

TEXAS

RACING COMMISSION

LEGISLATIVE APPROPRIATIONS REQUEST

For Fiscal Years 2014 and 2015

TEXAS RACING COMMISSION

COMMISSIONER	TERM EXPIRES	HOMETOWN
ROBERT SCHMIDT, MD, CHAIR	2017	FORT WORTH
RONALD F. EDERER	2013	CORPUS CHRISTI
GARY P. ABER, DVM	2015	SIMONTON
GLORIA HICKS	2017	CORPUS CHRISTI
MICHAEL F. MARTIN, DVM	2015	SAN ANTONIO
JOHN T. STEEN, III	2013	HOUSTON
VICKI SMITH WEINBERG	2015	COLLEYVILLE
EX-OFFICIO MEMBERS		
SUSAN COMBS, COMPTROLLER OF PUBLIC ACCOUNTS		AUSTIN
ALLAN B. POLUNSKY, PUBLIC SAFETY COMMISSION DESIGNEE		SAN ANTONIO

www.txrc.state.tx.us ♦ 512-833-6699
PO Box 12080 ♦ Austin, TX 78711



CERTIFICATE FROM THE TEXAS RACING COMMISSION

This is to certify that the information contained in the Legislative Appropriations Request filed with the Legislative Budget Board (LBB) and the Governor's Office of Budget, Planning and Policy (GOBPP) is accurate to the best of my knowledge and that the electronic submission to the LBB via the Automated Budget and Evaluation System of Texas (ABEST) and the bound paper copies are identical.

Additionally, should it become likely at any time that unexpended balances will accrue for any account the LBB and the GOBPP will be notified in writing in accordance with Article IX, Section 7.01 (2012-13 GAA).

Handwritten signature of Charles G. Trout in black ink.

Charles G. Trout
Executive Director

Handwritten signature of Robert Schmidt, M. D. in black ink.

Robert Schmidt, M. D.
Chairman

Date

8/8/12

Date

8-7-12

Handwritten signature of Samuel E. Jackson in black ink.

Samuel E. Jackson
Deputy Director for Finance and Wagering

Date

8-7-2012

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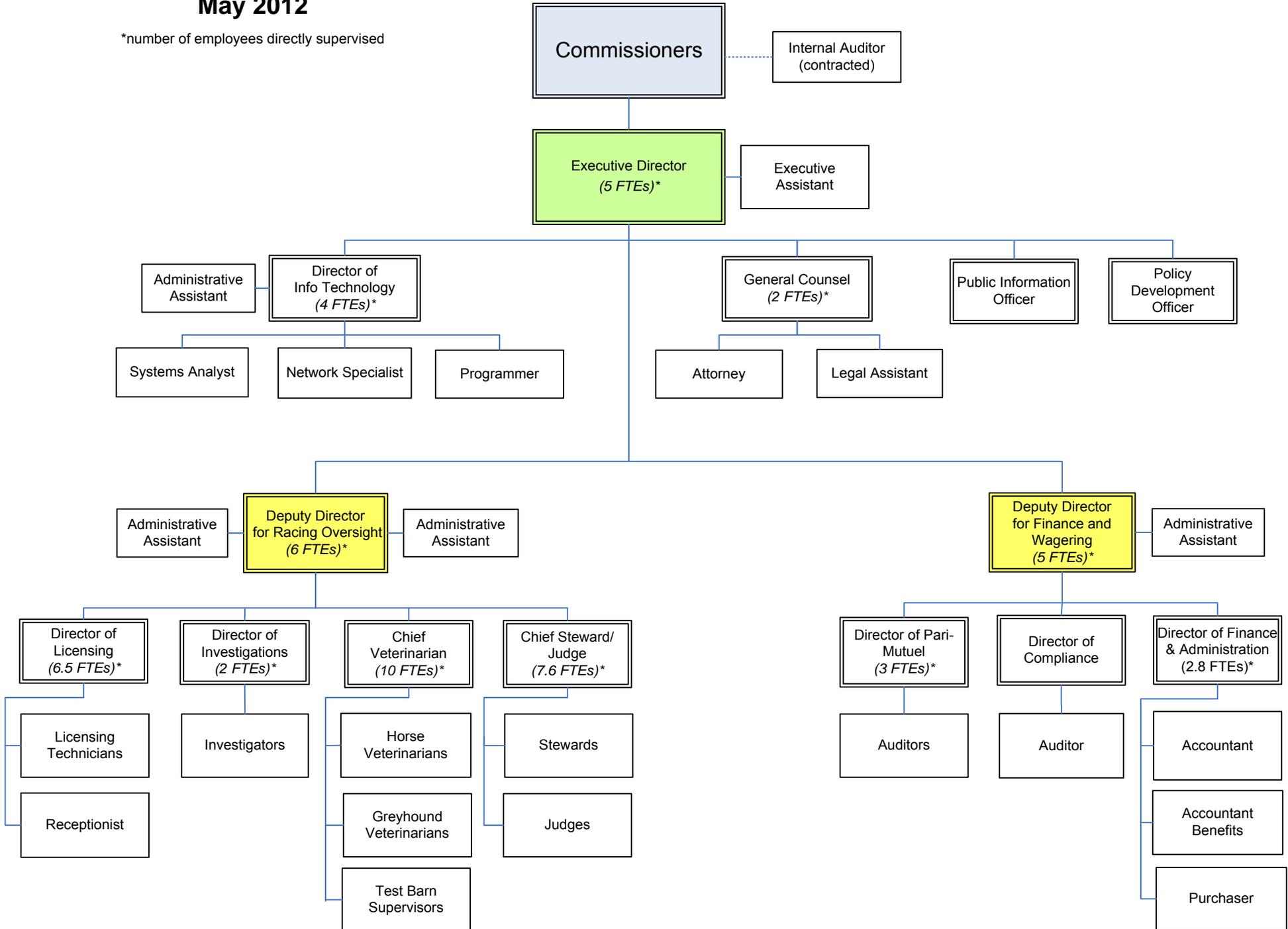
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TEXAS RACING COMMISSION

Organizational Chart

May 2012

*number of employees directly supervised



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The Racing Commission's policy-making board consists of nine members. Seven members are appointed by the Governor with the advice and consent of the Senate to serve six-year terms, and two are ex officio members, the Comptroller of Public Accounts and the Chair of the Public Safety Commission.

Commissioners, Term, Hometown

Robert Schmidt, M.D., Chair, 11/16/2007 – 02/01/2017, Fort Worth

Ronald F. Ederer, Vice Chair, 07/17/2007 – 02/01/2013, Corpus Christi

Gary P. Aber, D.V.M., 05/16/2012 – 02/01/2015, Simonton

Gloria Hicks, 11/09/2007 – 02/01/2017, Corpus Christi

Michael F. Martin, D.V.M., 11/03/2010 – 02/01/2015, San Antonio

John T. Steen III, 10/04/2011 – 02/01/2013, Houston

Vicki Weinberg, 04/08/2009 – 02/01/2015, Colleyville

Ex Officio Members

Susan Combs, Comptroller of Public Accounts, Austin

Allan B. Polunsky, Designee for Chair, Public Safety Commission, San Antonio

I. OVERVIEW

The Racing Commission continues to provide strict regulation of the racing industry in Texas. Texas currently has seven operational racetracks located throughout the state. These tracks host more than 1.5 million patrons for approximately 500 days of live racing of horses and greyhounds.

The agency's regulatory responsibilities require its employees to participate in the presentation and oversight of live racing throughout the year. Regulation at the track involves veterinary, licensing and auditing staff, stewards and judges, and law enforcement investigators. While the industry is experiencing a decline, the agency continues to license more than 10,500 active racing participants. The agency also uses complex computer systems to monitor more than \$319 million wagered at the tracks annually.

All agency regulatory efforts are made to protect the health, safety and welfare of every racing participant, including race animals, and to protect patrons from any illegal, dishonest, or corrupt activities that potentially could occur. Racing is a complicated industry, with complex regulations to administer, as racing participants, stakeholders, and local communities seek the significant financial benefits available through the development of the industry.

II. SIGNIFICANT POLICY CHANGES: SUNSET LEGISLATION AND METHOD OF FINANCE

A productive Sunset review process that began in the summer of 2007 resulted in a number of Sunset recommendations to the 81st Legislature; however, the Commission was one of five agencies whose Sunset legislation failed passage.

Although the Sunset Advisory Commission's original report concluded that the Commission is well-managed and meeting its mission, it noted that the Racing Commission is increasingly challenged because the Texas Racing Act has not kept pace with changes in the industry — specifically the decline in wagering and overall industry profits.

In 2011, the 82nd Legislature passed Sunset legislation that provides clearer statutory authority and gives the Racing Commission added flexibility to oversee today's racing industry. One of the bill's major provisions altered the Commission's method of finance.

Administrator's Statement

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The Commission has always been self-funded by the entities it regulates and is typically appropriated only General Revenue–dedicated funds. Before passage of 2011 Sunset legislation, however, the agency’s primary method of finance was uncashed outstanding ticket revenue, or OUTs.

The OUTs had become an unreliable and diminishing funding source for agency operations. OUTs revenue had been decreasing due to the general decline in wagering and innovations in betting technology, which meant fewer uncashed tickets.

Complicating matters further, OUTs revenue was difficult to forecast. This led to a situation for FY 2010 and FY 2011 in which the Legislature provided an additional \$1.5 million in General Revenue Funds. The additional funding helped compensate for fluctuations in the agency’s cash flow caused by unpredictable variations in the OUTs. The agency has repaid the \$1.5 million plus interest to General Revenue and does not foresee needing this assistance again.

As a result of the Sunset legislation, the agency’s revenue is now derived primarily from fees assessed to racetracks and occupational licensees. In place of the OUTs, which the tracks now retain, the agency, with interested stakeholder input, adopted a modified fee structure. The new structure ensures adequate cash flow and revenue to cover the agency’s expenses.

The Commission continues to be self-leveling — meaning that it is permitted to generate only enough to operate the agency — and the agency will exercise its authority to raise the funds necessary to cover the requested appropriations for FY 2014 and FY 2015.

Another of the Sunset bill’s major provisions addresses those racetrack licensees who have yet to construct a facility. It requires the Commission to designate each racetrack license as active or inactive and further requires the annual review and renewal of inactive licenses. The Commission is scheduled to designate the racetrack licenses as active or inactive at the August 2012 Commission Meeting. A plan to conduct the review and renewal process will follow once the designation process is completed. Currently, the agency oversees five association licenses without racetrack facilities.

During last session’s budgeting process, a rider related to the active and inactive portion of the Sunset bill authorized 2 additional FTEs. Rather than use the rider appropriation, the agency absorbed the FTEs within its existing base budget structure.

III. SIGNIFICANT EXTERNAL CHALLENGES

The Texas racing industry continues to be in a state of flux and the future is uncertain. The industry is subject to varying types of competition, ranging from the expansion of gaming and racing opportunities in neighboring states to unregulated sources of competition such as online gambling and unregulated racing. While recent Sunset legislation addresses some of these types of competition, such as prohibiting unlicensed entities that conduct online or phone wagering from accepting wagers placed by Texas citizens, it is not clear what the long-term effect will be on the Texas racing industry.

Due to the significant uncertainty, the Sunset Commission recommended that the next Sunset review of the agency occur in six years instead of the standard 12 years. Recommendation 4.1 states that “this would allow the Legislature the opportunity to re-evaluate the Commission’s role in regulating a declining industry at that time.” It also states that “the Commission may need additional tools to again readjust to a further decline or a revived industry.”

In the short-term, and as reflected in this LAR, the agency continues to allocate resources as efficiently as possible and work with racetracks to ensure that agency regulations are both fair and cost-effective.

IV. SIGNIFICANT CHANGES IN PROVISION OF SERVICES

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The racing industry has been in a state of decline for some time. The agency has become adept at rebalancing its regulatory priorities to address rapid and unexpected changes in the industry and the evolving business plans of industry participants.

Currently, the agency does not expect additional reductions in race dates for the foreseeable future. To the contrary, Texas could see additional racing-related activity in the state. For example, although Manor Downs — the oldest pari-mutuel track in the state — closed in July 2010, the license holders continue to maintain the track and seek new investors. Saddlebrook Park recently submitted an application to the Commission to open a temporary simulcast facility with plans to open for live racing within two years of initiating simulcast operations.

In fact, there are several racetrack license holders currently without facilities that could begin operation. Before any of these racetracks may open, the agency must review the plans, monitor the construction, and give final approval before the track may begin racing, training or wagering. Once a new racetrack begins simulcasting and live racing, the Commission will require up to an additional five FTEs to effectively regulate the wagering and racing.

With such uncertainty in the industry, the Commission is again requesting appropriations authority through the rider described in the next section.

Additionally, the industry may continue to pursue expanded gaming opportunities at tracks and the authorization of Advanced Deposit Wagering (ADW). Expanded gaming at tracks and/or the authorization of ADW could mean significantly expanded racing calendars and increased interest in opening tracks which currently are not up and running. Any legislative action to authorize expanded gaming at tracks and/or ADW also would have significant regulatory implications requiring additional staff at the agency and a modified salary structure for current staff.

V. PRIORITIZED EXCEPTIONAL ITEM REQUEST

The requested exceptional item corresponds to an existing rider that provides sufficient appropriation authority and flexibility for the Commission to meet a regulatory scenario based upon the opening of new tracks and the reactivation of closed tracks.

1. New Horse Racetrack or Reopening Horse Racetrack and Accredited Texas-bred Program Contingency Rider. This request would give the agency sufficient appropriation authority and FTEs to support additional regulatory activities associated with a new track that opens operations for the first time or a currently closed existing track that reopens in the biennium. The appropriation also includes related funding for the Texas-bred Incentive Fund.

VI. SUPPLEMENTAL SCHEDULE - 10% BIENNIAL BASE REDUCTION OPTIONS

Below is a summary of the biennial base reduction options. It is important to note that more than half of the Racing Commission's appropriation is statutorily dedicated pass-through revenue to the Texas-bred Incentive Program administered by the state's breed registries. Of the Commission's remaining portion of the operating budget appropriation, more than 80 percent is devoted to staff salaries. In order to comply with the reduction options requirement, the Commission proposes the following reductions:

1. Texas-bred Incentive Program. The schedule reflects an \$831,268 biennial reduction in appropriation authority for the Texas-bred Incentive Program. The money for this strategy is generated by wagers at Texas racetracks and is passed through the Commission to the official breed registries, which in turn pay out awards to Texas owners and breeders of race animals.
2. Eliminate Accounting Professional Fees and Services. The schedule reflects a reduction of \$10,000 that consists of professional fees and services related to preparing the agency's Annual Financial Report. This reduction will have a limited impact on the agency.
3. Eliminate Training Budgets. The schedule reflects a reduction of \$56,300 for the biennium for staff training. Although this reduction will not affect the agency's service population in the short-term, delaying training will have a long term effect on staff.
4. Texas-bred Incentive Program. The schedule reflects a \$418,732 biennial reduction in appropriation authority for the Texas-bred Incentive Program. The money for

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this strategy is generated by wagers at Texas racetracks and is passed through the Commission to the official breed registries, which in turn pay out awards to Texas owners and breeders of race animals.

5. Reduce Work Week. The schedule reflects a reduction of 1.2 FTEs and \$102,959 for the biennium. This reduction is achieved by reducing six staff from 40 hour work weeks to 32 hour work weeks in areas with the least impact to the agency's service population.

6. Delay Replacement of Computer Equipment. The schedule reflects a reduction of \$52,200 for the biennium related to the budget for the replacement of computer equipment in accordance with the Department of Information Resources' Life Cycle Recommendation Schedule. This reduction could affect the agency's information services capabilities.

7. Eliminate Wagering Integrity Professional Services. The schedule reflects a reduction of \$150,000 for the biennium related to the independent testing of wagering systems at the Texas racetracks as recommended by an SAO audit. The agency uses these professional services to assist with validating that the wagering systems are in compliance and that wagering activity reporting is accurate. This reduction will affect the agency's ability to regulate the wagering systems at Texas tracks.

8. Furlough Two Days Per Fiscal Year. The schedule reflects a reduction of \$41,797 for the biennium. The reduction is achieved by furloughing each employee for two days in each fiscal year. The reduction will have a limited affect on the agency's service populations.

VII. CHANGES TO EXEMPT POSITIONS

No changes.

VIII. BACKGROUND CHECKS: STATUTORY AUTHORITY AND AGENCY RULES AND PROCEDURES

STATUTE AND RULE:

The Commission has statutory authority to conduct background checks from two sources:

- 1) Government Code, Sec. 411.96 — authorizes the Commission to obtain from DPS criminal history record information that pertains to persons appointed to the Commission, applicants for employment by the Commission, and applicants for a license under the Texas Racing Act.
- 2) Texas Racing Act, Sec. 5.04 — authorizes the Commission to obtain any criminal history record information maintained by DPS or the FBI that relates to each applicant for employment by the Commission and to each applicant for a license issued. This section also authorizes the Commission to refuse to recommend an applicant who fails to provide a complete set of his or her fingerprints.

The Texas Rules of Racing are codified in Title 16, Part 8 of the Texas Administrative Code and require background checks on applicants for a racetrack license (Sec. 309.4) and applicants for an occupational license (Sec. 311.3). Both sections require that: 1) a licensure applicant must submit with the application documents a set of fingerprints in a form prescribed by DPS; 2) not later than 10 days after TxRC staff takes the fingerprints, the fingerprints must be forwarded to DPS; and 3) TxRC must obtain a criminal history record from DPS and the FBI for each individual who submits fingerprints.

Agency Process

To obtain a license, each applicant must complete a basic application, submit fingerprints for a criminal history background check and pay the DPS/FBI fingerprint processing fee, and pay a licensing fee. The agency sends all fingerprints electronically to DPS. DPS electronically forwards the fingerprints to the FBI for processing. The Commission's transition to electronic fingerprinting has shortened the amount of time it takes to receive criminal history information from DPS and the FBI. Currently, Commission staff re-fingerprints each occupational licensee and obtains a new FBI background check at the three-year renewal mark. Between renewal periods, TxRC investigators rely on updates from DPS which alert the Commission if a licensee is arrested in Texas.

IX. SUMMARY

The Commission regulates an industry — one that provides an entertainment and recreation experience for hundreds of thousands — that is large and complex. The agency and the industry face many challenges. It is the agency's mission to ensure that pari-mutuel racing is safe, honest and fair for all participants. Approval of the

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Legislative Appropriations Request – baseline budget, rider authorization requests, and exceptional item – will allow the Commission to continue providing effective and efficient regulation of this industry.

SESSION AGENCY MISSION

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DATE: 8/8/2012

TIME: 10:28:02AM

PAGE: 1 OF 1

Agency code: **476**

Agency name: **Racing Commission**

AGENCY MISSION

The Texas Racing Commission will enforce the Texas Racing Act and its rules to ensure safe racing facilities, fair and honest racing activities, and accountable use of economic incentives funded through pari-mutuel racing. The Commission will conduct its regulatory activities courteously and efficiently in a fair, just, and responsible manner.

2.A. Summary of Base Request by Strategy

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Goal / Objective / STRATEGY	Exp 2011	Est 2012	Bud 2013	Req 2014	Req 2015
1 Enforce Racing Regulations in Texas					
1 <i>Regulate Pari-mutuel Racetracks Effectively</i>					
1 LICENSE/REGULATE RACETRACKS	220,747	364,926	362,086	401,714	401,714
2 <i>Increase the Number of Texas Bred Race Animals Competing</i>					
1 TEXAS BRED INCENTIVE PROGRAM	3,384,864	4,125,000	4,125,000	4,125,000	4,125,000
3 <i>Reduce the Rate of Rulings Per Occupational Licensee</i>					
1 SUPERVISE & CONDUCT LIVE RACES	640,014	608,795	618,901	596,283	591,228
2 MONITOR LICENSEE ACTIVITIES	321,641	242,001	280,044	270,601	271,136
4 <i>Reduce the Percentage of Race Animals Injured or Dismissed</i>					
1 INSPECT & PROVIDE EMERGENCY CARE	286,518	290,899	283,413	290,308	292,515
2 ADMINISTER DRUG TESTS	242,179	314,463	253,865	254,753	248,903
TOTAL, GOAL 1	\$5,095,963	\$5,946,084	\$5,923,309	\$5,938,659	\$5,930,496

2 Regulate the Participation in Racing

2.A. Summary of Base Request by Strategy

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Goal / Objective / STRATEGY	Exp 2011	Est 2012	Bud 2013	Req 2014	Req 2015
<u>1</u> <i>Maintain the Efficiency of the Occupational Licensing Process</i>					
1 OCCUPATIONAL LICENSING PROGRAM	434,355	593,020	568,739	562,587	562,587
2 TEXAS.GOV	22,468	23,250	23,500	22,500	22,500
TOTAL, GOAL 2	\$456,823	\$616,270	\$592,239	\$585,087	\$585,087
<u>3</u> Regulate Pari-mutuel Wagering in Texas					
<u>1</u> <i>Increase Pass Rate for Initial Tote Test and Compliance Audits</i>					
1 MONITOR WAGERING AND AUDIT	388,773	322,363	326,597	321,110	321,110
2 WAGERING COMPLIANCE INSPECTIONS	250,221	236,715	240,443	242,242	242,242
TOTAL, GOAL 3	\$638,994	\$559,078	\$567,040	\$563,352	\$563,352
<u>4</u> Indirect Administration					
<u>1</u> <i>Indirect Administration</i>					
1 CENTRAL ADMIN & OTHER SUPPORT SVCS	658,206	700,523	760,344	730,012	730,012
2 INFORMATION RESOURCES	427,123	462,049	505,627	499,171	507,335

2.A. Summary of Base Request by Strategy

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Goal / Objective / STRATEGY	Exp 2011	Est 2012	Bud 2013	Req 2014	Req 2015
TOTAL, GOAL 4	\$1,085,329	\$1,162,572	\$1,265,971	\$1,229,183	\$1,237,347
TOTAL, AGENCY STRATEGY REQUEST	\$7,277,109	\$8,284,004	\$8,348,559	\$8,316,281	\$8,316,282
TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST*				\$0	\$0
GRAND TOTAL, AGENCY REQUEST	\$7,277,109	\$8,284,004	\$8,348,559	\$8,316,281	\$8,316,282
<u>METHOD OF FINANCING:</u>					
General Revenue Dedicated Funds:					
597 Texas Racing Comm Acct	7,277,109	8,284,004	8,348,559	8,316,281	8,316,282
SUBTOTAL	\$7,277,109	\$8,284,004	\$8,348,559	\$8,316,281	\$8,316,282
TOTAL, METHOD OF FINANCING	\$7,277,109	\$8,284,004	\$8,348,559	\$8,316,281	\$8,316,282

*Rider appropriations for the historical years are included in the strategy amounts.

2.B. Summary of Base Request by Method of Finance
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Agency code: **476**

Agency name: **Racing Commission**

METHOD OF FINANCING	Exp 2011	Est 2012	Bud 2013	Req 2014	Req 2015
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GENERAL REVENUE FUND - DEDICATED

597 GR Dedicated - Texas Racing Commission Account No. 597

REGULAR APPROPRIATIONS

Regular Appropriations from MOF Table (2010-11 GAA)

\$10,148,401	\$0	\$0	\$0	\$0
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Regular Appropriations from MOF Table (2012-13 GAA)

\$0	\$8,662,097	\$8,662,096	\$0	\$0
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Regular Appropriations Request (2014-15 LAR)

\$0	\$0	\$0	\$8,316,281	\$8,316,282
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RIDER APPROPRIATION

Art VIII, Agency 476, Rider 8

\$635,637	\$0	\$0	\$0	\$0
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Art VIII, Agency 476, Rider 7

\$0	\$635,637	\$635,637	\$0	\$0
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Art IX, Sec. 18.49, HB 2271, Sunset Legislation

\$0	\$294,589	\$287,561	\$0	\$0
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2.B. Summary of Base Request by Method of Finance
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Agency code: 476	Agency name: Racing Commission				
METHOD OF FINANCING	Exp 2011	Est 2012	Bud 2013	Req 2014	Req 2015
<u>GENERAL REVENUE FUND - DEDICATED</u>					
<i>SUPPLEMENTAL, SPECIAL OR EMERGENCY APPROPRIATIONS</i>					
HB 4, 82nd Leg, Regular Session, Sec 1(d) General Revenue-Dedicated Re	\$(507,420)	\$0	\$0	\$0	\$0
<i>LAPSED APPROPRIATIONS</i>					
Regular Appropriations from MOF Table (2010-11 GAA)	\$(2,363,872)	\$0	\$0	\$0	\$0
Art VIII, Agency 476, Rider 8	\$(635,637)	\$0	\$0	\$0	\$0
Art VIII, Agency 476, Rider 7	\$0	\$(635,637)	\$(635,637)	\$0	\$0
Art VIII, Agency 476, Rider 10	\$0	\$(313,538)	\$(313,537)	\$0	\$0
Art IX, Sec. 18.49, HB 2271, Sunset Legislation	\$0	\$(294,589)	\$(287,561)	\$0	\$0

2.B. Summary of Base Request by Method of Finance
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Agency code: 476		Agency name: Racing Commission				
METHOD OF FINANCING		Exp 2011	Est 2012	Bud 2013	Req 2014	Req 2015
<u>GENERAL REVENUE FUND - DEDICATED</u>						
	Regular Appropriations from MOF Table (2012-13 GAA)	\$0	\$(64,555)	\$0	\$0	\$0
TOTAL,	GR Dedicated - Texas Racing Commission Account No. 597	\$7,277,109	\$8,284,004	\$8,348,559	\$8,316,281	\$8,316,282
TOTAL, ALL	GENERAL REVENUE FUND - DEDICATED	\$7,277,109	\$8,284,004	\$8,348,559	\$8,316,281	\$8,316,282
TOTAL,	GR & GR-DEDICATED FUNDS	\$7,277,109	\$8,284,004	\$8,348,559	\$8,316,281	\$8,316,282
GRAND TOTAL		\$7,277,109	\$8,284,004	\$8,348,559	\$8,316,281	\$8,316,282

2.B. Summary of Base Request by Method of Finance

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Automated Budget and Evaluation System of Texas (ABEST)

METHOD OF FINANCING	Exp 2011	Est 2012	Bud 2013	Req 2014	Req 2015
<p>Agency code: 476 Agency name: Racing Commission</p>					
FULL-TIME-EQUIVALENT POSITIONS					
REGULAR APPROPRIATIONS					
Regular Appropriations from MOF Table (2010-11 GAA)	75.5	0.0	0.0	0.0	0.0
Regular Appropriations from MOF Table (2012-13 GAA)	0.0	61.3	61.3	0.0	0.0
Regular Appropriations Request (2014-15 LAR)	0.0	0.0	0.0	52.6	52.6
RIDER APPROPRIATION					
Art VIII, Agency 476, Rider 8	5.0	0.0	0.0	0.0	0.0
Art VIII, Agency 476, Rider 7	0.0	5.0	5.0	0.0	0.0
Art IX, Sec. 18.49, HB 2271, Sunset Legislation	0.0	1.0	1.0	0.0	0.0
LAPSED APPROPRIATIONS					
Art VIII, Agency 476, Rider 8 (2010-11 GAA)	(5.0)	0.0	0.0	0.0	0.0
Art VIII, Agency 476, Rider 7 (2012-13 GAA FTEs)	0.0	(5.0)	(5.0)	0.0	0.0
Art IX, Sec. 18.49, HB 2271 Sunset Legislation	0.0	(1.0)	(1.0)	0.0	0.0
Art VIII, Agency 476, Rider 10	0.0	(6.5)	(6.5)	0.0	0.0

2.B. Summary of Base Request by Method of Finance
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Agency code: 476		Agency name: Racing Commission				
METHOD OF FINANCING	Exp 2011	Est 2012	Bud 2013	Req 2014	Req 2015	
UNAUTHORIZED NUMBER OVER (BELOW) CAP						
Regular Appropriations from MOF Table (2010-11 GAA)	(22.6)	0.0	0.0	0.0	0.0	
Regular Appropriationns from MOF Table (2012-13 GAA)	0.0	(1.7)	(2.7)	0.0	0.0	
TOTAL, ADJUSTED FTES	52.9	53.1	52.1	52.6	52.6	
NUMBER OF 100% FEDERALLY FUNDED FTEs	0.0	0.0	0.0	0.0	0.0	

Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: Agency:

BASE REQUEST STRATEGY: --

Code Type of Expense

Total, Operating Costs

2.C. Summary of Base Request by Object of Expense

8/8/2012 10:28:03AM

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

476 Racing Commission

OBJECT OF EXPENSE	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
1001 SALARIES AND WAGES	\$2,840,556	\$2,847,227	\$2,838,364	\$2,881,130	\$2,881,130
1002 OTHER PERSONNEL COSTS	\$174,682	\$115,960	\$190,829	\$123,613	\$115,450
2001 PROFESSIONAL FEES AND SERVICES	\$81,174	\$282,124	\$240,500	\$240,500	\$240,500
2003 CONSUMABLE SUPPLIES	\$32,444	\$26,408	\$38,500	\$39,500	\$39,500
2004 UTILITIES	\$22,505	\$26,500	\$60,000	\$60,000	\$60,000
2005 TRAVEL	\$154,228	\$188,861	\$177,789	\$177,789	\$177,789
2006 RENT - BUILDING	\$107,294	\$108,014	\$87,979	\$87,979	\$87,979
2007 RENT - MACHINE AND OTHER	\$9,656	\$14,500	\$14,500	\$14,500	\$14,500
2009 OTHER OPERATING EXPENSE	\$446,702	\$549,410	\$575,098	\$566,270	\$574,434
4000 GRANTS	\$3,384,864	\$4,125,000	\$4,125,000	\$4,125,000	\$4,125,000
5000 CAPITAL EXPENDITURES	\$23,004	\$0	\$0	\$0	\$0
OOE Total (Excluding Riders)	\$7,277,109	\$8,284,004	\$8,348,559	\$8,316,281	\$8,316,282
OOE Total (Riders)					
Grand Total	\$7,277,109	\$8,284,004	\$8,348,559	\$8,316,281	\$8,316,282

2.D. Summary of Base Request Objective Outcomes
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation system of Texas (ABEST)

8/8/2012 10:28:03AM

476 Racing Commission

Goal/ Objective / Outcome	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
1 Enforce Racing Regulations in Texas					
1 Regulate Pari-mutuel Racetracks Effectively					
1 Percentage of Racetrack Operations Complaints Resolved in 6 Months					
	100.00%	100.00%	100.00%	100.00%	100.00%
2 Percent Racetracks with Inspection Score of 100 Percent					
	80.30%	74.40%	75.00%	75.00%	75.00%
3 Percentage of Deficiency Items Closed					
	98.00%	85.00%	75.00%	75.00%	75.00%
2 Increase the Number of Texas Bred Race Animals Competing					
1 Percent Increase in Texas Bred Accredited Animals					
	-10.00%	-7.50%	-7.50%	-7.50%	-7.50%
3 Reduce the Rate of Rulings Per Occupational Licensee					
1 Average Number of Rulings Per Occupational Licensee					
	0.04	0.04	0.04	0.04	0.04
2 Recidivism Rate for Those Receiving Disciplinary Action					
	23.78%	20.00%	20.00%	20.00%	20.00%
3 Percentage of Investigations Resulting in Disciplinary Action					
KEY	95.60%	95.00%	95.00%	95.00%	95.00%
4 Percentage of Licensees with No Recent Violations					
KEY	97.32%	97.90%	95.00%	95.00%	95.00%
4 Reduce the Percentage of Race Animals Injured or Dismissed					
1 Percentage of Race Animals Injured or Dismissed from the Racetrack					
KEY	0.46%	0.32%	0.35%	0.35%	0.35%
2 Number of Positive Drug Tests for Illegal Medications					
	6.33	5.45	6.00	6.00	6.00

2.D. Summary of Base Request Objective Outcomes
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation system of Texas (ABEST)

8/8/2012 10:28:03AM

476 Racing Commission

Goal/ Objective / Outcome	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
2 Regulate the Participation in Racing					
1 <i>Maintain the Efficiency of the Occupational Licensing Process</i>					
KEY 1 Average Time Required to Issue a New Occupational License (Minutes)	9.88	15.00	15.00	15.00	15.00
2 Percent of License Holders Meeting Qualifications	100.00%	100.00%	100.00%	100.00%	100.00 %
3 Percent of New Eligible Individual Licences Issued Online	5.86%	7.58%	8.00%	9.00 %	9.00 %
4 Percent of Licensees Who Renew Online	10.05%	11.74%	12.00%	12.50 %	12.50 %
3 Regulate Pari-mutuel Wagering in Texas					
1 <i>Increase Pass Rate for Initial Tote Test and Compliance Audits</i>					
1 Percentage of Tote Tests Passed on the First Run	91.75%	97.00%	97.00%	97.00 %	97.00 %
KEY 2 Percentage of Compliance Audits Passed	99.38%	98.75%	95.00%	95.00 %	95.00 %

2.E. Summary of Exceptional Items Request
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/8/2012
 TIME : 10:28:03AM

Agency code: 476

Agency name: **Racing Commission**

Priority	Item	2014			2015			Biennium	
		GR and GR/GR Dedicated	All Funds	FTEs	GR and GR Dedicated	All Funds	FTEs	GR and GR Dedicated	All Funds
1	New or Reopening Horse Racetrack	\$635,637	\$635,637	5.0	\$635,637	\$635,637	5.0	\$1,271,274	\$1,271,274
Total, Exceptional Items Request		\$635,637	\$635,637	5.0	\$635,637	\$635,637	5.0	\$1,271,274	\$1,271,274

Method of Financing

General Revenue

General Revenue - Dedicated

Federal Funds

Other Funds

		635,637	635,637		635,637	635,637		1,271,274	1,271,274
		\$635,637	\$635,637		\$635,637	\$635,637		\$1,271,274	\$1,271,274

Full Time Equivalent Positions

5.0

5.0

Number of 100% Federally Funded FTEs

0.0

0.0

2.F. Summary of Total Request by Strategy
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE : 8/8/2012
 TIME : 10:28:04AM

Agency code: 476 Agency name: Racing Commission

Goal/Objective/STRATEGY	Base 2014	Base 2015	Exceptional 2014	Exceptional 2015	Total Request 2014	Total Request 2015
1 Enforce Racing Regulations in Texas						
<i>1 Regulate Pari-mutuel Racetracks Effectively</i>						
1 LICENSE/REGULATE RACETRACKS	\$401,714	\$401,714	\$0	\$0	\$401,714	\$401,714
<i>2 Increase the Number of Texas Bred Race Animals Competing</i>						
1 TEXAS BRED INCENTIVE PROGRAM	4,125,000	4,125,000	332,037	332,037	4,457,037	4,457,037
<i>3 Reduce the Rate of Rulings Per Occupational Licensee</i>						
1 SUPERVISE & CONDUCT LIVE RACES	596,283	591,228	97,900	97,900	694,183	689,128
2 MONITOR LICENSEE ACTIVITIES	270,601	271,136	52,500	52,500	323,101	323,636
<i>4 Reduce the Percentage of Race Animals Injured or Dismissed</i>						
1 INSPECT & PROVIDE EMERGENCY CARE	290,308	292,515	54,850	54,850	345,158	347,365
2 ADMINISTER DRUG TESTS	254,753	248,903	18,350	18,350	273,103	267,253
TOTAL, GOAL 1	\$5,938,659	\$5,930,496	\$555,637	\$555,637	\$6,494,296	\$6,486,133
2 Regulate the Participation in Racing						
<i>1 Maintain the Efficiency of the Occupational Licensing Process</i>						
1 OCCUPATIONAL LICENSING PROGRAM	562,587	562,587	35,000	35,000	597,587	597,587
2 TEXAS.GOV	22,500	22,500	0	0	22,500	22,500
TOTAL, GOAL 2	\$585,087	\$585,087	\$35,000	\$35,000	\$620,087	\$620,087
3 Regulate Pari-mutuel Wagering in Texas						
<i>1 Increase Pass Rate for Initial Tote Test and Compliance Audits</i>						
1 MONITOR WAGERING AND AUDIT	321,110	321,110	45,000	45,000	366,110	366,110
2 WAGERING COMPLIANCE INSPECTIONS	242,242	242,242	0	0	242,242	242,242
TOTAL, GOAL 3	\$563,352	\$563,352	\$45,000	\$45,000	\$608,352	\$608,352

2.F. Summary of Total Request by Strategy
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE : 8/8/2012
 TIME : 10:28:04AM

Agency code: 476 Agency name: Racing Commission

Goal/Objective/STRATEGY	Base 2014	Base 2015	Exceptional 2014	Exceptional 2015	Total Request 2014	Total Request 2015
4 Indirect Administration						
1 <i>Indirect Administration</i>						
1 CENTRAL ADMIN & OTHER SUPPORT SVCS	\$730,012	\$730,012	\$0	\$0	\$730,012	\$730,012
2 INFORMATION RESOURCES	499,171	507,335	0	0	499,171	507,335
TOTAL, GOAL 4	\$1,229,183	\$1,237,347	\$0	\$0	\$1,229,183	\$1,237,347
TOTAL, AGENCY STRATEGY REQUEST	\$8,316,281	\$8,316,282	\$635,637	\$635,637	\$8,951,918	\$8,951,919
TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST						
GRAND TOTAL, AGENCY REQUEST	\$8,316,281	\$8,316,282	\$635,637	\$635,637	\$8,951,918	\$8,951,919

2.F. Summary of Total Request by Strategy
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE : 8/8/2012
 TIME : 10:28:04AM

Agency code: 476 Agency name: Racing Commission

Goal/Objective/STRATEGY	Base 2014	Base 2015	Exceptional 2014	Exceptional 2015	Total Request 2014	Total Request 2015
General Revenue Dedicated Funds:						
597 Texas Racing Comm Acct	\$8,316,281	\$8,316,282	\$635,637	\$635,637	\$8,951,918	\$8,951,919
	\$8,316,281	\$8,316,282	\$635,637	\$635,637	\$8,951,918	\$8,951,919
TOTAL, METHOD OF FINANCING	\$8,316,281	\$8,316,282	\$635,637	\$635,637	\$8,951,918	\$8,951,919
FULL TIME EQUIVALENT POSITIONS	52.6	52.6	5.0	5.0	57.6	57.6

2.G. Summary of Total Request Objective Outcomes
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation system of Texas (ABEST)

Date : 8/8/2012
 Time: 10:28:04AM

Agency code: 476

Agency name: Racing Commission

Goal/ Objective / Outcome

	BL 2014	BL 2015	Excp 2014	Excp 2015	Total Request 2014	Total Request 2015
1 Enforce Racing Regulations in Texas						
1 <i>Regulate Pari-mutuel Racetracks Effectively</i>						
1 Percentage of Racetrack Operations Complaints Resolved in 6 Months						
	100.00%	100.00%	100.00%	100.00%	100.00%	100.00 %
2 Percent Racetracks with Inspection Score of 100 Percent						
	75.00%	75.00%	75.00%	75.00%	75.00%	75.00 %
3 Percentage of Deficiency Items Closed						
	75.00%	75.00%	75.00%	75.00%	75.00%	75.00 %
2 <i>Increase the Number of Texas Bred Race Animals Competing</i>						
1 Percent Increase in Texas Bred Accredited Animals						
	-7.50%	-7.50%	-7.50%	-7.50%	-7.50%	-7.50 %
3 <i>Reduce the Rate of Rulings Per Occupational Licensee</i>						
1 Average Number of Rulings Per Occupational Licensee						
	0.04	0.04	0.04	0.04	0.04	0.04
2 Recidivism Rate for Those Receiving Disciplinary Action						
	20.00%	20.00%	20.00%	20.00%	20.00%	20.00 %
KEY 3 Percentage of Investigations Resulting in Disciplinary Action						
	95.00%	95.00%	95.00%	95.00%	95.00%	95.00 %

2.G. Summary of Total Request Objective Outcomes
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation system of Texas (ABEST)

Date : 8/8/2012
 Time: 10:28:04AM

Agency code: 476

Agency name: **Racing Commission**

Goal/ Objective / Outcome

		BL 2014	BL 2015	Excp 2014	Excp 2015	Total Request 2014	Total Request 2015
KEY	4 Percentage of Licensees with No Recent Violations	95.00%	95.00%	95.00%	95.00%	95.00%	95.00 %
4	<i>Reduce the Percentage of Race Animals Injured or Dismissed</i>						
KEY	1 Percentage of Race Animals Injured or Dismissed from the Racetrack	0.35%	0.35%	0.35%	0.35%	0.35%	0.35 %
	2 Number of Positive Drug Tests for Illegal Medications	6.00	6.00	6.00	6.00	6.00	6.00
2	Regulate the Participation in Racing						
1	<i>Maintain the Efficiency of the Occupational Licensing Process</i>						
KEY	1 Average Time Required to Issue a New Occupational License (Minutes)	15.00	15.00	15.00	15.00	15.00	15.00
	2 Percent of License Holders Meeting Qualifications	100.00%	100.00%	100.00%	100.00%	100.00%	100.00 %
	3 Percent of New Eligible Individual Licences Issued Online	9.00%	9.00%	9.00%	9.00%	9.00%	9.00 %
	4 Percent of Licensees Who Renew Online	12.50%	12.50%	12.50%	12.50%	12.50%	12.50 %
3	Regulate Pari-mutuel Wagering in Texas						
1	<i>Increase Pass Rate for Initial Tote Test and Compliance Audits</i>						

2.G. Summary of Total Request Objective Outcomes
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation system of Texas (ABEST)

Date : 8/8/2012
 Time: 10:28:04AM

Agency code: 476

Agency name: **Racing Commission**

Goal/ Objective / Outcome

	BL 2014	BL 2015	Excp 2014	Excp 2015	Total Request 2014	Total Request 2015
1 Percentage of Tote Tests Passed on the First Run	97.00%	97.00%	97.00%	97.00%	97.00%	97.00 %
KEY 2 Percentage of Compliance Audits Passed	95.00%	95.00%	95.00%	95.00%	95.00%	95.00 %

476 Racing Commission

GOAL:	1	Enforce Racing Regulations in Texas	Statewide Goal/Benchmark:	8	3
OBJECTIVE:	1	Regulate Pari-mutuel Racetracks Effectively	Service Categories:		
STRATEGY:	1	Provide Regulatory and Enforcement Services to Racetrack Owners	Service:	17	Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
Output Measures:						
	1	Number of Racetrack Operation Complaints Closed	5.00	7.00	8.00	8.00
KEY	2	Number of Racetrack Inspections	80.00	60.00	75.00	75.00
Efficiency Measures:						
	1	Average Regulatory Cost Per Racetrack	31,052.00	34,331.00	34,670.00	37,520.00
	2	Average Length of Time (Days) to Resolve Complaints	10.00	20.00	30.00	30.00
Explanatory/Input Measures:						
KEY	1	Number of Horse Tracks Regulated	10.00	10.00	10.00	10.00
KEY	2	Number of Greyhound Tracks Regulated	3.00	3.00	3.00	3.00
Objects of Expense:						
	1001	SALARIES AND WAGES	\$169,722	\$254,851	\$301,551	\$340,416
	1002	OTHER PERSONNEL COSTS	\$3,240	\$6,760	\$6,410	\$7,173
	2001	PROFESSIONAL FEES AND SERVICES	\$150	\$52,000	\$7,500	\$7,500
	2003	CONSUMABLE SUPPLIES	\$30	\$0	\$500	\$500
	2004	UTILITIES	\$0	\$0	\$0	\$0
	2005	TRAVEL	\$4,736	\$9,000	\$11,000	\$11,000
	2006	RENT - BUILDING	\$0	\$0	\$0	\$0

476 Racing Commission

GOAL:	1	Enforce Racing Regulations in Texas	Statewide Goal/Benchmark:	8	3
OBJECTIVE:	1	Regulate Pari-mutuel Racetracks Effectively	Service Categories:		
STRATEGY:	1	Provide Regulatory and Enforcement Services to Racetrack Owners	Service:	17	
			Income:	A.2	
			Age:	B.3	

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
2007	RENT - MACHINE AND OTHER	\$0	\$0	\$0	\$0	\$0
2009	OTHER OPERATING EXPENSE	\$42,869	\$42,315	\$35,125	\$35,125	\$35,125
4000	GRANTS	\$0	\$0	\$0	\$0	\$0
TOTAL, OBJECT OF EXPENSE		\$220,747	\$364,926	\$362,086	\$401,714	\$401,714
Method of Financing:						
597	Texas Racing Comm Acct	\$220,747	\$364,926	\$362,086	\$401,714	\$401,714
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$220,747	\$364,926	\$362,086	\$401,714	\$401,714
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$401,714	\$401,714
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$220,747	\$364,926	\$362,086	\$401,714	\$401,714
FULL TIME EQUIVALENT POSITIONS:		2.3	4.0	4.5	5.0	5.0
STRATEGY DESCRIPTION AND JUSTIFICATION:						

476 Racing Commission

GOAL:	1	Enforce Racing Regulations in Texas	Statewide Goal/Benchmark:	8	3
OBJECTIVE:	1	Regulate Pari-mutuel Racetracks Effectively	Service Categories:		
STRATEGY:	1	Provide Regulatory and Enforcement Services to Racetrack Owners	Service:	17	Income: A.2
					Age: B.3

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
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Article 6 of the Texas Racing Act (V.T.C.S. Art. 179e) provides that the Commission is responsible for regulating pari-mutuel racetracks. The regulatory responsibility includes approval of new racetrack applications, totalisator and concession contracts, racetrack construction, determination of active or inactive status of each racetrack, review and renewal of inactive racetrack licenses, conditions at the racetracks, ownership, plus defending the Commission’s decisions on each of these issues.

Approval of new applications for racetrack licenses requires the application of several statutory criteria, plus a determination that the proposed license would serve the public interest. This process frequently requires lengthy hearings before SOAH. In June 2010, the State Auditor's Office released a report that found that the Commission's race track application process substantially complied with the Texas Racing Act and the Texas Administrative Code.

Determination of active or inactive status of each racetrack and the subsequent review and renewal of an inactive racetrack license is a new regulatory requirement passed by the 82nd Legislature. The Commission is currently scheduled to designate the racetracks with an active or inactive status at the August 2012 Commission Meeting. A plan to conduct the review and renewal process will follow once the designation process is completed. In addition, the Commission is now required to schedule and conduct ownership and management reviews of active racetrack licenses every five years.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

476 Racing Commission

GOAL:	1	Enforce Racing Regulations in Texas	Statewide Goal/Benchmark:	8	3
OBJECTIVE:	1	Regulate Pari-mutuel Racetracks Effectively	Service Categories:		
STRATEGY:	1	Provide Regulatory and Enforcement Services to Racetrack Owners	Service:	17	Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
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The racetrack licensure process has a profound effect on the work patterns of the agency, requiring extensive legal work and substantial review and analysis by agency program staff. The agency's workload is affected by five main factors: 1) new applications, 2) newly licensed applicants in the process of building facilities, 3) significant proposals for changes to racetrack locations and/or license ownership, 4) the review and renewal of inactive racetrack licenses, and 5) ownership and management reviews of active licenses. In each case, complex demands are placed upon the agency. Currently, the agency oversees five racetrack licenses without racetrack facilities.

The Commission expends an increasing amount of time and resources on background investigations for ownership and management changes. Ownership interests in racetrack licenses have become more fluid, with more owners making requests for approval of ownership transfers. The legal entities holding these interests also have become more complex causing longer and more complicated investigations. In some cases, owners and managers are located out of state, or outside of the U.S. Each increasing degree of complexity and distance requires additional work by the Commission before it can approve a proposed change.

476 Racing Commission

GOAL: 1 Enforce Racing Regulations in Texas Statewide Goal/Benchmark: 6 0
 OBJECTIVE: 2 Increase the Number of Texas Bred Race Animals Competing Service Categories:
 STRATEGY: 1 Allocate TX Bred Funds. Estimated and Nontransferable. Service: 13 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
Output Measures:						
KEY 1	Number of Texas Bred Awards	11,901.00	10,320.00	10,560.00	10,153.00	9,541.00
Explanatory/Input Measures:						
1	Total Amount of Money Dedicated to Texas Bred Incentive Programs	3,384,865.00	4,125,000.00	4,125,000.00	4,125,000.00	4,125,000.00
Objects of Expense:						
4000	GRANTS	\$3,384,864	\$4,125,000	\$4,125,000	\$4,125,000	\$4,125,000
TOTAL, OBJECT OF EXPENSE		\$3,384,864	\$4,125,000	\$4,125,000	\$4,125,000	\$4,125,000
Method of Financing:						
597	Texas Racing Comm Acct	\$3,384,864	\$4,125,000	\$4,125,000	\$4,125,000	\$4,125,000
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$3,384,864	\$4,125,000	\$4,125,000	\$4,125,000	\$4,125,000
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$4,125,000	\$4,125,000
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$3,384,864	\$4,125,000	\$4,125,000	\$4,125,000	\$4,125,000
FULL TIME EQUIVALENT POSITIONS:						

476 Racing Commission

GOAL:	1	Enforce Racing Regulations in Texas	Statewide Goal/Benchmark:	6	0
OBJECTIVE:	2	Increase the Number of Texas Bred Race Animals Competing	Service Categories:		
STRATEGY:	1	Allocate TX Bred Funds. Estimated and Nontransferable.	Service:	13	Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
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STRATEGY DESCRIPTION AND JUSTIFICATION:

Sections 6.08 and 6.09 of the Texas Racing Act authorize the payment of incentive awards to promote, develop, and improve the breeding of race animals in Texas. All of the funds for the Texas-Bred Incentive Program are derived from the total amount wagered at the Texas racetracks and are passed through the agency to the officially designated breed registries for distribution to owners and breeders across the state.

By providing monetary incentives to owners and breeders of race animals in Texas, this strategy contributes to the overall economic wealth of the state. The ancillary economic benefits from these operations, both large and small, contribute not only to the state's agriculture industry, but to the local economies by paying taxes, providing jobs, and purchasing goods and services.

Exceptional Item Request #1 will increase the authority to allow all funds earned to be distributed in accordance with the statute should a new or reopening racetrack begin operations in the FY 2014-2015 biennium.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

476 Racing Commission

GOAL:	1	Enforce Racing Regulations in Texas	Statewide Goal/Benchmark:	6	0
OBJECTIVE:	2	Increase the Number of Texas Bred Race Animals Competing	Service Categories:		
STRATEGY:	1	Allocate TX Bred Funds. Estimated and Nontransferable.	Service: 13	Income: A.2	Age: B.3

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
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Funding for this strategy is affected by the amount of money wagered at the racetracks in this state. Any factor that influences the amount of money wagered at Texas racetracks will affect the revenue for this strategy.

Alternative forms of gaming in the region continue to boost the breed incentive programs of neighboring states. While Louisiana, New Mexico, and Oklahoma continue to see increases in the amounts paid through their incentive programs, Texas is experiencing a continuing decline.

Through legislative designation, neighboring states have also restricted a substantial portion of this money to natively accredited horses, eroding many out-of-state racing opportunities for Texas-bred animals.

The increased funding to incentive breeding programs in other states, combined with the legislative restrictions earmarking dollars for animals accredited in a particular state, has caused many Texans to relocate to other states or to get out of the business altogether. As evidence, the number of Thoroughbreds born in Texas continues a precipitous decline, while the number born in Louisiana and New Mexico is increasing.

476 Racing Commission

GOAL:	1	Enforce Racing Regulations in Texas	Statewide Goal/Benchmark:	8	1
OBJECTIVE:	3	Reduce the Rate of Rulings Per Occupational Licensee	Service Categories:		
STRATEGY:	1	Supervise the Conduct of Racing through Enforcement and Monitoring	Service:	17	Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015	
Output Measures:							
	1	Number of Live Races Monitored	5,885.00	5,124.00	5,496.00	5,552.00	5,496.00
	2	Number of Rulings Issued against Occupational Licensees	381.00	275.00	275.00	275.00	275.00
KEY	3	Number of Occupational Licenses Suspended or Revoked	114.00	95.00	95.00	95.00	95.00
Objects of Expense:							
1001	SALARIES AND WAGES	\$565,208	\$538,825	\$526,844	\$522,137	\$522,137	
1002	OTHER PERSONNEL COSTS	\$18,899	\$19,720	\$40,844	\$22,933	\$17,878	
2001	PROFESSIONAL FEES AND SERVICES	\$0	\$10,000	\$7,500	\$7,500	\$7,500	
2003	CONSUMABLE SUPPLIES	\$0	\$0	\$0	\$0	\$0	
2004	UTILITIES	\$0	\$0	\$0	\$0	\$0	
2005	TRAVEL	\$30,300	\$34,750	\$34,213	\$34,213	\$34,213	
2006	RENT - BUILDING	\$0	\$0	\$0	\$0	\$0	
2007	RENT - MACHINE AND OTHER	\$0	\$0	\$0	\$0	\$0	
2009	OTHER OPERATING EXPENSE	\$2,603	\$5,500	\$9,500	\$9,500	\$9,500	
4000	GRANTS	\$0	\$0	\$0	\$0	\$0	
5000	CAPITAL EXPENDITURES	\$23,004	\$0	\$0	\$0	\$0	
TOTAL, OBJECT OF EXPENSE		\$640,014	\$608,795	\$618,901	\$596,283	\$591,228	

476 Racing Commission

GOAL: 1 Enforce Racing Regulations in Texas Statewide Goal/Benchmark: 8 1
 OBJECTIVE: 3 Reduce the Rate of Rulings Per Occupational Licensee Service Categories:
 STRATEGY: 1 Supervise the Conduct of Racing through Enforcement and Monitoring Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
Method of Financing:						
597	Texas Racing Comm Acct	\$640,014	\$608,795	\$618,901	\$596,283	\$591,228
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$640,014	\$608,795	\$618,901	\$596,283	\$591,228
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$596,283	\$591,228
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$640,014	\$608,795	\$618,901	\$596,283	\$591,228
FULL TIME EQUIVALENT POSITIONS:		9.0	8.6	8.8	8.7	8.7

STRATEGY DESCRIPTION AND JUSTIFICATION:

Section 6.06 of the Texas Racing Act authorizes the Commission to regulate all matters relating to the operation of racetracks. In addition, Section 3.07 requires a board of three stewards or judges at each racetrack to supervise the conduct of each race meeting. This strategy implements these sections by providing for regulation of each live race conducted in this state and regulation of occupational licensees.

Exceptional item request #1 would give the agency additional appropriation authority and FTEs to staff and regulate each new horse racetrack that opens in the FY 2014-2015 biennium.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

476 Racing Commission

GOAL:	1	Enforce Racing Regulations in Texas	Statewide Goal/Benchmark:	8	1
OBJECTIVE:	3	Reduce the Rate of Rulings Per Occupational Licensee	Service Categories:		
STRATEGY:	1	Supervise the Conduct of Racing through Enforcement and Monitoring	Service: 17	Income: A.2	Age: B.3

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
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The challenge facing the Commission is to effectively regulate each race meeting, despite the reduced presence of stewards and judges at the racetrack. Even though each steward and judge spends many hours at the track, there are fewer judges and stewards in total. In addition, many of the hours they work must be dedicated to the race performance itself, which requires all three stewards and judges to work as a group. As a result, they have fewer hours to spend in the restricted backside areas, which include the barns, kennels, and testing areas. This change has resulted in a significant loss of interaction and important communication between racetrack personnel, horsemen, jockeys, veterinarians, kennelmen, and other racing participants.

This scheduling challenge is compounded by the fact that racetracks respond to changing market conditions on a shorter time frame than the state's biennial planning process. Changing economic conditions and dynamic entertainment markets compel racetracks to adjust their schedules on a yearly basis, and they often seek adjustments in the middle of a year.

The Commission is challenging its stewards and judges to monitor and evaluate national standards, particularly in the areas of penalties and drug testing, when issuing rulings. Aligning Texas' expectations with national standards will improve compliance from licensees by reducing the regulatory inconsistencies that arise from having differing standards in different states.

476 Racing Commission

GOAL:	1	Enforce Racing Regulations in Texas	Statewide Goal/Benchmark:	8	0
OBJECTIVE:	3	Reduce the Rate of Rulings Per Occupational Licensee	Service Categories:		
STRATEGY:	2	Monitor Occupational Licensee Activities	Service: NA	Income: NA	Age: NA

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
Output Measures:						
KEY 1	Number of Investigations Completed	208.00	120.00	120.00	120.00	120.00
	2 Number of Complaints Received Against Licensees	10.00	15.00	15.00	15.00	15.00
Objects of Expense:						
1001	SALARIES AND WAGES	\$260,672	\$198,861	\$221,397	\$216,405	\$216,405
1002	OTHER PERSONNEL COSTS	\$40,923	\$12,040	\$23,734	\$19,283	\$19,818
2001	PROFESSIONAL FEES AND SERVICES	\$382	\$1,000	\$2,500	\$2,500	\$2,500
2003	CONSUMABLE SUPPLIES	\$1,817	\$200	\$500	\$500	\$500
2004	UTILITIES	\$0	\$0	\$0	\$0	\$0
2005	TRAVEL	\$14,300	\$25,200	\$25,163	\$25,163	\$25,163
2006	RENT - BUILDING	\$0	\$0	\$0	\$0	\$0
2007	RENT - MACHINE AND OTHER	\$0	\$0	\$0	\$0	\$0
2009	OTHER OPERATING EXPENSE	\$3,547	\$4,700	\$6,750	\$6,750	\$6,750
4000	GRANTS	\$0	\$0	\$0	\$0	\$0
TOTAL, OBJECT OF EXPENSE		\$321,641	\$242,001	\$280,044	\$270,601	\$271,136
Method of Financing:						
597	Texas Racing Comm Acct	\$321,641	\$242,001	\$280,044	\$270,601	\$271,136

476 Racing Commission

GOAL:	1	Enforce Racing Regulations in Texas	Statewide Goal/Benchmark:	8	0
OBJECTIVE:	3	Reduce the Rate of Rulings Per Occupational Licensee	Service Categories:		
STRATEGY:	2	Monitor Occupational Licensee Activities	Service: NA	Income: NA	Age: NA

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$321,641	\$242,001	\$280,044	\$270,601	\$271,136
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$270,601	\$271,136
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$321,641	\$242,001	\$280,044	\$270,601	\$271,136
FULL TIME EQUIVALENT POSITIONS:		4.8	4.0	4.3	4.2	4.2

STRATEGY DESCRIPTION AND JUSTIFICATION:

Section 3.02 of the Texas Racing Act provides that the Commission shall adopt rules for conducting racing, and that all persons relating to the operations of a race meeting are subject to regulation and supervision by the Commission. Article 7 of the Act provides that a person may not participate in pari-mutuel racing without first obtaining a license, and then complying with the agency's complex rules.

Under Sec. 11.01 of the Act, the Commission is authorized to employ and commission investigators as peace officers. The investigators assist the stewards, veterinarians and judges by monitoring the activities of licensees, monitoring the physical facilities of racetracks, conducting inspections and investigations, and presenting evidence at hearings. Together, the stewards, veterinarians, judges and investigators ensure that licensees comply with the Commission's rules.

Exceptional item request #1 would give the agency additional appropriation authority and FTEs to staff and regulate each new or reopening horse racetrack that opens in the FY 2014-2015 biennium.

476 Racing Commission

GOAL:	1	Enforce Racing Regulations in Texas	Statewide Goal/Benchmark:	8	0
OBJECTIVE:	3	Reduce the Rate of Rulings Per Occupational Licensee	Service Categories:		
STRATEGY:	2	Monitor Occupational Licensee Activities	Service: NA	Income: NA	Age: NA

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
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EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

The Commission has 3.2 investigators allocated for FY 2014 – 2015 for the enforcement of the Texas Racing Act. The Department of Public Safety has refocused much of the assigned racetrack support to terrorism and gang enforcement responsibilities resulting in decreased availability of personnel affecting the ability to monitor occupational licensee activity.

Although FTE limitations continue, the Commission has taken action to enhance staff effectiveness. A coordinated work effort with the Department of Public Safety utilizing strategic intelligence and operational planning has allowed the enforcement effort to be more focused. This has increased the efficiency and effectiveness of the enforcement effort.

Although the Commission has maintained its enforcement effort, the demands on its resources will increase. As current enforcement efforts focus on licensed racetracks, there are an increasing number of non-licensed racetracks in Texas. The growth of these tracks has placed additional economic pressure on an already struggling industry. Focusing on the non-pari-mutuel tracks would require additional investigators to monitor these racetracks.

476 Racing Commission

GOAL: 1 Enforce Racing Regulations in Texas Statewide Goal/Benchmark: 8 0
 OBJECTIVE: 4 Reduce the Percentage of Race Animals Injured or Dismissed Service Categories:
 STRATEGY: 1 Inspect and Provide Emergency Care Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
Output Measures:						
KEY 1	Number of Race Animals Inspected Pre-Race	47,368.00	45,700.00	43,601.00	43,559.00	42,949.00
Efficiency Measures:						
1	Average Regulatory Cost Per Animal Inspected	8.30	9.20	9.20	9.20	9.20
Explanatory/Input Measures:						
1	Number of Race Animals Dismissed from Texas Pari-Mutuel Racetracks	220.00	180.00	175.00	175.00	175.00
2	Number of Race Animals Injured on Texas Pari-Mutuel Racetracks	269.00	348.00	321.00	321.00	321.00
Objects of Expense:						
1001	SALARIES AND WAGES	\$202,506	\$215,408	\$203,740	\$209,149	\$209,149
1002	OTHER PERSONNEL COSTS	\$5,627	\$8,200	\$7,723	\$9,209	\$11,416
2001	PROFESSIONAL FEES AND SERVICES	\$50,763	\$40,791	\$45,000	\$45,000	\$45,000
2003	CONSUMABLE SUPPLIES	\$0	\$0	\$0	\$0	\$0
2004	UTILITIES	\$0	\$0	\$0	\$0	\$0
2005	TRAVEL	\$21,005	\$17,500	\$17,450	\$17,450	\$17,450
2006	RENT - BUILDING	\$0	\$0	\$0	\$0	\$0
2007	RENT - MACHINE AND OTHER	\$0	\$0	\$0	\$0	\$0

476 Racing Commission

GOAL: 1 Enforce Racing Regulations in Texas Statewide Goal/Benchmark: 8 0
 OBJECTIVE: 4 Reduce the Percentage of Race Animals Injured or Dismissed Service Categories:
 STRATEGY: 1 Inspect and Provide Emergency Care Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
2009	OTHER OPERATING EXPENSE	\$6,617	\$9,000	\$9,500	\$9,500	\$9,500
4000	GRANTS	\$0	\$0	\$0	\$0	\$0
TOTAL, OBJECT OF EXPENSE		\$286,518	\$290,899	\$283,413	\$290,308	\$292,515
Method of Financing:						
597	Texas Racing Comm Acct	\$286,518	\$290,899	\$283,413	\$290,308	\$292,515
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$286,518	\$290,899	\$283,413	\$290,308	\$292,515
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$290,308	\$292,515
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$286,518	\$290,899	\$283,413	\$290,308	\$292,515
FULL TIME EQUIVALENT POSITIONS:		3.5	3.7	3.6	3.6	3.6
STRATEGY DESCRIPTION AND JUSTIFICATION:						

476 Racing Commission

GOAL:	1	Enforce Racing Regulations in Texas	Statewide Goal/Benchmark:	8	0
OBJECTIVE:	4	Reduce the Percentage of Race Animals Injured or Dismissed	Service Categories:		
STRATEGY:	1	Inspect and Provide Emergency Care	Service: 17	Income: A.2	Age: B.3

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
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Section 3.07 of the Texas Racing Act authorizes the Commission to employ veterinarians to monitor the health and safety of the race animals. The Commission's veterinarians physically inspect each animal before it races to ensure the animal is sound and fit to race. This vital inspection safeguards the health of all racing participants and ensures a fair and competitive race for the wagering public.

A Commission veterinarian and attendants work on the track during each horse race to provide emergency care and attention as needed. Additionally, the veterinarians inspect the barns and kennel areas for health and safety issues.

As currently staffed, the veterinarians have limited opportunities to evaluate horses for soundness and are restricted in their ability to help trainers who need assistance in removing their horses from the state veterinarian's scratch list.

Exceptional item request #1 would give the agency additional appropriation authority and FTEs to staff and regulate each new horse racetrack or reopening horse racetrack that opens in the FY 2014-2015 biennium.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

As the amount of money wagered declines at the racetracks and purses fall, the quality of the participating race animals also suffers. Struggling with the decline, participants may be tempted to enter their animals in races when a rest is warranted or, to save money, they may lower their standard of care. The Commission veterinarians must remain diligent and thorough in their inspections and monitoring to protect these animals.

476 Racing Commission

GOAL:	1	Enforce Racing Regulations in Texas	Statewide Goal/Benchmark:	8	0
OBJECTIVE:	4	Reduce the Percentage of Race Animals Injured or Dismissed	Service Categories:		
STRATEGY:	2	Administer Drug Tests	Service: NA	Income: NA	Age: NA

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
Output Measures:						
1	Number of Animal Specimens Collected for Drug Testing	10,119.00	8,738.00	7,002.00	7,053.00	7,002.00
Objects of Expense:						
1001	SALARIES AND WAGES	\$217,651	\$246,570	\$187,370	\$188,258	\$188,258
1002	OTHER PERSONNEL COSTS	\$8,024	\$10,860	\$12,032	\$12,032	\$6,182
2001	PROFESSIONAL FEES AND SERVICES	\$0	\$32,333	\$32,000	\$32,000	\$32,000
2003	CONSUMABLE SUPPLIES	\$0	\$0	\$0	\$0	\$0
2004	UTILITIES	\$0	\$0	\$0	\$0	\$0
2005	TRAVEL	\$12,506	\$17,700	\$14,463	\$14,463	\$14,463
2006	RENT - BUILDING	\$0	\$0	\$0	\$0	\$0
2007	RENT - MACHINE AND OTHER	\$0	\$0	\$0	\$0	\$0
2009	OTHER OPERATING EXPENSE	\$3,998	\$7,000	\$8,000	\$8,000	\$8,000
4000	GRANTS	\$0	\$0	\$0	\$0	\$0
TOTAL, OBJECT OF EXPENSE		\$242,179	\$314,463	\$253,865	\$254,753	\$248,903
Method of Financing:						
597	Texas Racing Comm Acct	\$242,179	\$314,463	\$253,865	\$254,753	\$248,903
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$242,179	\$314,463	\$253,865	\$254,753	\$248,903

476 Racing Commission

GOAL:	1	Enforce Racing Regulations in Texas	Statewide Goal/Benchmark:	8	0
OBJECTIVE:	4	Reduce the Percentage of Race Animals Injured or Dismissed	Service Categories:		
STRATEGY:	2	Administer Drug Tests	Service: NA	Income: NA	Age: NA

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$254,753	\$248,903
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)					\$242,179	\$314,463
FULL TIME EQUIVALENT POSITIONS:					4.6	5.5
					3.6	3.8
					3.8	3.8

STRATEGY DESCRIPTION AND JUSTIFICATION:

Section 3.07 of the Texas Racing Act authorizes the Commission to administer a comprehensive program for conducting drug tests on specimens obtained from race animals. Under this strategy, the Commission’s extensive testing program protects the health and welfare of the animals by detecting inappropriate use of a wide range of drugs and substances, both therapeutic and non-therapeutic. Also the program ensures that the public may trust the integrity of races by making certain that the race animals' performances are not altered through the use of illegal medications or substances. The Commission's drug testing program verifies that the races are conducted on a level playing field without the use of performance-enhancing drugs or substances harmful to the race animals.

Under Section 3.07 of the Texas Racing Act, the Texas Veterinary Medical Diagnostic Laboratory is required to provide drug testing services to the Commission. Any significant change in its strategies will affect the Commission.

Exceptional item request #1 would give the agency additional appropriation authority and FTEs to staff and regulate each new horse racetrack or reopening horse racetrack that opens in the FY 2014-2015 biennium.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

476 Racing Commission

GOAL:	1	Enforce Racing Regulations in Texas	Statewide Goal/Benchmark:	8	0
OBJECTIVE:	4	Reduce the Percentage of Race Animals Injured or Dismissed	Service Categories:		
STRATEGY:	2	Administer Drug Tests	Service: NA	Income: NA	Age: NA

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
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The national nature of the racing industry extends to the regulators, including the veterinarians. Individuals from racetracks and racing industry organizations around the country formed the Racing Medication and Testing Consortium (RMTC) to study the regulation of both therapeutic and prohibited medications in race animals. The Commission's Medication and Drug Testing Working Group, which was established to review the RMTC model rules and make recommendations on their implementation in Texas, will continue this work through 2015.

Unfortunately, in all sports, there are those who do not operate within established rules and regulations. Looking for an edge, some participants will experiment with new drugs and substances that could alter the outcome of a race or interfere with the detection of illegal drugs. For example, the use of anabolic steroids in race horses has become a national issue. The Commission continues to work with the Texas Veterinary Medical Diagnostic Laboratory to better and more efficiently detect substances used in violation of Commission rules.

The lab services landscape is continually changing due to increasing demands for more thorough testing and due to national level standards. To meet these new demands and standards, some labs, including the Texas Veterinary Medical Diagnostic Laboratory, may need to expend additional resources, potentially increasing the cost for services.

476 Racing Commission

GOAL: 2 Regulate the Participation in Racing Statewide Goal/Benchmark: 8 0
 OBJECTIVE: 1 Maintain the Efficiency of the Occupational Licensing Process Service Categories:
 STRATEGY: 1 Administer the Occupational Licensing Program through Enforcement Service: 16 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
Output Measures:						
KEY 1	Number of New Occupational Licenses Issued	2,675.00	2,333.00	2,150.00	2,000.00	2,000.00
KEY 2	Number of Occupational Licenses Renewed	5,809.00	4,700.00	4,300.00	4,000.00	4,000.00
Efficiency Measures:						
1	Average Regulatory Cost Per Licensee	52.09	67.87	71.27	73.48	73.61
Explanatory/Input Measures:						
1	Total Number of Individuals Licensed	7,609.00	6,131.00	5,623.00	5,230.00	5,230.00
Objects of Expense:						
1001	SALARIES AND WAGES	\$317,320	\$284,705	\$292,187	\$292,977	\$292,977
1002	OTHER PERSONNEL COSTS	\$8,703	\$19,040	\$19,045	\$12,103	\$12,103
2001	PROFESSIONAL FEES AND SERVICES	\$0	\$0	\$0	\$0	\$0
2003	CONSUMABLE SUPPLIES	\$6,287	\$2,500	\$3,000	\$3,000	\$3,000
2004	UTILITIES	\$0	\$0	\$0	\$0	\$0
2005	TRAVEL	\$18,985	\$24,000	\$25,000	\$25,000	\$25,000
2006	RENT - BUILDING	\$0	\$0	\$0	\$0	\$0
2007	RENT - MACHINE AND OTHER	\$7,964	\$12,000	\$12,000	\$12,000	\$12,000
2009	OTHER OPERATING EXPENSE	\$75,096	\$250,775	\$217,507	\$217,507	\$217,507
4000	GRANTS	\$0	\$0	\$0	\$0	\$0

476 Racing Commission

GOAL: 2 Regulate the Participation in Racing Statewide Goal/Benchmark: 8 0
 OBJECTIVE: 1 Maintain the Efficiency of the Occupational Licensing Process Service Categories:
 STRATEGY: 1 Administer the Occupational Licensing Program through Enforcement Service: 16 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
TOTAL, OBJECT OF EXPENSE		\$434,355	\$593,020	\$568,739	\$562,587	\$562,587
Method of Financing:						
	597 Texas Racing Comm Acct	\$434,355	\$593,020	\$568,739	\$562,587	\$562,587
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$434,355	\$593,020	\$568,739	\$562,587	\$562,587
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$562,587	\$562,587
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$434,355	\$593,020	\$568,739	\$562,587	\$562,587
FULL TIME EQUIVALENT POSITIONS:		8.5	7.5	7.7	7.7	7.7

STRATEGY DESCRIPTION AND JUSTIFICATION:

476 Racing Commission

GOAL:	2	Regulate the Participation in Racing	Statewide Goal/Benchmark:	8	0
OBJECTIVE:	1	Maintain the Efficiency of the Occupational Licensing Process	Service Categories:		
STRATEGY:	1	Administer the Occupational Licensing Program through Enforcement	Service: 16	Income: A.2	Age: B.3

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
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Article 7 of the Texas Racing Act mandates a comprehensive occupational licensing program. This strategy implements that program and ensures that all individuals who participate in pari-mutuel racing have successfully passed background checks and are qualified to perform their duties.

To ensure all participants in racing are properly licensed, the Commission has more than fifty categories, including stable and kennel area occupations, such as jockeys, owners, kennel owners, trainers, and grooms, as well as employees of the racetrack, such as management personnel and mutuel tellers.

It is assumed the Department of Public Safety will continue to assist the Commission in fulfilling its statutory mandate. Any significant change in its strategies will affect the Commission.

Exceptional item request #1 would give the agency additional appropriation authority and FTEs to staff and regulate each new horse racetrack or reopening horse racetrack that opens in the FY 2014-2015 biennium.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

Any significant change in the number of people who apply for an occupational license to work in the racing industry will affect the operations and funding of this strategy.

The occupational license badge serves as a physical identity card that signifies that a person is properly licensed and gives access to restricted areas of racetracks. The licensing offices are located at each track and hours are tailored to the race dates and normal work schedules of the racing participants.

While Texas OnLine has provided an excellent alternative to a small segment of the service population, it cannot produce the physical identification badge needed for those working or needing access at the racetrack.

The Commission continues to work with the Department of Public Safety to utilize their contract for electronic fingerprinting of the licensees.

476 Racing Commission

GOAL:	2	Regulate the Participation in Racing	Statewide Goal/Benchmark:	8	6
OBJECTIVE:	1	Maintain the Efficiency of the Occupational Licensing Process	Service Categories:		
STRATEGY:	2	Texas.Gov. Estimated and Nontransferable	Service: 16	Income: A.2	Age: B.3

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
Objects of Expense:						
2009	OTHER OPERATING EXPENSE	\$22,468	\$23,250	\$23,500	\$22,500	\$22,500
TOTAL, OBJECT OF EXPENSE		\$22,468	\$23,250	\$23,500	\$22,500	\$22,500
Method of Financing:						
597	Texas Racing Comm Acct	\$22,468	\$23,250	\$23,500	\$22,500	\$22,500
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$22,468	\$23,250	\$23,500	\$22,500	\$22,500
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$22,500	\$22,500
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$22,468	\$23,250	\$23,500	\$22,500	\$22,500

FULL TIME EQUIVALENT POSITIONS:

STRATEGY DESCRIPTION AND JUSTIFICATION:

Article 9, Section 13.12 of the General Appropriations Act mandates participation in Texas OnLine.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

476 Racing Commission

GOAL:	2	Regulate the Participation in Racing	Statewide Goal/Benchmark:	8	6
OBJECTIVE:	1	Maintain the Efficiency of the Occupational Licensing Process	Service Categories:		
STRATEGY:	2	Texas.Gov. Estimated and Nontransferable	Service: 16	Income: A.2	Age: B.3

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
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The number of individuals that use the service will affect the pass-through fund amounts.

While Texas OnLine has provided an excellent alternative to a small segment of the Commission’s service population to obtain and/or renew an occupational license, it cannot produce the physical identification badge needed for those working or needing access at the racetrack.

476 Racing Commission

GOAL:	3	Regulate Pari-mutuel Wagering in Texas	Statewide Goal/Benchmark:	8	0
OBJECTIVE:	1	Increase Pass Rate for Initial Tote Test and Compliance Audits	Service Categories:		
STRATEGY:	1	Regulate Pari-mutuel Wagering to Maintain an Honest Racing Industry	Service:	17	Income: A.2 Age: B.2

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
Output Measures:						
	1 Number of Live and Simulcast Races Audited and Reviewed	677,120.00	704,895.00	715,271.00	715,977.00	706,646.00
	2 Number of Compliance Audits Completed	2,007.00	2,460.00	2,495.00	2,495.00	2,489.00
Efficiency Measures:						
	1 Average Cost to Audit and Review a Live or Simulcast Race	0.95	0.89	0.92	0.89	0.91
Explanatory/Input Measures:						
KEY 1	Total Pari-Mutuel Handle (in Millions)	313.24	323.43	323.43	313.02	310.13
KEY 2	Total Take to the State Treasury from Pari-Mutuel Wagering	3,012,017.00	3,096,356.00	3,096,356.00	2,899,864.00	2,876,411.00
	3 Ratio of Simulcast Handle to Live Handle	8.58	9.50	9.50	7.00	7.00
Objects of Expense:						
1001	SALARIES AND WAGES	\$328,688	\$269,723	\$269,645	\$271,925	\$271,925
1002	OTHER PERSONNEL COSTS	\$22,532	\$11,880	\$17,952	\$10,185	\$10,185
2001	PROFESSIONAL FEES AND SERVICES	\$0	\$0	\$0	\$0	\$0
2003	CONSUMABLE SUPPLIES	\$0	\$0	\$1,000	\$1,000	\$1,000
2004	UTILITIES	\$0	\$0	\$0	\$0	\$0

476 Racing Commission

GOAL:	3	Regulate Pari-mutuel Wagering in Texas	Statewide Goal/Benchmark:	8	0
OBJECTIVE:	1	Increase Pass Rate for Initial Tote Test and Compliance Audits	Service Categories:		
STRATEGY:	1	Regulate Pari-mutuel Wagering to Maintain an Honest Racing Industry	Service:	17	
			Income:	A.2	
			Age:	B.2	

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
2005	TRAVEL	\$26,491	\$20,700	\$17,500	\$17,500	\$17,500
2006	RENT - BUILDING	\$0	\$0	\$0	\$0	\$0
2007	RENT - MACHINE AND OTHER	\$0	\$0	\$0	\$0	\$0
2009	OTHER OPERATING EXPENSE	\$11,062	\$20,060	\$20,500	\$20,500	\$20,500
4000	GRANTS	\$0	\$0	\$0	\$0	\$0
TOTAL, OBJECT OF EXPENSE		\$388,773	\$322,363	\$326,597	\$321,110	\$321,110
Method of Financing:						
597	Texas Racing Comm Acct	\$388,773	\$322,363	\$326,597	\$321,110	\$321,110
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$388,773	\$322,363	\$326,597	\$321,110	\$321,110
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$321,110	\$321,110
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$388,773	\$322,363	\$326,597	\$321,110	\$321,110
FULL TIME EQUIVALENT POSITIONS:		6.4	5.0	5.0	5.0	5.0
STRATEGY DESCRIPTION AND JUSTIFICATION:						

476 Racing Commission

GOAL:	3	Regulate Pari-mutuel Wagering in Texas	Statewide Goal/Benchmark:	8	0
OBJECTIVE:	1	Increase Pass Rate for Initial Tote Test and Compliance Audits	Service Categories:		
STRATEGY:	1	Regulate Pari-mutuel Wagering to Maintain an Honest Racing Industry	Service:	17	Income: A.2 Age: B.2

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
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Article 11 of the Texas Racing Act authorizes the Commission to regulate all aspects of pari-mutuel wagering. This strategy includes the monitoring of all pari-mutuel wagering activity, as well as the monitoring of simulcasting activity. This strategy also includes funding for the day-to-day operations of the Commission's pari-mutuel wagering database, which is used to certify the funds that the Commission and the State Comptroller's Office collect from pari-mutuel wagering. This regulatory activity is essential to maintaining public trust in the integrity of pari-mutuel racing.

Because the regulation of pari-mutuel wagering relies heavily on computerized networks and systems, the Commission continues its efforts to enhance and modify the technology systems developed within the agency.

Exceptional Item Request #1 would give the agency additional appropriation authority and FTEs to staff and regulate each new or reopening horse racetrack that opens in the FY 2014-2015 biennium.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

Although the agency has reduced audit staff over the past few years, it has kept the wagering public's confidence in the integrity of the pari-mutuel wagering pools by continuing to monitor all wager pools. Auditors, utilizing the agency's wagering regulatory database, audit the accuracy of the totalisator systems and the distribution of the wagering pools on a daily basis. The distribution of the wagering pools includes the payout to the wagering public, the state, the purse, the breed registries, and the racetracks.

476 Racing Commission

GOAL:	3	Regulate Pari-mutuel Wagering in Texas	Statewide Goal/Benchmark:	8	0
OBJECTIVE:	1	Increase Pass Rate for Initial Tote Test and Compliance Audits	Service Categories:		
STRATEGY:	2	Conduct Wagering Compliance Inspections	Service: NA	Income: NA	Age: NA

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
Output Measures:						
1	Number of Tote Tests Completed	12.00	10.00	10.00	10.00	10.00
Objects of Expense:						
1001	SALARIES AND WAGES	\$211,579	\$141,303	\$144,383	\$146,164	\$146,164
1002	OTHER PERSONNEL COSTS	\$5,909	\$4,860	\$6,060	\$6,078	\$6,078
2001	PROFESSIONAL FEES AND SERVICES	\$16,003	\$75,000	\$75,000	\$75,000	\$75,000
2003	CONSUMABLE SUPPLIES	\$0	\$0	\$0	\$0	\$0
2004	UTILITIES	\$0	\$0	\$0	\$0	\$0
2005	TRAVEL	\$12,519	\$10,752	\$10,500	\$10,500	\$10,500
2006	RENT - BUILDING	\$0	\$0	\$0	\$0	\$0
2007	RENT - MACHINE AND OTHER	\$0	\$0	\$0	\$0	\$0
2009	OTHER OPERATING EXPENSE	\$4,211	\$4,800	\$4,500	\$4,500	\$4,500
4000	GRANTS	\$0	\$0	\$0	\$0	\$0
TOTAL, OBJECT OF EXPENSE		\$250,221	\$236,715	\$240,443	\$242,242	\$242,242
Method of Financing:						
597	Texas Racing Comm Acct	\$250,221	\$236,715	\$240,443	\$242,242	\$242,242
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$250,221	\$236,715	\$240,443	\$242,242	\$242,242

476 Racing Commission

GOAL:	3	Regulate Pari-mutuel Wagering in Texas	Statewide Goal/Benchmark:	8	0
OBJECTIVE:	1	Increase Pass Rate for Initial Tote Test and Compliance Audits	Service Categories:		
STRATEGY:	2	Conduct Wagering Compliance Inspections	Service: NA	Income: NA	Age: NA

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$242,242	\$242,242
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)					\$250,221	\$236,715
FULL TIME EQUIVALENT POSITIONS:					4.0	3.0
FULL TIME EQUIVALENT POSITIONS:					3.0	3.0

STRATEGY DESCRIPTION AND JUSTIFICATION:

The Texas Racing Act, Sec. 11.01, requires the Commission to regulate all aspects of pari-mutuel wagering on horse and greyhound races. Sec. 6.061 of the Act also requires the Commission to implement an inspection program for racetrack facilities and operations.

This strategy implements the inspection program for pari-mutuel wagering activities and totalisator operations (including the EDP-testing of all computer programs that calculate the odds and payoffs to patrons). Under this strategy, the Commission reviews and monitors revenue distributed to the Texas-Bred Incentive Program.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

476 Racing Commission

GOAL:	3	Regulate Pari-mutuel Wagering in Texas	Statewide Goal/Benchmark:	8	0
OBJECTIVE:	1	Increase Pass Rate for Initial Tote Test and Compliance Audits	Service Categories:		
STRATEGY:	2	Conduct Wagering Compliance Inspections	Service: NA	Income: NA	Age: NA

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
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Complex computer systems called totalisators (“totes”) process all pari-mutuel wagering at Texas racetracks. Today, all Texas racetracks are networked through regional central processing servers located outside the state.

Based on recommendations by the State Auditors Office, the agency contracted with Gaming Laboratory International (GLI) in July 2008 to perform an independent review of tote systems operating at Texas racetracks. By July 2009, GLI had tested the tote systems for each of the seven Texas racetracks and provided a report showing areas for improvement in tote system operations, a need for the Commission to adopt wagering terminal standards, and a need to update Commission rules to maintain continuing advances of tote system technology.

To meet GLI’s recommendations, the agency awarded a contract to BMM Compliance in April 2010 to review the applicable rules. After receiving BMM’s written recommendations, the agency sought input from Racing Commissioners International (RCI) and its member jurisdictions.

In October 2011, RCI formally adopted the Texas standards as the new national standards. The Commission is now working to adopt and implement the new national standards by December 2012. Once the Commission implements these standards, it will seek assistance from a certified testing laboratory to continue to enhance the Commission’s wagering system testing program.

The 10% base reduction item # 7 would eliminate the funding for the wagering system testing program.

476 Racing Commission

GOAL:	4	Indirect Administration	Statewide Goal/Benchmark:	7	0
OBJECTIVE:	1	Indirect Administration	Service Categories:		
STRATEGY:	1	Central Administration and Other Support Services	Service: 09	Income: A.2	Age: B.3

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
Objects of Expense:						
1001	SALARIES AND WAGES	\$368,628	\$396,452	\$398,330	\$399,424	\$399,424
1002	OTHER PERSONNEL COSTS	\$34,740	\$16,040	\$45,585	\$13,159	\$13,159
2001	PROFESSIONAL FEES AND SERVICES	\$13,876	\$15,000	\$15,000	\$15,000	\$15,000
2003	CONSUMABLE SUPPLIES	\$12,174	\$20,708	\$18,500	\$19,500	\$19,500
2004	UTILITIES	\$22,125	\$26,500	\$60,000	\$60,000	\$60,000
2005	TRAVEL	\$11,276	\$26,259	\$18,000	\$18,000	\$18,000
2006	RENT - BUILDING	\$104,594	\$105,314	\$85,279	\$85,279	\$85,279
2007	RENT - MACHINE AND OTHER	\$1,692	\$2,500	\$2,500	\$2,500	\$2,500
2009	OTHER OPERATING EXPENSE	\$89,101	\$91,750	\$117,150	\$117,150	\$117,150
4000	GRANTS	\$0	\$0	\$0	\$0	\$0
TOTAL, OBJECT OF EXPENSE		\$658,206	\$700,523	\$760,344	\$730,012	\$730,012
Method of Financing:						
597	Texas Racing Comm Acct	\$658,206	\$700,523	\$760,344	\$730,012	\$730,012
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$658,206	\$700,523	\$760,344	\$730,012	\$730,012

476 Racing Commission

GOAL:	4	Indirect Administration	Statewide Goal/Benchmark:	7	0
OBJECTIVE:	1	Indirect Administration	Service Categories:		
STRATEGY:	1	Central Administration and Other Support Services	Service: 09	Income: A.2	Age: B.3

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$730,012	\$730,012
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)					\$658,206	\$700,523
FULL TIME EQUIVALENT POSITIONS:					6.8	6.8

STRATEGY DESCRIPTION AND JUSTIFICATION:

In accordance with the Texas Racing Act, Article 2, this strategy covers the Commission’s central administrative staff including executive management and general administrative support services. The agency’s Executive Director fulfills standard administrative head responsibilities in addition to performing top-level regulatory functions including enforcement actions and development of regulatory policy. Central administrative staff handles budget and finance (including payroll and accounting), purchasing, human resources, public information requests and fulfillment of state reporting requirements.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

The increasing number of public information and press requests has affected this strategy. The increases in this area are attributed to interest in pending racetrack applications, condition of the racing industry, implications of unregulated wagering, local economic impact and opportunity and concerns about race animal safety.

In addition, the Commission is increasing its efforts to evaluate and improve its current rules and regulations in response to industry change and the need for consistency with national standards and model rules to improve multi-jurisdictional enforcement. This process requires resources be applied to obtaining stakeholder and other states’ regulatory policy input.

476 Racing Commission

GOAL:	4	Indirect Administration	Statewide Goal/Benchmark:	7	0
OBJECTIVE:	1	Indirect Administration	Service Categories:		
STRATEGY:	2	Information Resources	Service: 09	Income: A.2	Age: B.3

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
Objects of Expense:						
1001	SALARIES AND WAGES	\$198,582	\$300,529	\$292,917	\$294,275	\$294,275
1002	OTHER PERSONNEL COSTS	\$26,085	\$6,560	\$11,444	\$11,458	\$11,458
2001	PROFESSIONAL FEES AND SERVICES	\$0	\$56,000	\$56,000	\$56,000	\$56,000
2003	CONSUMABLE SUPPLIES	\$12,136	\$3,000	\$15,000	\$15,000	\$15,000
2004	UTILITIES	\$380	\$0	\$0	\$0	\$0
2005	TRAVEL	\$2,110	\$3,000	\$4,500	\$4,500	\$4,500
2006	RENT - BUILDING	\$2,700	\$2,700	\$2,700	\$2,700	\$2,700
2007	RENT - MACHINE AND OTHER	\$0	\$0	\$0	\$0	\$0
2009	OTHER OPERATING EXPENSE	\$185,130	\$90,260	\$123,066	\$115,238	\$123,402
4000	GRANTS	\$0	\$0	\$0	\$0	\$0
5000	CAPITAL EXPENDITURES	\$0	\$0	\$0	\$0	\$0
TOTAL, OBJECT OF EXPENSE		\$427,123	\$462,049	\$505,627	\$499,171	\$507,335
Method of Financing:						
597	Texas Racing Comm Acct	\$427,123	\$462,049	\$505,627	\$499,171	\$507,335
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$427,123	\$462,049	\$505,627	\$499,171	\$507,335

476 Racing Commission

GOAL:	4	Indirect Administration	Statewide Goal/Benchmark:	7	0
OBJECTIVE:	1	Indirect Administration	Service Categories:		
STRATEGY:	2	Information Resources	Service: 09	Income: A.2	Age: B.3

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$499,171	\$507,335
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$427,123	\$462,049	\$505,627	\$499,171	\$507,335
FULL TIME EQUIVALENT POSITIONS:		3.0	5.0	4.8	4.8	4.8

STRATEGY DESCRIPTION AND JUSTIFICATION:

The Commission's regulatory approach and program is based on effective implementation of information technology, specifically its database system and modules that operate on a 24/7 basis.

The Commission uses technology for licensing, enforcement, veterinary services, drug testing, pari-mutuel monitoring, administrative reporting, and information distribution; it must also continue to enhance security measures to protect the access and storage of vital data.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

476 Racing Commission

GOAL:	4	Indirect Administration	Statewide Goal/Benchmark:	7	0
OBJECTIVE:	1	Indirect Administration	Service Categories:		
STRATEGY:	2	Information Resources	Service: 09	Income: A.2	Age: B.3

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
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The Commission is a leader among national racing regulators in employing technology for licensing, regulation and information distribution. The agency continues its commitment to exploring technological enhancements for its customers. Initiatives related to technological modifications or upgrades include developing solutions to facilitate access to agency information for both internal and external customers and to enhance the productivity of staff. The agency continues to enhance security measures that protect the access and storage of its extensive and vital database information.

The Commission grants the Department of Public Safety and the State Comptroller's Office access to the Commission's database. Additionally, the breed registries, horsemen's organization, and racetracks have display access to the pari-mutuel module of the Commission's database. This access facilitates calculations of the Texas bred incentive awards.

The 10% base reduction item # 6 would eliminate the funding for the replacement of computer equipment in accordance with the Department of Information Resources' Life Cycle Recommendation Schedule. This reduction could impact the agency's information services capabilities.

3.A. Strategy Request

8/8/2012 10:28:04AM

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

SUMMARY TOTALS:

OBJECTS OF EXPENSE:	\$7,277,109	\$8,284,004	\$8,348,559	\$8,316,281	\$8,316,282
METHODS OF FINANCE (INCLUDING RIDERS):				\$8,316,281	\$8,316,282
METHODS OF FINANCE (EXCLUDING RIDERS):	\$7,277,109	\$8,284,004	\$8,348,559	\$8,316,281	\$8,316,282
FULL TIME EQUIVALENT POSITIONS:	52.9	53.1	52.1	52.6	52.6

3.C. Rider Appropriations and Unexpended Balances Request

DATE: **8/8/2012**
TIME: **10:28:05AM**

Automated Budget and Evaluation System of Texas (ABEST)

Agency code:

Agency name:

RIDER

STRATEGY

METHOD OF FINANCING:

Total, Method of Financing

Description/Justification for continuation of existing riders or proposed new rider

3.C. Rider Appropriations and Unexpended Balances Request

DATE: **8/8/2012**
TIME: **10:28:05AM**

Automated Budget and Evaluation System of Texas (ABEST)

Agency code:

Agency name:

RIDER

STRATEGY

SUMMARY:

OBJECT OF EXPENSE TOTAL

METHOD OF FINANCING TOTAL

4.A. Exceptional Item Request Schedule
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/8/2012
 TIME: 10:28:05AM

Agency code: 476

Agency name:
Racing Commission

CODE	DESCRIPTION	Excp 2014	Excp 2015
	Item Name: New or Reopening Horse Racetrack		
	Item Priority: 1		
	Includes Funding for the Following Strategy or Strategies:		
	01-01-01 Provide Regulatory and Enforcement Services to Racetrack Owners		
	01-02-01 Allocate TX Bred Funds. Estimated and Nontransferable.		
	01-03-01 Supervise the Conduct of Racing through Enforcement and Monitoring		
	01-03-02 Monitor Occupational Licensee Activities		
	01-04-01 Inspect and Provide Emergency Care		
	01-04-02 Administer Drug Tests		
	02-01-01 Administer the Occupational Licensing Program through Enforcement		
	03-01-01 Regulate Pari-mutuel Wagering to Maintain an Honest Racing Industry		
	03-01-02 Conduct Wagering Compliance Inspections		
 OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	234,300	234,300
2005	TRAVEL	44,300	44,300
2009	OTHER OPERATING EXPENSE	25,000	25,000
4000	GRANTS	332,037	332,037
TOTAL, OBJECT OF EXPENSE		\$635,637	\$635,637
 METHOD OF FINANCING:			
597	Texas Racing Comm Acct	635,637	635,637
TOTAL, METHOD OF FINANCING		\$635,637	\$635,637
FULL-TIME EQUIVALENT POSITIONS (FTE):		5.00	5.00

DESCRIPTION / JUSTIFICATION:

This request would appropriate funds for each new horse racetrack that begins operation for the first time during the biennium or for each reopening horse racetrack that initiates operations again during the biennium. (estimated to be one horse racetrack operating 30 days of live racing and 364 days of simulcast racing in each fiscal year)

EXTERNAL/INTERNAL FACTORS:

There are currently five horse racetracks licensees that have not constructed racing facilities and one horse racetrack built that has been closed, but could reopen. Without these contingency appropriations the agency would not have the appropriations necessary to provide oversight and regulation of horse race track operations.

4.B. Exceptional Items Strategy Allocation Schedule
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/8/2012**
 TIME: **10:28:05AM**

Agency code: **476** Agency name: **Racing Commission**

Code	Description	Excp 2014	Excp 2015
Item Name:	New or Reopening Horse Racetrack		
Allocation to Strategy:	1-1-1 Provide Regulatory and Enforcement Services to Racetrack Owners		
OUTPUT MEASURES:			
<u>1</u>	Number of Racetrack Operation Complaints Closed	2.00	2.00
<u>2</u>	Number of Racetrack Inspections	6.00	6.00

4.B. Exceptional Items Strategy Allocation Schedule
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/8/2012**
 TIME: **10:28:05AM**

Agency code: **476** Agency name: **Racing Commission**

Code	Description	Excp 2014	Excp 2015
Item Name: New or Reopening Horse Racetrack			
Allocation to Strategy: 1-2-1 Allocate TX Bred Funds. Estimated and Nontransferable.			
OUTPUT MEASURES:			
<u>1</u>	Number of Texas Bred Awards	1,500.00	1,500.00
OBJECTS OF EXPENSE:			
4000	GRANTS	332,037	332,037
TOTAL, OBJECT OF EXPENSE		\$332,037	\$332,037
METHOD OF FINANCING:			
597	Texas Racing Comm Acct	332,037	332,037
TOTAL, METHOD OF FINANCING		\$332,037	\$332,037
FULL-TIME EQUIVALENT POSITIONS (FTE):		0.0	0.0

Agency code: 476 Agency name: Racing Commission

Code	Description	Excp 2014	Excp 2015
Item Name: New or Reopening Horse Racetrack			
Allocation to Strategy: 1-3-1 Supervise the Conduct of Racing through Enforcement and Monitoring			
OUTPUT MEASURES:			
<u>1</u>	Number of Live Races Monitored	270.00	270.00
<u>2</u>	Number of Rulings Issued against Occupational Licensees	13.00	13.00
<u>3</u>	Number of Occupational Licenses Suspended or Revoked	4.00	4.00
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	56,250	56,250
2005	TRAVEL	16,650	16,650
2009	OTHER OPERATING EXPENSE	25,000	25,000
TOTAL, OBJECT OF EXPENSE		\$97,900	\$97,900
METHOD OF FINANCING:			
597	Texas Racing Comm Acct	97,900	97,900
TOTAL, METHOD OF FINANCING		\$97,900	\$97,900
FULL-TIME EQUIVALENT POSITIONS (FTE):		0.9	0.9

Agency code: 476 Agency name: Racing Commission

Code	Description	Excp 2014	Excp 2015
Item Name: New or Reopening Horse Racetrack			
Allocation to Strategy: 1-3-2 Monitor Occupational Licensee Activities			
OUTPUT MEASURES:			
<u>1</u>	Number of Investigations Completed	20.00	20.00
<u>2</u>	Number of Complaints Received Against Licensees	3.00	3.00
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	47,500	47,500
2005	TRAVEL	5,000	5,000
TOTAL, OBJECT OF EXPENSE		\$52,500	\$52,500
METHOD OF FINANCING:			
597	Texas Racing Comm Acct	52,500	52,500
TOTAL, METHOD OF FINANCING		\$52,500	\$52,500
FULL-TIME EQUIVALENT POSITIONS (FTE):		1.0	1.0

Agency code: 476 Agency name: Racing Commission

Code	Description	Excp 2014	Excp 2015
Item Name: New or Reopening Horse Racetrack			
Allocation to Strategy: 1-4-1 Inspect and Provide Emergency Care			
OUTPUT MEASURES:			
<u>1</u>	Number of Race Animals Inspected Pre-Race	2,565.00	2,565.00
EFFICIENCY MEASURES:			
<u>1</u>	Average Regulatory Cost Per Animal Inspected	9.20	9.20
EXPLANATORY/INPUT MEASURES:			
<u>1</u>	Number of Race Animals Dismissed from Texas Pari-Mutuel Racetracks	8.00	8.00
<u>2</u>	Number of Race Animals Injured on Texas Pari-Mutuel Racetracks	19.00	19.00
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	43,750	43,750
2005	TRAVEL	11,100	11,100
TOTAL, OBJECT OF EXPENSE		\$54,850	\$54,850
METHOD OF FINANCING:			
597	Texas Racing Comm Acct	54,850	54,850
TOTAL, METHOD OF FINANCING		\$54,850	\$54,850
FULL-TIME EQUIVALENT POSITIONS (FTE):		0.7	0.7

Agency code: 476 Agency name: Racing Commission

Code	Description	Excp 2014	Excp 2015
Item Name: New or Reopening Horse Racetrack			
Allocation to Strategy: 1-4-2 Administer Drug Tests			
OUTPUT MEASURES:			
<u>1</u>	Number of Animal Specimens Collected for Drug Testing	540.00	540.00
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	12,800	12,800
2005	TRAVEL	5,550	5,550
TOTAL, OBJECT OF EXPENSE		\$18,350	\$18,350
METHOD OF FINANCING:			
597	Texas Racing Comm Acct	18,350	18,350
TOTAL, METHOD OF FINANCING		\$18,350	\$18,350
FULL-TIME EQUIVALENT POSITIONS (FTE):		0.4	0.4

Agency code: 476 Agency name: Racing Commission

Code	Description	Excp 2014	Excp 2015
Item Name: New or Reopening Horse Racetrack			
Allocation to Strategy: 2-1-1 Administer the Occupational Licensing Program through Enforcement			
OUTPUT MEASURES:			
1	Number of New Occupational Licenses Issued	200.00	200.00
2	Number of Occupational Licenses Renewed	150.00	150.00
EFFICIENCY MEASURES:			
1	Average Regulatory Cost Per Licensee	72.61	72.61
EXPLANATORY/INPUT MEASURES:			
1	Total Number of Individuals Licensed	402.00	402.00
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	32,000	32,000
2005	TRAVEL	3,000	3,000
TOTAL, OBJECT OF EXPENSE		\$35,000	\$35,000
METHOD OF FINANCING:			
597	Texas Racing Comm Acct	35,000	35,000
TOTAL, METHOD OF FINANCING		\$35,000	\$35,000
FULL-TIME EQUIVALENT POSITIONS (FTE):		1.0	1.0

Agency code: 476 Agency name: Racing Commission

Code	Description	Excp 2014	Excp 2015
Item Name:		New or Reopening Horse Racetrack	
Allocation to Strategy:		3-1-1 Regulate Pari-mutuel Wagering to Maintain an Honest Racing Industry	
OUTPUT MEASURES:			
<u>1</u>	Number of Live and Simulcast Races Audited and Reviewed	31,300.00	31,300.00
<u>2</u>	Number of Compliance Audits Completed	415.00	415.00
EFFICIENCY MEASURES:			
<u>1</u>	Average Cost to Audit and Review a Live or Simulcast Race	0.91	0.93
EXPLANATORY/INPUT MEASURES:			
<u>1</u>	Total Pari-Mutuel Handle (in Millions)	343.32	340.43
<u>2</u>	Total Take to the State Treasury from Pari-Mutuel Wagering	3,136,510.00	3,113,057.00
<u>3</u>	Ratio of Simulcast Handle to Live Handle	7.50	7.50
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	42,000	42,000
2005	TRAVEL	3,000	3,000
TOTAL, OBJECT OF EXPENSE		\$45,000	\$45,000
METHOD OF FINANCING:			
597	Texas Racing Comm Acct	45,000	45,000
TOTAL, METHOD OF FINANCING		\$45,000	\$45,000
FULL-TIME EQUIVALENT POSITIONS (FTE):		1.0	1.0

4.B. Exceptional Items Strategy Allocation Schedule
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/8/2012**
 TIME: **10:28:05AM**

Agency code: **476** Agency name: **Racing Commission**

Code	Description	Excp 2014	Excp 2015
Item Name:	New or Reopening Horse Racetrack		
Allocation to Strategy:	3-1-2 Conduct Wagering Compliance Inspections		
OUTPUT MEASURES:			
	<u>1</u> Number of Tote Tests Completed	1.00	1.00

4.C. Exceptional Items Strategy Request
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/8/2012
TIME: 10:28:05AM

Agency Code: **476** Agency name: **Racing Commission**

GOAL: 1 Enforce Racing Regulations in Texas Statewide Goal/Benchmark: 8 - 3
 OBJECTIVE: 1 Regulate Pari-mutuel Racetracks Effectively Service Categories:
 STRATEGY: 1 Provide Regulatory and Enforcement Services to Racetrack Owners Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Excp 2014	Excp 2015
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STRATEGY IMPACT ON OUTCOME MEASURES:

<u>1</u>	Percentage of Racetrack Operations Complaints Resolved in 6 Months	100.00 %	100.00 %
<u>2</u>	Percent Racetracks with Inspection Score of 100 Percent	75.00 %	75.00 %
<u>3</u>	Percentage of Deficiency Items Closed	75.00 %	75.00 %

OUTPUT MEASURES:

<u>1</u>	Number of Racetrack Operation Complaints Closed	2.00	2.00
<u>2</u>	Number of Racetrack Inspections	6.00	6.00

EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

New or Reopening Horse Racetrack

4.C. Exceptional Items Strategy Request
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/8/2012
TIME: 10:28:05AM

Agency Code: **476** Agency name: **Racing Commission**

GOAL: 1 Enforce Racing Regulations in Texas Statewide Goal/Benchmark: 6 - 0

OBJECTIVE: 2 Increase the Number of Texas Bred Race Animals Competing Service Categories:

STRATEGY: 1 Allocate TX Bred Funds. Estimated and Nontransferable. Service: 13 Income: A.2 Age: B.3

CODE DESCRIPTION	Excp 2014	Excp 2015
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STRATEGY IMPACT ON OUTCOME MEASURES:

<u>1</u> Percent Increase in Texas Bred Accredited Animals	(7.50) %	(7.50) %
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OUTPUT MEASURES:

<u>1</u> Number of Texas Bred Awards	1,500.00	1,500.00
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EXPLANATORY/INPUT MEASURES:

<u>1</u> Total Amount of Money Dedicated to Texas Bred Incentive Programs	332,037.00	332,037.00
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OBJECTS OF EXPENSE:

4000 GRANTS	332,037	332,037
Total, Objects of Expense	\$332,037	\$332,037

METHOD OF FINANCING:

597 Texas Racing Comm Acct	332,037	332,037
Total, Method of Finance	\$332,037	\$332,037

EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

New or Reopening Horse Racetrack

4.C. Exceptional Items Strategy Request
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/8/2012
TIME: 10:28:05AM

Agency Code: **476** Agency name: **Racing Commission**

GOAL: 1 Enforce Racing Regulations in Texas Statewide Goal/Benchmark: 8 - 1

OBJECTIVE: 3 Reduce the Rate of Rulings Per Occupational Licensee Service Categories:

STRATEGY: 1 Supervise the Conduct of Racing through Enforcement and Monitoring Service: 17 Income: A.2 Age: B.3

CODE DESCRIPTION	Excp 2014	Excp 2015
-------------------------	------------------	------------------

STRATEGY IMPACT ON OUTCOME MEASURES:

<u>1</u> Average Number of Rulings Per Occupational Licensee	0.04	0.04
<u>2</u> Recidivism Rate for Those Receiving Disciplinary Action	20.00 %	20.00 %
<u>3</u> Percentage of Investigations Resulting in Disciplinary Action	95.00 %	95.00 %
<u>4</u> Percentage of Licensees with No Recent Violations	95.00 %	95.00 %

OUTPUT MEASURES:

<u>1</u> Number of Live Races Monitored	270.00	270.00
<u>2</u> Number of Rulings Issued against Occupational Licensees	13.00	13.00
<u>3</u> Number of Occupational Licenses Suspended or Revoked	4.00	4.00

OBJECTS OF EXPENSE:

1001 SALARIES AND WAGES	56,250	56,250
2005 TRAVEL	16,650	16,650
2009 OTHER OPERATING EXPENSE	25,000	25,000
Total, Objects of Expense	\$97,900	\$97,900

METHOD OF FINANCING:

597 Texas Racing Comm Acct	97,900	97,900
Total, Method of Finance	\$97,900	\$97,900

FULL-TIME EQUIVALENT POSITIONS (FTE):

	0.9	0.9
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EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

New or Reopening Horse Racetrack

4.C. Exceptional Items Strategy Request
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/8/2012
TIME: 10:28:05AM

Agency Code: **476** Agency name: **Racing Commission**

GOAL: 1 Enforce Racing Regulations in Texas Statewide Goal/Benchmark: 8 - 0

OBJECTIVE: 3 Reduce the Rate of Rulings Per Occupational Licensee Service Categories:

STRATEGY: 2 Monitor Occupational Licensee Activities Service: NA Income: NA Age: NA

CODE DESCRIPTION	Exp 2014	Exp 2015
-------------------------	-----------------	-----------------

OUTPUT MEASURES:

<u>1</u> Number of Investigations Completed	20.00	20.00
<u>2</u> Number of Complaints Received Against Licensees	3.00	3.00

OBJECTS OF EXPENSE:

1001 SALARIES AND WAGES	47,500	47,500
2005 TRAVEL	5,000	5,000
Total, Objects of Expense	\$52,500	\$52,500

METHOD OF FINANCING:

597 Texas Racing Comm Acct	52,500	52,500
Total, Method of Finance	\$52,500	\$52,500

FULL-TIME EQUIVALENT POSITIONS (FTE):

	1.0	1.0
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EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

New or Reopening Horse Racetrack

4.C. Exceptional Items Strategy Request
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/8/2012
TIME: 10:28:05AM

Agency Code: **476** Agency name: **Racing Commission**

GOAL: 1 Enforce Racing Regulations in Texas Statewide Goal/Benchmark: 8 - 0

OBJECTIVE: 4 Reduce the Percentage of Race Animals Injured or Dismissed Service Categories:

STRATEGY: 1 Inspect and Provide Emergency Care Service: 17 Income: A.2 Age: B.3

CODE DESCRIPTION	Exp 2014	Exp 2015
-------------------------	-----------------	-----------------

STRATEGY IMPACT ON OUTCOME MEASURES:

<u>1</u> Percentage of Race Animals Injured or Dismissed from the Racetrack	0.35 %	0.35 %
<u>2</u> Number of Positive Drug Tests for Illegal Medications	6.00	6.00

OUTPUT MEASURES:

<u>1</u> Number of Race Animals Inspected Pre-Race	2,565.00	2,565.00
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EFFICIENCY MEASURES:

<u>1</u> Average Regulatory Cost Per Animal Inspected	9.20	9.20
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EXPLANATORY/INPUT MEASURES:

<u>1</u> Number of Race Animals Dismissed from Texas Pari-Mutuel Racetracks	8.00	8.00
<u>2</u> Number of Race Animals Injured on Texas Pari-Mutuel Racetracks	19.00	19.00

OBJECTS OF EXPENSE:

1001 SALARIES AND WAGES	43,750	43,750
2005 TRAVEL	11,100	11,100
Total, Objects of Expense	\$54,850	\$54,850

METHOD OF FINANCING:

597 Texas Racing Comm Acct	54,850	54,850
Total, Method of Finance	\$54,850	\$54,850

FULL-TIME EQUIVALENT POSITIONS (FTE):

	0.7	0.7
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EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

4.C. Exceptional Items Strategy Request
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/8/2012
TIME: 10:28:05AM

Agency Code: **476** Agency name: **Racing Commission**

GOAL: 1 Enforce Racing Regulations in Texas Statewide Goal/Benchmark: 8 - 0

OBJECTIVE: 4 Reduce the Percentage of Race Animals Injured or Dismissed Service Categories:

STRATEGY: 1 Inspect and Provide Emergency Care Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2014	Exp 2015
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	New or Reopening Horse Racetrack		
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4.C. Exceptional Items Strategy Request
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/8/2012
TIME: 10:28:05AM

Agency Code: **476** Agency name: **Racing Commission**

GOAL: 1 Enforce Racing Regulations in Texas Statewide Goal/Benchmark: 8 - 0

OBJECTIVE: 4 Reduce the Percentage of Race Animals Injured or Dismissed Service Categories:

STRATEGY: 2 Administer Drug Tests Service: NA Income: NA Age: NA

CODE DESCRIPTION	Exp 2014	Exp 2015
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OUTPUT MEASURES:

<u>1</u> Number of Animal Specimens Collected for Drug Testing	540.00	540.00
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OBJECTS OF EXPENSE:

1001 SALARIES AND WAGES	12,800	12,800
2005 TRAVEL	5,550	5,550
Total, Objects of Expense	\$18,350	\$18,350

METHOD OF FINANCING:

597 Texas Racing Comm Acct	18,350	18,350
Total, Method of Finance	\$18,350	\$18,350

FULL-TIME EQUIVALENT POSITIONS (FTE):	0.4	0.4
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EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

New or Reopening Horse Racetrack

4.C. Exceptional Items Strategy Request
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/8/2012
TIME: 10:28:05AM

Agency Code: **476** Agency name: **Racing Commission**

GOAL: 2 Regulate the Participation in Racing Statewide Goal/Benchmark: 8 - 0

OBJECTIVE: 1 Maintain the Efficiency of the Occupational Licensing Process Service Categories:

STRATEGY: 1 Administer the Occupational Licensing Program through Enforcement Service: 16 Income: A.2 Age: B.3

CODE DESCRIPTION	Exp 2014	Exp 2015
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STRATEGY IMPACT ON OUTCOME MEASURES:

<u>1</u> Average Time Required to Issue a New Occupational License (Minutes)	15.00	15.00
<u>2</u> Percent of License Holders Meeting Qualifications	100.00 %	100.00 %
<u>3</u> Percent of New Eligible Individual Licences Issued Online	9.00 %	9.00 %
<u>4</u> Percent of Licensees Who Renew Online	12.50 %	12.50 %

OUTPUT MEASURES:

<u>1</u> Number of New Occupational Licenses Issued	200.00	200.00
<u>2</u> Number of Occupational Licenses Renewed	150.00	150.00

EFFICIENCY MEASURES:

<u>1</u> Average Regulatory Cost Per Licensee	72.61	72.61
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EXPLANATORY/INPUT MEASURES:

<u>1</u> Total Number of Individuals Licensed	402.00	402.00
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OBJECTS OF EXPENSE:

1001 SALARIES AND WAGES	32,000	32,000
2005 TRAVEL	3,000	3,000
Total, Objects of Expense	\$35,000	\$35,000

METHOD OF FINANCING:

597 Texas Racing Comm Acct	35,000	35,000
Total, Method of Finance	\$35,000	\$35,000

FULL-TIME EQUIVALENT POSITIONS (FTE):	1.0	1.0
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4.C. Exceptional Items Strategy Request
83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/8/2012
TIME: 10:28:05AM

Agency Code: **476** Agency name: **Racing Commission**

GOAL: 2 Regulate the Participation in Racing Statewide Goal/Benchmark: 8 - 0

OBJECTIVE: 1 Maintain the Efficiency of the Occupational Licensing Process Service Categories:

STRATEGY: 1 Administer the Occupational Licensing Program through Enforcement Service: 16 Income: A.2 Age: B.3

CODE DESCRIPTION	Exp 2014	Exp 2015
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EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

New or Reopening Horse Racetrack

4.C. Exceptional Items Strategy Request
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/8/2012
TIME: 10:28:05AM

Agency Code: **476** Agency name: **Racing Commission**

GOAL: 3 Regulate Pari-mutuel Wagering in Texas Statewide Goal/Benchmark: 8 - 0

OBJECTIVE: 1 Increase Pass Rate for Initial Tote Test and Compliance Audits Service Categories:

STRATEGY: 1 Regulate Pari-mutuel Wagering to Maintain an Honest Racing Industry Service: 17 Income: A.2 Age: B.2

CODE DESCRIPTION	Excp 2014	Excp 2015
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STRATEGY IMPACT ON OUTCOME MEASURES:

<u>1</u> Percentage of Tote Tests Passed on the First Run	97.00 %	97.00 %
<u>2</u> Percentage of Compliance Audits Passed	95.00 %	95.00 %

OUTPUT MEASURES:

<u>1</u> Number of Live and Simulcast Races Audited and Reviewed	31,300.00	31,300.00
<u>2</u> Number of Compliance Audits Completed	415.00	415.00

EFFICIENCY MEASURES:

<u>1</u> Average Cost to Audit and Review a Live or Simulcast Race	0.93	0.93
--	------	------

EXPLANATORY/INPUT MEASURES:

<u>1</u> Total Pari-Mutuel Handle (in Millions)	343.32	340.43
<u>2</u> Total Take to the State Treasury from Pari-Mutuel Wagering	3,136,510.00	3,113,057.00
<u>3</u> Ratio of Simulcast Handle to Live Handle	7.50	7.50

OBJECTS OF EXPENSE:

1001 SALARIES AND WAGES	42,000	42,000
2005 TRAVEL	3,000	3,000
Total, Objects of Expense	\$45,000	\$45,000

METHOD OF FINANCING:

597 Texas Racing Comm Acct	45,000	45,000
Total, Method of Finance	\$45,000	\$45,000

FULL-TIME EQUIVALENT POSITIONS (FTE):	1.0	1.0
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4.C. Exceptional Items Strategy Request
83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/8/2012
TIME: 10:28:05AM

Agency Code: **476** Agency name: **Racing Commission**

GOAL: 3 Regulate Pari-mutuel Wagering in Texas Statewide Goal/Benchmark: 8 - 0

OBJECTIVE: 1 Increase Pass Rate for Initial Tote Test and Compliance Audits Service Categories:

STRATEGY: 1 Regulate Pari-mutuel Wagering to Maintain an Honest Racing Industry Service: 17 Income: A.2 Age: B.2

CODE DESCRIPTION	Exp 2014	Exp 2015
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EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

New or Reopening Horse Racetrack

4.C. Exceptional Items Strategy Request
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/8/2012
TIME: 10:28:05AM

Agency Code: **476** Agency name: **Racing Commission**

GOAL: 3 Regulate Pari-mutuel Wagering in Texas Statewide Goal/Benchmark: 8 - 0

OBJECTIVE: 1 Increase Pass Rate for Initial Tote Test and Compliance Audits Service Categories:

STRATEGY: 2 Conduct Wagering Compliance Inspections Service: NA Income: NA Age: NA

CODE DESCRIPTION	Exp 2014	Exp 2015
-------------------------	-----------------	-----------------

OUTPUT MEASURES:

<u>1</u> Number of Tote Tests Completed	1.00	1.00
---	------	------

EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

New or Reopening Horse Racetrack

5.A. Capital Budget Project Schedule

DATE: **8/8/2012**
 TIME : **10:28:06AM**

Automated Budget and Evaluation System of Texas (ABEST)

Agency code:

Agency name:

Category Code / Category Name

Project Sequence/Project Id/ Name

OOE / TOF / MOF CODE

Est 2012

Bud 2013

BL 2014

BL 2015

/

OBJECTS OF EXPENSE

TYPE OF FINANCING

Others

Subtotal TOF, Project

Subtotal OOE, Project

Capital Subtotal, Category

Informational Subtotal, Category

Total, Category

AGENCY TOTAL -CAPITAL

AGENCY TOTAL -INFORMATIONAL

AGENCY TOTAL

METHOD OF FINANCING:

Others

5.A. Capital Budget Project Schedule

DATE: 8/8/2012
TIME : 10:28:06AM

Automated Budget and Evaluation System of Texas (ABEST)

Agency code:

Agency name:

Category Code / Category Name

Project Sequence/Project Id/ Name

OOE / TOF / MOF CODE

Est 2012

Bud 2013

BL 2014

BL 2015

TYPE OF FINANCING:

Others

Total, Type of Financing

5.B. Capital Budget Project Information

DATE: 8/8/2012
TIME: 10:28:06AM

Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: Agency name:
Category Number: Category Name:
Project number: Project Name:

PROJECT DESCRIPTION

General Information

Number of Units / Average Unit Cost

Estimated Completion Date

Additional Capital Expenditure Amounts Required

Type of Financing

Projected Useful Life

Estimated/Actual Project Cost

Length of Financing/ Lease Period

ESTIMATED/ACTUAL DEBT OBLIGATION PAYMENTS

**Total over
project life**

REVENUE GENERATION / COST SAVINGS

Explanation:

Project Location:

Beneficiaries:

Frequency of Use and External Factors Affecting Use:

6.A. Historically Underutilized Business Supporting Schedule
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

Date: **8/8/2012**
 Time: **10:28:06AM**

Agency Code: **476** Agency: **Racing Commission**

COMPARISON TO STATEWIDE HUB PROCUREMENT GOALS

A. Fiscal Year 2010 - 2011 HUB Expenditure Information

Statewide HUB Goals	Procurement Category	% Goal	HUB Expenditures FY 2010			Total Expenditures FY 2010		HUB Expenditures FY 2011			Total Expenditures FY 2011	
			% Actual	Diff	Actual \$	% Goal	% Actual	Diff	Actual \$	FY 2011		
57.2%	Special Trade Construction	57.2 %	0.0%	-57.2%	\$0	\$0	57.2 %	0.0%	-57.2%	\$0	\$2,008	
20.0%	Professional Services	20.0 %	100.0%	80.0%	\$7,848	\$7,848	20.0 %	100.0%	80.0%	\$14,019	\$14,019	
33.0%	Other Services	33.0 %	9.0%	-24.0%	\$17,085	\$190,160	33.0 %	21.8%	-11.2%	\$48,883	\$223,733	
12.6%	Commodities	12.6 %	70.9%	58.3%	\$38,717	\$54,618	12.6 %	66.5%	53.9%	\$43,469	\$65,319	
	Total Expenditures		25.2%		\$63,650	\$252,626		34.9%		\$106,371	\$305,079	

B. Assessment of Fiscal Year 2010 - 2011 Efforts to Meet HUB Procurement Goals

Attainment:

The agency met two of three applicable statewide HUB goals in fiscal year 2010 and two of three applicable statewide HUB goals in fiscal year 2011.

Applicability:

The "Heavy Construction" and "Building Construction" categories are not applicable to agency operations in either fiscal year 2010 or fiscal year 2011. Minimal "Special Trade Construction" was accomplished in 2011 using lessor-required vendors as required in the agency's building lease contract.

Factors Affecting Attainment:

The purchases in the "Other Services" category are for veterinary services and computer maintenance. The agency has not been able to locate certified HUB vendors that can provide these services.

"Good-Faith" Efforts:

The agency made the following good faith efforts to comply with statewide HUB procurement goals per 1 TAC Section 111.13 (c) :

- Ensured that contract specifications, terms and conditions reflected the agency's actual requirements, were clearly stated and did not impose unreasonable or unnecessary contract requirements.
- Provided potential bidders with a list of certified HUBs for subcontracting.
- Prepared and distributed information on procurement procedures in a manner that encouraged participation in agency contracts by all businesses.
- Exceeded the agency HUB goal of awarding an overall percentage of 16% of procurements to HUBs.

5.C. Capital Budget Allocation to Strategies (Baseline)

DATE: 8/8/2012
TIME: 10:28:07AM

Automated Budget and Evaluation System of Texas (ABEST)

Agency code:

Agency name:

Category Code/Name

Project Sequence/Project Id/Name

Goal/Obj/Str Strategy Name

/

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TOTAL, PROJECT

TOTAL CAPITAL, ALL PROJECTS

TOTAL INFORMATIONAL, ALL PROJECTS

TOTAL, ALL PROJECTS

Automated Budget and Evaluation System of Texas (ABEST)

Agency Code:
Project Number:

Agency name:
Project name:

Operating Expenses Estimates (For Information Only)

CODE DESCRIPTION

OPERATING COSTS DESCRIPTION AND JUSTIFICATION:

6.E. Estimated Revenue Collections Supporting Schedule
83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: **476** Agency name: **Racing Commission**

FUND/ACCOUNT	Act 2011	Exp 2012	Exp 2013	Bud 2014	Est 2015
<u>597</u> Texas Racing Comm Acct					
Beginning Balance (Unencumbered):	\$2,910,222	\$550,957	\$1,033,856	\$820,618	\$567,144
Estimated Revenue:					
3188 Race Track Licenses - Horse	1,563,399	3,715,905	3,133,450	3,110,950	3,253,450
3189 Racing and Wagering Licenses	848,245	758,199	683,500	649,325	649,325
3190 Race Track Licenses - Greyhound	993,270	1,050,228	1,093,200	1,091,700	1,091,700
3191 Race Track Appl Fees - Horse	0	0	0	0	0
3193 Breakage - Horse Racing	2,861,479	3,508,139	3,508,139	3,508,139	3,508,139
3194 Outstanding Wager Tickets-Outs	664,520	0	0	0	0
3197 Breakage - Greyhound Racing	523,386	616,861	616,861	616,861	616,861
3719 Fees/Copies or Filing of Records	1,223	5,983	6,000	6,000	6,000
3795 Other Misc Government Revenue	0	1,950	0	0	0
3802 Reimbursements-Third Party	16,581	16,779	45,000	45,000	45,000
Subtotal: Actual/Estimated Revenue	7,472,103	9,674,044	9,086,150	9,027,975	9,170,475
Total Available	\$10,382,325	\$10,225,001	\$10,120,006	\$9,848,593	\$9,737,619
DEDUCTIONS:					
Expended, Budgeted, Requested	(7,268,773)	(8,226,004)	(8,289,559)	(8,257,281)	(8,257,282)
Transfer - Employee Benefits	(865,141)	(874,355)	(890,829)	(905,168)	(915,688)
Transfer - Equine Research	(59,164)	(59,000)	(59,000)	(59,000)	(59,000)
Transfer - ST Wide Cost Allocation	(26,494)	(20,233)	(35,000)	(35,000)	(35,000)
Transfer- 75% Worker's Comp	0	0	0	0	0
Transfer - 50% Unemployment	(10,546)	(11,553)	(25,000)	(25,000)	(25,000)
Transfer - TX Racing Act 3.09 B	(1,601,250)	0	0	0	0
Total, Deductions	\$(9,831,368)	\$(9,191,145)	\$(9,299,388)	\$(9,281,449)	\$(9,291,970)
Ending Fund/Account Balance	\$550,957	\$1,033,856	\$820,618	\$567,144	\$445,649

REVENUE ASSUMPTIONS:

6.E. Estimated Revenue Collections Supporting Schedule
83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: **476** Agency name: **Racing Commission**

FUND/ACCOUNT	Act 2011	Exp 2012	Exp 2013	Bud 2014	Est 2015
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The Texas Racing Act (TRA) was amended in the following areas that impact revenue and funding:

- 1) elimination of outstanding tickets as a source of revenue, and
- 2) increase the balance from \$0 to \$750,000 of unappropriated money remaining in GRD Account 597 not subject to being swept to the General Revenue Fund at the close of each fiscal biennium.

A new method of calculating annual fees for Horse and Greyhound Racetracks was adopted and implemented in January 2012. This new method was utilized in projecting fees for FY-13, FY-14, and FY15. The base annual license fee for each license type is:

- 1) \$500,000 for a Class 1,
- 2) \$230,000 for a Class 2,
- 3) \$70,000 for a Class 3 or 4, and
- 4) \$360,000 for a Greyhound racetrack.
- 5) Adjustment of Fees: Fees are calculated using a projected base of 143 days of live horse racing and 270 performances of live greyhound racing per calendar year. To cover regulatory cost, in the event additional days or performances are requested, the executive director may recalculate a horse racetrack's fee by adding \$3,750 for each additional live day and recalculate a greyhound racetrack's annual fee by adding \$750 for each additional live performance added.
- 6) If it is determined the total revenue from the annual fees is insufficient to pay the Commission's costs, a supplemental fee would be required to be paid by each association.

The agency anticipates one new or reopening horse racetrack to begin operations in the FY 2014-15 biennium. The estimated revenues and expenditures from the new racetrack are not included above, but are as follows:

Revenue:

COBJ 3188, Racetrack License – Horse , FY-14 \$379,500, FY-15 \$379,500
COBJ 3189, Racing and Wagering Licenses, FY-14 \$35,713, FY-15 \$35,713
COBJ 3193, Breakage – Horse Racing, FY-14 \$332,037, FY-15 \$332,037

Expenditures:

Expended-Rider Appropriations, FY-14 \$635,637, FY-15 \$635,637
Transfer-Employee Benefits, FY-14 \$54,963, FY-15 \$54,963

CONTACT PERSON:

Sammy Jackson

6.F.a. Advisory Committee Supporting Schedule ~ Part A

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/8/2012
Time: 10:28:13AM

Agency Code: **476** Agency: **Racing Commission**

Statutory Authorization:
Number of Members:
Committee Status:
Date Created:
Date to Be Abolished:
Strategy (Strategies):

Advisory Committee Costs	Expended Exp 2011	Estimated Est 2012	Budgeted Bud 2013	Requested BL 2014	Requested BL 2015
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Method of Financing

Meetings Per Fiscal Year

6.F.a. Advisory Committee Supporting Schedule ~ Part A

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/8/2012
Time: 10:28:13AM

Agency Code: 476 Agency: **Racing Commission**

Description and Justification for Continuation/Consequences of Abolishing

6.F.b. Advisory Committee Supporting Schedule ~ Part B

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: **8/8/2012**
Time: **10:28:13AM**

Agency Code: **476** Agency: **Racing Commission**

ADVISORY COMMITTEES THAT SHOULD BE ABOLISHED/CONSOLIDATED

Reasons for Abolishing

Homeland Security Funding

DATE: 8/8/2012
TIME: 10:28:13AM

Automated Budget and Evaluation System of Texas (ABEST)

Agency code: **476** Agency name:

CODE DESCRIPTION

TOTAL, OBJECTS OF EXPENSE

TOTAL, METHOD OF FINANCE

FULL-TIME-EQUIVALENT POSITIONS

Homeland Security Funding

DATE: 8/8/2012
TIME: 10:28:13AM

Automated Budget and Evaluation System of Texas (ABEST)

Agency code: **476** Agency name:

CODE DESCRIPTION

Automated Budget and Evaluation System of Texas (ABEST)

Item:

Strategy: --

LEGAL AUTHORITY/STATUTORY REFERENCE FOR ITEM:

DESCRIPTION/KEY ASSUMPTIONS:

CONCERNS:

TOTAL, ALL ITEMS

Automated Budget and Evaluation System of Texas (ABEST)

MOF RECAP

**SUBTOTAL,
TOTAL, ALL ITEMS**

6.J Part B Summary of Budgetary Impacts Related to Federal Health Care Reform Schedule

DATE: 8/8/2012

TIME: 10:28:14AM

Automated Budget and Evaluation System of Texas (ABEST)

Agency code:

Agency name:

**Total
Request**

**Total
Request**

ITEM ITEM NAME

Total, Cost Related to Health Care Reform

METHOD OF FINANCING

SUBTOTAL, GR & GR - DEDICATED FUNDS

TOTAL

7.A. Indirect Administrative and Support Costs
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/8/2012
 TIME : 10:28:14AM

Agency code: 476

Agency name: **Racing Commission**

Strategy	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
1-1-1 Provide Regulatory and Enforcement Services to Racetrack Owners					
OBJECTS OF EXPENSE:					
1001 SALARIES AND WAGES	\$39,705	\$ 48,789	\$ 48,387	\$ 48,559	\$ 48,559
1002 OTHER PERSONNEL COSTS	4,258	1,582	3,992	1,723	1,723
2001 PROFESSIONAL FEES AND SERVICES	971	4,970	4,970	4,970	4,970
2003 CONSUMABLE SUPPLIES	1,702	1,660	2,345	2,415	2,415
2004 UTILITIES	1,575	1,855	4,200	4,200	4,200
2005 TRAVEL	937	2,048	1,575	1,575	1,575
2006 RENT - BUILDING	7,511	7,561	6,159	6,159	6,159
2007 RENT - MACHINE AND OTHER	118	175	175	175	175
2009 OTHER OPERATING EXPENSE	19,196	12,131	16,815	16,267	16,839
5000 CAPITAL EXPENDITURES	0	610	0	0	0
Total, Objects of Expense	\$75,973	\$81,381	\$88,618	\$86,043	\$86,615
METHOD OF FINANCING:					
597 Texas Racing Comm Acct	75,973	81,381	88,618	86,043	86,615
Total, Method of Financing	\$75,973	\$81,381	\$88,618	\$86,043	\$86,615
FULL TIME EQUIVALENT POSITIONS	0.7	0.8	0.8	0.8	0.8
Method of Allocation					

7.A. Indirect Administrative and Support Costs
83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/8/2012
TIME : 10:28:14AM

Agency code: **476**

Agency name: **Racing Commission**

Strategy	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
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1-1-1 Provide Regulatory and Enforcement Services to Racetrack Owners

In general, the administrative and support costs have been allocated by the amount of daily activity that occurs in each strategy compared to the total daily activity of the agency.

The following percentages apply to each strategy:

FY2012 – FY2015

- Strategy 1-1-1: 7.0%
- Strategy 1-2-1: 2.0%
- Strategy 1-3-1: 15.4%
- Strategy 1-3-2: 8.6%
- Strategy 1-4-1: 9.0%
- Strategy 1-4-2: 9.0%
- Strategy 2-1-1: 17.0%
- Strategy 3-1-1: 26.0%
- Strategy 3-1-2: 6.0%

7.A. Indirect Administrative and Support Costs
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/8/2012
 TIME : 10:28:14AM

Agency code: 476

Agency name: **Racing Commission**

Strategy	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
1-2-1	Allocate TX Bred Funds. Estimated and Nontransferable.				
OBJECTS OF EXPENSE:					
1001 SALARIES AND WAGES	\$11,344	\$ 13,940	\$ 13,825	\$ 13,874	\$ 13,874
1002 OTHER PERSONNEL COSTS	1,217	452	1,141	492	492
2001 PROFESSIONAL FEES AND SERVICES	278	1,420	1,420	1,420	1,420
2003 CONSUMABLE SUPPLIES	486	474	670	690	690
2004 UTILITIES	450	530	1,200	1,200	1,200
2005 TRAVEL	268	585	450	450	450
2006 RENT - BUILDING	2,146	2,160	1,760	1,760	1,760
2007 RENT - MACHINE AND OTHER	34	50	50	50	50
2009 OTHER OPERATING EXPENSE	5,485	3,466	4,804	4,648	4,811
5000 CAPITAL EXPENDITURES	0	174	0	0	0
Total, Objects of Expense	\$21,708	\$23,251	\$25,320	\$24,584	\$24,747
METHOD OF FINANCING:					
597 Texas Racing Comm Acct	21,708	23,251	25,320	24,584	24,747
Total, Method of Financing	\$21,708	\$23,251	\$25,320	\$24,584	\$24,747
FULL TIME EQUIVALENT POSITIONS	0.2	0.2	0.2	0.2	0.2
Method of Allocation					

7.A. Indirect Administrative and Support Costs
83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/8/2012
TIME : 10:28:14AM

Agency code: **476**

Agency name: **Racing Commission**

Strategy	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
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1-2-1 Allocate TX Bred Funds. Estimated and Nontransferable.

In general, the administrative and support costs have been allocated by the amount of daily activity that occurs in each strategy compared to the total daily activity of the agency.

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7.A. Indirect Administrative and Support Costs
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/8/2012
 TIME : 10:28:14AM

Agency code: 476

Agency name: Racing Commission

Strategy	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
1-3-1 Supervise the Conduct of Racing through Enforcement and Monitoring					
OBJECTS OF EXPENSE:					
1001 SALARIES AND WAGES	\$87,350	\$ 107,335	\$ 106,452	\$ 106,830	\$ 106,830
1002 OTHER PERSONNEL COSTS	9,367	3,480	8,782	3,791	3,791
2001 PROFESSIONAL FEES AND SERVICES	2,137	10,934	10,934	10,934	10,934
2003 CONSUMABLE SUPPLIES	3,744	3,651	5,159	5,313	5,313
2004 UTILITIES	3,466	4,081	9,240	9,240	9,240
2005 TRAVEL	2,061	4,506	3,465	3,465	3,465
2006 RENT - BUILDING	16,523	16,634	13,549	13,549	13,549
2007 RENT - MACHINE AND OTHER	261	385	385	385	385
2009 OTHER OPERATING EXPENSE	42,232	26,688	36,993	35,788	37,045
5000 CAPITAL EXPENDITURES	0	1,341	0	0	0
Total, Objects of Expense	\$167,141	\$179,035	\$194,959	\$189,295	\$190,552
METHOD OF FINANCING:					
597 Texas Racing Comm Acct	167,141	179,035	194,959	189,295	190,552
Total, Method of Financing	\$167,141	\$179,035	\$194,959	\$189,295	\$190,552
FULL TIME EQUIVALENT POSITIONS	1.5	1.8	1.8	1.8	1.8
Method of Allocation					

7.A. Indirect Administrative and Support Costs
83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/8/2012
TIME : 10:28:14AM

Agency code: 476

Agency name: **Racing Commission**

Strategy	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
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1-3-1 Supervise the Conduct of Racing through Enforcement and Monitoring

In general, the administrative and support costs have been allocated by the amount of daily activity that occurs in each strategy compared to the total daily activity of the agency.

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7.A. Indirect Administrative and Support Costs
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/8/2012
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Agency code: 476

Agency name: **Racing Commission**

Strategy	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
1-3-2 Monitor Occupational Licensee Activities					
OBJECTS OF EXPENSE:					
1001 SALARIES AND WAGES	\$48,780	\$ 59,940	\$ 59,447	\$ 59,658	\$ 59,658
1002 OTHER PERSONNEL COSTS	5,231	1,944	4,904	2,117	2,117
2001 PROFESSIONAL FEES AND SERVICES	1,193	6,106	6,106	6,106	6,106
2003 CONSUMABLE SUPPLIES	2,091	2,039	2,881	2,967	2,967
2004 UTILITIES	1,935	2,279	5,160	5,160	5,160
2005 TRAVEL	1,151	2,516	1,935	1,935	1,935
2006 RENT - BUILDING	9,227	9,289	7,566	7,566	7,566
2007 RENT - MACHINE AND OTHER	146	215	215	215	215
2009 OTHER OPERATING EXPENSE	23,584	14,904	20,659	19,985	20,687
5000 CAPITAL EXPENDITURES	0	749	0	0	0
Total, Objects of Expense	\$93,338	\$99,981	\$108,873	\$105,709	\$106,411
METHOD OF FINANCING:					
597 Texas Racing Comm Acct	93,338	99,981	108,873	105,709	106,411
Total, Method of Financing	\$93,338	\$99,981	\$108,873	\$105,709	\$106,411
FULL TIME EQUIVALENT POSITIONS	0.8	1.0	1.0	1.0	1.0
Method of Allocation					

7.A. Indirect Administrative and Support Costs
83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/8/2012
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Agency code: **476**

Agency name: **Racing Commission**

Strategy	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
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1-3-2 Monitor Occupational Licensee Activities

In general, the administrative and support costs have been allocated by the amount of daily activity that occurs in each strategy compared to the total daily activity of the agency.

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FY2012 – FY2015

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7.A. Indirect Administrative and Support Costs
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/8/2012
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Agency code: 476

Agency name: **Racing Commission**

Strategy	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
1-4-1					
Inspect and Provide Emergency Care					
OBJECTS OF EXPENSE:					
1001 SALARIES AND WAGES	\$51,049	\$ 62,728	\$ 62,212	\$ 62,433	\$ 62,433
1002 OTHER PERSONNEL COSTS	5,474	2,034	5,133	2,216	2,216
2001 PROFESSIONAL FEES AND SERVICES	1,249	6,390	6,390	6,390	6,390
2003 CONSUMABLE SUPPLIES	2,188	2,134	3,015	3,105	3,105
2004 UTILITIES	2,025	2,385	5,400	5,400	5,400
2005 TRAVEL	1,205	2,633	2,025	2,025	2,025
2006 RENT - BUILDING	9,656	9,721	7,918	7,918	7,918
2007 RENT - MACHINE AND OTHER	152	225	225	225	225
2009 OTHER OPERATING EXPENSE	24,681	15,597	21,619	20,915	21,650
5000 CAPITAL EXPENDITURES	0	784	0	0	0
Total, Objects of Expense	\$97,679	\$104,631	\$113,937	\$110,627	\$111,362
METHOD OF FINANCING:					
597 Texas Racing Comm Acct	97,679	104,631	113,937	110,627	111,362
Total, Method of Financing	\$97,679	\$104,631	\$113,937	\$110,627	\$111,362
FULL TIME EQUIVALENT POSITIONS	0.9	1.1	1.0	1.0	1.0
Method of Allocation					

7.A. Indirect Administrative and Support Costs
83rd Regular Session, Agency Submission, Version 1
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Agency name: **Racing Commission**

Strategy	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
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1-4-1 Inspect and Provide Emergency Care

In general, the administrative and support costs have been allocated by the amount of daily activity that occurs in each strategy compared to the total daily activity of the agency.

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FY2012 – FY2015

- Strategy 1-1-1: 7.0%
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7.A. Indirect Administrative and Support Costs
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DATE: 8/8/2012
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Agency code: 476

Agency name: **Racing Commission**

Strategy	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
1-4-2 Administer Drug Tests					
OBJECTS OF EXPENSE:					
1001 SALARIES AND WAGES	\$51,049	\$ 62,728	\$ 62,212	\$ 62,433	\$ 62,433
1002 OTHER PERSONNEL COSTS	5,474	2,034	5,133	2,216	2,216
2001 PROFESSIONAL FEES AND SERVICES	1,249	6,390	6,390	6,390	6,390
2003 CONSUMABLE SUPPLIES	2,188	2,134	3,015	3,105	3,105
2004 UTILITIES	2,025	2,385	5,400	5,400	5,400
2005 TRAVEL	1,205	2,633	2,025	2,025	2,025
2006 RENT - BUILDING	9,656	9,721	7,918	7,918	7,918
2007 RENT - MACHINE AND OTHER	152	225	225	225	225
2009 OTHER OPERATING EXPENSE	24,681	15,597	21,619	20,915	21,650
5000 CAPITAL EXPENDITURES	0	784	0	0	0
Total, Objects of Expense	\$97,679	\$104,631	\$113,937	\$110,627	\$111,362
METHOD OF FINANCING:					
597 Texas Racing Comm Acct	97,679	104,631	113,937	110,627	111,362
Total, Method of Financing	\$97,679	\$104,631	\$113,937	\$110,627	\$111,362
FULL TIME EQUIVALENT POSITIONS	0.9	1.1	1.0	1.0	1.0
Method of Allocation					

7.A. Indirect Administrative and Support Costs
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/8/2012
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Agency code: **476**

Agency name: **Racing Commission**

Strategy	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
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1-4-2 Administer Drug Tests

In general, the administrative and support costs have been allocated by the amount of daily activity that occurs in each strategy compared to the total daily activity of the agency.

The following percentages apply to each strategy:

FY2012 – FY2015

- Strategy 1-1-1: 7.0%
- Strategy 1-2-1: 2.0%
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7.A. Indirect Administrative and Support Costs
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DATE: 8/8/2012
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Agency code: 476

Agency name: **Racing Commission**

Strategy	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
2-1-1	Administer the Occupational Licensing Program through Enforcement				
OBJECTS OF EXPENSE:					
1001 SALARIES AND WAGES	\$96,426	\$ 118,487	\$ 117,512	\$ 117,929	\$ 117,929
1002 OTHER PERSONNEL COSTS	10,340	3,842	9,695	4,185	4,185
2001 PROFESSIONAL FEES AND SERVICES	2,359	12,070	12,070	12,070	12,070
2003 CONSUMABLE SUPPLIES	4,133	4,030	5,695	5,865	5,865
2004 UTILITIES	3,826	4,505	10,200	10,200	10,200
2005 TRAVEL	2,276	4,974	3,825	3,825	3,825
2006 RENT - BUILDING	18,240	18,362	14,956	14,956	14,956
2007 RENT - MACHINE AND OTHER	288	425	425	425	425
2009 OTHER OPERATING EXPENSE	46,619	29,461	40,837	39,506	40,894
5000 CAPITAL EXPENDITURES	0	1,481	0	0	0
Total, Objects of Expense	\$184,507	\$197,637	\$215,215	\$208,961	\$210,349
METHOD OF FINANCING:					
597 Texas Racing Comm Acct	184,507	197,637	215,215	208,961	210,349
Total, Method of Financing	\$184,507	\$197,637	\$215,215	\$208,961	\$210,349
FULL TIME EQUIVALENT POSITIONS	1.7	2.0	2.0	2.0	2.0
Method of Allocation					

7.A. Indirect Administrative and Support Costs
83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/8/2012
TIME : 10:28:14AM

Agency code: **476**

Agency name: **Racing Commission**

Strategy	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
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2-1-1 Administer the Occupational Licensing Program through Enforcement

In general, the administrative and support costs have been allocated by the amount of daily activity that occurs in each strategy compared to the total daily activity of the agency.

The following percentages apply to each strategy:

FY2012 – FY2015

- Strategy 1-1-1: 7.0%
- Strategy 1-2-1: 2.0%
- Strategy 1-3-1: 15.4%
- Strategy 1-3-2: 8.6%
- Strategy 1-4-1: 9.0%
- Strategy 1-4-2: 9.0%
- Strategy 2-1-1: 17.0%
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- Strategy 3-1-2: 6.0%

7.A. Indirect Administrative and Support Costs
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/8/2012
 TIME : 10:28:14AM

Agency code: 476

Agency name: **Racing Commission**

Strategy	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
3-1-1 Regulate Pari-mutuel Wagering to Maintain an Honest Racing Industry					
OBJECTS OF EXPENSE:					
1001 SALARIES AND WAGES	\$147,475	\$ 181,215	\$ 179,724	\$ 180,362	\$ 180,362
1002 OTHER PERSONNEL COSTS	15,815	5,876	14,828	6,400	6,400
2001 PROFESSIONAL FEES AND SERVICES	3,608	18,460	18,460	18,460	18,460
2003 CONSUMABLE SUPPLIES	6,321	6,164	8,710	8,970	8,970
2004 UTILITIES	5,851	6,890	15,600	15,600	15,600
2005 TRAVEL	3,480	7,607	5,850	5,850	5,850
2006 RENT - BUILDING	27,896	28,084	22,875	22,875	22,875
2007 RENT - MACHINE AND OTHER	440	650	650	650	650
2009 OTHER OPERATING EXPENSE	71,300	45,058	62,456	60,421	62,544
5000 CAPITAL EXPENDITURES	0	2,265	0	0	0
Total, Objects of Expense	\$282,186	\$302,269	\$329,153	\$319,588	\$321,711
METHOD OF FINANCING:					
597 Texas Racing Comm Acct	282,186	302,269	329,153	319,588	321,711
Total, Method of Financing	\$282,186	\$302,269	\$329,153	\$319,588	\$321,711
FULL TIME EQUIVALENT POSITIONS	2.5	3.1	3.0	3.0	3.0
Method of Allocation					

7.A. Indirect Administrative and Support Costs
83rd Regular Session, Agency Submission, Version 1
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Agency name: **Racing Commission**

Strategy	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
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3-1-1 Regulate Pari-mutuel Wagering to Maintain an Honest Racing Industry

In general, the administrative and support costs have been allocated by the amount of daily activity that occurs in each strategy compared to the total daily activity of the agency.

The following percentages apply to each strategy:

FY2012 – FY2015

- Strategy 1-1-1: 7.0%
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- Strategy 1-3-2: 8.6%
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- Strategy 1-4-2: 9.0%
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- Strategy 3-1-1: 26.0%
- Strategy 3-1-2: 6.0%

7.A. Indirect Administrative and Support Costs
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

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Agency code: 476

Agency name: **Racing Commission**

Strategy	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
3-1-2 Conduct Wagering Compliance Inspections					
OBJECTS OF EXPENSE:					
1001 SALARIES AND WAGES	\$34,032	\$ 41,819	\$ 41,476	\$ 41,621	\$ 41,621
1002 OTHER PERSONNEL COSTS	3,649	1,356	3,421	1,477	1,477
2001 PROFESSIONAL FEES AND SERVICES	832	4,260	4,260	4,260	4,260
2003 CONSUMABLE SUPPLIES	1,457	1,422	2,010	2,070	2,070
2004 UTILITIES	1,352	1,590	3,600	3,600	3,600
2005 TRAVEL	803	1,757	1,350	1,350	1,350
2006 RENT - BUILDING	6,439	6,482	5,278	5,278	5,278
2007 RENT - MACHINE AND OTHER	101	150	150	150	150
2009 OTHER OPERATING EXPENSE	16,453	10,398	14,414	13,943	14,432
5000 CAPITAL EXPENDITURES	0	522	0	0	0
 Total, Objects of Expense	\$65,118	\$69,756	\$75,959	\$73,749	\$74,238
METHOD OF FINANCING:					
597 Texas Racing Comm Acct	65,118	69,756	75,959	73,749	74,238
 Total, Method of Financing	\$65,118	\$69,756	\$75,959	\$73,749	\$74,238
FULL TIME EQUIVALENT POSITIONS	0.6	0.7	0.8	0.8	0.8
Method of Allocation					

7.A. Indirect Administrative and Support Costs
83rd Regular Session, Agency Submission, Version 1
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Exp 2011

Est 2012

Bud 2013

BL 2014

BL 2015

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Strategy 1-1-1: 7.0%

Strategy 1-2-1: 2.0%

Strategy 1-3-1: 15.4%

Strategy 1-3-2: 8.6%

Strategy 1-4-1: 9.0%

Strategy 1-4-2: 9.0%

Strategy 2-1-1: 17.0%

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Strategy 3-1-2: 6.0%

7.A. Indirect Administrative and Support Costs
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Agency name: **Racing Commission**

	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
GRAND TOTALS					
Objects of Expense					
1001 SALARIES AND WAGES	\$567,210	\$696,981	\$691,247	\$693,699	\$693,699
1002 OTHER PERSONNEL COSTS	\$60,825	\$22,600	\$57,029	\$24,617	\$24,617
2001 PROFESSIONAL FEES AND SERVICES	\$13,876	\$71,000	\$71,000	\$71,000	\$71,000
2003 CONSUMABLE SUPPLIES	\$24,310	\$23,708	\$33,500	\$34,500	\$34,500
2004 UTILITIES	\$22,505	\$26,500	\$60,000	\$60,000	\$60,000
2005 TRAVEL	\$13,386	\$29,259	\$22,500	\$22,500	\$22,500
2006 RENT - BUILDING	\$107,294	\$108,014	\$87,979	\$87,979	\$87,979
2007 RENT - MACHINE AND OTHER	\$1,692	\$2,500	\$2,500	\$2,500	\$2,500
2009 OTHER OPERATING EXPENSE	\$274,231	\$173,300	\$240,216	\$232,388	\$240,552
5000 CAPITAL EXPENDITURES	\$0	\$8,710	\$0	\$0	\$0
Total, Objects of Expense	\$1,085,329	\$1,162,572	\$1,265,971	\$1,229,183	\$1,237,347
Method of Financing					
597 Texas Racing Comm Acct	\$1,085,329	\$1,162,572	\$1,265,971	\$1,229,183	\$1,237,347
Total, Method of Financing	\$1,085,329	\$1,162,572	\$1,265,971	\$1,229,183	\$1,237,347
Full-Time-Equivalent Positions (FTE)	9.8	11.8	11.6	11.6	11.6

Agency code: 476

Agency name: **Racing Commission**

Strategy	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
1-1-1	Provide Regulatory and Enforcement Services to Racetrack Owners				
OBJECTS OF EXPENSE:					
1001 SALARIES AND WAGES	\$24,076	\$25,175	\$33,996	\$33,996	\$33,996
1002 OTHER PERSONNEL COSTS	460	668	723	716	716
2003 CONSUMABLE SUPPLIES	4	0	56	50	50
2009 OTHER OPERATING EXPENSE	6,081	4,180	3,960	3,508	3,508
Total, Objects of Expense	\$30,621	\$30,023	\$38,735	\$38,270	\$38,270
METHOD OF FINANCING:					
597 Texas Racing Comm Acct	30,621	30,023	38,735	38,270	38,270
Total, Method of Financing	\$30,621	\$30,023	\$38,735	\$38,270	\$38,270
FULL-TIME-EQUIVALENT POSITIONS (FTE):	1.0	1.0	1.0	1.0	1.0
DESCRIPTION					

The administrative costs in this strategy are related to one administrative technician who provides a variety of technical-administrative duties including maintaining filing systems, preparing reports, responding to inquiries and general administrative support work for the General Counsel of the agency.

Agency code: 476

Agency name: **Racing Commission**

Strategy	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
1-3-2 Monitor Occupational Licensee Activities					
OBJECTS OF EXPENSE:					
1001 SALARIES AND WAGES	\$41,744	\$42,192	\$42,192	\$42,192	\$42,192
1002 OTHER PERSONNEL COSTS	6,553	2,554	4,523	3,760	3,864
2003 CONSUMABLE SUPPLIES	291	42	95	97	97
2009 OTHER OPERATING EXPENSE	568	997	1,286	1,316	1,316
Total, Objects of Expense	\$49,156	\$45,785	\$48,096	\$47,365	\$47,469
METHOD OF FINANCING:					
597 Texas Racing Comm Acct	49,156	45,785	48,096	47,365	47,469
Total, Method of Financing	\$49,156	\$45,785	\$48,096	\$47,365	\$47,469
FULL-TIME-EQUIVALENT POSITIONS (FTE):	1.0	1.0	1.0	1.0	1.0

DESCRIPTION

The administrative costs in this strategy are related to one administrative technician who provides a variety of technical-administrative duties including maintaining filing systems, data entry of criminal history information, preparing reports, responding to inquiries and general administrative support work for the Investigative Department of the agency.

Agency code: 476

Agency name: **Racing Commission**

Strategy	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
1-4-1 Inspect and Provide Emergency Care					
OBJECTS OF EXPENSE:					
1001 SALARIES AND WAGES	\$33,970	\$34,334	\$35,532	\$35,532	\$35,532
1002 OTHER PERSONNEL COSTS	944	1,307	1,347	1,565	241
2009 OTHER OPERATING EXPENSE	1,110	1,435	1,657	1,614	1,614
Total, Objects of Expense	\$36,024	\$37,076	\$38,536	\$38,711	\$37,387
METHOD OF FINANCING:					
597 Texas Racing Comm Acct	36,024	37,076	38,536	38,711	37,387
Total, Method of Financing	\$36,024	\$37,076	\$38,536	\$38,711	\$37,387
FULL-TIME-EQUIVALENT POSITIONS (FTE):	1.0	1.0	1.0	1.0	1.0

DESCRIPTION

The administrative costs in this strategy are related to one administrative technician who provides a variety of technical-administrative duties including maintaining filing systems, data entry of animal testing results, preparing reports, responding to inquiries and general administrative support work for the Veterinary Services Department and the Racing Department of the agency.

Agency code: 476

Agency name: **Racing Commission**

Strategy	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
3-1-2 Conduct Wagering Compliance Inspections					
OBJECTS OF EXPENSE:					
1001 SALARIES AND WAGES	\$32,619	\$32,968	\$34,164	\$34,164	\$34,164
1002 OTHER PERSONNEL COSTS	3,558	1,134	1,434	1,421	1,421
2009 OTHER OPERATING EXPENSE	649	1,120	1,065	1,052	1,052
 Total, Objects of Expense	\$36,826	\$35,222	\$36,663	\$36,637	\$36,637
METHOD OF FINANCING:					
597 Texas Racing Comm Acct	36,826	35,222	36,663	36,637	36,637
 Total, Method of Financing	\$36,826	\$35,222	\$36,663	\$36,637	\$36,637
FULL-TIME-EQUIVALENT POSITIONS (FTE):	1.0	1.0	1.0	1.0	1.0

DESCRIPTION

The administrative costs in this strategy are related to one administrative technician who provides a variety of technical-administrative duties including maintaining filing systems, data entry of pari-mutuel activity and simulcast requests, preparing reports, responding to inquiries and general administrative support work for the Pari-Mutuel Wagering Department of the agency.

Agency code: 476

Agency name: **Racing Commission**

	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
GRAND TOTALS					
Objects of Expense					
1001 SALARIES AND WAGES	\$132,409	\$134,669	\$145,884	\$145,884	\$145,884
1002 OTHER PERSONNEL COSTS	\$11,515	\$5,663	\$8,027	\$7,462	\$6,242
2003 CONSUMABLE SUPPLIES	\$295	\$42	\$151	\$147	\$147
2009 OTHER OPERATING EXPENSE	\$8,408	\$7,732	\$7,968	\$7,490	\$7,490
Total, Objects of Expense	\$152,627	\$148,106	\$162,030	\$160,983	\$159,763
Method of Financing					
597 Texas Racing Comm Acct	\$152,627	\$148,106	\$162,030	\$160,983	\$159,763
Total, Method of Financing	\$152,627	\$148,106	\$162,030	\$160,983	\$159,763
Full-Time-Equivalent Positions (FTE)	4.0	4.0	4.0	4.0	4.0

6.I. Percent Biennial Base Reduction Options

5 % REDUCTION

Date: 8/8/2012

Time: 10:28:17AM

Automated Budget and Evaluation System of Texas (ABEST)

Agency code: Agency name:

	REVENUE LOSS	REDUCTION AMOUNT	TARGET
Item Priority and Name/ Method of Financing	Biennial Total	Biennial Total	

Category:

Strategy: --

FTE Reductions (From FY and FY Base Request)

Agency Grand Total

Difference, Options Total Less Target

Agency FTE Reductions (From FY and FY Base Request)

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/8/2012
Time: 10:28:17AM

Agency code: 476 Agency name: **Racing Commission**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2014	2015	Biennial Total	2014	2015	Biennial Total	

1 Texas Bred Incentive Program

Category: Programs - Grant/Loan/Pass-through Reductions

Item Comment: Of the total GR Dedicated reduction of \$1,663,256, \$831,268 or 50% consists of grants to the Texas Bred Incentive Program for encouraging the breeding and racing of animals in Texas. Of these funds, 2.0% is allocated for Equine Research at Texas A&M University, 9.8% is allocated for administration of the Texas Bred Incentive Program to the various Breed Registries recognized by the Texas Racing Act and 88.2% is allocated for awards to be issued to owners of Accredited Texas Bred greyhounds and horses.

Strategy: 1-2-1 Allocate TX Bred Funds. Estimated and Nontransferable.

Gr Dedicated

597 Texas Racing Comm Acct	\$0	\$0	\$0	\$415,634	\$415,634	\$831,268
Gr Dedicated Total	\$0	\$0	\$0	\$415,634	\$415,634	\$831,268
Item Total	\$0	\$0	\$0	\$415,634	\$415,634	\$831,268

FTE Reductions (From FY 2014 and FY 2015 Base Request)

2 Eliminate Accounting Professional Services

Category: Administrative - Contracted Admin Services

Item Comment: Of the total GR Dedicated reduction of \$1,663,256, \$10,000 or 0.6% consists of professional fees and services for preparing the agency's annual financial report. This reductions will have limited impact to the agency.

Strategy: 4-1-1 Central Administration and Other Support Services

Gr Dedicated

597 Texas Racing Comm Acct	\$0	\$0	\$0	\$5,000	\$5,000	\$10,000
Gr Dedicated Total	\$0	\$0	\$0	\$5,000	\$5,000	\$10,000
Item Total	\$0	\$0	\$0	\$5,000	\$5,000	\$10,000

FTE Reductions (From FY 2014 and FY 2015 Base Request)

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/8/2012
Time: 10:28:17AM

Agency code: 476 Agency name: **Racing Commission**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2014	2015	Biennial Total	2014	2015	Biennial Total	

3 Eliminate Training Budgets

Category: Administrative - Operating Expenses

Item Comment: Of the total GR Dedicated reduction of \$1,663,256, \$56,300 or 3.3% consists of other operating expenses budgeted for training in each of the following strategies:

Strategy	FTE	FY 2014	FTE	FY 2015
1-1-1	0.0	\$ 2,250	0.0	\$ 2,250
1-3-1	0.0	\$ 6,000	0.0	\$ 6,000
1-3-2	0.0	\$ 3,000	0.0	\$ 3,000
1-4-1	0.0	\$ 2,500	0.0	\$ 2,500
1-4-2	0.0	\$ 3,000	0.0	\$ 3,000
2-1-1	0.0	\$ 4,000	0.0	\$ 4,000
3-1-1	0.0	\$ 2,500	0.0	\$ 2,500
3-1-2	0.0	\$ 1,500	0.0	\$ 1,500
4-1-1	0.0	\$ 3,400	0.0	\$ 3,400
Totals	0.0	\$28,150	0.0	\$28,150

This reduction will not affect the agency's service population, but will affect staff as they are asked to do more with less. Training helps staff accomplish this mission.

Strategy: 1-1-1 Provide Regulatory and Enforcement Services to Racetrack Owners

Gr Dedicated

597 Texas Racing Comm Acct	\$0	\$0	\$0	\$2,250	\$2,250	\$4,500
Gr Dedicated Total	\$0	\$0	\$0	\$2,250	\$2,250	\$4,500

Strategy: 1-3-1 Supervise the Conduct of Racing through Enforcement and Monitoring

Gr Dedicated

597 Texas Racing Comm Acct	\$0	\$0	\$0	\$6,000	\$6,000	\$12,000
Gr Dedicated Total	\$0	\$0	\$0	\$6,000	\$6,000	\$12,000

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/8/2012
Time: 10:28:17AM

Agency code: 476 Agency name: **Racing Commission**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2014	2015	Biennial Total	2014	2015	Biennial Total	
Strategy: 1-3-2 Monitor Occupational Licensee Activities							
<u>Gr Dedicated</u>							
597 Texas Racing Comm Acct	\$0	\$0	\$0	\$3,000	\$3,000	\$6,000	
Gr Dedicated Total	\$0	\$0	\$0	\$3,000	\$3,000	\$6,000	
Strategy: 1-4-1 Inspect and Provide Emergency Care							
<u>Gr Dedicated</u>							
597 Texas Racing Comm Acct	\$0	\$0	\$0	\$2,500	\$2,500	\$5,000	
Gr Dedicated Total	\$0	\$0	\$0	\$2,500	\$2,500	\$5,000	
Strategy: 1-4-2 Administer Drug Tests							
<u>Gr Dedicated</u>							
597 Texas Racing Comm Acct	\$0	\$0	\$0	\$3,000	\$3,000	\$6,000	
Gr Dedicated Total	\$0	\$0	\$0	\$3,000	\$3,000	\$6,000	
Strategy: 2-1-1 Administer the Occupational Licensing Program through Enforcement							
<u>Gr Dedicated</u>							
597 Texas Racing Comm Acct	\$0	\$0	\$0	\$4,000	\$4,000	\$8,000	
Gr Dedicated Total	\$0	\$0	\$0	\$4,000	\$4,000	\$8,000	
Strategy: 3-1-1 Regulate Pari-mutuel Wagering to Maintain an Honest Racing Industry							
<u>Gr Dedicated</u>							
597 Texas Racing Comm Acct	\$0	\$0	\$0	\$2,500	\$2,500	\$5,000	
Gr Dedicated Total	\$0	\$0	\$0	\$2,500	\$2,500	\$5,000	

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/8/2012
Time: 10:28:17AM

Agency code: 476 Agency name: **Racing Commission**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2014	2015	Biennial Total	2014	2015	Biennial Total	
Strategy: 3-1-2 Conduct Wagering Compliance Inspections							
<u>Gr Dedicated</u>							
597 Texas Racing Comm Acct	\$0	\$0	\$0	\$1,500	\$1,500	\$3,000	
Gr Dedicated Total	\$0	\$0	\$0	\$1,500	\$1,500	\$3,000	
Strategy: 4-1-1 Central Administration and Other Support Services							
<u>Gr Dedicated</u>							
597 Texas Racing Comm Acct	\$0	\$0	\$0	\$3,400	\$3,400	\$6,800	
Gr Dedicated Total	\$0	\$0	\$0	\$3,400	\$3,400	\$6,800	
Item Total	\$0	\$0	\$0	\$28,150	\$28,150	\$56,300	

FTE Reductions (From FY 2014 and FY 2015 Base Request)

4 Texas Bred Incentive Program

Category: Programs - Grant/Loan/Pass-through Reductions

Item Comment: Of the total GR Dedicated reduction of \$1,663,256, \$418,732 or 25% consists of grants to the Texas Bred Incentive Program for encouraging the breeding and racing of animals in Texas. Of these funds, 2.0% is allocated for Equine Research at Texas A&M University, 9.8% is allocated for administration of the Texas Bred Incentive Program to the various Breed Registries recognized by the Texas Racing Act and 88.2% is allocated for awards to be issued to owners of Accredited Texas Bred greyhounds and horses.

Strategy: 1-2-1 Allocate TX Bred Funds. Estimated and Nontransferable.

Gr Dedicated

597 Texas Racing Comm Acct	\$0	\$0	\$0	\$209,366	\$209,366	\$418,732	
Gr Dedicated Total	\$0	\$0	\$0	\$209,366	\$209,366	\$418,732	
Item Total	\$0	\$0	\$0	\$209,366	\$209,366	\$418,732	

FTE Reductions (From FY 2014 and FY 2015 Base Request)

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/8/2012
Time: 10:28:17AM

Agency code: 476 Agency name: **Racing Commission**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2014	2015	Biennial Total	2014	2015	Biennial Total	

5 Reduce Work Week

Category: Programs - Service Reductions (Other)

Item Comment: Of the total GR Dedicated reduction of \$1,663,256, \$102,959 or 6.1% consists of salaries that support a total of 1.2 FTE's over the following strategies:

Strategy	FTE	FY 2014	FTE	FY 2015
1-3-2	0.2	\$ 8,438	0.2	\$ 8,439
2-1-1	0.2	\$ 6,947	0.2	\$ 6,947
1-4-1	0.2	\$10,822	0.2	\$10,822
1-4-2	0.2	\$ 7,592	0.2	\$ 7,592
3-1-1	0.2	\$ 7,280	0.2	\$ 7,280
3-1-2	0.2	\$10,400	0.2	\$10,400
Totals	1.2	\$51,479	1.2	\$51,480

This reduction is achieved by reducing six staff from 40 hour works weeks to 32 hour work weeks in targeted areas that least impact the agency's service population.

Strategy: 1-3-2 Monitor Occupational Licensee Activities

Gr Dedicated

597 Texas Racing Comm Acct	\$0	\$0	\$0	\$8,438	\$8,439	\$16,877
Gr Dedicated Total	\$0	\$0	\$0	\$8,438	\$8,439	\$16,877

Strategy: 1-4-1 Inspect and Provide Emergency Care

Gr Dedicated

597 Texas Racing Comm Acct	\$0	\$0	\$0	\$6,947	\$6,947	\$13,894
Gr Dedicated Total	\$0	\$0	\$0	\$6,947	\$6,947	\$13,894

Strategy: 1-4-2 Administer Drug Tests

Gr Dedicated

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/8/2012
Time: 10:28:17AM

Agency code: 476 Agency name: **Racing Commission**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2014	2015	Biennial Total	2014	2015	Biennial Total	
597 Texas Racing Comm Acct	\$0	\$0	\$0	\$10,822	\$10,822	\$21,644	
Gr Dedicated Total	\$0	\$0	\$0	\$10,822	\$10,822	\$21,644	
Strategy: 2-1-1 Administer the Occupational Licensing Program through Enforcement							
<u>Gr Dedicated</u>							
597 Texas Racing Comm Acct	\$0	\$0	\$0	\$7,592	\$7,592	\$15,184	
Gr Dedicated Total	\$0	\$0	\$0	\$7,592	\$7,592	\$15,184	
Strategy: 3-1-1 Regulate Pari-mutuel Wagering to Maintain an Honest Racing Industry							
<u>Gr Dedicated</u>							
597 Texas Racing Comm Acct	\$0	\$0	\$0	\$7,280	\$7,280	\$14,560	
Gr Dedicated Total	\$0	\$0	\$0	\$7,280	\$7,280	\$14,560	
Strategy: 3-1-2 Conduct Wagering Compliance Inspections							
<u>Gr Dedicated</u>							
597 Texas Racing Comm Acct	\$0	\$0	\$0	\$10,400	\$10,400	\$20,800	
Gr Dedicated Total	\$0	\$0	\$0	\$10,400	\$10,400	\$20,800	
Item Total	\$0	\$0	\$0	\$51,479	\$51,480	\$102,959	
FTE Reductions (From FY 2014 and FY 2015 Base Request)				1.2	1.2		

6 Delay Replacement of Computer Equipment

Category: Programs - Delayed Program Implementation

Item Comment: Of the total GR Dedicated reduction of \$1,663,256, \$52,200 or 3% consists of other operating expense budgeted for the replacement of computer equipment in accordance with the Department of Information Resources' Life Cycle Recommendation Schedule. This reduction could impact the agency's information services capabilities.

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/8/2012
Time: 10:28:17AM

Agency code: 476 Agency name: **Racing Commission**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2014	2015	Biennial Total	2014	2015	Biennial Total	
Strategy: 4-1-2 Information Resources							
<u>Gr Dedicated</u>							
597 Texas Racing Comm Acct	\$0	\$0	\$0	\$26,100	\$26,100	\$52,200	
Gr Dedicated Total	\$0	\$0	\$0	\$26,100	\$26,100	\$52,200	
Item Total	\$0	\$0	\$0	\$26,100	\$26,100	\$52,200	

FTE Reductions (From FY 2014 and FY 2015 Base Request)

7 Eliminate Wagering Integrity Professional Services

Category: Programs - Service Reductions (Contracted)

Item Comment: Of the total GR Dedicated reduction of \$1,663,256, \$150,000 or 9% consists of professional fees and services budgeted for the independent testing of wagering systems located at the Texas racetracks. These services are used to assist with the validation that the wagering systems are operating in compliance with standards and reporting wagering activity accurately as recommended by the State Auditors Office. This reduction will impact the agency's ability to regulate the wagering systems operating at the Texas racetracks.

Strategy: 3-1-2 Conduct Wagering Compliance Inspections

Gr Dedicated

597 Texas Racing Comm Acct	\$0	\$0	\$0	\$75,000	\$75,000	\$150,000	
Gr Dedicated Total	\$0	\$0	\$0	\$75,000	\$75,000	\$150,000	
Item Total	\$0	\$0	\$0	\$75,000	\$75,000	\$150,000	

FTE Reductions (From FY 2014 and FY 2015 Base Request)

8 Furlough Two Days Per Fiscal Year

Category: Across the Board Reductions

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/8/2012
Time: 10:28:17AM

Agency code: 476 Agency name: **Racing Commission**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2014	2015	Biennial Total	2014	2015	Biennial Total	

Item Comment: Of the total GR Dedicated reduction of \$1,663,256, \$41,797 or 3% consists of salaries that support all agency staff. The reduction is achieved by furloughing each employee two days or 16 hours per fiscal year. This reduction impacts the following strategies:

Strategy	FTE	FY 2014	FTE	FY 2015
1-1-1	0.0	\$ 2,600	0.0	\$ 2,600
1-3-1	0.0	\$ 3,950	0.0	\$ 3,950
1-3-2	0.0	\$ 1,525	0.0	\$ 1,525
1-4-1	0.0	\$ 1,450	0.0	\$ 1,450
1-4-2	0.0	\$ 1,325	0.0	\$ 1,325
2-1-1	0.0	\$ 2,150	0.0	\$ 2,150
3-1-1	0.0	\$ 2,000	0.0	\$ 2,000
3-1-2	0.0	\$ 1,025	0.0	\$ 1,025
4-1-1	0.0	\$ 3,075	0.0	\$ 3,075
4-1-2	0.0	\$ 1,799	0.0	\$ 1,798
Totals	0.0	\$20,899	0.0	\$20,898

This reduction will have a limited impact to the agency's service population.

Strategy: 1-1-1 Provide Regulatory and Enforcement Services to Racetrack Owners

Gr Dedicated

597 Texas Racing Comm Acct	\$0	\$0	\$0	\$2,600	\$2,600	\$5,200
Gr Dedicated Total	\$0	\$0	\$0	\$2,600	\$2,600	\$5,200

Strategy: 1-3-1 Supervise the Conduct of Racing through Enforcement and Monitoring

Gr Dedicated

597 Texas Racing Comm Acct	\$0	\$0	\$0	\$3,950	\$3,950	\$7,900
Gr Dedicated Total	\$0	\$0	\$0	\$3,950	\$3,950	\$7,900

Strategy: 1-3-2 Monitor Occupational Licensee Activities

Gr Dedicated

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/8/2012
Time: 10:28:17AM

Agency code: 476 Agency name: **Racing Commission**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2014	2015	Biennial Total	2014	2015	Biennial Total	
597 Texas Racing Comm Acct	\$0	\$0	\$0	\$1,525	\$1,525	\$3,050	
Gr Dedicated Total	\$0	\$0	\$0	\$1,525	\$1,525	\$3,050	
Strategy: 1-4-1 Inspect and Provide Emergency Care							
<u>Gr Dedicated</u>							
597 Texas Racing Comm Acct	\$0	\$0	\$0	\$1,450	\$1,450	\$2,900	
Gr Dedicated Total	\$0	\$0	\$0	\$1,450	\$1,450	\$2,900	
Strategy: 1-4-2 Administer Drug Tests							
<u>Gr Dedicated</u>							
597 Texas Racing Comm Acct	\$0	\$0	\$0	\$1,325	\$1,325	\$2,650	
Gr Dedicated Total	\$0	\$0	\$0	\$1,325	\$1,325	\$2,650	
Strategy: 2-1-1 Administer the Occupational Licensing Program through Enforcement							
<u>Gr Dedicated</u>							
597 Texas Racing Comm Acct	\$0	\$0	\$0	\$2,150	\$2,150	\$4,300	
Gr Dedicated Total	\$0	\$0	\$0	\$2,150	\$2,150	\$4,300	
Strategy: 3-1-1 Regulate Pari-mutuel Wagering to Maintain an Honest Racing Industry							
<u>Gr Dedicated</u>							
597 Texas Racing Comm Acct	\$0	\$0	\$0	\$2,000	\$2,000	\$4,000	
Gr Dedicated Total	\$0	\$0	\$0	\$2,000	\$2,000	\$4,000	
Strategy: 3-1-2 Conduct Wagering Compliance Inspections							
<u>Gr Dedicated</u>							
597 Texas Racing Comm Acct	\$0	\$0	\$0	\$1,025	\$1,025	\$2,050	

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/8/2012
Time: 10:28:17AM

Agency code: 476 Agency name: **Racing Commission**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2014	2015	Biennial Total	2014	2015	Biennial Total	
Gr Dedicated Total	\$0	\$0	\$0	\$1,025	\$1,025	\$2,050	
Strategy: 4-1-1 Central Administration and Other Support Services							
<u>Gr Dedicated</u>							
597 Texas Racing Comm Acct	\$0	\$0	\$0	\$3,075	\$3,075	\$6,150	
Gr Dedicated Total	\$0	\$0	\$0	\$3,075	\$3,075	\$6,150	
Strategy: 4-1-2 Information Resources							
<u>Gr Dedicated</u>							
597 Texas Racing Comm Acct	\$0	\$0	\$0	\$1,799	\$1,798	\$3,597	
Gr Dedicated Total	\$0	\$0	\$0	\$1,799	\$1,798	\$3,597	
Item Total	\$0	\$0	\$0	\$20,899	\$20,898	\$41,797	
FTE Reductions (From FY 2014 and FY 2015 Base Request)							
GR Dedicated Total				\$831,628	\$831,628	\$1,663,256	\$1,663,256
Agency Grand Total	\$0	\$0	\$0	\$831,628	\$831,628	\$1,663,256	
Difference, Options Total Less Target							
Agency FTE Reductions (From FY 2014 and FY 2015 Base Request)				1.2	1.2		