

— TEXAS —

RACING COMMISSION

LEGISLATIVE APPROPRIATIONS REQUEST FOR FISCAL YEARS 2016 AND 2017



Commissioners

Robert Schmidt, M.D., Chair
Ronald F. Ederer, Vice Chair
Gary P. Aber, DVM
Gloria Hicks
Michael F. Martin, DVM
John T. Steen III
Vicki Smith Weinberg

Term Expires

2017
2019
2015
2017
2015
2019
2015

Hometown

Fort Worth
Corpus Christi
Simonton
Corpus Christi
San Antonio
Houston
Colleyville

Ex-Officio Members

Susan Combs
Comptroller of Public Accounts
A. Cynthia "Cindy" Leon
Chair, Public Safety Commission

Austin

Mission

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TEXAS RACING COMMISSION

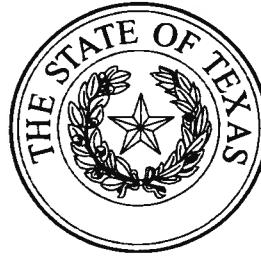
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CERTIFICATE FROM THE TEXAS

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 (2014-15 GAA).

A blue ink signature of Charles G. Trout, written in a cursive style.

Charles G. Trout
Executive Director

A blue ink signature of Robert Schmidt, M.D., written in a cursive style.

Robert Schmidt, M. D.
Chairman

JUL 28 2014

Date

JUL 28 2014

Date

A blue ink signature of Samuel E. Jackson, written in a cursive style.

Samuel E. Jackson
Deputy Director for Finance and Wagering

JUL 28 2014

Date

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The Racing Commission oversees and regulates pari-mutuel horse and greyhound racing, pursuant to authority granted in the Texas Racing Act, Vernon’s Texas Civil Statutes, Art. 179e. The 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 – 02/01/2019	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 – 02/01/2019	Houston
Vicki Weinberg	04/08/2009 – 02/01/2015	Colleyville
Ex Officio Members		
Susan Combs, Comptroller of Public Accounts		Austin
A. Cynthia Leon, Chair, Public Safety Commission		Mission

I. OVERVIEW

The Racing Commission enforces the Texas Racing Act and the Rules of Racing to ensure the safety, integrity, and fairness of Texas pari-mutuel racing. Eight operational licensed racetracks operate throughout the state. Almost 1.5 million patrons wagered more than \$315 million at these tracks in 2013 during 483 days of live horse and greyhound racing.

To effectively regulate the operations at a racetrack, Commission employees participate in the presentation and oversight of horse and greyhound racing operations throughout the year. Regulation at the racetrack involves veterinary, licensing and auditing staff, stewards and judges, and law enforcement investigators. There are approximately 9,500 active racing participants under the jurisdiction of the Racing Commission.

All agency regulatory efforts are directed to protecting the health, safety and welfare of every racing participant, including race animals, and to protecting patrons from any illegal, dishonest, or corrupt activities that potentially could occur.

The agency’s revenue is derived primarily from fees assessed to racetracks and occupational licensees. The Commission’s funding is self-leveling, generating only enough to operate the agency. The agency will exercise its authority to raise the funds necessary to cover the requested appropriations for FY 2016 and FY 2017.

II. SIGNIFICANT EXTERNAL CHALLENGES

The measure of the health of the pari-mutuel industry is the total amount of money wagered at racetracks. Texas has seen a significant decline since reaching a high of over \$633 million in 2000 to a low of \$315 million in 2013. While the decline in overall wagering appears to be leveling out, the Texas racing industry continues to face many challenges. 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, illegal 8-liner businesses, and unregulated racing.

Unfortunately the wagering decline at the racetracks affects many other businesses and people. The number of racing opportunities has decreased as well as the money paid to winning participants in the races, the owners, the jockeys and breeders. From there the decline reaches into local communities – especially when owners, trainers,

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and breeders cut back on their operations.

Despite this decline, the agency's role remains unchanged. As reflected in this LAR, the agency continues to allocate resources as efficiently as possible, working to ensure that regulations are both fair and cost-effective.

III. SIGNIFICANT CHANGE IN POLICY

Starting in FY2015, the agency is implementing a new travel policy that will transition the Commission's current travel caps for travel reimbursement expenses up to the state's approved rates for food, lodging and mileage in FY2016-2017.

Over ten years ago, responding to budget constraints, the agency implemented travel caps on those employees assigned to work away from their base headquarters for weeks at a time. Despite some increases over the years, an analysis this year found employees are incurring increasing out-of-pocket expenses, sometimes as much as 35 to 45 percent over the amount the agency's travel reimbursement, depending on the number of days and the location of their assignment. Further, to save money, some may be jeopardizing their personal safety by staying in substandard hotels and driving three to four hours home after a 10-11 hour work day at the end of a weekend of racing.

This transition consists of a two phase approach. In FY 2015 the travel cap will increase approximately 75% to account for the inflationary costs of meals, lodging, and fuel increases that have occurred since 2011, the last time the travel cap was adjusted. In FYs 2016-2017, the travel cap will be raised an additional 25%, with the goal being full reimbursement of travel expenses up to the state approved rates.

IV. REQUEST FOR NEW RIDER – SEIZED FUNDS OR ASSETS

A long standing tradition of "brush" or "bush" horse racetracks continue to operate illegally throughout the state. These tracks remain a challenge to the Texas racing industry, law enforcement, as well as to the communities where they operate. These tracks do not provide a safe, drug-free racing environment as horses are frequently abused and drugged. The tracks do not pay taxes and fees to the state or contribute to the Texas-bred programs. These operations divert customers and participants away from licensed tracks and make it more difficult for an already struggling industry. Most provide unsafe racing and illegal wagering that compromises legitimate racing operations.

Besides the unsafe racing operations and illegal gambling, these unsanctioned tracks are often used as a conduit by drug cartels to traffic drugs and launder money. A year-long investigation into a rural track operating in Smith Count recently culminated with the arrest of six people facing numerous federal charges and the seizure of cash and property that may total over a million dollars. This is one of many covert operations that the agency participates in with local, state and federal law enforcement agencies, including the DPS, the FBI and the DEA.

The agency requests a new rider, Seized Funds or Assets, to allow the agency to participate in an equitable distribution of such funds and assets with the appropriate law enforcement agencies. Any proceeds derived from the agency's participation in illegal gambling investigations would be used for enforcement purposes.

V. REQUEST TO CHANGE EXEMPT POSITION

The Commission requests the authority to implement a change recommended in the State Auditor's Report No. 12-708, "A Report on Executive Compensation at State Agencies," dated August of 2012, to reclassify the Executive Director to Salary Group 3.

The SAO made their recommendation based on a number of factors after salary comparisons among state agencies' executive officers. The study also provided a market analysis of other racing jurisdictions executive director's compensation as well as a comparison of the number of agency employees with a salary that was within six to ten percent less than Commission's executive director. According to the SAO, standard compensation practices recommend an average difference of at least 15 percent between an executive officer's salary and the salaries of staff the executive officer oversees.

The 2012 report found the market average salary for a racing commission's executive director was \$122,603, well over the agency's established FY2014-FY2015 maximum salary of \$98,082 for its executive officer. The agency is one of the 49 state agencies the SAO found to be affected by job compression, with the agency

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having three employees with a salary 6 to 10 percent less than the agency's executive officer.

If approved, this change will give the Commission the authority it may need to attract qualified applicants for the position when the present Executive Director retires. It will also help minimize inequities in staff salaries related to job compression, when subordinate employee's pay comes close to, matches, or exceeds the pay of a director supervisor.

The Commissioners would only grant an increase in the Executive Director's salary in strict accordance with the General Appropriations Act's maximum allowable salary and within the agency's budget constraints. The Commissioners would factor the person's performance, experience, education, licenses, and certifications to determine an appropriate salary for their skill set, experience, and responsibilities for managing the Commission.

VI. EXCEPTIONAL ITEM

If the above request to reclassify the Executive Director Position to Group 3 is approved, this exceptional item will provide the commensurate appropriation.

VII. SUPPLEMENTAL SCHEDULE – 10 PERCENT BIENNIAL BASE REDUCTION OPTIONS

As directed, the agency reviewed its request and offers a reduction in eight areas that equal a 10 percent reduction. It is important to note that over 45 percent of the Commission's appropriation is statutorily dedicated pass-through revenue to the Texas-bred Incentive Program administered by the state's designated breed registries. Of the Commission's remaining portion of the operating budget appropriation, more than 70 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 – a \$695,000 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 – a biennial reduction of \$10,000 for 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 – a biennial reduction of \$38,900 for staff training. Although this reduction will not affect the agency's service population in the short-term, delaying staff development will have a long term effect on agency operations.
4. Eliminate ARCI Membership Dues - a biennial reduction of \$34,150 for yearly membership dues to the Association of Racing Commissioners International (ARCI). Not being able to access the organization's national database nor participate in developing and staying current on standards for racing regulation, medication policy, drug testing laboratories, totalizator systems, racetrack operations and security would impact agency operations.
5. Reduce Travel Reimbursements - a biennial reduction of \$77,900 for travel reimbursements. This reduction would result in reduced supervisory and regulatory oversight and not being able to fully reimburse staff at the state's allowable rates for mileage, hotels, and food.
6. Elimination of Staff - a reduction of \$216,070 for the biennium related to the elimination of certain positions. There would be a reduction in the number of inspections to ensure racetrack operations are in full compliance with Commission rules; a reduction in greyhound racing supervision; and a reduction in response time to public inquiries and open records requests.
7. Reduction of Staff Work Hours - a reduction of \$344,020 for the biennium. This reduction is achieved by reducing certain staff from 40 hour work weeks to 36 hour work weeks in areas with the least impact to overseeing live racing operations. It would result in reduced regulatory oversight of all racing operations.
8. Texas-bred Incentive Program – an additional \$111,225 biennial reduction in appropriation authority for the Texas-bred Incentive Program.

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

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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 that is large and complex, operating seven days a week, 365 days a year. The racing industry provides an entertainment and recreation experience for hundreds of thousands while providing significant economic benefits to the state. Approval of the 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, thereby fulfilling its mission to ensure that pari-mutuel racing is safe, honest, and fair for all participants.

SESSION AGENCY MISSION

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Agency code: **476**

Agency name: **Racing Commission**

AGENCY MISSION

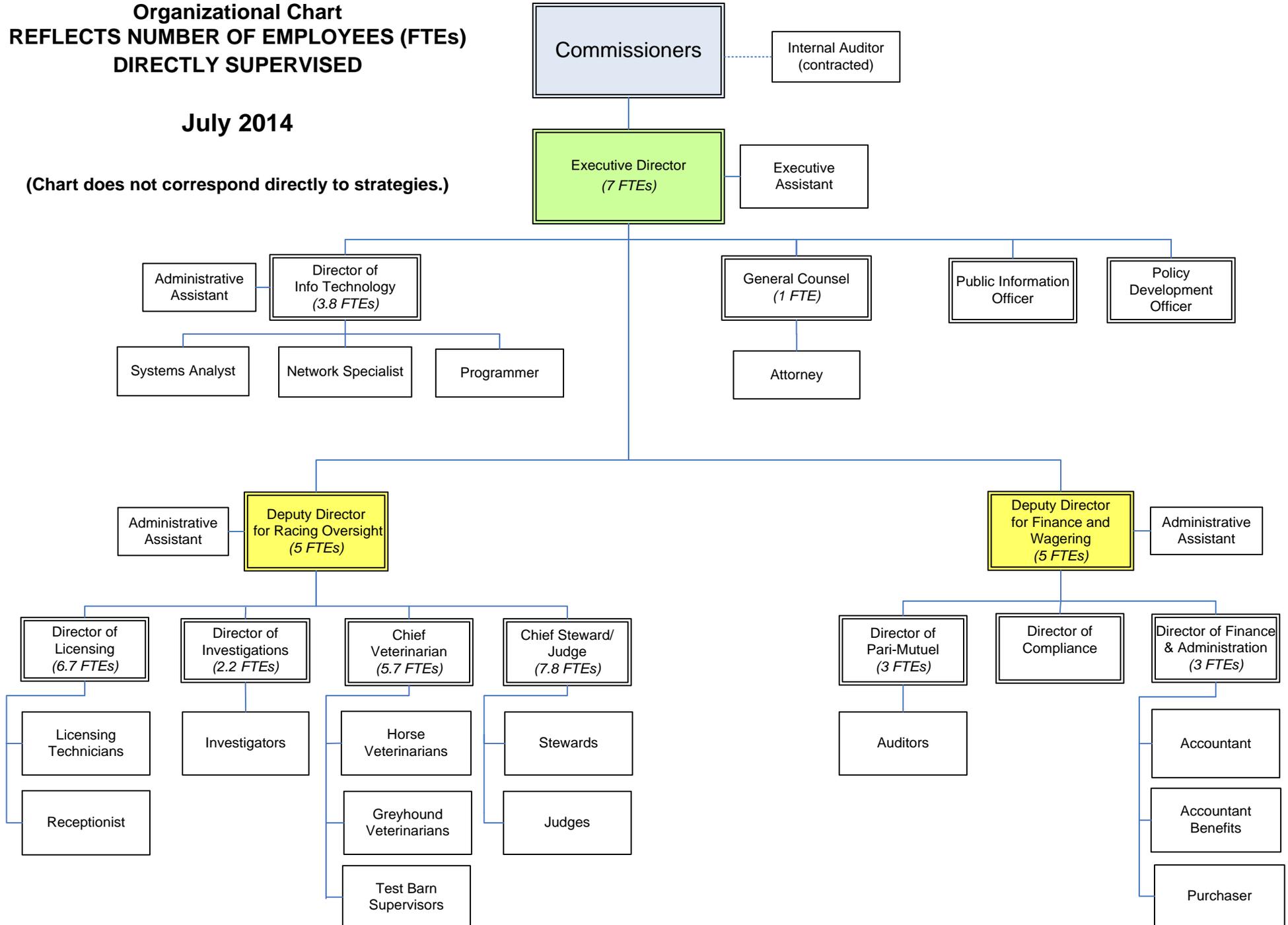
The Texas Racing Commission will enforce the Texas Racing Act and its rules to ensure safe racing facilities, fair and honest racing activities, and accountable use of economic incentives funded through pari-mutuel racing. The Commission will conduct its regulatory activities courteously and efficiently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

TEXAS RACING COMMISSION

Organizational Chart
REFLECTS NUMBER OF EMPLOYEES (FTEs)
DIRECTLY SUPERVISED

July 2014

(Chart does not correspond directly to strategies.)



2.A. Summary of Base Request by Strategy

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Goal / Objective / STRATEGY	Exp 2013	Est 2014	Bud 2015	Req 2016	Req 2017
1 Enforce Racing Regulations in Texas					
1 <i>Regulate Pari-mutuel Racetracks Effectively</i>					
1 LICENSE/REGULATE RACETRACKS	298,721	354,834	359,315	359,315	359,975
2 <i>Increase the Number of Texas Bred Race Animals Competing</i>					
1 TEXAS BRED INCENTIVE PROGRAM	3,262,733	3,475,000	3,475,000	3,475,000	3,475,000
3 <i>Reduce the Rate of Rulings Per Occupational Licensee</i>					
1 SUPERVISE & CONDUCT LIVE RACES	587,564	611,788	679,144	690,724	692,204
2 MONITOR LICENSEE ACTIVITIES	245,833	238,328	263,572	245,602	243,522
4 <i>Reduce the Percentage of Race Animals Injured or Dismissed</i>					
1 INSPECT & PROVIDE EMERGENCY CARE	227,353	271,489	331,575	340,949	341,149
2 ADMINISTER DRUG TESTS	282,686	325,057	280,832	283,998	284,898
TOTAL, GOAL 1	\$4,904,890	\$5,276,496	\$5,389,438	\$5,395,588	\$5,396,748

2 Regulate the Participation in Racing

2.A. Summary of Base Request by Strategy

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Goal / Objective / STRATEGY	Exp 2013	Est 2014	Bud 2015	Req 2016	Req 2017
<u>1</u> <i>Maintain the Efficiency of the Occupational Licensing Process</i>					
1 OCCUPATIONAL LICENSING PROGRAM	485,259	535,042	516,340	512,164	513,044
2 TEXAS.GOV	18,319	22,500	22,500	22,500	22,500
TOTAL, GOAL 2	\$503,578	\$557,542	\$538,840	\$534,664	\$535,544
<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	308,601	327,618	326,775	326,775	327,375
2 WAGERING COMPLIANCE INSPECTIONS	164,213	244,540	217,211	167,211	167,631
TOTAL, GOAL 3	\$472,814	\$572,158	\$543,986	\$493,986	\$495,006
<u>4</u> Indirect Administration					
<u>1</u> <i>Indirect Administration</i>					
1 CENTRAL ADMIN & OTHER SUPPORT SVCS	689,509	739,332	735,830	737,180	751,192
2 INFORMATION RESOURCES	510,631	517,101	521,709	514,024	538,500

2.A. Summary of Base Request by Strategy

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Goal / Objective / STRATEGY		Exp 2013	Est 2014	Bud 2015	Req 2016	Req 2017
TOTAL, GOAL	4	\$1,200,140	\$1,256,433	\$1,257,539	\$1,251,204	\$1,289,692
TOTAL, AGENCY STRATEGY REQUEST		\$7,081,422	\$7,662,629	\$7,729,803	\$7,675,442	\$7,716,990
TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST*					\$0	\$0
GRAND TOTAL, AGENCY REQUEST		\$7,081,422	\$7,662,629	\$7,729,803	\$7,675,442	\$7,716,990
<u>METHOD OF FINANCING:</u>						
General Revenue Dedicated Funds:						
597 Texas Racing Comm Acct		7,079,551	7,662,629	7,729,803	7,675,442	7,716,990
SUBTOTAL		\$7,079,551	\$7,662,629	\$7,729,803	\$7,675,442	\$7,716,990
Federal Funds:						
8082 Federal Reimbursements		1,871	0	0	0	0
SUBTOTAL		\$1,871	\$0	\$0	\$0	\$0
TOTAL, METHOD OF FINANCING		\$7,081,422	\$7,662,629	\$7,729,803	\$7,675,442	\$7,716,990

*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 2013	Est 2014	Bud 2015	Req 2016	Req 2017
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GENERAL REVENUE FUND - DEDICATED

597 GR Dedicated - Texas Racing Commission Account No. 597

REGULAR APPROPRIATIONS

Regular Appropriations from MOF Table (2012-13 GAA)

\$8,662,096	\$0	\$0	\$0	\$0
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Regular Appropriations from MOF Table (2014-15 GAA)

\$0	\$8,315,406	\$8,315,407	\$0	\$0
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Requested Appropriations

\$0	\$0	\$0	\$7,675,442	\$7,716,990
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RIDER APPROPRIATION

Art VIII, Agency 476, Rider 7 (2012-13 GAA)

\$635,637	\$0	\$0	\$0	\$0
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Comments: New Racetrack Rider

Art IX, Sec 18.49, HB 2271, Sunset Legislation

\$287,561	\$0	\$0	\$0	\$0
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2.B. Summary of Base Request by Method of Finance
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METHOD OF FINANCING	Exp 2013	Est 2014	Bud 2015	Req 2016	Req 2017
Agency code: 476 Agency name: Racing Commission					
<u>GENERAL REVENUE FUND - DEDICATED</u>					
Art VIII, Agency 476, Rider 6 (2014-15 GAA)	\$0	\$635,637	\$635,637	\$0	\$0
Comments: New Racetrack Rider					
<i>TRANSFERS</i>					
Art IX, Sec 17.06 Salary Increase for General State Employees (2014-15 GAA)	\$0	\$30,483	\$89,303	\$0	\$0
<i>LAPSED APPROPRIATIONS</i>					
Regular Appropriations from MOF Table (2012-13 GAA)	\$(1,264,077)	\$0	\$0	\$0	\$0
Art VIII, Agency 476, Rider 7 (2012-13 GAA)	\$(635,637)	\$0	\$0	\$0	\$0
Comments: New Racetrack Rider					
Art VIII, Agency 476, Rider 10 (2012-13 GAA)	\$(313,537)	\$0	\$0	\$0	\$0
Comments: Contingent Revenue / 10% Reduction					

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 2013	Est 2014	Bud 2015	Req 2016	Req 2017	
<u>GENERAL REVENUE FUND - DEDICATED</u>						
Art IX, Sec 18.49, HB 2271, Sunset Legislation	\$(287,561)	\$0	\$0	\$0	\$0	
Art VIII, Special Provisions, Sec 4 (Texas Online)	\$(4,931)	\$0	\$0	\$0	\$0	
Regular Appropriations from MOF Table (2014-15 GAA)	\$0	\$(650,000)	\$(650,000)	\$0	\$0	
Comments: Rider 3, Texas Bred Incentive Funds						
Regular Appropriations from MOF Table (2014-15 GAA)	\$0	\$(33,260)	\$(24,907)	\$0	\$0	
Comments: Rider 4, Criminal History and Background Checks						
Art VIII, Agency 476, Rider 6 (2014-15 GAA)	\$0	\$(635,637)	\$(635,637)	\$0	\$0	
Comments: New Racetrack Rider						
TOTAL, GR Dedicated - Texas Racing Commission Account No. 597	\$7,079,551	\$7,662,629	\$7,729,803	\$7,675,442	\$7,716,990	

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 2013	Est 2014	Bud 2015	Req 2016	Req 2017
TOTAL, ALL	GENERAL REVENUE FUND - DEDICATED	\$7,079,551	\$7,662,629	\$7,729,803	\$7,675,442	\$7,716,990
TOTAL,	GR & GR-DEDICATED FUNDS	\$7,079,551	\$7,662,629	\$7,729,803	\$7,675,442	\$7,716,990
<u>FEDERAL FUNDS</u>						
<u>8082</u> Federal Reimbursements						
<i>RIDER APPROPRIATION</i>						
Art IX, Sec. 8.02 Fed Funds/Block Grants						
		\$1,871	\$0	\$0	\$0	\$0
TOTAL,	Federal Reimbursements	\$1,871	\$0	\$0	\$0	\$0
TOTAL, ALL	FEDERAL FUNDS	\$1,871	\$0	\$0	\$0	\$0
GRAND TOTAL		\$7,081,422	\$7,662,629	\$7,729,803	\$7,675,442	\$7,716,990

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 2013	Est 2014	Bud 2015	Req 2016	Req 2017
FULL-TIME-EQUIVALENT POSITIONS					
REGULAR APPROPRIATIONS					
Regular Appropriations from MOF Table (2012-13 GAA)	61.3	0.0	0.0	0.0	0.0
Regular Appropriations from MOF Table (2014-15 GAA)	0.0	52.6	52.6	0.0	0.0
Requested Appropriations	0.0	0.0	0.0	51.2	51.2
RIDER APPROPRIATION					
Art VIII, Agency 476, Rider 7 (2012-13 GAA)	5.0	0.0	0.0	0.0	0.0
Art IX, Sec 18.49, HB 2271, Sunset Legislation	1.0	0.0	0.0	0.0	0.0
Art VIII, Agency 476, Rider 6 (2014-15 GAA)	0.0	5.0	5.0	0.0	0.0
LAPSED APPROPRIATIONS					
Regular Appropriations from MOF Table (2012-13 GAA)	(6.6)	0.0	0.0	0.0	0.0
Art VIII, Agency 476, Rider 7 (2012-13 GAA)	(5.0)	0.0	0.0	0.0	0.0
Art VIII, Agency 476, Rider 10 (2012-13 GAA)	(6.5)	0.0	0.0	0.0	0.0
Art IX, Sec 18.49, HB 2271, Sunset Legislation	(1.0)	0.0	0.0	0.0	0.0

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

7/28/2014 1:01:30PM

84th Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

Agency code: 476		Agency name: Racing Commission				
METHOD OF FINANCING	Exp 2013	Est 2014	Bud 2015	Req 2016	Req 2017	
Regular Appropriations from MOF Table (2014-15 GAA)	0.0	(2.4)	(1.0)	0.0	0.0	
Art VIII, Agency 476, Rider 6 (2014-15 GAA)	0.0	(5.0)	(5.0)	0.0	0.0	
TOTAL, ADJUSTED FTES	48.2	50.2	51.6	51.2	51.2	
NUMBER OF 100% FEDERALLY FUNDED FTEs	0.0	0.0	0.0	0.0	0.0	

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

7/28/2014 1:01:30PM

84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

476 Racing Commission

OBJECT OF EXPENSE	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
1001 SALARIES AND WAGES	\$2,666,714	\$2,863,773	\$2,990,443	\$2,965,322	\$2,965,322
1002 OTHER PERSONNEL COSTS	\$212,373	\$137,548	\$156,678	\$157,105	\$173,477
2001 PROFESSIONAL FEES AND SERVICES	\$146,290	\$283,275	\$218,500	\$173,500	\$173,500
2003 CONSUMABLE SUPPLIES	\$31,056	\$39,500	\$37,000	\$37,000	\$37,000
2004 UTILITIES	\$54,333	\$53,736	\$59,200	\$59,200	\$59,200
2005 TRAVEL	\$140,683	\$170,147	\$218,156	\$244,000	\$244,000
2006 RENT - BUILDING	\$87,870	\$87,979	\$88,950	\$88,950	\$88,950
2007 RENT - MACHINE AND OTHER	\$9,399	\$14,500	\$9,500	\$9,500	\$9,500
2009 OTHER OPERATING EXPENSE	\$439,841	\$520,038	\$476,376	\$465,865	\$491,041
4000 GRANTS	\$3,262,733	\$3,475,000	\$3,475,000	\$3,475,000	\$3,475,000
5000 CAPITAL EXPENDITURES	\$30,130	\$17,133	\$0	\$0	\$0
OOE Total (Excluding Riders)	\$7,081,422	\$7,662,629	\$7,729,803	\$7,675,442	\$7,716,990
OOE Total (Riders)					
Grand Total	\$7,081,422	\$7,662,629	\$7,729,803	\$7,675,442	\$7,716,990

2.D. Summary of Base Request Objective Outcomes
84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation system of Texas (ABEST)

7/28/2014 1:01:31PM

476 Racing Commission

Goal/ Objective / Outcome	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
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					
	88.48%	75.00%	75.00%	75.00%	75.00%
3 Percentage of Deficiency Items Closed					
	100.00%	95.00%	95.00%	95.00%	95.00%
2 Increase the Number of Texas Bred Race Animals Competing					
1 Percent Increase in Texas Bred Accredited Animals					
	-15.00%	-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					
	0.03	0.04	0.04	0.04	0.04
2 Recidivism Rate for Those Receiving Disciplinary Action					
	45.64%	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%	95.00%	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	0.33%	0.35%	0.35%	0.35%	0.35%
2 Number of Positive Drug Tests for Illegal Medications					
	16.00	14.70	9.70	9.70	9.70

2.D. Summary of Base Request Objective Outcomes
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation system of Texas (ABEST)

7/28/2014 1:01:31PM

476 Racing Commission

Goal/ Objective / Outcome	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
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)					
	10.80	11.00	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					
	7.53%	9.00%	9.00%	9.00%	9.00%
4 Percent of Licensees Who Renew Online					
	12.82%	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>					
1 Percentage of Tote Tests Passed on the First Run					
	90.91%	97.00%	97.00%	97.00%	97.00%
KEY 2 Percentage of Compliance Audits Passed					
	97.83%	95.00%	95.00%	95.00%	95.00%

2.E. Summary of Exceptional Items Request
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 7/28/2014
 TIME : 1:01:31PM

Agency code: 476

Agency name: **Racing Commission**

Priority	Item	2016			2017			Biennium	
		GR and GR/GR Dedicated	All Funds	FTEs	GR and GR Dedicated	All Funds	FTEs	GR and GR Dedicated	All Funds
1	Reclassification of ED Position	\$34,600	\$34,600	0.0	\$34,600	\$34,600	0.0	\$69,200	\$69,200
Total, Exceptional Items Request		\$34,600	\$34,600	0.0	\$34,600	\$34,600	0.0	\$69,200	\$69,200
Method of Financing									
	General Revenue								
	General Revenue - Dedicated	34,600	34,600		34,600	34,600		69,200	69,200
	Federal Funds								
	Other Funds								
		\$34,600	\$34,600		\$34,600	\$34,600		\$69,200	\$69,200
Full Time Equivalent Positions				0.0				0.0	
Number of 100% Federally Funded FTEs				0.0				0.0	

2.F. Summary of Total Request by Strategy
84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE : 7/28/2014

TIME : 1:01:32PM

Agency code: 476 Agency name: Racing Commission

Goal/Objective/STRATEGY	Base 2016	Base 2017	Exceptional 2016	Exceptional 2017	Total Request 2016	Total Request 2017
1 Enforce Racing Regulations in Texas						
<i>1 Regulate Pari-mutuel Racetracks Effectively</i>						
1 LICENSE/REGULATE RACETRACKS	\$359,315	\$359,975	\$0	\$0	\$359,315	\$359,975
<i>2 Increase the Number of Texas Bred Race Animals Competing</i>						
1 TEXAS BRED INCENTIVE PROGRAM	3,475,000	3,475,000	0	0	3,475,000	3,475,000
<i>3 Reduce the Rate of Rulings Per Occupational Licensee</i>						
1 SUPERVISE & CONDUCT LIVE RACES	690,724	692,204	0	0	690,724	692,204
2 MONITOR LICENSEE ACTIVITIES	245,602	243,522	0	0	245,602	243,522
<i>4 Reduce the Percentage of Race Animals Injured or Dismissed</i>						
1 INSPECT & PROVIDE EMERGENCY CARE	340,949	341,149	0	0	340,949	341,149
2 ADMINISTER DRUG TESTS	283,998	284,898	0	0	283,998	284,898
TOTAL, GOAL 1	\$5,395,588	\$5,396,748	\$0	\$0	\$5,395,588	\$5,396,748
2 Regulate the Participation in Racing						
<i>1 Maintain the Efficiency of the Occupational Licensing Process</i>						
1 OCCUPATIONAL LICENSING PROGRAM	512,164	513,044	0	0	512,164	513,044
2 TEXAS.GOV	22,500	22,500	0	0	22,500	22,500
TOTAL, GOAL 2	\$534,664	\$535,544	\$0	\$0	\$534,664	\$535,544
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	326,775	327,375	0	0	326,775	327,375
2 WAGERING COMPLIANCE INSPECTIONS	167,211	167,631	0	0	167,211	167,631
TOTAL, GOAL 3	\$493,986	\$495,006	\$0	\$0	\$493,986	\$495,006

2.F. Summary of Total Request by Strategy
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE : 7/28/2014

TIME : 1:01:32PM

Agency code: 476 Agency name: Racing Commission

Goal/Objective/STRATEGY	Base 2016	Base 2017	Exceptional 2016	Exceptional 2017	Total Request 2016	Total Request 2017
4 Indirect Administration						
1 <i>Indirect Administration</i>						
1 CENTRAL ADMIN & OTHER SUPPORT SVCS	\$737,180	\$751,192	\$34,600	\$34,600	\$771,780	\$785,792
2 INFORMATION RESOURCES	514,024	538,500	0	0	514,024	538,500
TOTAL, GOAL 4	\$1,251,204	\$1,289,692	\$34,600	\$34,600	\$1,285,804	\$1,324,292
TOTAL, AGENCY STRATEGY REQUEST	\$7,675,442	\$7,716,990	\$34,600	\$34,600	\$7,710,042	\$7,751,590
TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST						
GRAND TOTAL, AGENCY REQUEST	\$7,675,442	\$7,716,990	\$34,600	\$34,600	\$7,710,042	\$7,751,590

2.F. Summary of Total Request by Strategy
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE : 7/28/2014

TIME : 1:01:32PM

Agency code: 476 Agency name: Racing Commission

Goal/Objective/STRATEGY	Base 2016	Base 2017	Exceptional 2016	Exceptional 2017	Total Request 2016	Total Request 2017
General Revenue Dedicated Funds:						
597 Texas Racing Comm Acct	\$7,675,442	\$7,716,990	\$34,600	\$34,600	\$7,710,042	\$7,751,590
	\$7,675,442	\$7,716,990	\$34,600	\$34,600	\$7,710,042	\$7,751,590
Federal Funds:						
8082 Federal Reimbursements	0	0	0	0	0	0
	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL, METHOD OF FINANCING	\$7,675,442	\$7,716,990	\$34,600	\$34,600	\$7,710,042	\$7,751,590
FULL TIME EQUIVALENT POSITIONS	51.2	51.2	0.0	0.0	51.2	51.2

2.G. Summary of Total Request Objective Outcomes
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation system of Texas (ABEST)

Date : 7/28/2014
 Time: 1:01:32PM

Agency code: 476

Agency name: **Racing Commission**

Goal/ Objective / Outcome

		BL 2016	BL 2017	Excp 2016	Excp 2017	Total Request 2016	Total Request 2017
KEY	4 Percentage of Licensees with No Recent Violations	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%
	2 Number of Positive Drug Tests for Illegal Medications	9.70	9.70			9.70	9.70
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
	2 Percent of License Holders Meeting Qualifications	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%
	4 Percent of Licensees Who Renew Online	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
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation system of Texas (ABEST)

Date : 7/28/2014
 Time: 1:01:32PM

Agency code: 476

Agency name: **Racing Commission**

Goal/ Objective / Outcome

	BL 2016	BL 2017	Excp 2016	Excp 2017	Total Request 2016	Total Request 2017
1 Percentage of Tote Tests Passed on the First Run	97.00%	97.00%			97.00%	97.00%
KEY 2 Percentage of Compliance Audits Passed	95.00%	95.00%			95.00%	95.00%

476 Racing Commission

GOAL:	1	Enforce Racing Regulations in Texas	Statewide Goal/Benchmark:	7	0
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 2013	Est 2014	Bud 2015	BL 2016	BL 2017
Output Measures:						
	1 Number of Racetrack Operation Complaints Closed	2.00	5.00	5.00	5.00	5.00
KEY	2 Number of Racetrack Inspections	77.00	95.00	95.00	95.00	95.00
Efficiency Measures:						
	1 Average Regulatory Cost Per Racetrack	28,881.00	37,346.00	38,571.00	38,612.00	39,000.00
	2 Average Length of Time (Days) to Resolve Complaints	7.00	30.00	30.00	30.00	30.00
Explanatory/Input Measures:						
KEY	1 Number of Horse Tracks Regulated	10.00	10.00	10.00	10.00	10.00
KEY	2 Number of Greyhound Tracks Regulated	3.00	3.00	3.00	3.00	3.00
Objects of Expense:						
1001	SALARIES AND WAGES	\$281,841	\$312,134	\$333,985	\$333,985	\$333,985
1002	OTHER PERSONNEL COSTS	\$9,311	\$8,715	\$12,380	\$12,380	\$13,040
2001	PROFESSIONAL FEES AND SERVICES	\$1,713	\$7,500	\$0	\$0	\$0
2003	CONSUMABLE SUPPLIES	\$0	\$500	\$0	\$0	\$0
2004	UTILITIES	\$0	\$0	\$0	\$0	\$0
2005	TRAVEL	\$3,849	\$11,000	\$9,250	\$9,250	\$9,250
2006	RENT - BUILDING	\$0	\$0	\$0	\$0	\$0

476 Racing Commission

GOAL: 1 Enforce Racing Regulations in Texas Statewide Goal/Benchmark: 7 0
 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 2013	Est 2014	Bud 2015	BL 2016	BL 2017
2007	RENT - MACHINE AND OTHER	\$0	\$0	\$0	\$0	\$0
2009	OTHER OPERATING EXPENSE	\$2,007	\$14,985	\$3,700	\$3,700	\$3,700
TOTAL, OBJECT OF EXPENSE		\$298,721	\$354,834	\$359,315	\$359,315	\$359,975
Method of Financing:						
597	Texas Racing Comm Acct	\$298,721	\$354,834	\$359,315	\$359,315	\$359,975
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$298,721	\$354,834	\$359,315	\$359,315	\$359,975
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$359,315	\$359,975
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$298,721	\$354,834	\$359,315	\$359,315	\$359,975
FULL TIME EQUIVALENT POSITIONS:		3.4	4.0	4.5	4.5	4.5
STRATEGY DESCRIPTION AND JUSTIFICATION:						

476 Racing Commission

GOAL:	1	Enforce Racing Regulations in Texas	Statewide Goal/Benchmark:	7	0
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 2013	Est 2014	Bud 2015	BL 2016	BL 2017
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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:	7	0
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 2013	Est 2014	Bud 2015	BL 2016	BL 2017
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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 2013	Est 2014	Bud 2015	BL 2016	BL 2017
Output Measures:						
KEY 1	Number of Texas Bred Awards	10,500.00	9,924.00	9,541.00	9,500.00	9,500.00
Explanatory/Input Measures:						
1	Total Amount of Money Dedicated to Texas Bred Incentive Programs	3,262,733.00	3,475,000.00	3,475,000.00	3,475,000.00	3,475,000.00
Objects of Expense:						
4000	GRANTS	\$3,262,733	\$3,475,000	\$3,475,000	\$3,475,000	\$3,475,000
TOTAL, OBJECT OF EXPENSE		\$3,262,733	\$3,475,000	\$3,475,000	\$3,475,000	\$3,475,000
Method of Financing:						
597	Texas Racing Comm Acct	\$3,262,733	\$3,475,000	\$3,475,000	\$3,475,000	\$3,475,000
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$3,262,733	\$3,475,000	\$3,475,000	\$3,475,000	\$3,475,000
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$3,475,000	\$3,475,000
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$3,262,733	\$3,475,000	\$3,475,000	\$3,475,000	\$3,475,000
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 2013	Est 2014	Bud 2015	BL 2016	BL 2017
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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.

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 2013	Est 2014	Bud 2015	BL 2016	BL 2017
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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.

3.A. Strategy Request
84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

7/28/2014 1:01:33PM

476 Racing Commission

GOAL:	1 Enforce Racing Regulations in Texas	Statewide Goal/Benchmark:	7	0
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 2013	Est 2014	Bud 2015	BL 2016	BL 2017
Output Measures:						
	1 Number of Live Races Monitored	5,754.00	5,294.00	5,088.00	5,098.00	5,088.00
	2 Number of Rulings Issued against Occupational Licensees	289.00	263.00	265.00	265.00	265.00
KEY	3 Number of Occupational Licenses Suspended or Revoked	121.00	104.00	100.00	100.00	100.00
Objects of Expense:						
1001	SALARIES AND WAGES	\$515,524	\$538,886	\$580,679	\$580,679	\$580,679
1002	OTHER PERSONNEL COSTS	\$40,934	\$25,627	\$41,645	\$41,645	\$43,125
2001	PROFESSIONAL FEES AND SERVICES	\$0	\$7,500	\$2,500	\$2,500	\$2,500
2003	CONSUMABLE SUPPLIES	\$418	\$0	\$0	\$0	\$0
2004	UTILITIES	\$0	\$0	\$0	\$0	\$0
2005	TRAVEL	\$28,240	\$30,275	\$50,420	\$62,000	\$62,000
2006	RENT - BUILDING	\$0	\$0	\$0	\$0	\$0
2007	RENT - MACHINE AND OTHER	\$0	\$0	\$0	\$0	\$0
2009	OTHER OPERATING EXPENSE	\$2,448	\$9,500	\$3,900	\$3,900	\$3,900
TOTAL, OBJECT OF EXPENSE		\$587,564	\$611,788	\$679,144	\$690,724	\$692,204
Method of Financing:						
597	Texas Racing Comm Acct	\$587,564	\$611,788	\$679,144	\$690,724	\$692,204

476 Racing Commission

GOAL: 1 Enforce Racing Regulations in Texas Statewide Goal/Benchmark: 7 0
 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 2013	Est 2014	Bud 2015	BL 2016	BL 2017
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$587,564	\$611,788	\$679,144	\$690,724	\$692,204
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$690,724	\$692,204
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$587,564	\$611,788	\$679,144	\$690,724	\$692,204
FULL TIME EQUIVALENT POSITIONS:		8.1	8.8	9.3	9.3	9.3

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.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

476 Racing Commission

GOAL:	1	Enforce Racing Regulations in Texas	Statewide Goal/Benchmark:	7	0
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 2013	Est 2014	Bud 2015	BL 2016	BL 2017
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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.

3.A. Strategy Request
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

7/28/2014 1:01:33PM

476 Racing Commission

GOAL:	1	Enforce Racing Regulations in Texas	Statewide Goal/Benchmark:	7	0
OBJECTIVE:	3	Reduce the Rate of Rulings Per Occupational Licensee	Service Categories:		
STRATEGY:	2	Monitor Occupational Licensee Activities	Service: 16	Income: A.2	Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
Output Measures:						
KEY 1	Number of Investigations Completed	148.00	96.00	96.00	96.00	96.00
	2 Number of Complaints Received Against Licensees	1.00	2.00	3.00	3.00	3.00
Objects of Expense:						
1001	SALARIES AND WAGES	\$187,771	\$179,197	\$205,472	\$180,351	\$180,351
1002	OTHER PERSONNEL COSTS	\$19,220	\$20,151	\$16,081	\$16,508	\$14,428
2001	PROFESSIONAL FEES AND SERVICES	\$9,110	\$2,500	\$1,000	\$1,000	\$1,000
2003	CONSUMABLE SUPPLIES	\$1,284	\$500	\$2,500	\$2,500	\$2,500
2004	UTILITIES	\$0	\$0	\$0	\$0	\$0
2005	TRAVEL	\$23,899	\$29,230	\$35,019	\$41,743	\$41,743
2006	RENT - BUILDING	\$0	\$0	\$0	\$0	\$0
2007	RENT - MACHINE AND OTHER	\$0	\$0	\$0	\$0	\$0
2009	OTHER OPERATING EXPENSE	\$4,549	\$6,750	\$3,500	\$3,500	\$3,500
TOTAL, OBJECT OF EXPENSE		\$245,833	\$238,328	\$263,572	\$245,602	\$243,522
Method of Financing:						
597	Texas Racing Comm Acct	\$243,962	\$238,328	\$263,572	\$245,602	\$243,522
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$243,962	\$238,328	\$263,572	\$245,602	\$243,522

476 Racing Commission

GOAL:	1	Enforce Racing Regulations in Texas	Statewide Goal/Benchmark:	7	0
OBJECTIVE:	3	Reduce the Rate of Rulings Per Occupational Licensee	Service Categories:		
STRATEGY:	2	Monitor Occupational Licensee Activities	Service:	16	
			Income:	A.2	
			Age:	B.3	

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
Method of Financing:						
8082	Federal Reimbursements					
	16.607.000 BULLET PROOF VEST	\$1,871	\$0	\$0	\$0	\$0
CFDA Subtotal, Fund	8082	\$1,871	\$0	\$0	\$0	\$0
SUBTOTAL, MOF (FEDERAL FUNDS)		\$1,871	\$0	\$0	\$0	\$0
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$245,602	\$243,522
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$245,833	\$238,328	\$263,572	\$245,602	\$243,522
FULL TIME EQUIVALENT POSITIONS:		3.6	3.2	3.7	3.3	3.3

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.

476 Racing Commission

GOAL:	1	Enforce Racing Regulations in Texas	Statewide Goal/Benchmark:	7	0
OBJECTIVE:	3	Reduce the Rate of Rulings Per Occupational Licensee	Service Categories:		
STRATEGY:	2	Monitor Occupational Licensee Activities	Service: 16	Income: A.2	Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
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EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

The Commission has 3.3 investigators allocated for FY 2016 – 2017 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: 7 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 2013	Est 2014	Bud 2015	BL 2016	BL 2017
Output Measures:						
KEY 1	Number of Race Animals Inspected Pre-Race	46,158.00	43,567.00	41,284.00	41,364.00	41,284.00
Efficiency Measures:						
1	Average Regulatory Cost Per Animal Inspected	6.94	8.05	9.86	10.63	10.73
Explanatory/Input Measures:						
1	Number of Race Animals Dismissed from Texas Pari-Mutuel Racetracks	146.00	110.00	110.00	115.00	115.00
2	Number of Race Animals Injured on Texas Pari-Mutuel Racetracks	240.00	175.00	175.00	195.00	195.00
Objects of Expense:						
1001	SALARIES AND WAGES	\$147,528	\$157,194	\$204,968	\$204,968	\$204,968
1002	OTHER PERSONNEL COSTS	\$10,051	\$9,995	\$10,174	\$10,174	\$10,374
2001	PROFESSIONAL FEES AND SERVICES	\$51,883	\$87,775	\$92,500	\$97,500	\$97,500
2003	CONSUMABLE SUPPLIES	\$0	\$0	\$0	\$0	\$0
2004	UTILITIES	\$0	\$0	\$0	\$0	\$0
2005	TRAVEL	\$12,801	\$7,025	\$21,783	\$26,157	\$26,157
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: 7 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 2013	Est 2014	Bud 2015	BL 2016	BL 2017
2009	OTHER OPERATING EXPENSE	\$5,090	\$9,500	\$2,150	\$2,150	\$2,150
TOTAL, OBJECT OF EXPENSE		\$227,353	\$271,489	\$331,575	\$340,949	\$341,149
Method of Financing:						
597	Texas Racing Comm Acct	\$227,353	\$271,489	\$331,575	\$340,949	\$341,149
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$227,353	\$271,489	\$331,575	\$340,949	\$341,149
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$340,949	\$341,149
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$227,353	\$271,489	\$331,575	\$340,949	\$341,149
FULL TIME EQUIVALENT POSITIONS:		2.3	2.4	3.1	3.1	3.1

STRATEGY DESCRIPTION AND JUSTIFICATION:

476 Racing Commission

GOAL:	1	Enforce Racing Regulations in Texas	Statewide Goal/Benchmark:	7	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 2013	Est 2014	Bud 2015	BL 2016	BL 2017
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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.

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:	7 0
OBJECTIVE:	4 Reduce the Percentage of Race Animals Injured or Dismissed	Service Categories:	
STRATEGY:	2 Administer Drug Tests	Service: 16	Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
Output Measures:						
1	Number of Animal Specimens Collected for Drug Testing	7,563.00	7,208.00	7,100.00	7,000.00	7,000.00
Objects of Expense:						
1001	SALARIES AND WAGES	\$211,219	\$256,642	\$255,259	\$255,259	\$255,259
1002	OTHER PERSONNEL COSTS	\$21,121	\$13,315	\$8,689	\$8,689	\$9,589
2001	PROFESSIONAL FEES AND SERVICES	\$28,812	\$32,000	\$0	\$0	\$0
2003	CONSUMABLE SUPPLIES	\$325	\$0	\$0	\$0	\$0
2004	UTILITIES	\$0	\$0	\$0	\$0	\$0
2005	TRAVEL	\$17,221	\$15,100	\$12,184	\$15,350	\$15,350
2006	RENT - BUILDING	\$0	\$0	\$0	\$0	\$0
2007	RENT - MACHINE AND OTHER	\$0	\$0	\$0	\$0	\$0
2009	OTHER OPERATING EXPENSE	\$3,988	\$8,000	\$4,700	\$4,700	\$4,700
TOTAL, OBJECT OF EXPENSE		\$282,686	\$325,057	\$280,832	\$283,998	\$284,898
Method of Financing:						
597	Texas Racing Comm Acct	\$282,686	\$325,057	\$280,832	\$283,998	\$284,898
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$282,686	\$325,057	\$280,832	\$283,998	\$284,898

476 Racing Commission

GOAL:	1	Enforce Racing Regulations in Texas	Statewide Goal/Benchmark:	7	0
OBJECTIVE:	4	Reduce the Percentage of Race Animals Injured or Dismissed	Service Categories:		
STRATEGY:	2	Administer Drug Tests	Service: 16	Income: A.2	Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$283,998	\$284,898
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$282,686	\$325,057	\$280,832	\$283,998	\$284,898
FULL TIME EQUIVALENT POSITIONS:		5.0	4.3	4.3	4.3	4.3

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.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

476 Racing Commission

GOAL:	1	Enforce Racing Regulations in Texas	Statewide Goal/Benchmark:	7	0
OBJECTIVE:	4	Reduce the Percentage of Race Animals Injured or Dismissed	Service Categories:		
STRATEGY:	2	Administer Drug Tests	Service: 16	Income: A.2	Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
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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 2017.

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:	7	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 2013	Est 2014	Bud 2015	BL 2016	BL 2017
Output Measures:						
KEY 1	Number of New Occupational Licenses Issued	2,150.00	2,235.00	2,200.00	2,200.00	2,200.00
KEY 2	Number of Occupational Licenses Renewed	4,574.00	4,558.00	4,500.00	4,500.00	4,500.00
Efficiency Measures:						
1	Average Regulatory Cost Per Licensee	77.26	73.48	73.61	72.50	72.50
Explanatory/Input Measures:						
1	Total Number of Individuals Licensed	8,054.00	6,793.00	6,700.00	6,700.00	6,700.00
Objects of Expense:						
1001	SALARIES AND WAGES	\$267,461	\$297,206	\$276,847	\$276,847	\$276,847
1002	OTHER PERSONNEL COSTS	\$29,139	\$13,588	\$13,593	\$13,593	\$14,473
2001	PROFESSIONAL FEES AND SERVICES	\$0	\$0	\$0	\$0	\$0
2003	CONSUMABLE SUPPLIES	\$2,746	\$3,000	\$5,000	\$5,000	\$5,000
2004	UTILITIES	\$0	\$0	\$0	\$0	\$0
2005	TRAVEL	\$7,326	\$25,000	\$24,400	\$24,400	\$24,400
2006	RENT - BUILDING	\$0	\$0	\$0	\$0	\$0
2007	RENT - MACHINE AND OTHER	\$7,907	\$12,000	\$8,000	\$8,000	\$8,000
2009	OTHER OPERATING EXPENSE	\$170,680	\$184,248	\$188,500	\$184,324	\$184,324

476 Racing Commission

GOAL:	2	Regulate the Participation in Racing	Statewide Goal/Benchmark:	7	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 2013	Est 2014	Bud 2015	BL 2016	BL 2017
TOTAL, OBJECT OF EXPENSE		\$485,259	\$535,042	\$516,340	\$512,164	\$513,044
Method of Financing:						
	597 Texas Racing Comm Acct	\$485,259	\$535,042	\$516,340	\$512,164	\$513,044
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$485,259	\$535,042	\$516,340	\$512,164	\$513,044
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$512,164	\$513,044
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$485,259	\$535,042	\$516,340	\$512,164	\$513,044
FULL TIME EQUIVALENT POSITIONS:		7.0	7.7	7.1	7.1	7.1

STRATEGY DESCRIPTION AND JUSTIFICATION:

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.

476 Racing Commission

GOAL:	2	Regulate the Participation in Racing	Statewide Goal/Benchmark:	7	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 2013	Est 2014	Bud 2015	BL 2016	BL 2017
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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:	7	0
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 2013	Est 2014	Bud 2015	BL 2016	BL 2017
Objects of Expense:						
2009	OTHER OPERATING EXPENSE	\$18,319	\$22,500	\$22,500	\$22,500	\$22,500
TOTAL, OBJECT OF EXPENSE		\$18,319	\$22,500	\$22,500	\$22,500	\$22,500
Method of Financing:						
597	Texas Racing Comm Acct	\$18,319	\$22,500	\$22,500	\$22,500	\$22,500
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$18,319	\$22,500	\$22,500	\$22,500	\$22,500
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$22,500	\$22,500
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$18,319	\$22,500	\$22,500	\$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:	7	0
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 2013	Est 2014	Bud 2015	BL 2016	BL 2017
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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:	7	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.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
Output Measures:						
	1 Number of Live and Simulcast Races Audited and Reviewed	745,471.00	754,772.00	750,000.00	750,000.00	750,000.00
	2 Number of Compliance Audits Completed	2,189.00	2,472.00	2,475.00	2,475.00	2,475.00
Efficiency Measures:						
	1 Average Cost to Audit and Review a Live or Simulcast Race	0.73	0.65	0.64	0.64	0.65
Explanatory/Input Measures:						
KEY 1	Total Pari-Mutuel Handle (in Millions)	317.86	319.68	317.50	317.00	316.50
KEY 2	Total Take to the State Treasury from Pari-Mutuel Wagering	2,945,760.00	2,978,390.00	2,950,000.00	2,900,000.00	2,900,000.00
	3 Ratio of Simulcast Handle to Live Handle	7.66	7.00	7.00	7.00	7.00
Objects of Expense:						
1001	SALARIES AND WAGES	\$260,645	\$275,039	\$275,345	\$275,345	\$275,345
1002	OTHER PERSONNEL COSTS	\$15,873	\$11,562	\$13,130	\$13,130	\$13,730
2001	PROFESSIONAL FEES AND SERVICES	\$0	\$0	\$0	\$0	\$0
2003	CONSUMABLE SUPPLIES	\$0	\$1,000	\$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:	7	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.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
2005	TRAVEL	\$17,561	\$19,517	\$21,100	\$21,100	\$21,100
2006	RENT - BUILDING	\$0	\$0	\$0	\$0	\$0
2007	RENT - MACHINE AND OTHER	\$0	\$0	\$0	\$0	\$0
2009	OTHER OPERATING EXPENSE	\$14,522	\$20,500	\$16,200	\$16,200	\$16,200
TOTAL, OBJECT OF EXPENSE		\$308,601	\$327,618	\$326,775	\$326,775	\$327,375
Method of Financing:						
597	Texas Racing Comm Acct	\$308,601	\$327,618	\$326,775	\$326,775	\$327,375
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$308,601	\$327,618	\$326,775	\$326,775	\$327,375
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$326,775	\$327,375
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$308,601	\$327,618	\$326,775	\$326,775	\$327,375
FULL TIME EQUIVALENT POSITIONS:		4.8	5.0	4.8	4.8	4.8
STRATEGY DESCRIPTION AND JUSTIFICATION:						

476 Racing Commission

GOAL:	3	Regulate Pari-mutuel Wagering in Texas	Statewide Goal/Benchmark:	7	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.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
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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.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

Although the agency continues to maintain the wagering public's confidence in the integrity of the pari-mutuel wagering pools by monitoring 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:	7	0
OBJECTIVE:	1	Increase Pass Rate for Initial Tote Test and Compliance Audits	Service Categories:		
STRATEGY:	2	Conduct Wagering Compliance Inspections	Service: 17	Income: A.2	Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
Output Measures:						
1	Number of Tote Tests Completed	11.00	12.00	11.00	11.00	11.00
Objects of Expense:						
1001	SALARIES AND WAGES	\$118,278	\$147,724	\$143,972	\$143,972	\$143,972
1002	OTHER PERSONNEL COSTS	\$8,247	\$6,816	\$5,339	\$5,339	\$5,759
2001	PROFESSIONAL FEES AND SERVICES	\$0	\$75,000	\$50,000	\$0	\$0
2003	CONSUMABLE SUPPLIES	\$0	\$0	\$1,000	\$1,000	\$1,000
2004	UTILITIES	\$0	\$0	\$0	\$0	\$0
2005	TRAVEL	\$10,920	\$10,500	\$16,000	\$16,000	\$16,000
2006	RENT - BUILDING	\$0	\$0	\$0	\$0	\$0
2007	RENT - MACHINE AND OTHER	\$0	\$0	\$0	\$0	\$0
2009	OTHER OPERATING EXPENSE	\$26,768	\$4,500	\$900	\$900	\$900
TOTAL, OBJECT OF EXPENSE		\$164,213	\$244,540	\$217,211	\$167,211	\$167,631
Method of Financing:						
597	Texas Racing Comm Acct	\$164,213	\$244,540	\$217,211	\$167,211	\$167,631
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$164,213	\$244,540	\$217,211	\$167,211	\$167,631

476 Racing Commission

GOAL:	3	Regulate Pari-mutuel Wagering in Texas	Statewide Goal/Benchmark:	7	0
OBJECTIVE:	1	Increase Pass Rate for Initial Tote Test and Compliance Audits	Service Categories:		
STRATEGY:	2	Conduct Wagering Compliance Inspections	Service:	17	Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$167,211	\$167,631
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$164,213	\$244,540	\$217,211	\$167,211	\$167,631
FULL TIME EQUIVALENT POSITIONS:		2.2	3.0	3.0	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:

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.

476 Racing Commission

GOAL:	4	Indirect Administration	Statewide Goal/Benchmark:	8	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 2013	Est 2014	Bud 2015	BL 2016	BL 2017
Objects of Expense:						
1001	SALARIES AND WAGES	\$393,036	\$401,171	\$409,368	\$409,368	\$409,368
1002	OTHER PERSONNEL COSTS	\$42,588	\$14,828	\$21,287	\$21,287	\$33,899
2001	PROFESSIONAL FEES AND SERVICES	\$16,834	\$15,000	\$16,500	\$16,500	\$16,500
2003	CONSUMABLE SUPPLIES	\$12,177	\$19,500	\$12,500	\$12,500	\$12,500
2004	UTILITIES	\$53,598	\$53,736	\$58,000	\$58,000	\$58,000
2005	TRAVEL	\$16,920	\$18,000	\$23,500	\$23,500	\$23,500
2006	RENT - BUILDING	\$85,170	\$85,279	\$86,250	\$86,250	\$86,250
2007	RENT - MACHINE AND OTHER	\$1,492	\$2,500	\$1,500	\$1,500	\$1,500
2009	OTHER OPERATING EXPENSE	\$67,694	\$117,150	\$106,925	\$108,275	\$109,675
5000	CAPITAL EXPENDITURES	\$0	\$12,168	\$0	\$0	\$0
TOTAL, OBJECT OF EXPENSE		\$689,509	\$739,332	\$735,830	\$737,180	\$751,192
Method of Financing:						
597	Texas Racing Comm Acct	\$689,509	\$739,332	\$735,830	\$737,180	\$751,192
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$689,509	\$739,332	\$735,830	\$737,180	\$751,192

476 Racing Commission

GOAL:	4	Indirect Administration	Statewide Goal/Benchmark:	8	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 2013	Est 2014	Bud 2015	BL 2016	BL 2017
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$737,180	\$751,192
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$689,509	\$739,332	\$735,830	\$737,180	\$751,192
FULL TIME EQUIVALENT POSITIONS:		7.0	7.0	7.0	7.0	7.0

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:	8	0
OBJECTIVE:	1	Indirect Administration	Service Categories:		
STRATEGY:	2	Information Resources	Service: 09	Income: A.2	Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
Objects of Expense:						
1001	SALARIES AND WAGES	\$283,411	\$298,580	\$304,548	\$304,548	\$304,548
1002	OTHER PERSONNEL COSTS	\$15,889	\$12,951	\$14,360	\$14,360	\$15,060
2001	PROFESSIONAL FEES AND SERVICES	\$37,938	\$56,000	\$56,000	\$56,000	\$56,000
2003	CONSUMABLE SUPPLIES	\$14,106	\$15,000	\$15,000	\$15,000	\$15,000
2004	UTILITIES	\$735	\$0	\$1,200	\$1,200	\$1,200
2005	TRAVEL	\$1,946	\$4,500	\$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	\$123,776	\$122,405	\$123,401	\$115,716	\$139,492
5000	CAPITAL EXPENDITURES	\$30,130	\$4,965	\$0	\$0	\$0
TOTAL, OBJECT OF EXPENSE		\$510,631	\$517,101	\$521,709	\$514,024	\$538,500
Method of Financing:						
597	Texas Racing Comm Acct	\$510,631	\$517,101	\$521,709	\$514,024	\$538,500
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$510,631	\$517,101	\$521,709	\$514,024	\$538,500

476 Racing Commission

GOAL:	4	Indirect Administration	Statewide Goal/Benchmark:	8	0
OBJECTIVE:	1	Indirect Administration	Service Categories:		
STRATEGY:	2	Information Resources	Service: 09	Income: A.2	Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$514,024	\$538,500
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$510,631	\$517,101	\$521,709	\$514,024	\$538,500
FULL TIME EQUIVALENT POSITIONS:		4.8	4.8	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:	8	0
OBJECTIVE:	1	Indirect Administration	Service Categories:		
STRATEGY:	2	Information Resources	Service: 09	Income: A.2	Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
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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.

SUMMARY TOTALS:

OBJECTS OF EXPENSE:	\$7,081,422	\$7,662,629	\$7,729,803	\$7,675,442	\$7,716,990
METHODS OF FINANCE (INCLUDING RIDERS):				\$7,675,442	\$7,716,990
METHODS OF FINANCE (EXCLUDING RIDERS):	\$7,081,422	\$7,662,629	\$7,729,803	\$7,675,442	\$7,716,990
FULL TIME EQUIVALENT POSITIONS:	48.2	50.2	51.6	51.2	51.2

3.B. Rider Revisions and Additions Request

Agency Code: 476	Agency Name: Texas Racing Commission	Prepared By: Sammy Jackson	Date: 7/28/2014	Request Level: Base																																																																																	
Current Rider Number	Page Number in 2014–15 GAA	Proposed Rider Language																																																																																			
1	VIII-55 & VIII-56	<p>Performance Measure Targets. The following is a listing of the key performance target levels for the Racing Commission. It is the intent of the Legislature that appropriations made by this ACT be utilized in the most efficient and effective manner possible to achieve the intended mission of the Racing Commission. In order to achieve the objectives and service standards established by this Act, the Racing Commission shall make every effort to attain the following designated key performance target levels associated with each item of appropriation.</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 70%;"></th> <th style="width: 10%; text-align: center;"><u>2016</u></th> <th style="width: 10%; text-align: center;"><u>2017</u></th> </tr> </thead> <tbody> <tr> <td>A. Goal: ENFORCE RACING REGULATION</td> <td></td> <td></td> </tr> <tr> <td>Outcome (Results/Impact):</td> <td></td> <td></td> </tr> <tr> <td>Percentage of Investigations (Individuals) Resulting in Disciplinary Action</td> <td style="text-align: center;">95.0%</td> <td style="text-align: center;">95.0%</td> </tr> <tr> <td>Percentage of Licensees with No Recent Violations</td> <td style="text-align: center;">95.0%</td> <td style="text-align: center;">95.0%</td> </tr> <tr> <td>Percentage of Race Animals Injured or Dismissed from the Racetrack</td> <td style="text-align: center;">0.35%</td> <td style="text-align: center;">0.35%</td> </tr> <tr> <td>A.1.1. Strategy: LICENSE/REGULATE RACETRACKS</td> <td></td> <td></td> </tr> <tr> <td>Output (Volume):</td> <td></td> <td></td> </tr> <tr> <td>Number of Racetrack Inspections</td> <td style="text-align: center;">95</td> <td style="text-align: center;">95</td> </tr> <tr> <td>Explanatory:</td> <td></td> <td></td> </tr> <tr> <td>Number of Horse Tracks Regulated</td> <td style="text-align: center;">10</td> <td style="text-align: center;">10</td> </tr> <tr> <td>Number of Greyhound Tracks Regulated</td> <td style="text-align: center;">3</td> <td style="text-align: center;">3</td> </tr> <tr> <td>A.2.1. Strategy: TEXAS BRED INCENTIVE PROGRAM</td> <td></td> <td></td> </tr> <tr> <td>Output (Volume):</td> <td></td> <td></td> </tr> <tr> <td>Number of Texas Bred Awards</td> <td style="text-align: center;">9,500</td> <td style="text-align: center;">9,500</td> </tr> <tr> <td>A.3.1. Strategy: SUPERVISE & CONDUCT LIVE RACES</td> <td></td> <td></td> </tr> <tr> <td>Output (Volume):</td> <td></td> <td></td> </tr> <tr> <td>Number of Occupational Licenses Suspended or Revoked</td> <td style="text-align: center;">100</td> <td style="text-align: center;">100</td> </tr> <tr> <td>A.3.2. Strategy: MONITOR LICENSEE ACTIVITIES</td> <td></td> <td></td> </tr> <tr> <td>Output (Volume):</td> <td></td> <td></td> </tr> <tr> <td>Number of Investigations Completed</td> <td style="text-align: center;">96</td> <td style="text-align: center;">96</td> </tr> <tr> <td>A.4.1. Strategy: INSPECT & PROVIDE EMERGENCY CARE</td> <td></td> <td></td> </tr> <tr> <td>Output (Volume):</td> <td></td> <td></td> </tr> <tr> <td>Number of Race Animals Inspected Pre-race</td> <td style="text-align: center;">41,364</td> <td style="text-align: center;">41,284</td> </tr> <tr> <td>B. Goal: REGULATE PARTICIPATION</td> <td></td> <td></td> </tr> <tr> <td>Outcome (Results/Impact):</td> <td></td> <td></td> </tr> <tr> <td>Average Time Required to Issue a New Occupational License (Minutes)</td> <td style="text-align: center;">15</td> <td style="text-align: center;">15</td> </tr> </tbody> </table>				<u>2016</u>	<u>2017</u>	A. Goal: ENFORCE RACING REGULATION			Outcome (Results/Impact):			Percentage of Investigations (Individuals) Resulting in Disciplinary Action	95.0%	95.0%	Percentage of Licensees with No Recent Violations	95.0%	95.0%	Percentage of Race Animals Injured or Dismissed from the Racetrack	0.35%	0.35%	A.1.1. Strategy: LICENSE/REGULATE RACETRACKS			Output (Volume):			Number of Racetrack Inspections	95	95	Explanatory:			Number of Horse Tracks Regulated	10	10	Number of Greyhound Tracks Regulated	3	3	A.2.1. Strategy: TEXAS BRED INCENTIVE PROGRAM			Output (Volume):			Number of Texas Bred Awards	9,500	9,500	A.3.1. Strategy: SUPERVISE & CONDUCT LIVE RACES			Output (Volume):			Number of Occupational Licenses Suspended or Revoked	100	100	A.3.2. Strategy: MONITOR LICENSEE ACTIVITIES			Output (Volume):			Number of Investigations Completed	96	96	A.4.1. Strategy: INSPECT & PROVIDE EMERGENCY CARE			Output (Volume):			Number of Race Animals Inspected Pre-race	41,364	41,284	B. Goal: REGULATE PARTICIPATION			Outcome (Results/Impact):			Average Time Required to Issue a New Occupational License (Minutes)	15	15
	<u>2016</u>	<u>2017</u>																																																																																			
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3.B. Rider Revisions and Additions Request (continued)

		<p>B.1.1. Strategy: OCCUPATIONAL LICENSING PROGRAM</p> <p>Output (Volume): Number of New Occupational Licenses Issued Number of Occupational Licenses Renewed</p> <p>C. Goal: REGULATE PARI-MUTUEL WAGERING</p> <p>Outcome (Results/Impact): Percentage of Compliance Audits Passed</p> <p>C.1.1. Strategy: MONITOR WAGERING AND AUDIT</p> <p>Explanatory: Total Pari-Mutuel Handle (In Millions) Total Take to the State Treasury from Pari-Mutuel Wagering on</p>	<p>2,200 4,500</p> <p>95.0%</p> <p>\$317.00 \$2,900,000</p>	<p>2,200 4,500</p> <p>95.0%</p> <p>\$316.50 \$2,900,000</p>
2	VIII-56	Unexpended Balance Authority. Unexpended balances remaining in Racing Commission Receipts as of August 31, 2016, 2014 , are hereby appropriated for the fiscal year beginning September 1, 2017, 2015 .		
3	VIII-56	Texas Bred Incentive Program Receipts. Amounts set aside by the Texas Racing Act for the Texas Bred Incentive Program are appropriated above in Strategy A.2.1, Texas Bred Incentive Program.		
4	VIII-56	<p>Criminal History Checks and Background Checks.</p> <p>a. Out of the funds appropriated above in Strategy B.1.1, Occupational Licensing Program, \$196,007 \$196,007 in fiscal year 2016 2014 and \$166,924 \$196,007 in fiscal year 2017 2015 are appropriated to the Racing Commission for the purpose of reimbursing the Department of Public Safety (DPS), Federal Bureau of Investigations (FBI), and/or any other entity authorized to conduct criminal history background checks for cost incurred in conducting criminal history checks or background checks on individuals seeking to transfer ownership interest in an existing racetrack license or Racing Commission license applicants and renewals. Any additional revenue received from occupational license fees to cover the costs of criminal history checks or background checks (estimated to be \$0) is hereby appropriated to the Racing Commission for the purpose of reimbursing DPS, the FBI, and/or any other entity authorized to conduct criminal history background checks.</p> <p>b. Before May 31, 2016 2014, the Racing Commission shall submit a report to the Legislative Budget Board, in a form prescribed by the Legislative Budget Board that details the amount collected and expended on criminal history checks and background checks to date and the amount the agency is projecting to collect and expend on criminal history checks and background checks for the remainder of the 2016-17 2014-15 biennium.</p>		
5	VIII-56	Texas Bred Incentive Program Awards. None of the funds appropriated above for Texas Bred Incentive Program Awards may be expended for payments to a member serving on the commission. The Racing Commission shall take all necessary steps to ensure compliance with this provision.		
6	VIII-56 & VIII-57	<p>Contingent Appropriation: New Horse Racetrack or Reopening Horse Racetrack and Accredited Texas Bred Program</p> <p>a. In addition to the amounts appropriated above, the Texas Racing Commission shall be appropriated \$303,600 out of funds collected by the agency and deposited to GR Dedicated-Texas Racing Commission</p>		

3.B. Rider Revisions and Additions Request (continued)

		<p>Account No. 597 during each fiscal year of the 2016-17 2014-15 biennium, the following amounts 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 new horse racetrack or reopening horse racetrack) contingent upon the Texas Racing Commission assessing fees sufficient to generate, in addition to revenue requirements elsewhere in this act, during the 2016-17 2014-15 biennium, \$370,540 for fiscal year 2016 2014 and \$370,540 for fiscal year 2017 2015 for each new horse racetrack or each reopening horse racetrack during the 2016-2017 2014-2015 biennium in excess of \$? \$7,965,000 in fiscal year 2016 2014 and \$? \$7,979,000 in fiscal year 2017 2015 (Object Codes 3188, 3189, 3190, 3193, 3194 and 3197) contained in the Comptroller of Public Accounts' Biennial Revenue Estimates for fiscal years 2016 2014 and 2017 2015:</p> <ul style="list-style-type: none"> (a) \$97,900 in Strategy A.3.1, Supervise and Conduct Live Races; (b) \$52,500 in Strategy A.3.2, Monitor Licensee Activities; (c) \$54,850 in Strategy A.4.1, Inspect and Provide Emergency Care; (d) \$18,350 in Strategy A.4.2, Administer Drug Tests; (e) \$35,000 in Strategy B.1.1, Occupational Licensing Program; (f) \$45,000 in Strategy C.1.1, Monitor Wagering and Audit. <p>Also, the "Number of Full-Time-Equivalents (FTE)" figure indicated above shall be increased by 5.0 FTE's in each fiscal year for each new horse racetrack that begins operations for the first time during the biennium or for each reopening horse racetrack that initiates operations again during the biennium contingent upon the Texas Racing Commission generating the amount of revenue indicated above for each new horse racetrack. The Texas Racing Commission upon completion of necessary actions to access or increase such additional revenue shall furnish copies of the Texas Racing Commissions' minutes and other information supporting the estimated revenues to be generated for the 2016-2017 2014-15 biennium under the revised fee structure to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues, a finding of fact to that effect shall be issued and the contingent-appropriation shall be made available for the intended purpose. For informational purposes, the amount of increased revenue identified above reflects amounts sufficient to cover direct appropriations of \$607,200 and other direct and indirect costs (estimated to be \$139,362 for the 2016-17 2014-15 biennium).</p> <p>b. In addition to the amounts appropriated above in GR Dedicated Texas Racing Commission Account No. 597, the Texas Racing Commission shall be appropriated in Strategy A.2.1, Texas Bred Incentive Program, revenue set aside by the Texas Racing Act pursuant to VTCS, Article 179e. § 6.08 (j) for the Texas Bred Incentive Program that is collected by the agency from each new horse racetrack that begins operations for the first time during the 2016-17 2014-15 biennium or for each reopening horse racetrack that initiates operations again during the 2016-17 2014-15 biennium in an amount not to exceed \$332,037 from GR Dedicated-Texas Racing Commission Account No. 597 each year for each new horse racetrack. Any appropriations from revenue collected by the agency from new horse racetracks for the Texas Bred Incentive Program during the 2016-17 2014-15 biennium may be used only for that purpose and are not transferable to any other strategy.</p>
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3.B. Rider Revisions and Additions Request (continued)

		<p>c. For the purposes of this contingency rider, a “reopening horse racetrack” is a horse racetrack that has not operated live or simulcast race operations for 365 or more consecutive days prior to the reopening date for which live or simulcast operations are to be initiated again. Additionally, the reopening horse racetrack can not have ceased operations during the same biennium in which it initiates operations again.</p>
7	VIII-56	<p>Contingent Appropriation: New Racetrack Application. All fees collected to cover the cost of the racetrack application process, in excess of \$15,000 in each fiscal year from GR Dedicated- Texas Racing Commission Account No. 597 (Object Code 3191) in the Comptroller’s Biennial Revenue Estimate (estimated to be \$0 each fiscal year), are hereby appropriated to Strategy A.1.1, License and Regulate Racetracks. Any appropriations from revenue collected by the agency from new racetrack applications shall be used only for the racetrack application review process for those racetracks that have a scheduled hearing before the State Office of Administrative Hearing or the Texas Racing Commission during the <u>2016-17</u> 2014-15 biennium and are not transferable to any other strategy.</p>
8	New	<p>Seized Funds or Assets: <u>Amounts appropriated above in Strategy A.3.2, Monitor Occupational Licensees, include \$0 in fiscal year 2016 and fiscal year 2017 from seized funds or assets coming from illegal gambling investigations that are filed under Texas Penal Code Chapter 47 (Gambling), Texas Penal Code Chapter 71 (Engaging in Organized Criminal Activity/ Gambling), and any illegal gambling or racing filed under Vernon Civil Statute 179e (Texas Racing Act). In addition to amounts appropriated above, all forfeited money collected under federal or state forfeiture programs, proceeds from the sale of forfeited property or similar monetary awards related to the Racing Commission’s participation in the seizure of funds, assets, or other contraband, are hereby appropriated to the Racing Commission to be used for enforcement purposes. Any funds unexpended at the close of fiscal year 2016 are appropriated for fiscal year 2017.</u></p>

3.C. Rider Appropriations and Unexpended Balances Request

DATE: 7/28/2014
TIME: 1:01:33PM

Automated Budget and Evaluation System of Texas (ABEST)

Agency Code:

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: 7/28/2014
TIME: 1:01:33PM

Automated Budget and Evaluation System of Texas (ABEST)

Agency Code:

RIDER

STRATEGY

SUMMARY:

OBJECT OF EXPENSE TOTAL

METHOD OF FINANCING TOTAL

4.A. Exceptional Item Request Schedule
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 7/28/2014
 TIME: 1:01:34PM

Agency code: 476

Agency name:
Racing Commission

CODE	DESCRIPTION	Excp 2016	Excp 2017
	Item Name: Reclassification of ED Position		
	Item Priority: 1		
	Includes Funding for the Following Strategy or Strategies: 04-01-01 Central Administration and Other Support Services		
 OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	34,600	34,600
	TOTAL, OBJECT OF EXPENSE	\$34,600	\$34,600
 METHOD OF FINANCING:			
597	Texas Racing Comm Acct	34,600	34,600
	TOTAL, METHOD OF FINANCING	\$34,600	\$34,600

DESCRIPTION / JUSTIFICATION:

Recommended in the State Auditor's Report No. 12-708

EXTERNAL/INTERNAL FACTORS:

Ability to attract qualified applicants

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

Code	Description	Excp 2016	Excp 2017
Item Name: Reclassification of ED Position			
Allocation to Strategy: 4-1-1 Central Administration and Other Support Services			
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	34,600	34,600
TOTAL, OBJECT OF EXPENSE		\$34,600	\$34,600
METHOD OF FINANCING:			
597	Texas Racing Comm Acct	34,600	34,600
TOTAL, METHOD OF FINANCING		\$34,600	\$34,600
FULL-TIME EQUIVALENT POSITIONS (FTE):		0.0	0.0

4.C. Exceptional Items Strategy Request
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 7/28/2014
TIME: 1:01:35PM

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

GOAL: 1 Enforce Racing Regulations in Texas Statewide Goal/Benchmark: 7 - 0

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 2016	Excp 2017
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EFFICIENCY MEASURES:

<u>1</u>	Average Regulatory Cost Per Racetrack	303.00	303.00
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4.C. Exceptional Items Strategy Request
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 7/28/2014
TIME: 1:01:35PM

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

GOAL: 1 Enforce Racing Regulations in Texas Statewide Goal/Benchmark: 7 - 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 2016	Exp 2017
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EFFICIENCY MEASURES:

<u>1</u> Average Regulatory Cost Per Animal Inspected	0.07	0.07
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4.C. Exceptional Items Strategy Request
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 7/28/2014
TIME: 1:01:35PM

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

GOAL: 2 Regulate the Participation in Racing Statewide Goal/Benchmark: 7 - 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	Excp 2016	Excp 2017
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EFFICIENCY MEASURES:

<u>1</u>	Average Regulatory Cost Per Licensee	0.62	0.62
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4.C. Exceptional Items Strategy Request
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 7/28/2014
TIME: 1:01:35PM

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

GOAL: 4 Indirect Administration Statewide Goal/Benchmark: 8 - 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 2016	Exp 2017
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OBJECTS OF EXPENSE:

1001 SALARIES AND WAGES	34,600	34,600
Total, Objects of Expense	\$34,600	\$34,600

METHOD OF FINANCING:

597 Texas Racing Comm Acct	34,600	34,600
Total, Method of Finance	\$34,600	\$34,600

EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

Reclassification of ED Position

5.A. Capital Budget Project Schedule
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 7/28/2014
 TIME : 1:01:35PM

Agency code: 476

Agency name: Racing Commission

Category Code / Category Name

Project Sequence/Project Id/ Name

OOE / TOF / MOF CODE		Est 2014	Bud 2015	BL 2016	BL 2017
5007 Acquisition of Capital Equipment and Items					
<i>1/1 Telecommunication System</i>					
OBJECTS OF EXPENSE					
<u>Capital</u>					
General	5000 CAPITAL EXPENDITURES	\$4,965	\$0	\$0	\$0
	Capital Subtotal OOE, Project 1	\$4,965	\$0	\$0	\$0
	Subtotal OOE, Project 1	\$4,965	\$0	\$0	\$0
TYPE OF FINANCING					
<u>Capital</u>					
General	CA 597 Texas Racing Comm Acct	\$4,965	\$0	\$0	\$0
	Capital Subtotal TOF, Project 1	\$4,965	\$0	\$0	\$0
	Subtotal TOF, Project 1	\$4,965	\$0	\$0	\$0
<u>Informational</u>					
General	CA 597 Texas Racing Comm Acct	\$0	\$0	\$0	\$0
	Informational Subtotal TOF, Project 1	\$0	\$0	\$0	\$0
	Subtotal TOF, Project 1	\$4,965	\$0	\$0	\$0
<i>2/2 Security System for Administrative Office</i>					
OBJECTS OF EXPENSE					
<u>Capital</u>					
General	5000 CAPITAL EXPENDITURES	\$12,168	\$0	\$0	\$0
	Capital Subtotal OOE, Project 2	\$12,168	\$0	\$0	\$0
	Subtotal OOE, Project 2	\$12,168	\$0	\$0	\$0
TYPE OF FINANCING					

5.A. Capital Budget Project Schedule
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 7/28/2014
 TIME : 1:01:35PM

Agency code: **476**

Agency name: **Racing Commission**

Category Code / Category Name

Project Sequence/Project Id/ Name

OOE / TOF / MOF CODE				Est 2014	Bud 2015	BL 2016	BL 2017
<u>Capital</u>							
General	CA	597	Texas Racing Comm Acct	\$12,168	\$0	\$0	\$0
Capital Subtotal TOF, Project				\$12,168	\$0	\$0	\$0
Subtotal TOF, Project				\$12,168	\$0	\$0	\$0
Capital Subtotal, Category				\$17,133	\$0	\$0	\$0
Informational Subtotal, Category				\$0	\$0	\$0	\$0
Total, Category				\$17,133	\$0	\$0	\$0
AGENCY TOTAL -CAPITAL				\$17,133	\$0	\$0	\$0
AGENCY TOTAL -INFORMATIONAL				\$0	\$0	\$0	\$0
AGENCY TOTAL				\$17,133	\$0	\$0	\$0
METHOD OF FINANCING:							
<u>Capital</u>							
General		597	Texas Racing Comm Acct	\$17,133	\$0	\$0	\$0
Total, Method of Financing-Capital				\$17,133	\$0	\$0	\$0
<u>Informational</u>							
General		597	Texas Racing Comm Acct	\$0	\$0	\$0	\$0
Total, Method of Financing-Informational				\$0	\$0	\$0	\$0
Total, Method of Financing				\$17,133	\$0	\$0	\$0

5.A. Capital Budget Project Schedule
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 7/28/2014
 TIME : 1:01:35PM

Agency code: 476

Agency name: **Racing Commission**

Category Code / Category Name

Project Sequence/Project Id/ Name

OOE / TOF / MOF CODE	Est 2014	Bud 2015	BL 2016	BL 2017
TYPE OF FINANCING:				
<u>Capital</u>				
General CA CURRENT APPROPRIATIONS	\$17,133	\$0	\$0	\$0
Total, Type of Financing-Capital	\$17,133	\$0	\$0	\$0
<u>Informational</u>				
General CA CURRENT APPROPRIATIONS	\$0	\$0	\$0	\$0
Total, Type of Financing-Informational	\$0	\$0	\$0	\$0
Total,Type of Financing	\$17,133	\$0	\$0	\$0

5.B. Capital Budget Project Information
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 7/28/2014
 TIME: 1:01:36PM

Agency Code:	476	Agency name:	Racing Commission
Category Number:	5007	Category Name:	ACQUISITN CAP EQUIP ITEMS
Project number:	1	Project Name:	Telecommunication System

PROJECT DESCRIPTION

General Information

The telecommunication system has been installed and operating and services approximately 24 staff members in the administrative office of the agency.

Number of Units / Average Unit Cost	\$35,095		
Estimated Completion Date	8/31/2014		
Additional Capital Expenditure Amounts Required		2018	2019
		0	0
Type of Financing	CA	CURRENT APPROPRIATIONS	
Projected Useful Life	15 Years		
Estimated/Actual Project Cost	\$35,095		
Length of Financing/ Lease Period	No financing or lease required.		

ESTIMATED/ACTUAL DEBT OBLIGATION PAYMENTS

	2016	2017	2018	2019	Total over project life
	0	0	0	0	0

<u>REVENUE GENERATION / COST SAVINGS</u>		
<u>REVENUE COST FLAG</u>	<u>MOF CODE</u>	<u>AVERAGE AMOUNT</u>
C	597	0.00

Explanation: The old system was no longer supported and the agency was in a position that the purchase of a new system was required to maintain normal business operations.

Project Location: The new system is located in the agency's administrative offices located at 8505 Cross Park Drive, Suite 110, Austin, Texas 78754.

Beneficiaries: Beneficiaries would include the 51.6 FTE's that are employed by the agency. In addition, the customer base that the agency services also received the benefit.

Frequency of Use and External Factors Affecting Use:

Utilized daily.

5.B. Capital Budget Project Information
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 7/28/2014
 TIME: 1:01:36PM

Agency Code:	476	Agency name:	Racing Commission
Category Number:	5007	Category Name:	ACQUISITN CAP EQUIP ITEMS
Project number:	2	Project Name:	Security System

PROJECT DESCRIPTION

General Information

The security system has been ordered and should be installed and operating by 8/31/2014. The system will services approximately 24 staff members in the administrative office of the agency.

Number of Units / Average Unit Cost \$12,168

Estimated Completion Date 8/31/2014

Additional Capital Expenditure Amounts Required	2018	2019
	0	0

Type of Financing CA CURRENT APPROPRIATIONS

Projected Useful Life 15 years

Estimated/Actual Project Cost \$12,168

Length of Financing/ Lease Period No financing or lease required.

ESTIMATED/ACTUAL DEBT OBLIGATION PAYMENTS

2016	2017	2018	2019	Total over project life
0	0	0	0	0

REVENUE GENERATION / COST SAVINGS

<u>REVENUE COST FLAG</u>	<u>MOF CODE</u>	<u>AVERAGE AMOUNT</u>
C	597	0.00

Explanation: The old system was no longer supported.

Project Location: The system is located in the agency's administrative office at 8505 Cross Park Drive, Suite 110, Austin, Texas 78754.

Beneficiaries: The beneficiaries are the agency's 51.6 FTE's, as well as the State of Texas due to the increased protection of the assets of the agency.

Frequency of Use and External Factors Affecting Use:

The system will be utilized daily.

Agency code: 476 Agency name: Racing Commission

Category Code/Name

Project Sequence/Project Id/Name

Goal/Obj/Str	Strategy Name	Est 2014	Bud 2015	BL 2016	BL 2017	
5007 Acquisition of Capital Equipment and Items						
<i>1/1 Telecommunication System</i>						
<u>GENERAL BUDGET</u>						
Capital	4-1-2	INFORMATION RESOURCES	4,965	0	\$0	\$0
		TOTAL, PROJECT	\$4,965	\$0	\$0	\$0
<i>2/2 Security System</i>						
<u>GENERAL BUDGET</u>						
Capital	4-1-1	CENTRAL ADMIN & OTHER SUPPORT SVCS	12,168	0	0	0
		TOTAL, PROJECT	\$12,168	\$0	\$0	\$0
		TOTAL CAPITAL, ALL PROJECTS	\$17,133	\$0	\$0	\$0
		TOTAL INFORMATIONAL, ALL PROJECTS				
		TOTAL, ALL PROJECTS	\$17,133	\$0	\$0	\$0

5.D. Capital Budget Operating and Maintenance Expenses
84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 7/28/2014
TIME: 1:01:37PM

Agency Code: 476 Agency name: Racing Commission
Project Number: 1 Project name: Telecommunication System
Operating Expenses Estimates (For Information Only)

CODE DESCRIPTION	2016	2017	2018	2019
FULL TIME EQUIVALENT POSITIONS:	0.0	0.0	0.0	0.0
OPERATING COSTS DESCRIPTION AND JUSTIFICATION:				

5.D. Capital Budget Operating and Maintenance Expenses
84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 7/28/2014
TIME: 1:01:37PM

Agency Code: 476 Agency name: Racing Commission
Project Number: 2 Project name: Security System for Administrative Office
Operating Expenses Estimates (For Information Only)

CODE DESCRIPTION	2016	2017	2018	2019
FULL TIME EQUIVALENT POSITIONS:	0.0	0.0	0.0	0.0
OPERATING COSTS DESCRIPTION AND JUSTIFICATION:				

476 Racing Commission

Category Code/Name

Project Sequence/Name

Goal/Obj/Str	Strategy Name	Est 2014	Bud 2015	BL 2016	BL 2017
5007 Acquisition of Capital Equipment and Items					
<i>1 Telecommunication System</i>					
OOE					
Capital					
4-1-2 INFORMATION RESOURCES					
<u>General Budget</u>					
5000	CAPITAL EXPENDITURES	4,965	0	0	0
TOTAL, OOE's		\$4,965	\$0	0	0
MOF					
GR DEDICATED					
Capital					
4-1-2 INFORMATION RESOURCES					
<u>General Budget</u>					
597	Texas Racing Comm Acct	4,965	0	0	0
TOTAL, GR DEDICATED		\$4,965	\$0	0	0
TOTAL, MOFs		\$4,965	\$0	0	0

476 Racing Commission

Category Code/Name

Project Sequence/Name

Goal/Obj/Str	Strategy Name	Est 2014	Bud 2015	BL 2016	BL 2017
2 Security System					
OOE					
Capital					
4-1-1 CENTRAL ADMIN & OTHER SUPPORT SVCS					
<u>General Budget</u>					
5000	CAPITAL EXPENDITURES	12,168	0	0	0
TOTAL, OOE		\$12,168	\$0	0	0
MOF					
GR DEDICATED					
Capital					
4-1-1 CENTRAL ADMIN & OTHER SUPPORT SVCS					
<u>General Budget</u>					
597	Texas Racing Comm Acct	12,168	0	0	0
TOTAL, GR DEDICATED		\$12,168	\$0	0	0
TOTAL, MOFs		\$12,168	\$0	0	0

476 Racing Commission

	Est 2014	Bud 2015	BL 2016	BL 2017
CAPITAL				
<u>General Budget</u>				
GR DEDICATED				
TOTAL, GENERAL BUDGET	\$17,133	\$0	0	0
TOTAL, ALL PROJECTS	17,133	0	0	0
	\$17,133	\$0	0	0

Automated Budget and Evaluation System of Texas (ABEST)

Category Code/Name

Project Number/Name

Goal/Obj/Str

Strategy Name

TOTAL, PROJECT

TOTAL, ALL PROJECTS

6.A. Historically Underutilized Business Supporting Schedule
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

Date: 7/28/2014
 Time: 1:01:38PM

Agency Code: 476 Agency: Racing Commission

COMPARISON TO STATEWIDE HUB PROCUREMENT GOALS

A. Fiscal Year 2012 - 2013 HUB Expenditure Information

Statewide HUB Goals	Procurement Category	% Goal	HUB Expenditures FY 2012			Total Expenditures FY 2012		HUB Expenditures FY 2013			Total Expenditures FY 2013	
			% Actual	Diff	Actual \$	% Goal	% Actual	Diff	Actual \$	% Goal	Actual \$	
11.2%	Heavy Construction	11.2 %	0.0%	-11.2%	\$0	\$0	11.2 %	0.0%	-11.2%	\$0	\$0	
21.1%	Building Construction	21.1 %	0.0%	-21.1%	\$0	\$0	21.1 %	0.0%	-21.1%	\$0	\$0	
32.7%	Special Trade Construction	32.7 %	0.0%	-32.7%	\$0	\$745	32.7 %	12.7%	-20.0%	\$82	\$645	
23.6%	Professional Services	23.6 %	100.0%	76.4%	\$15,418	\$15,418	23.6 %	100.0%	76.4%	\$14,213	\$14,213	
24.6%	Other Services	24.6 %	19.6%	-5.0%	\$47,414	\$241,822	24.6 %	33.5%	8.9%	\$87,824	\$262,461	
21.0%	Commodities	21.0 %	70.5%	49.5%	\$110,670	\$157,074	21.0 %	59.4%	38.4%	\$45,432	\$76,429	
	Total Expenditures		41.8%		\$173,502	\$415,059		41.7%		\$147,551	\$353,748	

B. Assessment of Fiscal Year 2012 - 2013 Efforts to Meet HUB Procurement Goals

Attainment:

The agency attained three of three applicable statewide HUB goals in fiscal year 2013 and two of three applicable statewide HUB goals in 2012.

Applicability:

The "Heavy Construction" and "Building Construction" categories are not applicable to agency operations in either fiscal year 2012 or fiscal year 2013. Minimal "Special Trade Construction" was accomplished in 2012 and 2013 using lessor required vendors as required by agency's building lease contract.

Factors Affecting Attainment:

The purchases in the other services category are for veterinarian and computer maintenance. The agency has not been able to find 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) :

- Ensure 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 encourages participation in agency contracts by all businesses.
- Met and exceeded the overall agency goal of awarding 23.1% of total procurements to HUBs by awarding 41.8 % of total procurements in 2012 to HUBs and 41.7 % of total procurements to HUBs in 2013.

6.B. Current Biennium One-time Expenditure Schedule

Agency Code: 476	Agency Name: Racing Commission	Prepared By: Sammy Jackson	Date: 7/28/2014	
Item	2014-2015 Est/Bud		2016-17 Baseline Request	
	Amount	MOF	Amount	MOF
Totals	\$0		\$0	

6.C. Federal Funds Supporting Schedule
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

7/28/2014 1:01:38PM

CFDA NUMBER/ STRATEGY		476 Racing Commission				
		Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
16.607.000	BULLET PROOF VEST					
1 - 3 - 2	MONITOR LICENSEE ACTIVITIES	1,871	0	0	0	0
TOTAL, ALL STRATEGIES		\$1,871	\$0	\$0	\$0	\$0
ADDL FED FNDS FOR EMPL BENEFITS		0	0	0	0	0
TOTAL, FEDERAL FUNDS		\$1,871	\$0	\$0	\$0	\$0
ADDL GR FOR EMPL BENEFITS		\$0	\$0	\$0	\$0	\$0

CFDA NUMBER/ STRATEGY	476 Racing Commission	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
<u>SUMMARY LISTING OF FEDERAL PROGRAM AMOUNTS</u>						
16.607.000 BULLET PROOF VEST		1,871	0	0	0	0
TOTAL, ALL STRATEGIES		\$1,871	\$0	\$0	\$0	\$0
TOTAL , ADDL FED FUNDS FOR EMPL BENEFITS		0	0	0	0	0
TOTAL, FEDERAL FUNDS		\$1,871	\$0	\$0	\$0	\$0
TOTAL, ADDL GR FOR EMPL BENEFITS		\$0	\$0	\$0	\$0	\$0

SUMMARY OF SPECIAL CONCERNS/ISSUES

Assumptions and Methodology:

Actual reimbursements made for expended cost made by agency on bullet proof vest.

Potential Loss:

6.D. Federal Funds Tracking Schedule

DATE: 7/28/2014

84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

TIME : 1:01:39PM

Agency code: 476

Agency name: **Racing Commission**

Federal FY	Award Amount	Expended SFY 2011	Expended SFY 2012	Expended SFY 2013	Expended SFY 2014	Expended SFY 2015	Budgeted SFY 2016	Estimated SFY 2017	Total	Difference from Award
CFDA 16.607.000 BULLET PROOF VEST										
2013	\$1,871	\$0	\$0	\$1,871	\$0	\$0	\$0	\$0	\$1,871	\$0
Total	\$1,871	\$0	\$0	\$1,871	\$0	\$0	\$0	\$0	\$1,871	\$0
<hr/>										
Empl. Benefit Payment		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

TRACKING NOTES

These federal funds were provided in conjunction with the bulletproof vest program via the U.S. Department of Justice. The vest were needed to assist FBI and the Texas Department of Public Safety in the investigation of non pari-mutuel racetracks operating in Texas.

6.E. Estimated Revenue Collections Supporting Schedule
84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

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

FUND/ACCOUNT	Act 2013	Exp 2014	Exp 2015	Bud 2016	Est 2017
597 Texas Racing Comm Acct					
Beginning Balance (Unencumbered):	\$1,822,456	\$750,000	\$589,263	\$209,132	\$125,566
Estimated Revenue:					
3188 Race Track Licenses - Horse	2,387,390	3,113,275	3,111,244	3,386,244	3,386,244
3189 Racing and Wagering Licenses	752,801	759,600	747,458	747,458	747,458
3190 Race Track Licenses - Greyhound	637,700	1,092,228	1,080,000	1,080,000	1,080,000
3191 Race Track Appl Fees - Horse	60,141	0	0	0	0
3193 Breakage - Horse Racing	2,826,198	2,960,700	2,960,700	2,960,700	2,960,700
3197 Breakage - Greyhound Racing	490,037	514,300	514,300	514,300	514,300
3719 Fees/Copies or Filing of Records	359	378	400	400	400
3802 Reimbursements-Third Party	19,120	19,000	23,467	23,467	23,467
Subtotal: Actual/Estimated Revenue	7,173,746	8,459,481	8,437,569	8,712,569	8,712,569
Total Available	\$8,996,202	\$9,209,481	\$9,026,832	\$8,921,701	\$8,838,135
DEDUCTIONS:					
Expended, Budgeted, Requested	(7,079,551)	(7,603,179)	(7,670,803)	(7,650,593)	(7,692,141)
Transfer - Employee Benefits	(841,398)	(925,045)	(1,047,897)	(1,046,093)	(1,046,092)
Transfer - Equine Research	(58,503)	(59,450)	(59,000)	(59,449)	(59,449)
Transfer - St Wide Cost Allocation	(28,538)	(26,044)	(30,000)	(30,000)	(30,000)
Transfer - 75% Worker's Comp	0	0	0	0	0
Transfer - 50% Unemployment	(15,883)	(6,500)	(10,000)	(10,000)	(10,000)
Transfer - TX Racing Act 3.09 B	(222,329)	0	0	0	0
Total, Deductions	\$(8,246,202)	\$(8,620,218)	\$(8,817,700)	\$(8,796,135)	\$(8,837,682)
Ending Fund/Account Balance	\$750,000	\$589,263	\$209,132	\$125,566	\$453

REVENUE ASSUMPTIONS:

6.E. Estimated Revenue Collections Supporting Schedule
84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

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

FUND/ACCOUNT	Act 2013	Exp 2014	Exp 2015	Bud 2016	Est 2017
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The base annual license fee for each license racetrack by 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 secretary 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.

Occupational license fees are varied among the different license types. Each new license issued also requires an additional fee to be paid for background check cost. Renewed license issued also requires an additional fee to be paid for background check cost once every three years.

Texas Bred Incentive Program Funds are earned by wagering activity at each horse and greyhound racetrack. The agency collects 1% of each exotic wager placed, as well as 90.2% of all breakage at horse racetracks and 50% of all breakage at greyhound racetracks.

Exceptional Item expenditures have been included.

CONTACT PERSON:

Sammy Jackson

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

84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 7/28/2014
Time: 1:01:55PM

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 2013	Estimated Est 2014	Budgeted Bud 2015	Requested BL 2016	Requested BL 2017
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Method of Financing

Meetings Per Fiscal Year

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

Description and Justification for Continuation/Consequences of Abolishing

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

Date: 7/28/2014

Time: 1:01:57PM

84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

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

ADVISORY COMMITTEES THAT SHOULD BE ABOLISHED/CONSOLIDATED

Reasons for Abolishing

Automated Budget and Evaluation System of Texas (ABEST)

Agency code: 476 Agency name:

CODE	DESCRIPTION
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TOTAL, OBJECTS OF EXPENSE

TOTAL, METHOD OF FINANCE

FULL-TIME-EQUIVALENT POSITIONS

Automated Budget and Evaluation System of Texas (ABEST)

Agency code: **476** Agency name:

CODE	DESCRIPTION
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Automated Budget and Evaluation System of Texas (ABEST)

Agency code: **476** Agency name:

CODE	DESCRIPTION
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6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 7/28/2014
Time: 1:01:59PM

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

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2016	2017	Biennial Total	2016	2017	Biennial Total	

1 Texas Bred Incentive Program

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

Item Comment: Of the total GR Dedicated reduction of \$1,527,265, \$695,000 or 45.5% 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 set aside for administration of the Texas Bred Incentive Program to the Breed Registries recognized by the Texas Racing Act, and 88.2% is allocated for awards 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	\$347,500	\$347,500	\$695,000
Gr Dedicated Total	\$0	\$0	\$0	\$347,500	\$347,500	\$695,000
Item Total	\$0	\$0	\$0	\$347,500	\$347,500	\$695,000

FTE Reductions (From FY 2016 and FY 2017 Base Request)

2 Eliminate Accounting Professional Fees and Services

Category: Administrative - Contracted Admin Services

Item Comment: Of the total GR Dedicated reduction of \$1,527,265, \$10,000 or 0.7% consists of professional fees and services for preparing the agency's annual financial report. This reduction would have a limited affect on 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 2016 and FY 2017 Base Request)

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 7/28/2014
Time: 1:01:59PM

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

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2016	2017	Biennial Total	2016	2017	Biennial Total	

3 Eliminate Training Budgets

Category: Administrative - Operating Expenses

Item Comment: Of the total GR Dedicated reduction of \$1,527,265, \$38,900 or 2.5% consists of other operating expenses budgeted for training in each of the following strategies. Although this reduction would not have an immediate short-term affect on the agency's population, eliminating staff development would have a long-term affect on agency operations.

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

Gr Dedicated

597 Texas Racing Comm Acct	\$0	\$0	\$0	\$1,200	\$1,200	\$2,400
Gr Dedicated Total	\$0	\$0	\$0	\$1,200	\$1,200	\$2,400

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

Gr Dedicated

597 Texas Racing Comm Acct	\$0	\$0	\$0	\$3,900	\$3,900	\$7,800
Gr Dedicated Total	\$0	\$0	\$0	\$3,900	\$3,900	\$7,800

Strategy: 1-3-2 Monitor Occupational Licensee Activities

Gr Dedicated

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

Federal Funds

8082 Federal Reimbursements	\$0	\$0	\$0			
Federal Funds Total	\$0	\$0	\$0			

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

Gr Dedicated

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 7/28/2014
Time: 1:01:59PM

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

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2016	2017	Biennial Total	2016	2017	Biennial Total	
597 Texas Racing Comm Acct	\$0	\$0	\$0	\$900	\$900	\$1,800	
Gr Dedicated Total	\$0	\$0	\$0	\$900	\$900	\$1,800	
Strategy: 1-4-2 Administer Drug Tests							
<u>Gr Dedicated</u>							
597 Texas Racing Comm Acct	\$0	\$0	\$0	\$2,100	\$2,100	\$4,200	
Gr Dedicated Total	\$0	\$0	\$0	\$2,100	\$2,100	\$4,200	
Strategy: 2-1-1 Administer the Occupational Licensing Program through Enforcement							
<u>Gr Dedicated</u>							
597 Texas Racing Comm Acct	\$0	\$0	\$0	\$2,400	\$2,400	\$4,800	
Gr Dedicated Total	\$0	\$0	\$0	\$2,400	\$2,400	\$4,800	
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	\$1,200	\$1,200	\$2,400	
Gr Dedicated Total	\$0	\$0	\$0	\$1,200	\$1,200	\$2,400	
Strategy: 3-1-2 Conduct Wagering Compliance Inspections							
<u>Gr Dedicated</u>							
597 Texas Racing Comm Acct	\$0	\$0	\$0	\$900	\$900	\$1,800	
Gr Dedicated Total	\$0	\$0	\$0	\$900	\$900	\$1,800	
Strategy: 4-1-1 Central Administration and Other Support Services							
<u>Gr Dedicated</u>							
597 Texas Racing Comm Acct	\$0	\$0	\$0	\$2,100	\$2,100	\$4,200	

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 7/28/2014
Time: 1:01:59PM

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

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2016	2017	Biennial Total	2016	2017	Biennial Total	
Gr Dedicated Total	\$0	\$0	\$0	\$2,100	\$2,100	\$4,200	
Strategy: 4-1-2 Information Resources							
<u>Gr Dedicated</u>							
597 Texas Racing Comm Acct	\$0	\$0	\$0	\$3,500	\$3,000	\$6,500	
Gr Dedicated Total	\$0	\$0	\$0	\$3,500	\$3,000	\$6,500	
Item Total	\$0	\$0	\$0	\$19,700	\$19,200	\$38,900	

FTE Reductions (From FY 2016 and FY 2017 Base Request)

4 Eliminate ARCI Membership Dues

Category: Administrative - Operating Expenses

Item Comment: Of the total GR Dedicated reduction of \$1,527,265, \$34,150 or 2.2% consists of membership dues to the Association of Racing Commissioners International (ARCI). Dropping membership would have a significant impact as the agency. For example, the agency would no longer be able to participate in the ARCI national database that is used to monitor licensees' standing in other jurisdictions. Additionally, staff would not have input on developing or staying current on standards for racing regulation, medication policy, drug testing laboratories, totalizator systems, racetrack operations and security.

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

Gr Dedicated

597 Texas Racing Comm Acct	\$0	\$0	\$0	\$17,075	\$17,075	\$34,150	
Gr Dedicated Total	\$0	\$0	\$0	\$17,075	\$17,075	\$34,150	
Item Total	\$0	\$0	\$0	\$17,075	\$17,075	\$34,150	

FTE Reductions (From FY 2016 and FY 2017 Base Request)

5 Reduce Travel Reimbursements

Category: Administrative - Travel

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 7/28/2014
Time: 1:01:59PM

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

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2016	2017	Biennial Total	2016	2017	Biennial Total	
Item Comment: Of the total GR Dedicated reduction of \$1,527,265, \$77,900 or 5.1% consists of travel funds. Cutting these funds would have a significant impact to the agency. For example, there would be a reduction in the number of inspections to ensure racetrack operations are in full compliance with Commission rules; a reduction in supervisors monitoring agency staff at the racetracks; and agency personnel would not be fully reimbursed at the state's allowable rates.							
Strategy: 1-1-1 Provide Regulatory and Enforcement Services to Racetrack Owners							
<u>Gr Dedicated</u>							
597 Texas Racing Comm Acct	\$0	\$0	\$0	\$1,250	\$1,250	\$2,500	
Gr Dedicated Total	\$0	\$0	\$0	\$1,250	\$1,250	\$2,500	
Strategy: 1-3-1 Supervise the Conduct of Racing through Enforcement and Monitoring							
<u>Gr Dedicated</u>							
597 Texas Racing Comm Acct	\$0	\$0	\$0	\$11,500	\$11,500	\$23,000	
Gr Dedicated Total	\$0	\$0	\$0	\$11,500	\$11,500	\$23,000	
Strategy: 1-3-2 Monitor Occupational Licensee Activities							
<u>Gr Dedicated</u>							
597 Texas Racing Comm Acct	\$0	\$0	\$0	\$6,700	\$6,700	\$13,400	
Gr Dedicated Total	\$0	\$0	\$0	\$6,700	\$6,700	\$13,400	
<u>Federal Funds</u>							
8082 Federal Reimbursements	\$0	\$0	\$0				
Federal Funds Total	\$0	\$0	\$0				
Strategy: 1-4-1 Inspect and Provide Emergency Care							
<u>Gr Dedicated</u>							
597 Texas Racing Comm Acct	\$0	\$0	\$0	\$1,000	\$1,000	\$2,000	
Gr Dedicated Total	\$0	\$0	\$0	\$1,000	\$1,000	\$2,000	

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 7/28/2014
Time: 1:01:59PM

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

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2016	2017	Biennial Total	2016	2017	Biennial Total	
Strategy: 1-4-2 Administer Drug Tests							
<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: 2-1-1 Administer the Occupational Licensing Program through Enforcement							
<u>Gr Dedicated</u>							
597 Texas Racing Comm Acct	\$0	\$0	\$0	\$4,400	\$4,400	\$8,800	
Gr Dedicated Total	\$0	\$0	\$0	\$4,400	\$4,400	\$8,800	
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	\$3,600	\$3,600	\$7,200	
Gr Dedicated Total	\$0	\$0	\$0	\$3,600	\$3,600	\$7,200	
Strategy: 3-1-2 Conduct Wagering Compliance Inspections							
<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: 4-1-1 Central Administration and Other Support Services							
<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

84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 7/28/2014
Time: 1:01:59PM

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

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2016	2017	Biennial Total	2016	2017	Biennial Total	
Strategy: 4-1-2 Information Resources							
<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	
Item Total	\$0	\$0	\$0	\$38,950	\$38,950	\$77,900	
FTE Reductions (From FY 2016 and FY 2017 Base Request)							
6 Elimination of Staff							
Category: Programs - Service Reductions (FTEs-Layoffs)							
Item Comment: Of the total GR Dedicated reduction of \$1,527,265, \$216,070 or 14.1% consists of a reduction in staff equal to 2.2 FTE's in each year of the biennium. Cutting these funds would have a significant impact to the agency. For example, there would be a reduction in the number of inspections to ensure racetrack operations are in full compliance with Commission rules; a reduction in greyhound racing supervision; and a reduction in response time to public inquiries and open records requests.							
Strategy: 1-1-1 Provide Regulatory and Enforcement Services to Racetrack Owners							
<u>Gr Dedicated</u>							
597 Texas Racing Comm Acct	\$0	\$0	\$0	\$23,868	\$23,868	\$47,736	
Gr Dedicated Total	\$0	\$0	\$0	\$23,868	\$23,868	\$47,736	
Strategy: 1-3-1 Supervise the Conduct of Racing through Enforcement and Monitoring							
<u>Gr Dedicated</u>							
597 Texas Racing Comm Acct	\$0	\$0	\$0	\$31,824	\$31,824	\$63,648	
Gr Dedicated Total	\$0	\$0	\$0	\$31,824	\$31,824	\$63,648	

Strategy: 1-3-2 Monitor Occupational Licensee Activities

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 7/28/2014
Time: 1:01:59PM

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

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2016	2017	Biennial Total	2016	2017	Biennial Total	
<u>Gr Dedicated</u>							
597 Texas Racing Comm Acct	\$0	\$0	\$0	\$5,668	\$5,668	\$11,336	
Gr Dedicated Total	\$0	\$0	\$0	\$5,668	\$5,668	\$11,336	
Strategy: 3-1-2 Conduct Wagering Compliance Inspections							
<u>Gr Dedicated</u>							
597 Texas Racing Comm Acct	\$0	\$0	\$0	\$46,675	\$46,675	\$93,350	
Gr Dedicated Total	\$0	\$0	\$0	\$46,675	\$46,675	\$93,350	
Item Total	\$0	\$0	\$0	\$108,035	\$108,035	\$216,070	
FTE Reductions (From FY 2016 and FY 2017 Base Request)				2.2	2.2		

7 Reduction of Staff Work Hours

Category: Across the Board Reductions

Item Comment: Of the total GR Dedicated reduction of \$1,527,265, \$344,020 or 22.5% consists of a 10% reduction of staff working hours equal to 3.0 FTE's in each year of the biennium. This reduction would not include Stewards, Judges, Investigators, Veterinarians, or Test Barn Technicians that work at the racetracks during live racing. To reduce the hours of these positions would require a reduction in race date allocations to all horse and greyhound racetracks. Staff members that would be affected by this reduction would have their normal 40 hour work week reduced to 36 hours per week. This reduction would have a significant impact on the agency. For example, there would be reduced regulatory oversight in all programs due to the decreased hours of operation. Additionally, it would affect the agency's ability to retain staff with knowledge base needed to maintain regulatory oversight required by the Racing Act.

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

<u>Gr Dedicated</u>							
597 Texas Racing Comm Acct	\$0	\$0	\$0	\$31,011	\$31,011	\$62,022	
Gr Dedicated Total	\$0	\$0	\$0	\$31,011	\$31,011	\$62,022	

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

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 7/28/2014
Time: 1:01:59PM

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

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2016	2017	Biennial Total	2016	2017	Biennial Total	
<u>Gr Dedicated</u>							
597 Texas Racing Comm Acct	\$0	\$0	\$0	\$7,054	\$7,054	\$14,108	
Gr Dedicated Total	\$0	\$0	\$0	\$7,054	\$7,054	\$14,108	
Strategy: 1-3-2 Monitor Occupational Licensee Activities							
<u>Gr Dedicated</u>							
597 Texas Racing Comm Acct	\$0	\$0	\$0	\$6,182	\$6,182	\$12,364	
Gr Dedicated Total	\$0	\$0	\$0	\$6,182	\$6,182	\$12,364	
Strategy: 1-4-1 Inspect and Provide Emergency Care							
<u>Gr Dedicated</u>							
597 Texas Racing Comm Acct	\$0	\$0	\$0	\$3,734	\$3,734	\$7,468	
Gr Dedicated Total	\$0	\$0	\$0	\$3,734	\$3,734	\$7,468	
Strategy: 2-1-1 Administer the Occupational Licensing Program through Enforcement							
<u>Gr Dedicated</u>							
597 Texas Racing Comm Acct	\$0	\$0	\$0	\$27,685	\$27,685	\$55,370	
Gr Dedicated Total	\$0	\$0	\$0	\$27,685	\$27,685	\$55,370	
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	\$15,132	\$15,132	\$30,264	
Gr Dedicated Total	\$0	\$0	\$0	\$15,132	\$15,132	\$30,264	
Strategy: 3-1-2 Conduct Wagering Compliance Inspections							
<u>Gr Dedicated</u>							

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 7/28/2014
Time: 1:01:59PM

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

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2016	2017	Biennial Total	2016	2017	Biennial Total	
597 Texas Racing Comm Acct	\$0	\$0	\$0	\$9,730	\$9,730	\$19,460	
Gr Dedicated Total	\$0	\$0	\$0	\$9,730	\$9,730	\$19,460	
Strategy: 4-1-1 Central Administration and Other Support Services							
<u>Gr Dedicated</u>							
597 Texas Racing Comm Acct	\$0	\$0	\$0	\$40,937	\$40,937	\$81,874	
Gr Dedicated Total	\$0	\$0	\$0	\$40,937	\$40,937	\$81,874	
Strategy: 4-1-2 Information Resources							
<u>Gr Dedicated</u>							
597 Texas Racing Comm Acct	\$0	\$0	\$0	\$30,545	\$30,545	\$61,090	
Gr Dedicated Total	\$0	\$0	\$0	\$30,545	\$30,545	\$61,090	
Item Total	\$0	\$0	\$0	\$172,010	\$172,010	\$344,020	
FTE Reductions (From FY 2016 and FY 2017 Base Request)				3.0	3.0		

8 Texas Bred Incentive Program

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

Item Comment: Of the total GR Dedicated reduction of \$1,527,265, \$111,225 or 7.3% 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	\$55,612	\$55,613	\$111,225	
Gr Dedicated Total	\$0	\$0	\$0	\$55,612	\$55,613	\$111,225	

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 7/28/2014
Time: 1:01:59PM

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

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2016	2017	Biennial Total	2016	2017	Biennial Total	
Item Total	\$0	\$0	\$0	\$55,612	\$55,613	\$111,225	
FTE Reductions (From FY 2016 and FY 2017 Base Request)							
AGENCY TOTALS							
GR Dedicated Total				\$763,882	\$763,383	\$1,527,265	\$1,527,265
Agency Grand Total	\$0	\$0	\$0	\$763,882	\$763,383	\$1,527,265	
Difference, Options Total Less Target							
Agency FTE Reductions (From FY 2016 and FY 2017 Base Request)				5.2	5.2		

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: 7/28/2014

TIME: 1:02:00PM

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

7/28/2014 1:02:01PM

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Automated Budget and Evaluation System of Texas (ABEST)

476 Racing Commission

Strategy	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
1-1-1 Provide Regulatory and Enforcement Services to Racetrack Owners					
OBJECTS OF EXPENSE:					
1001 SALARIES AND WAGES	\$63,185	\$ 72,891	\$ 80,719	\$ 81,539	\$ 81,539
1002 OTHER PERSONNEL COSTS	5,462	2,894	4,030	4,071	5,592
2001 PROFESSIONAL FEES AND SERVICES	5,116	7,396	8,197	8,280	8,280
2003 CONSUMABLE SUPPLIES	2,455	3,594	3,109	3,141	3,141
2004 UTILITIES	5,075	5,598	6,693	6,761	6,761
2005 TRAVEL	1,762	2,344	3,166	3,198	3,198
2006 RENT - BUILDING	8,208	9,164	10,057	10,159	10,159
2007 RENT - MACHINE AND OTHER	139	260	170	171	171
2009 OTHER OPERATING EXPENSE	17,885	24,954	26,042	25,583	28,458
5000 CAPITAL EXPENDITURES	2,814	1,785	0	0	0
Total, Objects of Expense	\$112,101	\$130,880	\$142,183	\$142,903	\$147,299
METHOD OF FINANCING:					
597 Texas Racing Comm Acct	112,101	130,880	142,183	142,903	147,299
Total, Method of Financing	\$112,101	\$130,880	\$142,183	\$142,903	\$147,299
FULL TIME EQUIVALENT POSITIONS	1.1	1.2	1.3	1.3	1.3

Method of Allocation

7.A. Indirect Administrative and Support Costs

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Automated Budget and Evaluation System of Texas (ABEST)

476 Racing Commission

Strategy	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
1-1-1 Provide Regulatory and Enforcement Services to Racetrack Owners					

In general, the administrative and support cost have been allocated on a percentage based on a computation of FTE Counts to the specific strategy divided by the total FTE Counts of all non-administrative strategies. The resulting percentages apply to this strategy:

- FY 2013 = 9.3%
- FY 2014 = 10.4%
- FY 2015 = 11.3%
- FY 2016 = 11.4%
- FY 2017 = 11.4%

7.A. Indirect Administrative and Support Costs

7/28/2014 1:02:01PM

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Automated Budget and Evaluation System of Texas (ABEST)

476 Racing Commission

Strategy	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
1-2-1 Allocate TX Bred Funds. Estimated and Nontransferable.					
OBJECTS OF EXPENSE:					
1001 SALARIES AND WAGES	\$0	\$0	\$0	\$0	\$0
1002 OTHER PERSONNEL COSTS	0	0	0	0	0
2001 PROFESSIONAL FEES AND SERVICES	0	0	0	0	0
2003 CONSUMABLE SUPPLIES	0	0	0	0	0
2004 UTILITIES	0	0	0	0	0
2005 TRAVEL	0	0	0	0	0
2006 RENT - BUILDING	0	0	0	0	0
2007 RENT - MACHINE AND OTHER	0	0	0	0	0
2009 OTHER OPERATING EXPENSE	0	0	0	0	0
5000 CAPITAL EXPENDITURES	0	0	0	0	0
Total, Objects of Expense	\$0	\$0	\$0	\$0	\$0
METHOD OF FINANCING:					
597 Texas Racing Comm Acct	0	0	0	0	0
Total, Method of Financing	\$0	\$0	\$0	\$0	\$0
Method of Allocation					

7.A. Indirect Administrative and Support Costs

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Automated Budget and Evaluation System of Texas (ABEST)

476 Racing Commission

Strategy	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
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In general, the administrative and support cost have been allocated on a percentage based on a computation of FTE Counts to the specific strategy divided by the total FTE Counts of all non-administrative strategies. The resulting percentages apply to this strategy:

FY 2013 = 0.0%

FY 2014 = 0.0%

FY 2015 = 0.0%

FY 2016 = 0.0%

FY 2017 = 0.0%

7.A. Indirect Administrative and Support Costs

7/28/2014 1:02:01PM

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Automated Budget and Evaluation System of Texas (ABEST)

476 Racing Commission

Strategy		Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
1-3-1	Supervise the Conduct of Racing through Enforcement and Monitoring					
OBJECTS OF EXPENSE:						
1001	SALARIES AND WAGES	\$150,528	\$ 160,360	\$ 166,820	\$ 168,513	\$ 168,513
1002	OTHER PERSONNEL COSTS	13,013	6,366	8,330	8,414	11,556
2001	PROFESSIONAL FEES AND SERVICES	12,188	16,271	16,941	17,113	17,113
2003	CONSUMABLE SUPPLIES	5,849	7,906	6,426	6,491	6,491
2004	UTILITIES	12,091	12,315	13,833	13,974	13,974
2005	TRAVEL	4,198	5,156	6,543	6,609	6,609
2006	RENT - BUILDING	19,553	20,162	20,785	20,996	20,996
2007	RENT - MACHINE AND OTHER	332	573	351	354	354
2009	OTHER OPERATING EXPENSE	42,607	54,898	53,820	52,871	58,814
5000	CAPITAL EXPENDITURES	6,705	3,926	0	0	0
Total, Objects of Expense		\$267,064	\$287,933	\$293,849	\$295,335	\$304,420
METHOD OF FINANCING:						
597	Texas Racing Comm Acct	267,064	287,933	293,849	295,335	304,420
Total, Method of Financing		\$267,064	\$287,933	\$293,849	\$295,335	\$304,420
FULL TIME EQUIVALENT POSITIONS		2.6	2.7	2.8	2.8	2.8

Method of Allocation

7.A. Indirect Administrative and Support Costs

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Automated Budget and Evaluation System of Texas (ABEST)

476 Racing Commission

Strategy	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
1-3-1 Supervise the Conduct of Racing through Enforcement and Monitoring					

In general, the administrative and support cost have been allocated on a percentage based on a computation of FTE Counts to the specific strategy divided by the total FTE Counts of all non-administrative strategies. The resulting percentages apply to this strategy:

FY 2013 = 22.3%

FY 2014 = 22.9%

FY 2015 = 23.4%

FY 2016 = 23.6%

FY 2017 = 23.6%

7.A. Indirect Administrative and Support Costs

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Automated Budget and Evaluation System of Texas (ABEST)

476 Racing Commission

Strategy		Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
1-3-2	Monitor Occupational Licensee Activities					
OBJECTS OF EXPENSE:						
1001	SALARIES AND WAGES	\$66,901	\$ 58,313	\$ 66,369	\$ 59,795	\$ 59,795
1002	OTHER PERSONNEL COSTS	5,783	2,315	3,314	2,986	4,101
2001	PROFESSIONAL FEES AND SERVICES	5,417	5,917	6,740	6,072	6,072
2003	CONSUMABLE SUPPLIES	2,599	2,875	2,557	2,303	2,303
2004	UTILITIES	5,374	4,478	5,504	4,958	4,958
2005	TRAVEL	1,866	1,875	2,603	2,345	2,345
2006	RENT - BUILDING	8,690	7,332	8,269	7,450	7,450
2007	RENT - MACHINE AND OTHER	148	208	139	126	126
2009	OTHER OPERATING EXPENSE	18,937	19,963	21,412	18,761	20,869
5000	CAPITAL EXPENDITURES	2,980	1,428	0	0	0
Total, Objects of Expense		\$118,695	\$104,704	\$116,907	\$104,796	\$108,019
METHOD OF FINANCING:						
597	Texas Racing Comm Acct	118,695	104,704	116,907	104,796	108,019
Total, Method of Financing		\$118,695	\$104,704	\$116,907	\$104,796	\$108,019
FULL TIME EQUIVALENT POSITIONS		1.2	1.0	1.1	1.0	1.0

Method of Allocation

7.A. Indirect Administrative and Support Costs

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476 Racing Commission

Strategy	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
1-3-2 Monitor Occupational Licensee Activities					

In general, the administrative and support cost have been allocated on a percentage based on a computation of FTE Counts to the specific strategy divided by the total FTE Counts of all non-administrative strategies. The resulting percentages apply to this strategy:

- FY 2013 = 9.9%
- FY 2014 = 8.3%
- FY 2015 = 9.3%
- FY 2016 = 8.4%
- FY 2017 = 8.4%

7.A. Indirect Administrative and Support Costs

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Automated Budget and Evaluation System of Texas (ABEST)

476 Racing Commission

Strategy		Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
1-4-1	Inspect and Provide Emergency Care					
OBJECTS OF EXPENSE:						
1001	SALARIES AND WAGES	\$42,743	\$ 43,734	\$ 55,607	\$ 56,171	\$ 56,171
1002	OTHER PERSONNEL COSTS	3,695	1,736	2,777	2,805	3,852
2001	PROFESSIONAL FEES AND SERVICES	3,461	4,438	5,647	5,704	5,704
2003	CONSUMABLE SUPPLIES	1,661	2,156	2,142	2,164	2,164
2004	UTILITIES	3,433	3,359	4,611	4,658	4,658
2005	TRAVEL	1,192	1,406	2,181	2,203	2,203
2006	RENT - BUILDING	5,552	5,499	6,928	6,999	6,999
2007	RENT - MACHINE AND OTHER	94	156	117	118	118
2009	OTHER OPERATING EXPENSE	12,098	14,972	17,940	17,624	19,605
5000	CAPITAL EXPENDITURES	1,904	1,071	0	0	0
Total, Objects of Expense		\$75,833	\$78,527	\$97,950	\$98,446	\$101,474
METHOD OF FINANCING:						
597	Texas Racing Comm Acct	75,833	78,527	97,950	98,446	101,474
Total, Method of Financing		\$75,833	\$78,527	\$97,950	\$98,446	\$101,474
FULL TIME EQUIVALENT POSITIONS		0.7	0.7	0.9	0.9	0.9

Method of Allocation

7.A. Indirect Administrative and Support Costs

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Automated Budget and Evaluation System of Texas (ABEST)

476 Racing Commission

Strategy	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
1-4-1 Inspect and Provide Emergency Care					

In general, the administrative and support cost have been allocated on a percentage based on a computation of FTE Counts to the specific strategy divided by the total FTE Counts of all non-administrative strategies. The resulting percentages apply to this strategy:

- FY 2013 = 6.3%
- FY 2014 = 6.3%
- FY 2015 = 7.8%
- FY 2016 = 7.9%
- FY 2017 = 7.9%

7.A. Indirect Administrative and Support Costs

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Automated Budget and Evaluation System of Texas (ABEST)

476 Racing Commission

Strategy		Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
1-4-2	Administer Drug Tests					
OBJECTS OF EXPENSE:						
1001	SALARIES AND WAGES	\$92,919	\$ 78,358	\$ 77,132	\$ 77,915	\$ 77,915
1002	OTHER PERSONNEL COSTS	8,033	3,111	3,851	3,890	5,343
2001	PROFESSIONAL FEES AND SERVICES	7,524	7,951	7,833	7,912	7,912
2003	CONSUMABLE SUPPLIES	3,610	3,863	2,971	3,001	3,001
2004	UTILITIES	7,463	6,017	6,396	6,461	6,461
2005	TRAVEL	2,591	2,520	3,025	3,056	3,056
2006	RENT - BUILDING	12,070	9,852	9,610	9,708	9,708
2007	RENT - MACHINE AND OTHER	205	280	162	164	164
2009	OTHER OPERATING EXPENSE	26,301	26,825	24,884	24,446	27,193
5000	CAPITAL EXPENDITURES	4,139	1,919	0	0	0
Total, Objects of Expense		\$164,855	\$140,696	\$135,864	\$136,553	\$140,753
METHOD OF FINANCING:						
597	Texas Racing Comm Acct	164,855	140,696	135,864	136,553	140,753
Total, Method of Financing		\$164,855	\$140,696	\$135,864	\$136,553	\$140,753
FULL TIME EQUIVALENT POSITIONS		1.6	1.3	1.3	1.3	1.3

Method of Allocation

7.A. Indirect Administrative and Support Costs

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Automated Budget and Evaluation System of Texas (ABEST)

476 Racing Commission

Strategy	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
1-4-2 Administer Drug Tests					

In general, the administrative and support cost have been allocated on a percentage based on a computation of FTE Counts to the specific strategy divided by the total FTE Counts of all non-administrative strategies. The resulting percentages apply to this strategy:

- FY 2013 = 13.7%
- FY 2014 = 11.2%
- FY 2015 = 10.8%
- FY 2016 = 10.9%
- FY 2017 = 10.9%

7.A. Indirect Administrative and Support Costs

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Automated Budget and Evaluation System of Texas (ABEST)

476 Racing Commission

Strategy	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
2-1-1 Administer the Occupational Licensing Program through Enforcement					
OBJECTS OF EXPENSE:					
1001 SALARIES AND WAGES	\$130,086	\$ 140,315	\$ 127,357	\$ 128,650	\$ 128,650
1002 OTHER PERSONNEL COSTS	11,246	5,570	6,359	6,424	8,823
2001 PROFESSIONAL FEES AND SERVICES	10,533	14,237	12,933	13,065	13,065
2003 CONSUMABLE SUPPLIES	5,054	6,918	4,906	4,956	4,956
2004 UTILITIES	10,449	10,775	10,561	10,668	10,668
2005 TRAVEL	3,628	4,512	4,995	5,046	5,046
2006 RENT - BUILDING	16,898	17,642	15,868	16,029	16,029
2007 RENT - MACHINE AND OTHER	287	501	268	270	270
2009 OTHER OPERATING EXPENSE	36,821	48,036	41,088	40,364	44,901
5000 CAPITAL EXPENDITURES	5,794	3,436	0	0	0
Total, Objects of Expense	\$230,796	\$251,942	\$224,335	\$225,472	\$232,408
METHOD OF FINANCING:					
597 Texas Racing Comm Acct	230,796	251,942	224,335	225,472	232,408
Total, Method of Financing	\$230,796	\$251,942	\$224,335	\$225,472	\$232,408
FULL TIME EQUIVALENT POSITIONS	2.3	2.4	2.1	2.1	2.1

Method of Allocation

7.A. Indirect Administrative and Support Costs

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476 Racing Commission

Strategy	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
2-1-1 Administer the Occupational Licensing Program through Enforcement					

In general, the administrative and support cost have been allocated on a percentage based on a computation of FTE Counts to the specific strategy divided by the total FTE Counts of all non-administrative strategies. The resulting percentages apply to this strategy:

- FY 2013 = 19.2%
- FY 2014 = 20.1%
- FY 2015 = 17.8%
- FY 2016 = 18.0%
- FY 2017 = 18.0%

7.A. Indirect Administrative and Support Costs

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Automated Budget and Evaluation System of Texas (ABEST)

476 Racing Commission

Strategy		Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
2-1-2	Texas.gov. Estimated and Nontransferable					
OBJECTS OF EXPENSE:						
1001	SALARIES AND WAGES	\$0	\$0	\$0	\$0	\$0
1002	OTHER PERSONNEL COSTS	0	0	0	0	0
1015	PROFESSIONAL SALARIES	0	0	0	0	0
2003	CONSUMABLE SUPPLIES	0	0	0	0	0
2004	UTILITIES	0	0	0	0	0
2005	TRAVEL	0	0	0	0	0
2006	RENT - BUILDING	0	0	0	0	0
2007	RENT - MACHINE AND OTHER	0	0	0	0	0
2009	OTHER OPERATING EXPENSE	0	0	0	0	0
5000	CAPITAL EXPENDITURES	0	0	0	0	0
Total, Objects of Expense		\$0	\$0	\$0	\$0	\$0
METHOD OF FINANCING:						
597	Texas Racing Comm Acct	0	0	0	0	0
Total, Method of Financing		\$0	\$0	\$0	\$0	\$0
Method of Allocation						

7.A. Indirect Administrative and Support Costs

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Automated Budget and Evaluation System of Texas (ABEST)

476 Racing Commission

Strategy	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
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In general, the administrative and support cost have been allocated on a percentage based on a computation of FTE Counts to the specific strategy divided by the total FTE Counts of all non-administrative strategies. The resulting percentages apply to this strategy:

FY 2013 = 0.0%

FY 2014 = 0.0%

FY 2015 = 0.0%

FY 2016 = 0.0%

FY 2017 = 0.0%

7.A. Indirect Administrative and Support Costs

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476 Racing Commission

Strategy	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
3-1-1 Regulate Pari-mutuel Wagering to Maintain an Honest Racing Industry					
OBJECTS OF EXPENSE:					
1001 SALARIES AND WAGES	\$89,202	\$ 91,113	\$ 86,100	\$ 86,975	\$ 86,975
1002 OTHER PERSONNEL COSTS	7,711	3,617	4,299	4,343	5,965
2001 PROFESSIONAL FEES AND SERVICES	7,223	9,245	8,744	8,832	8,832
2003 CONSUMABLE SUPPLIES	3,466	4,492	3,317	3,350	3,350
2004 UTILITIES	7,165	6,997	7,140	7,212	7,212
2005 TRAVEL	2,488	2,930	3,377	3,411	3,411
2006 RENT - BUILDING	11,587	11,456	10,728	10,837	10,837
2007 RENT - MACHINE AND OTHER	197	326	181	183	183
2009 OTHER OPERATING EXPENSE	25,249	31,192	27,778	27,288	30,355
5000 CAPITAL EXPENDITURES	3,973	2,231	0	0	0
Total, Objects of Expense	\$158,261	\$163,599	\$151,664	\$152,431	\$157,120
METHOD OF FINANCING:					
597 Texas Racing Comm Acct	158,261	163,599	151,664	152,431	157,120
Total, Method of Financing	\$158,261	\$163,599	\$151,664	\$152,431	\$157,120
FULL TIME EQUIVALENT POSITIONS	1.6	1.5	1.4	1.4	1.4

Method of Allocation

7.A. Indirect Administrative and Support Costs

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476 Racing Commission

Strategy	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
3-1-1 Regulate Pari-mutuel Wagering to Maintain an Honest Racing Industry					

In general, the administrative and support cost have been allocated on a percentage based on a computation of FTE Counts to the specific strategy divided by the total FTE Counts of all non-administrative strategies. The resulting percentages apply to this strategy:

FY 2013 = 13.2%

FY 2014 = 13.0%

FY 2015 = 12.1%

FY 2016 = 12.2%

FY 2017 = 12.2%

7.A. Indirect Administrative and Support Costs

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476 Racing Commission

Strategy		Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
3-1-2	Conduct Wagering Compliance Inspections					
OBJECTS OF EXPENSE:						
1001	SALARIES AND WAGES	\$40,883	\$ 54,667	\$ 53,812	\$ 54,358	\$ 54,358
1002	OTHER PERSONNEL COSTS	3,534	2,170	2,687	2,714	3,727
2001	PROFESSIONAL FEES AND SERVICES	3,310	5,545	5,465	5,522	5,522
2003	CONSUMABLE SUPPLIES	1,589	2,696	2,072	2,094	2,094
2004	UTILITIES	3,283	4,197	4,462	4,508	4,508
2005	TRAVEL	1,141	1,757	2,110	2,132	2,132
2006	RENT - BUILDING	5,312	6,872	6,705	6,772	6,772
2007	RENT - MACHINE AND OTHER	90	196	112	114	114
2009	OTHER OPERATING EXPENSE	11,572	18,715	17,362	17,054	18,972
5000	CAPITAL EXPENDITURES	1,821	1,337	0	0	0
Total, Objects of Expense		\$72,535	\$98,152	\$94,787	\$95,268	\$98,199
METHOD OF FINANCING:						
597	Texas Racing Comm Acct	72,535	98,152	94,787	95,268	98,199
Total, Method of Financing		\$72,535	\$98,152	\$94,787	\$95,268	\$98,199
FULL TIME EQUIVALENT POSITIONS		0.7	1.0	0.9	1.0	1.0

Method of Allocation

7.A. Indirect Administrative and Support Costs

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476 Racing Commission

Exp 2013

Est 2014

Bud 2015

BL 2016

BL 2017

In general, the administrative and support cost have been allocated on a percentage based on a computation of FTE Counts to the specific strategy divided by the total FTE Counts of all non-administrative strategies. The resulting percentages apply to this strategy:

FY 2013 = 6.0%

FY 2014 = 7.8%

FY 2015 = 7.5%

FY 2016 = 7.6%

FY 2017 = 7.6%

7.A. Indirect Administrative and Support Costs

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476 Racing Commission

	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
GRAND TOTALS					
Objects of Expense					
1001 SALARIES AND WAGES	\$676,447	\$699,751	\$713,916	\$713,916	\$713,916
1002 OTHER PERSONNEL COSTS	\$58,477	\$27,779	\$35,647	\$35,647	\$48,959
1015 PROFESSIONAL SALARIES	\$0	\$0	\$0	\$0	\$0
2001 PROFESSIONAL FEES AND SERVICES	\$54,772	\$71,000	\$72,500	\$72,500	\$72,500
2003 CONSUMABLE SUPPLIES	\$26,283	\$34,500	\$27,500	\$27,500	\$27,500
2004 UTILITIES	\$54,333	\$53,736	\$59,200	\$59,200	\$59,200
2005 TRAVEL	\$18,866	\$22,500	\$28,000	\$28,000	\$28,000
2006 RENT - BUILDING	\$87,870	\$87,979	\$88,950	\$88,950	\$88,950
2007 RENT - MACHINE AND OTHER	\$1,492	\$2,500	\$1,500	\$1,500	\$1,500
2009 OTHER OPERATING EXPENSE	\$191,470	\$239,555	\$230,326	\$223,991	\$249,167
5000 CAPITAL EXPENDITURES	\$30,130	\$17,133	\$0	\$0	\$0
Total, Objects of Expense	\$1,200,140	\$1,256,433	\$1,257,539	\$1,251,204	\$1,289,692
Method of Financing					
597 Texas Racing Comm Acct	\$1,200,140	\$1,256,433	\$1,257,539	\$1,251,204	\$1,289,692
Total, Method of Financing	\$1,200,140	\$1,256,433	\$1,257,539	\$1,251,204	\$1,289,692
Full-Time-Equivalent Positions (FTE)	11.8	11.8	11.8	11.8	11.8

Agency code: **476**

Agency name: **Racing Commission**

Strategy	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
1-1-1	Provide Regulatory and Enforcement Services to Racetrack Owners				
OBJECTS OF EXPENSE:					
1001 SALARIES AND WAGES	\$8,499	\$0	\$23,868	\$23,868	\$23,868
1002 OTHER PERSONNEL COSTS	281	0	885	885	932
2009 OTHER OPERATING EXPENSE	61	0	264	264	264
Total, Objects of Expense	\$8,841	\$0	\$25,017	\$25,017	\$25,064
METHOD OF FINANCING:					
597 Texas Racing Comm Acct	8,841	0	25,017	25,017	25,064
Total, Method of Financing	\$8,841	\$0	\$25,017	\$25,017	\$25,064
FULL-TIME-EQUIVALENT POSITIONS (FTE):	0.2	0.0	0.5	0.5	0.5

DESCRIPTION

The administrative cost in this strategy is allocated on the FTE count of the administrative technician who provides a variety of technical-administrative duties including maintaining filing systems, preparing reports, responding to inquiries and general support work.

Agency code: 476

Agency name: **Racing Commission**

Strategy	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
1-4-1 Inspect and Provide Emergency Care					
OBJECTS OF EXPENSE:					
1001 SALARIES AND WAGES	\$35,532	\$36,132	\$37,340	\$37,340	\$37,340
1002 OTHER PERSONNEL COSTS	2,421	2,297	1,853	1,853	1,890
2009 OTHER OPERATING EXPENSE	1,226	2,184	392	392	392
Total, Objects of Expense	\$39,179	\$40,613	\$39,585	\$39,585	\$39,622
METHOD OF FINANCING:					
597 Texas Racing Comm Acct	39,179	40,613	39,585	39,585	39,622
Total, Method of Financing	\$39,179	\$40,613	\$39,585	\$39,585	\$39,622
FULL-TIME-EQUIVALENT POSITIONS (FTE):	1.0	1.0	1.0	1.0	1.0

DESCRIPTION

The administrative cost in this strategy is allocated on the FTE count of the administrative technician who provides a variety of technical-administrative duties including maintaining filing systems, preparing reports, responding to inquiries and general support work.

Agency code: 476

Agency name: **Racing Commission**

Strategy	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
3-1-2 Conduct Wagering Compliance Inspections					
OBJECTS OF EXPENSE:					
1001 SALARIES AND WAGES	\$34,164	\$34,764	\$35,473	\$35,473	\$35,473
1002 OTHER PERSONNEL COSTS	2,382	1,604	1,315	1,315	1,419
2003 CONSUMABLE SUPPLIES	0	0	246	246	246
2009 OTHER OPERATING EXPENSE	7,732	1,059	222	222	222
 Total, Objects of Expense	\$44,278	\$37,427	\$37,256	\$37,256	\$37,360
METHOD OF FINANCING:					
597 Texas Racing Comm Acct	44,278	37,427	37,256	37,256	37,360
 Total, Method of Financing	\$44,278	\$37,427	\$37,256	\$37,256	\$37,360
FULL-TIME-EQUIVALENT POSITIONS (FTE):	1.0	1.0	1.0	1.0	1.0

DESCRIPTION

The administrative cost in this strategy is allocated on the FTE count of the administrative technician who provides a variety of technical-administrative duties including maintaining filing systems, preparing reports, responding to inquiries and general support work.

Agency code: 476

Agency name: **Racing Commission**

	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
GRAND TOTALS					
Objects of Expense					
1001 SALARIES AND WAGES	\$78,195	\$70,896	\$96,681	\$96,681	\$96,681
1002 OTHER PERSONNEL COSTS	\$5,084	\$3,901	\$4,053	\$4,053	\$4,241
2003 CONSUMABLE SUPPLIES	\$0	\$0	\$246	\$246	\$246
2009 OTHER OPERATING EXPENSE	\$9,019	\$3,243	\$878	\$878	\$878
Total, Objects of Expense	\$92,298	\$78,040	\$101,858	\$101,858	\$102,046
Method of Financing					
597 Texas Racing Comm Acct	\$92,298	\$78,040	\$101,858	\$101,858	\$102,046
Total, Method of Financing	\$92,298	\$78,040	\$101,858	\$101,858	\$102,046
Full-Time-Equivalent Positions (FTE)	2.2	2.0	2.5	2.5	2.5