

The Commission is self-funded by the entities it regulates and is typically appropriated only GR-Dedicated funds. The agency's revenue primarily comes from fees assessed to racetracks and occupational licensees.

Excluding Texas-bred Incentive Program pass-through funds, approximately 70 percent of the agency's operating budget is used for salaries.

## AGENCY MISSION AND PHILOSOPHY

The mission of the Texas Racing Commission is to enforce the Texas Racing Act and its rules to ensure the safety, integrity, and fairness of Texas pari-mutuel racing. The Texas Racing Commission performs its responsibilities in strict compliance with state laws. The agency conducts its regulatory activities fairly, consistently, efficiently, and courteously.

## STRATEGIC GOALS AND OBJECTIVES

Goal A. Enforce Racing Regulation	
Objective 1:	Regulate Pari-mutuel Racetracks Effectively
Strategy 1:	Provide Regulatory and Enforcement Services to Racetrack Owners
Objective 2:	Increase the Number of Texas-bred Race Animals Competing
Strategy 1:	Allocate Texas-bred Funds to Breed Registries
Objective 3:	Reduce the Rate of Rulings per Occupational Licensee
Strategy 1:	Supervise the Conduct of Racing through Enforcement and Monitoring
Strategy 2:	Monitor Occupational Licensees Activities
Objective 4:	Reduce the Percentage of Race Animals Injured or Dismissed
Strategy 1:	Inspect and Provide Emergency Care
Strategy 2:	Administer Drug Tests
Goal B. Regulate Participation	
Objective 1:	Maintain the Efficiency of the Occupational Licensing Process
Strategy 1:	Administer the Occupational Licensing Programs through Enforcement
Strategy 2:	TexasOnline
Goal C. Regulate Pari-mutuel Wagering	
Objective 1:	Increase Pass Rate for Initial Tote Test and Compliance Audits
Strategy 1:	Regulate Pari-mutuel Wagering to Maintain an Honest Racing Industry
Goal D. Indirect Administration	
Objective 1:	Indirect Administration
Strategy 1:	Central Administration and Other Support Services
Strategy 2:	Information Resources

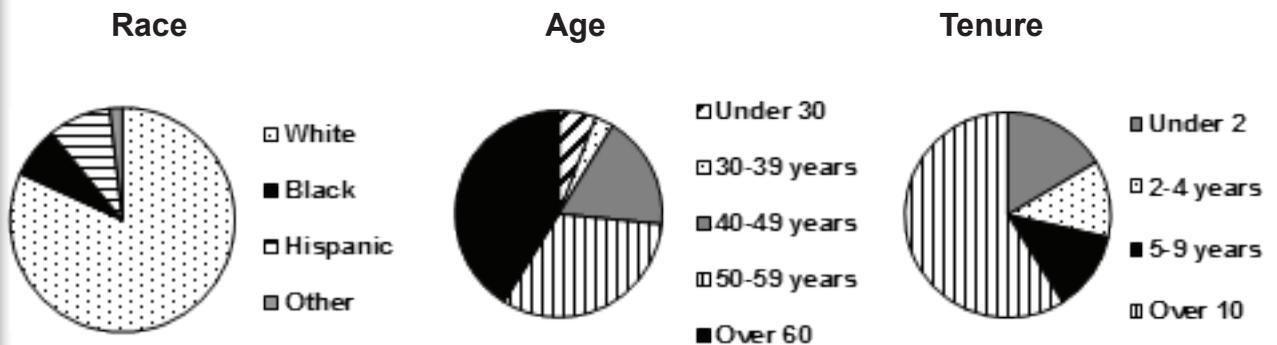
## Anticipated Changes in Strategies

The agency may require changes to its goals or strategies over the next five years in order to mirror any changes to the Texas Racing Act that affect the Commission's regulatory responsibilities.

## CURRENT WORKFORCE PROFILE (SUPPLY ANALYSIS)

### Demographics (Fiscal Year 2017)

The Commission's workforce is 56 percent male, 44 percent female. The charts below further breakdown the Commission's workforce:



Compared to the statewide civilian figures supplied by the Texas Workforce Commission, Civil Rights Division, the Commission's workforce breaks down as follows:

		ADMINISTRATION	PROFESSIONALS	PARA-PROFESSIONALS	ADMINISTRATIVE SUPPORT
White	Agency	85.7%	94.1%	88.90%	53.8%
	State	61.1%	55.8%	33.2%	42.4%
African American	Agency	14.3%	5.8%	0.0%	15.4%
	State	11.0%	11.0%	35.0%	18.1%
Hispanic	Agency	0.0%	0.0%	11.1%	30.7%
	State	15.4%	15.8%	29.7%	31.9%
Female	Agency	42.9%	35.3%	16.7%	92.3%
	State	53.2%	56.2%	70.4%	82.1%
Male	Agency	57.1%	64.7%	83.3%	7.70%
	State	46.8%	43.8%	29.6%	17.9%

### Retirement Eligibility

According to the information from the state's USPS payroll system using age and years of state service, 12 of the agency's current employees, or 30 percent of FTEs, will be eligible to retire between 2018 and 2023. During current FY 2018, the agency employs 12 'return-to-work' retirees. Almost half of the staff occupies positions that require specialized skills or professional training that cannot be supplied by the agency through on-the-job training.

## Employee Turnover

Turnover is an important issue in any organization and the Commission is no exception. In 2017, the Commission had a turnover rate of 11.8 percent, down from 31.1 percent in 2016. Retaining qualified and experienced staff will be the biggest workforce challenge the Commission will face for the next five years. The following table compares the average of the Commission turnover to the state as a whole.

### TURNOVER RATES

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
AGENCY	8.0%	6.5%	21.9%	31.1%	11.8%
STATEWIDE	17.5%	17.6%	17.5%	17.6%	18.6%

SOURCE: SAO Electronic Classification Analysis System (E-Class)

## Critical Workforce Skills

In addition to general administrative and clerical abilities, the agency's workforce must possess the following skills for the Commission to accomplish its mission:

- Monitoring/reviewing live races for interference/misconduct
- Inspecting race animals for fitness
- Performing audits on pari-mutuel wagering activity
- Conducting racing-related investigations
- Developing and maintaining a specialized database and agency-wide computer network
- Interpreting statutes/drafting rules
- Practicing conflict resolution
- Enforcement of the Texas Racing Act and Rules of Racing

## **FUTURE WORKFORCE PROFILE (DEMAND ANALYSIS)**

### **Critical Functions**

Assuming no change in statutory responsibilities, the Commission expects its current functions to continue in the future:

- Licensing racetracks that offer racing and the people directly involved with pari-mutuel wagering who work at the racetracks or own race animals.
- Monitoring activities by racetrack personnel and occupational licensees for compliance with regulatory requirements.
- Supervising the conduct of the races.
- Monitoring the health and safety of the race animals and collecting specimens for drug tests.
- Overseeing all pari-mutuel wagering activity and testing totalisator equipment.
- Investigating and resolving complaints about licensees.
- Auditing the operation of racetracks and official breed registries' incentive programs.

### **Change in Number of Employees Required to Accomplish Mission**

Assuming no significant increase in wagering or live racing activity, the Commission expects no increase in the number of FTEs required to accomplish its mission beyond what has been appropriated. For each new horse racetrack that begins simulcasting and live racing, the Commission will require up to an additional five FTEs to effectively regulate the wagering and racing activities in accordance with the Texas Racing Act and the Commission's rules.

### **Future Workforce Skills Required**

In the future, the Commission will need to accomplish more with less in an increasingly tight budgetary environment. As the racing industry matures and changes with technology, the Commission's workforce must remain keenly aware of its regulatory role. All of the critical skills listed below will continue to be needed and, as technology moves ahead, advanced competencies in these skills will need to be obtained and maintained:

- Creativity and problem solving
- Communication
- Commitment to learning
- Leadership and team-building

- Organizational awareness
- External awareness
- Flexibility
- Integrity and honesty
- Computer literacy
- Software proficiency
- Web development and maintenance expertise

## GAP ANALYSIS

### Anticipated Surplus/Shortage of Employees or Skills

With approximately 30 percent of its workforce eligible for retirement by FY 2023 and with another 30 percent consisting of return-to-work retirees, the Commission projects a shortage in staffing and skill levels needed to meet future requirements. These shortages will be across the agency staffing in all departments. Additionally, the Commission continues to have difficulty retaining qualified veterinarians due to significant differences in agency salaries compared to those in the private sector.

## **IV. PROCEEDINGS ON MATTERS RELATED TO AGENCY FUNDING**

A. Discussion and possible action regarding third-party economy, efficiency, and effectiveness audit

B. Discussion and possible action to propose amendments to 16 TAC §309.8, Racetrack License Fees

These amendments, if proposed and subsequently adopted, would modify the racetrack license fees by extending the current fee structure through February 2019 and then revert to the previous fee structure with the following exceptions:

- (1) the base fee for Class 1 tracks would be \$540,000 instead of \$500,000
- (2) the base number of days for Class 1 tracks would be 25 days per track

**CHAPTER 309 RACETRACK LICENSES AND OPERATIONS**

**SUBCHAPTER A RACETRACK LICENSES**

**RULE § 309.8 RACETRACK LICENSE FEES**

1 (a) Purpose of Fees. An association shall pay a license fee to the Commission to pay  
2 the Commission's costs to administer and enforce the Act, and to regulate, oversee, and  
3 license live and simulcast racing at racetracks.

4 (b) Fees for The Period From [State Fiscal Year Beginning] September 1, 2018,  
5 Through February 28, 2019.

6 (1) Base [Annual] License Fee. A licensed racing association shall pay a ~~[an annual]~~  
7 license fee in the following annualized amount: ~~[- The annual license fee for each license~~  
8 ~~type is as follows:]~~

9 (A) for a Class 1 racetrack, \$714,650;

10 (B) for a Class 2 racetrack, \$127,600;

11 (C) for a Class 3 or 4 racetrack, \$35,725; and

12 (D) for a Greyhound racetrack, \$204,175.

13 (2) Adjustment of Fees. Annualized fees are calculated using a ~~[projected]~~ base of  
14 68 days of live horse racing and 36 performances of live greyhound racing per fiscal  
15 year. To cover the additional regulatory cost in the event additional days or  
16 performances are requested by the associations the executive secretary may:

17 (A) recalculate a horse racetrack's annualized fee by adding \$6,313 for each live  
18 day added beyond the base;

19 (B) recalculate a greyhound racetrack's annualized fee by adding \$750 for each  
20 live performance added beyond the base; and

21 (C) review the original or amended race date request submitted by each  
22 association to establish race date baselines for specific associations if needed.

23 (3) Payment of Fee. Each association shall pay its license fee by remitting to the  
24 Commission 1/12 of its annualized fee on the first business day of each month.

25 ~~[Beginning on March 9, 2018, and on the first day of each remaining month of the 2018~~  
26 ~~fiscal year, each association shall pay its annual license fee by remitting to the~~  
27 ~~Commission 1/6th of the fee remaining due as of March 5, 2018.]~~

28 (c) Unless the Commission Amends These Provisions, Fees for The Period Beginning  
29 March 1, 2019 [State Fiscal Years Beginning September 1, 2018, and Thereafter]:

30 (1) Base [Annual] License Fee. A licensed racing association shall pay a ~~[an annual]~~  
31 license fee in the following annualized amount:~~]. The annual license fee for each license~~  
32 ~~type is as follows:]~~

- 33 (A) for a Class 1 racetrack, \$540,000 ~~[714,650]~~;
- 34 (B) for a Class 2 racetrack, \$230,000 ~~[427,600]~~;
- 35 (C) for a Class 3 or 4 racetrack, \$70,000 ~~[35,725]~~; and
- 36 (D) for a Greyhound racetrack, \$360,000 ~~[204,175]~~.

37 (2) Adjustment of Fees. Annualized fees are calculated using a ~~[projected]~~ base of  
38 83 ~~[143]~~ days of live horse racing and 270 performances of live greyhound racing per  
39 fiscal ~~[calendar]~~ year. To cover the additional regulatory cost in the event additional  
40 days or performances are requested by the associations the executive secretary may:

- 41 (A) recalculate a horse racetrack's annualized fee by adding \$3,750 for each live  
42 day added beyond the base;
- 43 (B) recalculate a greyhound racetrack's annualized fee by adding \$750 for each  
44 live performance added beyond the base; and
- 45 (C) review the original or amended race date request submitted by each  
46 association to establish race date baselines for specific associations if needed.

47 (3) Payment of Fee.

48 (A) For the period from March 1 through August 31, 2019:

49 (1) On the first business day of the month, an [An] association that is  
50 conducting live racing or simulcasting shall pay its ~~[annual]~~ license fee by remitting to  
51 the Commission 1/6 ~~[1/12<sup>th</sup>]~~ of the fee remaining due as of March 1, 2019 ~~[on the first~~  
52 ~~business day of each month]~~.

53 (2) ~~[(B)]~~ On the first business day of the fiscal quarter, an [An] association that  
54 is not conducting live racing or simulcasting shall pay its ~~[annual]~~ license fee by  
55 remitting to the Commission 1/2 of the fee remaining due as of March 1, 2019 ~~[in four~~  
56 ~~equal installments on September 1, December 1, March 1, and June 1 of each fiscal~~  
57 ~~year]~~.

58 (B) For the period beginning September 1, 2019:

59           (1) An association that is conducting live racing or simulcasting shall pay its  
60 license fee by remitting to the Commission 1/12 of the total fee on the first business day  
61 of each month.

62           (2) An association that is not conducting live racing or simulcasting shall pay  
63 its license fee in four equal installments on September 1, December 1, March 1, and  
64 June 1 of each fiscal year.

65 (d) If the executive secretary determines that the total revenue from the [~~annual~~] fees  
66 exceeds the amount needed to pay those costs, the executive secretary may order a  
67 moratorium on all or part of the [~~annual~~] license fees remitted monthly by any or all of  
68 the associations. Before entering a moratorium order, the executive secretary shall  
69 develop a formula for providing the moratorium in an equitable manner among the  
70 associations. In developing the formula, the executive secretary shall consider the  
71 amount of excess revenue received by the Commission, the source of the revenue, the  
72 Commission's costs associated with regulating each association, the Commission's  
73 projected receipts for the next fiscal year, and the Commission's projected expenses  
74 during the next fiscal year.

## **V. OTHER PROCEEDINGS ON RULES**

Discussion and possible action to propose amendments to:

### **A. 16 TAC §311.5, License Fees**

These amendments, if proposed and subsequently adopted, would waive the license fee for four license types that either are charitable in nature (chaplain, chaplain assistant, adoption program personnel) or work on behalf of the Commission (test barn technician).

**CHAPTER 311      OTHER LICENSES**  
**SUBCHAPTER A    LICENSING PROVISIONS**  
**RULE § 311.5      LICENSE FEES**

1 (a) – (c) No change.

2 (d) The fee for an occupational license is as follows:

3 <b>Type of License</b>	<b>1 Year Fee</b>	<b>2 Year Fee</b>	<b>3 Year Fee</b>
4 Adoption Program Personnel .....	\$ 0 [ <del>25</del> ]		
5 Announcer .....	\$ 35		
6 Apprentice Jockey .....	\$ 75		
7 Assistant Farrier/Plater/Blacksmith.....	\$ 25		
8 Assistant Starter .....	\$ 25		
9 Assistant Trainer .....	\$ 100		
10 Assistant Trainer/Owner.....	\$ 100		
11 Association Assistant Management .....	\$ 50		
12 Association Management Personnel.....	\$ 75		
13 Association Officer/Director .....	\$ 100		
14 Association Other .....	\$ 75		
15 Association Staff .....	\$ 35		
16 Association Veterinarian.....	\$ 75		
17 Authorized Agent.....	\$ 15		
18 Chaplain.....	\$ 0 [ <del>25</del> ]		
19 Chaplain Assistant.....	\$ 0 [ <del>25</del> ]		
20 Equine Dental Provider .....	\$100		
21 Exercise Rider .....	\$ 25		
22 Farrier/Plater/Blacksmith .....	\$ 75		
23 Groom/Exercise Rider .....	\$ 25		
24 Groom/Hot Walker.....	\$ 25		
25 Groom/Pony Person.....	\$ 25		
26 Jockey .....	\$ 100	\$200	\$300
27 Jockey Agent.....	\$ 100		
28 Kennel .....	\$ 75		
29 Kennel Helper .....	\$ 25		

30	Kennel Owner .....	\$ 100	.....	\$ 200	.....	\$ 300
31	Kennel Owner/Owner .....	\$ 100	.....	\$ 200	.....	\$ 300
32	Kennel Owner/Owner-Trainer .....	\$ 100	.....	\$ 200	.....	\$ 300
33	Kennel Owner/Trainer .....	\$ 100	.....	\$ 200	.....	\$ 300
34	Lead-Out .....	\$ 25				
35	Maintenance.....	\$ 35				
36	Medical Staff .....	\$ 35				
37	Miscellaneous .....	\$ 25				
38	Multiple Owner .....	\$ 35	.....	\$ 70	.....	\$ 105
39	Mutuel Clerk .....	\$ 35				
40	Mutuel Other .....	\$ 35				
41	Owner.....	\$ 100	.....	\$ 200	.....	\$ 300
42	Owner-Trainer .....	\$ 100	.....	\$ 200	.....	\$ 300
43	Pony Person.....	\$ 25				
44	Racing Industry Representative .....	\$ 100				
45	Racing Industry Staff .....	\$ 30				
46	Racing Official .....	\$ 50				
47	Security Officer.....	\$ 30				
48	Stable Foreman.....	\$ 50				
49	Tattooer.....	\$ 100				
50	Test Technician.....	\$ 0 [25]				
51	Trainer.....	\$ 100	.....	\$ 200	.....	\$ 300
52	Training Facility Employee .....	\$ 30				
53	Training Facility General Manager .....	\$ 50				
54	Valet.....	\$ 25				
55	Vendor Concessionaire.....	\$ 100				
56	Vendor/Concessionaire Employee .....	\$ 30				
57	Vendor/Totalisator .....	\$ 500				
58	Vendor/Totalisator Employee .....	\$ 50				
59	Veterinarian.....	\$ 100	.....	\$ 200	.....	\$ 300
60	Veterinarian Assistant .....	\$ 30				

## **V. OTHER PROCEEDINGS ON RULES**

Discussion and possible action to propose amendments to:

### **B. 16 TAC §311.104, Trainers**

These amendments, if proposed and subsequently adopted, would expand the list of who cannot take over for a suspended trainer. Currently, members of the suspended trainer's household and relatives within the first degree of affinity or consanguinity (parent, child, or spouse) may not take over for a suspended trainer. These amendments would expand the prohibition to include anyone who is related to the suspended trainer by blood or by marriage and anyone who has worked for the trainer within the last 12 months, with an exception for cases in which the executive secretary has waived the prohibition in writing.

**CHAPTER 311      OTHER LICENSES**  
**SUBCHAPTER B    SPECIFIC LICENSEES**  
**RULE § 311.104   TRAINERS**

1    (a) – (h) (No change.)

2    (i) Suspended, Revoked or Ineligible Horse Trainers.

3        (1) Upon the suspension, revocation or denial of a trainer’s license, the trainer shall  
4    notify each owner for whom he or she trains horses of the suspension, revocation or  
5    denial.

6        (2) Except as specifically permitted by the executive director in writing, a [A] person  
7    may not assume the responsibilities of a horse trainer who is ineligible to be issued a  
8    license or whose license is suspended or revoked if the person:

9        (A) is related to the trainer by blood or by marriage; ~~[within the first degree of~~  
10 ~~consanguinity or affinity.]~~

11        (B) is related to the spouse of the trainer by blood or by marriage; or

12        (C) has been an employee of the trainer within the previous year.

13        (3) A person who assumes the care, custody, or control of the horses of a  
14    suspended, revoked or ineligible horse trainer may not:

15        (A) receive any compensation regarding those horses from the suspended,  
16    revoked or ineligible trainer;

17        (B) pay any compensation regarding those horses to the suspended, revoked or  
18    ineligible trainer;

19        (C) solicit or accept a loan of anything of value from the suspended, revoked or  
20    ineligible trainer; or

21        (D) use the farm or individual name of the suspended, revoked or ineligible  
22    trainer when billing customers.

23        (4) A person who assumes the care, custody, or control of the horses of a  
24    suspended, revoked or ineligible trainer is directly responsible for all financial matters  
25    relating to the care, custody, or control of the horses.

26        (5) On request by the Commission, a suspended, revoked or ineligible trainer or a  
27    person who assumes the care, custody, or control of the horses of a suspended,  
28    revoked or ineligible trainer shall permit the Commission to examine all financial or  
29    business records to ensure compliance with this section.

## **V. OTHER PROCEEDINGS ON RULES**

Discussion and possible action to propose amendments to:

### **C. 16 TAC §313.168, Scale of Weights for Age**

These amendments, if proposed and subsequently adopted, would increase the weight to be carried by a quarter horse, paint horse, or Appaloosa horse in races by two to four pounds, depending on the age of the horse.

**CHAPTER 313      OFFICIALS AND RULES OF HORSE RACING**  
**SUBCHAPTER B    ENTRIES, SCRATCHES, AND ALLOWANCES**  
**RULE § 313.168    SCALE OF WEIGHTS FOR AGE**

- 1    (a) (No change.)
- 2    (b) Except for a race in which the conditions expressly provide otherwise, the weight to
- 3    be carried by a quarter horse, paint horse, or Appaloosa horse in a race during all
- 4    months and for all distances shall be as follows:
- 5    (1) for two year olds, 124 [~~120~~] pounds;
- 6    (2) for three year olds, 125 [~~123~~] pounds; and
- 7    (3) for four year olds and older, 128 [~~126~~] pounds.

## **V. OTHER PROCEEDINGS ON RULES**

Discussion and possible action to propose amendments to:

### **D. 16 TAC §313.405, Whips and Other Equipment**

These amendments, if proposed and subsequently adopted, would change the term “whip” to “crop” throughout this rule and would also establish the specifications for an acceptable crop.

**CHAPTER 313 OFFICIALS AND RULES OF HORSE RACING**

**SUBCHAPTER D RUNNING OF THE RACE**

**RULE § 313.405 CROPS [WHIPS] AND OTHER EQUIPMENT**

1 (a) The use of a crop [whip] is not required and a jockey who uses a crop [whip] during  
2 a race may do so only in a manner consistent with using the jockey's best efforts to win.

3 The correct uses of a crop [whip] include:

4 (1) showing the crop [whip] to the horse before hitting the horse;

5 (2) using the crop [whip] in rhythm to the horse's stride; and

6 (3) using the crop [whip] as an aid to keep a horse running straight.

7 ~~[(b) A whip used in races must be at least 1/4-inch in diameter and have a looped  
8 leather "popper" affixed to one end. The whip must have at least three rows of leather  
9 feathers above the popper and each feather must be at least one inch long. The popper  
10 must be at least 1 1/4 inch wide and three inches long. A whip may not exceed one  
11 pound in weight or 31 inches in length, including the popper.]~~

12 (b) All riding crops are subject to inspection and approval by the stewards and the clerk  
13 of scales. Riding crops shall have a shaft and a flap and will be allowed only as follows:

14 (1) maximum weight of eight ounces;

15 (2) maximum length, including flap, of 30 inches;

16 (3) minimum diameter of the shaft of three-eighths inch;

17 (4) shaft contact area must be smooth, with no protrusions or raised surface, and  
18 covered by shock absorbing material that gives a compression factor of at least one  
19 millimeter throughout its circumference; and

20 (5) the flap is the only allowable attachment to the shaft and must meet these  
21 specifications:

22 (A) length beyond the end of the shaft shall not exceed one inch;

23 (B) width shall be between 0.8 inch and 1.6 inches;

24 (C) no reinforcements or additions beyond the end of the shaft;

25 (D) no binding within seven inches of the end of the shaft; and

26 (E) shock absorbing characteristics similar to those of the contact area of the  
27 shaft.

28 (c) If a jockey is to ride without a crop [whip], the stewards shall ensure that fact is  
29 announced over the public address system.

30 (d) A jockey may not strike [whip] a horse:

31 (1) on the head, flanks, or on any part of the horse's body other than the shoulders  
32 or hind quarters;  
33 (2) excessively or brutally causing welts or breaks in the skin;  
34 (3) in the post parade except when necessary to control the horse;  
35 (4) when the horse is clearly out of the race or has obtained its maximum placing; or  
36 (5) persistently, if the horse is not responding to the crop [~~whip~~].  
37 (e) A jockey may not ride in a race unless the jockey wears a safety vest meeting the  
38 requirements of §311.218 of this title (relating to Safety Equipment). A safety vest may  
39 weigh no more than two pounds.  
40

## **V. OTHER PROCEEDINGS ON RULES**

Discussion and possible action to propose amendments to:

### **E. 16 TAC §319.3, Medication Restricted**

These amendments, if proposed and subsequently adopted, would ban clenbuterol at all times, eliminating the current threshold of 140 pg/mL in urine. A horse found to have clenbuterol in its system shall be placed on the Veterinarian's List for at least 60 days and would have to test negative to be removed from the list. The draft also includes an exception for therapeutic use of clenbuterol if it is prescribed by a licensed veterinarian and the use is reported to the Commission within 24 hours of initiating treatment, at which time the horse is placed on the Veterinarian's List for at least 30 days and must test negative to be removed from the list.

**CHAPTER 319 VETERINARY PRACTICES AND DRUG TESTING**

**SUBCHAPTER A GENERAL PROVISIONS**

**RULE § 319.3 MEDICATION RESTRICTED**

1 (a) Except as otherwise provided by this section, a horse or greyhound participating in a  
2 race may not carry in its body a prohibited drug, chemical, or other substance.

3 (b) Furosemide at or below the approved tolerance level in a horse that has been admitted  
4 to the furosemide program is permissible. The maximum permissible concentration  
5 ~~[approved tolerance level]~~ shall be published on the list of therapeutic drugs posted under  
6 subsection (c) of this section.

7 (c) ~~[Levels of]~~ Therapeutic drugs that are ~~[which are therapeutic and]~~ necessary for  
8 treatment of illness or injury in race animals are permissible, provided that:

9 (1) the therapeutic drug is on a written list of permissible levels of therapeutic  
10 medications that is approved by the executive secretary, maintained by the commission  
11 veterinarian, and posted in the commission veterinarians' office; and

12 (2) the ~~[maximum permissible urine or blood]~~ concentration of the drug does not  
13 exceed the maximum permissible concentration ~~[published limit, if any,]~~ on the written list  
14 of therapeutic drugs.

15 (d) Except as otherwise provided by this chapter, a person may not administer or cause  
16 to be administered to a horse or greyhound a prohibited drug, chemical, or other  
17 substance, by injection, ~~[by]~~ oral or topical administration, ~~[by]~~ rectal infusion or  
18 suppository, ~~[by]~~ nasogastric intubation, ~~[or by]~~ inhalation, or ~~[and]~~ any other means[.]  
19 during the 24-hour period before the post time for the race in which the animal is entered.

20 (e) A positive finding by a chemist of a prohibited drug, chemical, or other substance in a  
21 test specimen of a horse or greyhound collected on the day ~~[before or after the running]~~  
22 of a race, subject to the rules of the commission relating to split specimens, is prima facie  
23 evidence that the prohibited drug, chemical, or other substance was administered to the  
24 animal and was carried in the body of the animal while participating in a race.

25 (f) Except as provided in subsection (f)(2), clenbuterol is prohibited and shall not be  
26 administered to a horse participating in racing at any time.

27 (1) Any horse that is the subject of a finding by the stewards that a test specimen  
28 contains clenbuterol shall immediately be placed on the Veterinarian's List for not less  
29 than 60 days.

30 (A) In order to have a horse removed from the Veterinarian's List after being placed  
31 on the list under this subsection, the trainer must contact a commission veterinarian to  
32 schedule a time and test barn location where the horse must be presented after the  
33 sixtieth day in order for a commission veterinarian to obtain test specimens to be  
34 submitted to the official laboratory for testing.

35 (B) The cost of each test conducted under this section, including applicable  
36 shipping costs, shall be borne by the owner and must be paid in full at the time the  
37 specimens are shipped to the laboratory.

38 (C) The collected specimens must not have any detectable level of clenbuterol. If  
39 no detectable level of clenbuterol is present, the horse shall be removed from the  
40 Veterinarian's List. If a detectable level of clenbuterol is present, then the horse shall  
41 remain on the Veterinarian's List until such time that a test specimen reveals no  
42 detectable level of clenbuterol.

43 (D) A horse placed on the Veterinarian's List pursuant to this subsection may not  
44 be entered in a race until it has been removed from the list.

45 (2) A horse may only be administered clenbuterol if:

46 (A) the clenbuterol is prescribed by a licensed veterinarian;

47 (B) within 24 hours of initiating treatment, the trainer or owner has submitted to the  
48 Commission a form prescribed by the Commission and signed by the veterinarian,  
49 indicating:

50 (i) the name of the horse;

51 (ii) the name of the trainer;

52 (iii) the name of the veterinarian;

53 (iv) that the veterinarian has personally examined the horse and made an  
54 accurate clinical diagnosis justifying the clenbuterol prescription;

55 (v) the proper dosage and route of administration; and

56 (vi) the expected duration of treatment; and

57 (C) only FDA-approved clenbuterol that is labeled for use in the horse is prescribed  
58 and dispensed.

59 (3) A horse that has been administered clenbuterol under subsection (f)(2) shall be  
60 placed on the Veterinarian's List for a period ending not less than 30 days after the last

61 administration of the drug as prescribed, subject to a negative clenbuterol test before  
62 being removed from the list.

63 (A) In order to have a horse removed from the Veterinarian's List after being placed  
64 on the list pursuant to subsection (f)(2), the trainer must contact a commission  
65 veterinarian to schedule a time and test barn location where the horse must be presented  
66 after the thirtieth day in order for a commission veterinarian to obtain test specimens to  
67 be submitted to the official laboratory for testing.

68 (B) The cost of each test conducted under this section, including applicable  
69 shipping costs, shall be borne by the owner and must be paid in full at the time the  
70 specimens are shipped to the laboratory.

71 (C) The collected specimens must not have any detectable level of clenbuterol. If  
72 no detectable level of clenbuterol is present, the horse shall be removed from the  
73 Veterinarian's List. If a detectable level of clenbuterol is present, then the horse shall  
74 remain on the Veterinarian's List until such time that a test specimen reveals no  
75 detectable level of clenbuterol.

76 (D) A horse placed on the Veterinarian's List pursuant to subsection (f)(2) may not  
77 be entered in a race until it has been removed from the list.

May 18, 2018

Texas Racing Commission  
8505 Cross Park Dr Ste 110  
Austin, TX 78754

To the Honorable Members of the Texas Racing Commission:

I am writing to you on behalf of the American Quarter Horse Association to express our support of your proposed rule change making Clenbuterol a prohibited substance in the state of Texas.

AMERICAN  
QUARTER  
HORSE  
ASSOCIATION

AQHA has been endorsing such measures since 2016. We have done so because the widespread use of the drug has led to its abuse, as horsemen administer gross overages in order to seek a performance enhancing effect. Originally, Clenbuterol was a therapeutic medication used to treat horses for inflammatory airway disease or recurrent airway obstruction due to its vasodilation properties, which act to open the airways in the lungs. It has been prescribed for human use for the treatment of asthma in the form of an inhalant, but it has also been used at higher doses by bodybuilders to burn fat and build muscle. Racehorses are being administered large doses of the medication to seek this same advantage.

Described as a Beta 2 agonist, Clenbuterol has been banned in the livestock industry for more than 30 years because of the side effects it can have in humans who consume tainted food-animal products containing the drug compound. It has been a proven performance enhancer and muscle builder commonly referred to in the livestock industry as a repartitioning agent, which switches the animal from fat production to muscle production.

The International Olympic Committee has also had a long-time ban on Clenbuterol in athletes due to its performance-enhancing properties and dangerous side effects. Because of the nature of American Quarter Horse racing and the required explosive start and rapid acceleration of a race lasting under 21 seconds, muscle mass and "fast twitch" muscle strength become a premium and therefore a major reason we have seen the medication grossly abused in our industry.

Dr. Scott Stanley reported at the 2016 AQHA Racing Conference held at the Challenge Championships at Los Alamitos Race Course in California that illegally compounded Clenbuterol produced in unregulated, black market laboratories has been commonly found and confiscated as illegal contraband on the backside of racetracks. The drug has been discovered in dangerously high concentrations indicative of an overuse and abuse of the medication. Dr. Stanley explained that the use of Clenbuterol would likely give horses an unfair performance-enhancing impact and, at its worst, would produce the risk of a major equine welfare problem due to the potential side effects of the drug that could lead to death of the animal.

The AQHA Racing Committee and Racing Council have been dealing with this issue in an effort to protect the welfare of our horses, as well as the integrity of our sport. We have appealed to state commissions to evaluate this serious problem and collectively work toward the elimination and proper employment of deterrents for Clenbuterol. Many have come on board, and we applaud your decision to consider the issue in your upcoming meeting.

Please feel free to reach out to me if you have any questions regarding this matter.

Sincerely,



Janet VanBebber  
Chief Racing Officer

## **VI. PROCEEDINGS ON RACETRACKS**

Update and discussion regarding Gulf Coast Racing's  
2018-19 race meet



# Texas Racing Commission

P.O. BOX 12080, AUSTIN, TX 78711-2080  
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[www.txrc.texas.gov](http://www.txrc.texas.gov)

## MEMORANDUM

Date: May 10, 2018  
To: Chuck Trout, Executive Director  
Joel Speight, Deputy Executive Director  
From: Jim Blodgett, Director of Investigations  
Subject: Gulf Coast Racing - Safety and General Facility Condition Inspection

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On May 8, 2018, staff conducted a safety and general facility condition inspection of Gulf Coast Racing (GCR) along with Steve Lamb, GCR's General Manager and Norman Walters, Project Manager, City of Corpus Christi. TxRC staff included Jim Blodgett, Director of Investigations, Curtis Bolden, Investigator, Ricky Walker, Chief Judge/Steward, and Trey James, Veterinary Medical Director.

GCR has a total of 36 granted live race dates that begin on December 26, 2018, and conclude on February 23, 2019. As the track last conducted live racing during calendar year 2007, this inspection was to determine the current condition of the facility and viability for live racing in six months.

The inspection included the racing paddock, veterinarian offices, greyhound lock-out area, and the racing officials' tower located in the grandstand area. In addition, the team inspected the racetrack and other outdoor common areas.

The public parking areas, general front public access area, and simulcast wagering area were in acceptable condition.

However, other areas, including the racing officials' offices and the race operations area on the top floors of the main building were in poor condition. In these areas, there is evidence of roof leaks, ceiling tiles were either missing or in need of repair, falling air conditioning ducts, and the general office conditions were dirty and in need of general maintenance. To meet the city's inspection standards, several plumbing repairs are needed.

The paddock area is in very poor condition, with exposed electrical wiring, falling air conditioning ducts and ceiling tiles, roof breaches, and missing plumbing fixtures. The air conditioners must be replaced and the area needs painting. According to Project

Manager Walters, some of the metal window framing will need to be replaced due to rust.

The kennel buildings were overgrown with grass/weeds and assorted bushes. General Manager Lamb stated the air conditioners and water lines would need to be repaired or replaced.

The race track is eroded and overgrown with grass/weeds. The exterior portion of the tote board needs to be replaced, the lure rail needs to be repaired or replaced, and the wooden track perimeter fence needs to be replaced. General Manager Lamb did not know the condition of any exterior building or racetrack lighting.

According to Project Manager Walters, the facility would require substantial repairs to the track, the paddock, and kennel areas before live racing would be approved by the city, but continued operations within the main building are safe at this time.

Once repairs are completed, staff will perform a formal inspection of the GCR facility to ensure the facility and operations are in full compliance with all rules related to live racing.